Environmental Report regarding assessment of the Central Baltic Programme 2021 - 2027

Anthesis

2021

Programme for European Territorial cooperation

Interreg Central Baltic 2021-2027

Environmental Assessment Report

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Anthesis

Version 29 January 2021

www.anthesis.se

NON-TECHNICAL SUMMARY

This environmental report is part of the Strategic Environmental Assessment of the Interreg Central Baltic Programme. A strategic environmental assessment is required for all Structural Funds programs in accordance with EU Directive 2001/42 / EC. The purpose of the environmental assessment is to integrate environmental aspects into the planning and decision-making of the program so that sustainable development is promoted. This is done in practice by the environmental assessment being an interactive process that adds an external assessor group's views, advice, and recommendations in parallel with the development of the programs.

The SEA process includes the following step:

A	Defining the scope of the SEA	Completed
B	Assessing the effects of the programme, preparation of the environmental report	Completed
C	Consultation of the Environmental Report	Feb 2021
D	Writing the SEA report	March 2021
E	Implementation	Starting Q3 -2021

Due to the size and complexity of the Central Baltic Programme as well as previous 2007-2013 co-operation the Central Baltic Programme has three sub-programmes: The Central Baltic, the Southern Finland – Estonia and the Archipelago and Islands sub-programme. This report concerns The Central Baltic part of the programme, and this programme has defined the following objective areas for 2021-2027:

- Business and markets (PO1)
- Environment (PO2)
- Labour market (PO4)
- Public services and solutions (ISO)

Strategic environmental assessment aims to investigate the environmental consequences of what is possible to implement within the border region. The environmental assessment will be consulted together with the proposed program so that the processes are coordinated as far as possible. The method for environmental assessments includes the steps of investigation of significant environmental impact, delimitation, analysis, preparation of environmental impact assessment, adoption, and follow-up.

For analysis of different possible scenarios, the execution of the program is compared with a zero alternative and an alternative design of the execution of the program. Within the environmental assessment of the Interreg Central Baltic Programme 2021 - 2027 Program, a zero alternative and an environmental alternative are proposed to compare the program proposal with. We have based our assessment on the draft programme version from 4th November 2020, which sets out the priorities and actions contained in the proposed operational programme.

An overall assessment points to generally positive effects on environmental goals:

Political objective	Specific objective	Environmental issues	Climate change	Ecosystems (incl. flora, fauna, biodiversity and ecosystem services)	Soil and land use	Marine environment (incl. the sea and freshwater system)	Pollution and waste (incl. chemicals)	Resource efficiency	Population and health (incl. social inclusion)
PO1 - Business and Markets	1:3 Enhancing growth and competitiveness of SMEs, including by productive investments								
PO2 - Environment	2:6 Promoting the transition to a circular economy								
	2:7 Enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution								
	2:8 Promoting sustainable multimodal urban mobility								
PO4 - Labour markets	4:1 Improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy								
Public services and solutions (ISO)	Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders								

Positive impact
Risk for negative impact
Negative impact
Hard to judge/no impact

It should be ensured that e.g. increased travel or increased transport is not done in a way that is negative for the environment, just as increased business activity do not create conflicts linked to natural environments. Development of the cross-border activities is generally considered to be positively linked to human health and well-being. The ambitions are linked to regional goals and to the Agenda 2030 goals.

Recommendations for development of the programme:

- Secure the set of requirements and criteria for project support. It is the focus of the individual projects that determines the environmental effect. The requirements should be noted in the description of the program, so that these are integrated in the support criteria. This means that the criteria must also capture consequences in the longer term than the program period.
- Prioritization of funds in the program between PO1, 2, 4 and ISO1 also has an effect on environmental goals. Even if there is quite a lot of money in the program, it should be considered whether there is time to carry out all the different activities included in the program. There are four areas with somewhat different types of actors. The opportunity to create positive effects on the environment also depends on the size of the effort and the time available. Is there enough time? Is the money enough for everything to be achieved?
- Ensure a structured and continuous follow-up of the program and its projects, to avoid negative cumulative environmental effects of the program.

CONTENT

1. Introduction

The Interreg Central Baltic Programme 2021-2027 is assumed to have a significant environmental effect and a strategic environmental assessment (SEA) will be produced for the programme. This document, environmental report, gives an analysis of how the new program can affect the environment - positively and negatively - and how environmental considerations can be optimized in the program.

1.1 The SEA Process

A strategic environmental assessment is required for all Structural Funds programs in accordance with EU Directive 2001/42 / EC. The purpose of the environmental assessment is to integrate environmental aspects into the planning and decision-making of the program so that sustainable development is promoted. This is done in practice by the environmental assessment being an interactive process that adds an external assessor group's views, advice, and recommendations in parallel with the development of the programs.

The main objective of SEA is to ensure that the environmental implications of decisions are considered before the decisions are finally made. Consultation of competent authorities and the general public is an integral part of the SEA procedure.

In this way, the environmental assessment will contribute to sustainable development and to control the implementation of the program so that negative effects are minimized, and positive effects are optimized.

The strategic environmental assessment is carried out according to the following steps:

A. Defining the scope of the SEA
• Identify geographical area, time scale and relevant environmental objectives • Identify other relevant EU plans and programmes, and state their relation to the programme • Identify reasonable alternatives to the programme • Consult authorities regarding the scope of the SEA
B. Assessing the effects of the programme, preparation of the environmental report
• Collect baseline data, including data on likely future trends • Identify significant environmental and sustainability problems addressed by the programme • Predict the effects of the programme • Evaluate the programme's effects • Propose indicators and measures to prevent, reduce or offset adverse environmental effects • Present the results of the SEA up to this point in an Environmental Report
C. Consultation of the Environmental Report
• Seek inputs from the public and authorities • The environmental report must be accessible for the public as base for the consultations with the public and the authorities with environmental responsibilities.
D. Writing the SEA report
• The report on environmental effects and the results of consultations shall be considered before the programme is adopted. • The final SEA report will show how the results of the assessment processes considered when finalising the programme
E. Implementation
• In order to determine any unforeseen adverse effects as early as possible, it is necessary to ensure that the significant environmental effects of the programme are monitored • Once the programme is final and the environmental report is adopted into the programme, the authorities with environmental responsibilities and the public shall be informed and the relevant information made available to them

The environmental report shall - as far as relevant and reasonable - identify, describe and assess the significant environmental impact that may arise for, for example, human health, biodiversity, landscape, culture, climate and material assets. This applies to both negative and positive consequences. In order for the environmental impact statement not to be unnecessarily comprehensive, the assessment is limited to the environmental consequences that can be assumed to have a significant environmental impact.

1.2 Scope of the Environmental Assessment

The purpose of defining the scope of the SEA is to concentrate the work on the environmental effects that are the most relevant for the program. Scoping concerns the geographical area and time scale for the assessment. The scope shall also propose reasonable alternatives to the proposed programme that will be assessed in the environmental report. This scope for the SEA of the Central Baltic Programme 2021-2027 has been prepared through a review of existing documentation and the draft programme.

Geographical boundary and time scale

Geographically, the environmental assessment is limited to the program area given by figure 1 – i.e. the Central Baltic Programme area. For climate impact, the environmental assessment has applied a global perspective because the climate system is a global issue.

In terms of time scale, the assessment is limited to 2030 because the Sustainable Development Goals, Agenda 2030, continue until then and that projects carried out during the program can have an impact even after the program period has ended. The climate impact is estimated for the period up to 2050 because of its global scale and mitigation often take long time before effects can be measured.

Environmental issues to be covered

The structure of the environmental assessment is set up according to the overall goals (Policy objectives and specific objectives) of the operational programme. Environmental and sustainability issues that will be predicted and evaluated are:

- Climate change
- Ecosystems (incl. flora, fauna, biodiversity and ecosystem services)
- Soil and land use
- Marine environment (incl. the sea and freshwater system, groundwater)
- Pollution and waste (incl. chemicals)
- Resource efficiency
- Population and health (incl. social inclusion)

In addition to environmental issues, the programme's consideration of relevant environmental goals will be highlighted.

The environmental objectives that are considered relevant are related to the following programmes:

- Sustainable Development Goals (Agenda 2030),
- EU sustainable development strategy
- The EU Water Framework Directive
- The European Union Strategy for the Baltic Sea Region
- The HELCOM Baltic Sea Action Plan.

1.3 Methodology

Strategic environmental assessment aims to investigate the environmental consequences of what is possible to implement within the border region. The environmental assessment will be consulted together with the proposed program so that the processes are coordinated as far as possible.

The method for environmental assessments includes the steps of investigation of significant environmental impact, scope, analysis, preparation of environmental impact assessment, adoption and follow-up.

In the work, great emphasis has been placed on capturing the major features of the program's impact and consequences. The assessment has therefore focused on the consequences of the strategic choices that are possible for the regions to influence. Many issues are of such a nature that it is better or more appropriate to handle and analyse them in future decision-making processes or through permit processes linked to the authorities of each country. The amount of detailed reasoning has therefore generally been kept to a minimum in the text.

Knowledge gathering for the environmental assessment has been done by analysing available proposals for programs, planning documents from other regional programs as well as proposals for policy areas and initiatives that are planned to be implemented during the program period. In order for the environmental report not to become unnecessarily extensive, it was limited to the environmental consequences that can be assumed to have a significant environmental impact.

Following recommendations provided by environmental authorities during consultation of the scope of the SEA process, several environmental objectives and policies were incorporated into the environmental report. The assessment has been carried out in a step-by-step process. First, the regions identified the conditions that the programs create for long-term sustainable development for the policy areas (PO) and prioritized various initiatives under specific objectives. In the next step, the environmental consequences of the programme are assessed. The consequences depend partly on the development of the regional structure (results from the first analysis, for example: where it is built, which innovations contribute to the development of business, biofuel production, how parts of the region are connected to the transport system through transport corridors, etc.), partly on the programme's other positions towards other goals and sub-goals, such as regional environmental goals and priorities according to Agenda 2030.

Finally, risk of negative and positive environmental impact associated with the implementation of the program are assessed. What measures are required for it to become a reality and what mitigations needs to be taken care of in order to avoid or minimize the negative consequences. Finally, the environmental report contains an overall assessment of the programs' contribution to sustainable development.

The assessment has been made for the policy objectives (PO)/ Interreg specific objective (ISO) and the related specific objectives (SO). The assessment has been made by marking the effects of each specific target on each environmental target in green (positive impact), yellow (risk of negative impact), red (negative impact) or no colour (no significant impact or not possible to evaluate impact). In addition, proposed initiatives have been linked to environmental effects on a scale with the same colour scale, but where a weighting of positive consequences and negative risks has been made on a scale from "+5" to "-5". Efforts can have both negative and positive effects (or risk of...), which means that it can be both green and red / yellow. More explanation can be found in the chapter "Consequences of the proposed program".

1.4 Notes on uncertainties in assessment and compilation of data

The uncertainty in the assessments lies partly in the fact that the program description has not been determined, and partly in what priorities the program will make during the implementation. Environmental effects are directly linked to the future projects that will receive funding. With regard to the Political Goals and initiatives proposed, the investment profile and action proposals will be different within the four proposed areas (PO1, 2, 4 and ISO). If you re-allocate the investment profile, the consequence will be that investments end up in other projects with other environmental effects. On the other hand, future priorities of which projects are supported are more decisive in the uncertainty in the assessment. Project prioritization is dependent on other policy goals, such as employment, which affects the choice of project - with consequent changed effect on the environment.

The assessment in this document must be seen in relation to these uncertainties, and we have therefore chosen to look at the main features of the program regarding the risk of negative effects on the environment and contributions to positive environmental effects.

2. STRUCTURE OF THE CENTRAL BALTIC PROGRAMME

2.1 Brief description of the programme

The EU Territorial Cooperation Program (Interreg) is the instrument of cohesion policy designed to address problems and challenges that transcend national boundaries and require common solutions.

The programs are funded by the European Regional Development Fund (ERDF). European territorial cooperation has been part of the EU's cohesion policy since 1990. The overarching objectives are to increase competitiveness and reduce the impact of borders in order to promote harmonized economic, social and cultural development within the Union as a whole.

Common beneficiaries within Interreg are Public authorities / organizations - local, regional and national, Universities and colleges / research institutions, Business organizations / private companies and Interest organizations / non-profit organizations

The Central Baltic Programme includes the following geographical area (See also figure 1):

ESTONIA - Kirde-Eesti, Kesk-Eesti, Põhja-Eesti, Lääne-Eesti, Lõuna-Eesti

FINLAND - Satakunta, Varsinais-Suomi, Helsinki-Uusimaa, Kymenlaakso, Pirkanmaa, Kanta-Häme, Päijät-Häme, Etelä-Karjala, Åland

LATVIA - Kurzeme, Riga, Pieriga, Vidzeme, Zemgale

SWEDEN- Gävleborg, Uppsala, Stockholm, Södermanland, Östergötland, Gotland, Västmanland, Örebro

Figure 1 The geographical area covered by the Central Baltic Programme

Due to the size and complexity of the Central Baltic Programme as well as previous 2007-2013 co-operation the Central Baltic Programme has three sub-programmes: The Central Baltic, the Southern Finland – Estonia and the Archipelago and Islands sub-programme.

Based on the European Commission's framework for the new Interreg programs, which define a number of policy objectives (PO), Interreg specific objective (ISO)) and specific objectives, the program work has focused on further developing the areas:

- Business and markets (PO1)
- Environment (PO2)
- Labour market (PO4)
- Public services and solutions (ISO)

The program proposal is summarized in the table below[1]

Policy objectives / Interreg specific objective	Specific objectives	Proposed share of financial resources.
1. Business and markets	1:3 Enhancing growth and competitiveness of SMEs, including by productive investments (a) more exports (b) more new scale-up	Not clear

[1] *According the proposed programme version of 4 November 2020*

2. Environment	2:6 Promoting the transition to a circular economy	Not clear
	2:7 Enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution	
	2:8 Promoting sustainable multimodal urban mobility	
4. Labour markets	4:1 Improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy	Not clear
Public services and solutions (ISO)	Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders	Not clear

The program will have great opportunities to help the Central Baltic Programme area solve challenges around increased innovative capacity, sustainable development, interconnected region and borderless labour market.

The PO1 activities will focus on enhancing growth and competitiveness of SMEs, including by productive investments. The Central Baltic country economies are dominated by SME's and microenterprises. There is great unused potential, but it is challenging to access to new markets and develop products. Because of the small size of the companies, it is difficult to participate to global competition where big companies dominate. The cooperation between companies is currently weak, and it would be useful and beneficial for the companies to work together for example to enter new markets. The R&D investments are rather low in small enterprises. This makes product development and other developmental tasks difficult and slows down fully using the potential.

PO2 will focus on promoting the transition to a circular economy, enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution, and promoting sustainable multimodal urban mobility. The growing importance of services in the economy reduces the demand for natural resources, and digitalisation facilitates leasing, sharing, and renting. The Baltic Sea is one of the planet's largest bodies of brackish water. Due to the special hydrographical and climatic conditions, its environment is vulnerable. The Baltic Sea is one of the most intensively shipped seas in the world, and the intensity is expected to increase in the future. Maritime transport is historically and currently an important unifying factor for the programme area.

PO4 will focus on improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy. The goal is to strengthen and improve employment opportunities on the labour market through joint efforts in the region. It includes activities towards all counterparts of the labour market (i.e. employers organisations, trade unions, governments) and all sectors where work opportunities (including part time) are available. Facilitating employment supply and demand across borders is also supported, as well as entrepreneurship development activities towards the less competitive age groups and youth.

Finally, the ISO focus on enhancing the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders. It includes all branches (also outside POs 1, 2 and 4), and levels of public administration experience exchange and learning from each other. These should lead to practical solutions and policy improvements, and/or new or improved public services. The digitalisation of public services is included. The participatory processes taking place when designing the improved solutions and services are also supported. It does not include joint curricula development within the educational systems. Projects focusing on digitalisation of public services and creating joint public services should be implemented as regular projects.

2.2 Relations to other relevant programmes and strategies

The forthcoming **regional fund programs** in the regions involved in the Central Baltic area for the 2021–2027 program period have thematic orientations that complement the Interreg program. These regional fund programs focus primarily on political goals 1 and 2. Within Central Baltic Programme, however, the focus is on cross-border regional investments, which will complement regional investments in regional programs in the countries.

Another program with some overlap is the **European Social Fund** (ESF). The possibilities that the new Interreg program will invest in skills supply in areas for smart specialization will complement the Social Fund's broader efforts for entrepreneurs and employees in small and medium-sized companies in each region. The ESF can contribute to promoting both increased social sustainability, as well as a more carbon-efficient and circular economy, where different target groups (companies, employed, unemployed or young / foreign-born) are included.

In the area of research and innovation, there is good potential to develop collaboration within several so-called missions in the new research program **Horizon Europe**, for example on climate-neutral and smart cities, as well as investments in the sea. The Central Baltic region's ambitions regarding environmental and climate issues are also well in line with the EU Commission's ambitions within the so-called **Green Deal** and **LIFE +.**

The EU Common Agricultural Policy (CAP) implements a system of agricultural subsidies and other programmes. The next programme period 2021-2027 is under negotiation and The Commission's proposals aim to foster a sustainable and competitive agricultural sector that can contribute significantly to the European Green Deal, especially regarding the farm to fork strategy and biodiversity strategy. In particular, the proposals focus on securing a fair deal and a stable economic future for farmers, setting higher ambitions for environmental and climate action and safeguarding agriculture's position at the heart of Europe's society.

The table below gives a list of EU programmes that link to the Interreg Central Baltic programme:

Links to Structural Funds programmes:	Links to other EU programmes
• Regional Development Funds • European Social Fund • Interreg Baltic Sea • Interreg Botnia-Atlantica • Interreg Nord • URBACT • Northern Periphery and Arctic • ESPON • INTERACT • Interreg Europe • Common Agricultural Policy	• Horizon Europe - EU Framework Program for Research and Innovation. • Connecting Europe Facility - The program will connect Europe's infrastructure by contributing to infrastructure investments to address missing links. • COSME - The program will strengthen the competitiveness of small and medium-sized enterprises • The Erasmus + program will promote international cooperation in education, youth and sport • LIFE - The program is the EU's financial instrument for environmental and climate action. • EASI - The program will support employment, social policy and labour market mobility within the EU. • COST - (European Cooperation in Science and Technology) is a funding organization for research and innovation networks. • The Natura 2000 network

3. RELEVANT ENVIRONMENTAL OBJECTIVES

The environmental objectives that are considered relevant for the draft programme are the Sustainable Development Goals (Agenda 2030), the EU sustainable development strategy, The European Union Strategy for the Baltic Sea Region and The HELCOM Baltic Sea Action Plan.

- Sustainable Development Goals[2] (SDG)

  Agenda 2030, with 17 global goals for sustainable development, aims to eradicate poverty and hunger, realize human rights for all, achieve equality and empowerment for all women and girls, and ensure lasting protection for the planet and its natural resources. Global goals are integrated and indivisible and balance the three dimensions of sustainable development: the economic, the social and the environmental.

- EU Sustainable Development Strategy[3] (EUSDS)

  The overall aim of the EU Sustainable Development Strategy is to identify and develop actions to enable the EU to achieve a continuous long-term improvement of quality of life through the creation of sustainable communities. The overall goals are:

  1. Limit climate change and increase the use of clean energy
  2. Address threats to public health
  3. Manage natural resources more responsibly
  4. Improve the transport system and land-use management

- The EU Water Framework Directive
  There are several objectives in respect of which the quality of water is protected. The key ones at European level are general protection of the aquatic ecology, specific protection of unique and valuable habitats, protection of drinking water resources, and protection of bathing water.

- The HELCOM Baltic Sea Action Plan (BSAP)[4]

  HELCOM's vision for the future is a healthy Baltic Sea environment with diverse biological components functioning in balance, resulting in a good ecological status and supporting a wide range of sustainable economic and social activities. The BSAP, that was adopted in 2007, is an ambitious and comprehensive regional programme of measures and action for a healthy marine environment. The overall goals are:

  1. Baltic Sea unaffected by eutrophication
  2. Favourable status of Baltic Sea biodiversity
  3. Baltic Sea undisturbed by hazardous substances
  4. Environmentally friendly maritime activities

- The European Union Strategy for the Baltic Sea Region (EUSBSR)[5]

  EUSBR is the first Macro-regional Strategy in Europe. The Strategy is an agreement to strengthen cooperation between the countries bordering the Baltic Sea in order to meet the common challenges and to benefit from common opportunities facing the region. The member states are Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland. The strategy is divided into three objectives, which represent the three key challenges, that are:

  1. Saving the sea
  2. Connecting the region
  3. Increasing prosperity

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[2] https://sdgs.un.org/goals - UN Sustainable Development Report
[3] https://ec.europa.eu/environment/sustainable-development/strategy/index_en.htm - EU Sustainable Development Strategy
[4] https://helcom.fi/baltic-sea-action-plan/ - HELCOM and the Baltic Sea Action Plan
[5] https://www.balticsea-region-strategy.eu - EU Strategy for the Baltic Sea Region

- The EU Biodiversity Strategy 2030 (EUBS)[6]

  The EU's biodiversity strategy for 2030 is a comprehensive, ambitious and long-term plan to protect nature and reverse the degradation of ecosystems. The biodiversity strategy aims to put Europe's biodiversity on the path to recovery by 2030 for the benefit of people, climate and the planet. In the post-COVID-19 context, the strategy aims to build our societies' resilience to future threats such as the impacts of climate change, forest fires, food insecurity and disease outbreaks - including by protecting wildlife and fighting illegal wildlife trade. The

Policy objectives (PO) / Interreg specific objective (ISO)	Specific objectives (SO)	Main contribution to the related objectives	Environmental risk/conflict associated with SO
PO1	1:3 Enhancing growth and competitiveness of SMEs, including by productive investments (a) more exports (b) more new scale-up	SDG 3, 8, 10 EUSBSR 3	Risk of increased CO2 emissions from transports and production. Risk of "urban sprawling" with new developments in industrial parks. Risk of increased energy consumption.
PO2	2:6 Promoting the transition to a circular economy	SDG 12 EUSDS 1, 2, 3, 4 EUSBSR 3 BSAP 3 EUBS EU Water Directive	Risk of approving production of products made of secondary materials that are based on e.g. plastic and oil, or other waste streams that rather should be phased out.
	2:7 Enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution	SDG 6, 9, 11, 15 EUSDS 3 EUSBSR 1 BSAP 1, 2, 3, 4 EUBS EU Water Directive	Risk of goal conflicts with e.g climate mitigation.
	2:8 Promoting sustainable multimodal urban mobility	SDG 9, 11, 13 EUSDS 1, 4 EUBS	If solutions are not agile, there is a risk of adapting to infrastructure solutions that are not possible to change for long time.
PO4	4:1 Improving access to employment of all jobseekers,	SDG 1, 3, 8, 11	Risk of not supporting rural areas, causing segregation.

[6] https://ec.europa.eu/environment/strategy/biodiversity-strategy-2030_sv - The EU Biodiversity Strategy 2030

	in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy	EUSDS 2 EUSBSR 3	Increased prosperity can lead to increased consumption that leads to larger environmental footprint.
ISO	Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders	SDG 4, 5, 10, 16 EUSBSR 2	Long time process, risk of "academic effects" rather than capacity building.

The defined policy objectives (and ISO) correlates strongly to important policy and programs of the region and supports the overall environmental objectives. Explicitly objectives 2.6 and 2.7 are the two SO that have the strongest bearing on improving the environmental performance and resource efficiency. By tackling those topics several other environmental issues are considered which are directly or indirectly linked to these overarching issues. Together with the other specific objectives, a sustainable development is incorporated in the Draft Programme as a common theme.

However, the linkage to combating climate change is somewhat week. This provides a recommendation to prioritise climate related issues in the realisation of activities within PO1 and PO2.

4. EXISTING ENVIRONMENTAL PROBLEMS AND TRENDS

The Baltic Sea still suffers from eutrophication. Nutrient inputs from land have decreased as a result of regionally reduced nutrient loading, but the effect of these measures has not yet been detected by the integrated status assessment. Marine litter is a clearly visible problem along the Baltic Sea coastline. It also appears under the surface and in many different size classes. Man-made chemicals and heavy metals enter the Baltic Sea via numerous sources, including wastewater treatment plants, leaching from household materials, leaching from waste deposits, and atmospheric deposition from industrial plant emissions, amongst others. Once in the Baltic Sea, they can cause various types of damage to the ecosystem. The contamination status is elevated compared to natural conditions in all parts of the Baltic Sea.

The number of species in the Baltic Sea is low compared to most other seas due to the low salinity. It is anticipated that biodiversity will show signs of improvement in the coming years, as the effects of recently implemented measures start to be seen, but continued efforts to improve the environmental status of biodiversity are of key importance.

Increased greenhouse gas emissions mean climate change, as well as for the program area, which is expected to have a warmer climate. There will also be more precipitation and shorter winters. The increased precipitation in the form of rain instead of snow affects the flows in rivers and entire catchment areas and can in itself and in combination with other changes, lead to severe floods. Climate change can also lead to e.g. changing wind strengths, wave heights and acidification. The species composition in flora and fauna will also be affected.

Regarding energy use and production, the energy intensity has decreased between 2012 and 2018 in all countries (Eurostat 2020). The EU's target is to reach 20 % of its energy from renewable sources by 2020 and at least 32 % by 2030. All involved countries have reached this goal. All of them, however, need to accelerate introduction of circular economy policies.

Maritime transport is historically and currently an important unifying factor for the programme area. The transports in the program area have in general increased. Even if transport is carried out with more energy-efficient vehicles/vessels and with alternative fuels, the increase also means an increased amount of greenhouse gases emitted. Work commuting across borders is common. In addition to changing climate, the pollutants present in the air environment lead to acidification of soil and water through acid rain. The program area includes particularly valuable areas.

The UN Sustainable Development Report is ranking countries in relation to their status in reaching the Agenda 2030. The involved countries in the Central Baltic programme are ranked as follows: Sweden number 1, Finland number 3, Estonia number 10 and Latvia number 24. Thus, all four countries are well located. Despite this, there are challenges. These are listed as:

SWEDEN

FINLAND

ESTONIA

LATVIA

Based on the images above, we can state that all countries have major challenges in most areas, and not least linked to climate change, sustainable consumption and marine and marine resources. Biodiversity is another area that is pointed out as a challenge area.

According to the draft paper "Central Baltic Regional Analysis"[7], the key challenges for the environmental activities relates to:

- High levels of solid waste produced by industry, service sectors and households combined with insufficient levels of reuse;
- CO_2 intensity of main economic sectors (especially industry, transport, energy production) causing large carbon footprint;

[7] "Central Baltic regional Analysis, Central Baltic Programme 2021-2027, 4th Draft Paper", Päivi Kukkonen, Ülari Alamets (2020)

- Existing levels and new inflows of the nutrients (N, P) to the Baltic Sea;
- Existing levels new inflows of the hazardous substances and toxins to the Baltic Sea;
- Existing levels and new inflows of marine litter, plastics (especially microplastics);
- Because of high levels of shipping on Baltic sea and port activities, the risk of oil spills at sea and on sea coast;
- Decreasing levels of biodiversity in different parts of the Central Baltic region;
- Balancing the conserving and developing aspects of natural resources in creating sustainable tourist attractions used to improve the quality of living and visiting environment and also for healthy lifestyle.
- Awareness rising for inhabitants on more sustainable lifestyles and consumption (addressing all environmental fields noted above) – reuse, improvement versus consumption.
- Sustainability of urban areas, including challenges of integrated planning of urban environments, including how to involve relevant actors (cross-sectoral cooperation);
- CO_2 capture, multilevel approach is missing - landscaping, buildings, awareness, technologies;
- Insufficient reuse of textile waste;
- Large amounts of food waste.

5. ENVIRONMENTAL IMPACT OF THE PROGRAMME

5.1 Discussion of alternatives

For analysis of different possible scenarios, the execution of the program is compared with a zero alternative and an alternative design of the execution of the program.

One purpose of developing alternatives within the framework of the environmental assessment is that strategic choices can be made and justified at an early stage, before decisions are made at project level. By developing alternatives, one can find ways to reduce or avoid that significant negative environmental impact arises as a result of the implementation of programs. The alternatives must form an important basis for consultation as well as participation and influence in the program process. A well-executed alternative management means a kind of assurance for decision-makers that no significantly better alternative has been overlooked.

Within the environmental assessment of the Interreg Central Baltic Programme 2021 - 2027 Program, a zero alternative and an environmental alternative are proposed to compare the program proposal with. The proposed program sets out the priorities and actions contained in the proposed operational program.

Zero alternative

The zero alternative describes environmental conditions and the probable development of the environment in a given future if no program is implemented. The zero option will also describe the actions and the change that can be expected to be implemented even if no new program is adopted. Under this alternative, it will be assessed how Agenda 2030 will be achieved and what it would look like for the environment 2030/2050 without the program.

Environmental alternative

The environmental alternative means that the program is implemented, but that priorities in financing and investment are made on the basis of environmental policy goals, i.e. the best possible environmental alternatives for measures and investments. This means that, for example, business policy issues may be given a lower priority. In this alternative, we will reason about how the choices affect the various environmental areas among themselves and other political goals.

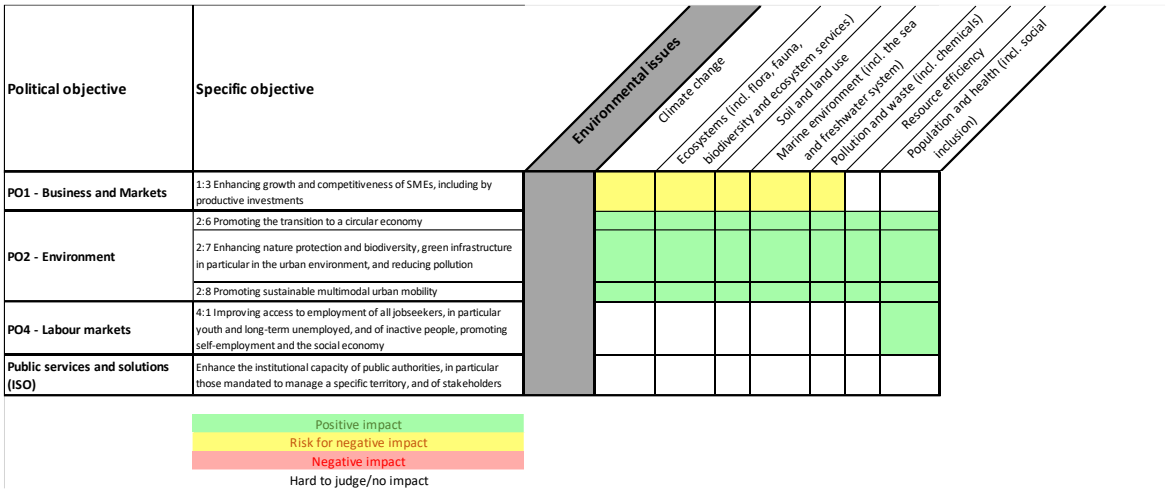
5.2 Overall environmental impact of the programme

The program will have great opportunities to contribute to new innovations, a better adaptation to climate issues, increased mobility between the three countries and a more integrated labour market in the border region. All investments can have both negative and positive effects on the environment, and this is the focus of the work with the strategic environmental assessment.

This report is based on a draft operational program from the 4th November 2020. In the table below, a summary of the impact assessment of the proposed program is made. Explanations:

GREEN: **Positive environmental impact:** The assessment is that the positive environmental effects are significantly greater than the negative environmental effects.
YELLOW: **Risk for negative environmental impact**: The assessment is that there is a risk of negative environmental effects.
RED: **Negative environmental impact**: The assessment is that the negative environmental effects are significantly greater than the positive environmental effects.
NO COLOUR: The assessment is that there is no significant impact on the environment, or, that it is not possible to assess the environmental impact due to too little data.

Overall analysis provides the following picture of the proposed program for Central Baltic 2021-2027:



Below is a more detailed analysis and comments to the assessment of each policy objective. Please note that the environmental assessment of the program does not apply to individual projects.

PO1 – Business and markets

The specific objective focus on enhancing the growth and competitiveness of SMEs, including productive investments. The key challenges in this context for the area relates to[8]:

- Central Baltic countries economies are dominated by SME-s and microenterprises
- Weak regional and local supply chains
- Unused potential in emerging but still weak regional clusters of different economic sectors
- Emerging but still fragile regional technology start-ups ecosystem
- The creation of new business start-ups is challenging, as in many sectors the "regional champions" as creators of opportunities are missing, and new companies encounter global competition immediately
- There is underexploited potential for new business development in sectors such as ICT, low-carbon solutions, silver economy, green and blue economy.
- Balancing the goals for economic development and sustainable use of resources:
- Smart specialization strategies in Central Baltic regions lack proper resources for implementation and coordination

The programme focuses on two areas: More exports by Central Baltic SMEs, and Central Baltic scale-up growth companies. The assessment of direct and indirect environmental effects is done based on the proposed indicative activities in the programme, and these are:

- Awareness raising
- Product/service development
- Developing joint offers of products and services
- Process development and digitalisation of processes
- Skills development and quality management
- Market information and market opportunity research
- Branding and marketing of products and services
- Business model development and expansion of operations
- Sales support activities on target markets: visits to target markets and buyers visits to CB region, fairs, market expert services
- Experience exchange and learning as result of joint implementation

The assessment of PO1 is given according to the definition given above regarding the colours:

		Climate change		**Ecosystems** (incl. flora, fauna, biodiversity and ecosystem services)		**Soil and land use**		**Marine environment** (incl. the sea and freshwater system)		**Pollution and waste** (incl. chemicals)		**Resource efficiency**		**Population and health** (incl. social inclusion)	
Political objective	**Specific objective**	+	-	+	-	+	-	+	-	+	-	+	-	+	-
PO1 - Business and Markets	1:3 Enhancing growth and competitiveness of SMEs, including by productive investments														

Comments to the assessment:

The activities regarding improving business growth and competitiveness are judged to have a positive impact on the climate by supporting small and medium-sized environmental technology companies *if* the companies' products and services lead to reduced climate emissions or improved climate adaptation. However, the climate effects of the program are unclear and depends on which companies and projects that will receive funding within the program. To ensure a positive climate effect, it is important to set requirements for companies at the time of application. Competence-enhancing initiatives do not directly contribute to climate impact. The challenges addressed show (see above) e.g. lack of business development in low carbon solutions and green economy and balancing the goals for economic development and

[8] *According the proposed programme version of 4 November 2020*

sustainable use of resources. If focus relates to these in the investments in this part of the programme, the environmental effects will be positive.

Historically, increased economic growth has been followed by increased greenhouse gas emissions. Strengthened competitiveness of small and medium-sized enterprises aims to increase economic growth, and there is therefore a risk that it will also lead to increased greenhouse gas emissions. Measures linked to meeting places / internships can increase travel.

Related to the aspects of activities proposed, the climate effect will primarily be indirect and after the programme period. Increased travels to ensure business collaboration could increase the emission of greenhouse gases, and criteria needs to be set to ensure environmentally sound collaboration.

Regarding ecosystems, increased industrial activities may harm an already bad situation related to biodiversity. The effects depend on the investments done. The proposed activities, however, are primarily promoting the SME developments indirectly through softer measures, and therefore a warning is set up not to impose actions that could impact on the biodiversity or any other environmental goal in the long-term (including cumulative effects), but for now we consider the impact on ecosystems limited.

If the actions of PO1 are successful, the effect may be increased establishments of industrial developments. This could, if not correctly done, have a negative effect on soil and land use. The same applies for Pollution and waste. However, combined with actions in PO2, the impact will be kept small. Again, this relates to investments done and the importance of setting good criteria in the proposal evaluation. In general, we put up a warning, but do not consider the programme to have a negative effect on soil and land use in the programme period.

The programme aims to increased cross-country collaboration and trade. The Baltic Sea is vulnerable, and it is important to ensure travels as environmentally friendly as possible. Increased activities promoting environmentally friendly activities will have a positive effect on the Baltic Sea, but again it is important to ensure the right investment by setting good criteria for receiving funding. As for this assessment, taking activities proposed into account, we do not foresee negative effects on the marine environment in the programme period.

Resource efficiency (circular economy related) will be addressed in PO2. There is no indication for including resource efficiency in the actions promoting this political objective. Maybe it should, to avoid only focusing on increased company activities and ensuring sustainable development.

Unemployment and social exclusion are both bad for the population and its health. Actions to support improved SME activities therefore has the potential to improve the Population and Health environmental objective. However, increased activities may increase air pollution and thereby deteriorating the populations' health. Again, setting the right criteria for investment is important.

PO2 – Environment

The specific objectives under PO2 focus on environment. The programme aims at three areas: Promoting the transition to circular economy, enhancing nature protection and biodiversity, green infrastructure in the urban environment, and reducing pollution, and finally Promoting sustainable multimodal urban mobility. The key challenges in this context for the area relates to[9]

- High levels of solid waste produced by industry, service sectors and households combined with insufficient levels of reuse leading to a lack of a circular economy approach
- Identifying the cross-border product value chains
- Considering the whole life cycle in the design of products and services
- Changing the consumer behaviour and increasing awareness
- Existing levels and new inflows of nutrients and hazardous substances (including plastics) to the Baltic Sea
- The risk of oil spills at sea and on the coast due to high levels of shipping in the Baltic sea

[9] *According the proposed programme version of 4 November 2020*

- Decreasing biodiversity in the Central Baltic region
- Lowering of the CO2 emissions of multimodal, complex transport systems
- Improving the access to and within the islands and archipelagos in an environmentally friendly way
- The low level of use of mobility solutions with significantly lower CO2 emissions due to economic challenges in many parts of Central Baltic region because of low population density and diverse geography
- The distance of existing North-South transport corridors from some regions and their underexploited potential
- The difficulty of developing and maintaining the East-West transport corridors due to administratively controlled transit flows and increased capacities of Russian ports
- Sustainability of urban areas, including challenges of integrated planning of urban environments, including how to involve relevant actors (cross-sectoral cooperation)
- The lack of cross-border infrastructure planning

The assessment of direct and indirect environmental effects is done base on the proposed indicative activities in the programme, and these are

- Awareness raising
- Analysis and surveys, plans, drawings, and designs
- Mapping the cross border "product life cycles/chains"
- Feasibility studies, plans and designs
- Information collection, surveys
- Trainings and skills development
- Development and implementation of methods and technologies
- Process developments and digitalisation of processes
- Planning and investing into digital solutions and processes
- Small scale investments
- Experience exchange and learning as result of joint implementation
- Joint pilot actions to reduce inflows of nutrients, toxins and hazardous substances

The assessment of PO2 is given according to the definition given above regarding the colours:

		Climate change		**Ecosystems** (incl. flora, fauna, biodiversity and ecosystem services)		**Soil and land use**		**Marine environment** (incl. the sea and freshwater system)		**Pollution and waste** (incl. chemicals)		**Resource efficiency**		**Population and health** (incl. social inclusion)	
Political objective	**Specific objective**	+	-	+	-	+	-	+	-	+	-	+	-	+	-
PO2 - Environment	2:6 Promoting the transition to a circular economy														
	2:7 Enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution														
	2:8 Promoting sustainable multimodal urban mobility														

Comments to the assessment:

The proposed programme focus on key environmental challenges in the region, and from that perspective it is clearly positive on all the environmental goals listed above.

Climate change impact will be most direct in the specific objective activities related to circular economy, but also in actions related to multimodal transports, if renewable fuels is prioritized.

The programme's efforts to develop a sustainable, climate-friendly and intelligent transport system in the region would have a direct positive impact on the climate. This would reduce greenhouse gas emissions from the transport sector. Development of multimodal transport would streamline transport systems where people have more opportunities to choose which type of transport is the best and would thus reduce dependence on passenger cars. Efforts to increase access to non-fossil fuel systems throughout the region's

geography would also have positive effects on the climate, as greenhouse gases in the air and the need for fossil fuels are reduced.

It is likely that research, technological development and innovation of more sustainable production and sustainable products would reduce negative environmental effects in the longer term. However, it is not possible to assess it at this stage when the efforts are not yet known.

Circular economy is an important part of reducing the use of society's resources and designing and producing products that have a longer lifespan, as well as managing materials and product design circularly so that valuable materials are circulated back to society. Circular economy is important to achieve climate goals but also maintain companies' competitiveness both locally and globally. Limited climate and environmental impact can be achieved through circular material flows and new business models. Bio-based products also play a major role in the circular economy. Digitalisation efforts can have positive effects through reduced resource use, for example by creating opportunities to work remotely and reduce car use. Digitalisation solutions that facilitate resource efficiency can be created for almost all conceivable activities and sectors, which contributes to reduced environmental effects on the region's energy system (incl. transport), reduced extraction of natural resources from product production and ICT facilitates sharing economy. It also contributes to reduced waste (e.g. food waste), the use of hazardous chemicals and reduced amounts of waste, which has positive environmental effects.

Multimodal and improvement of the physical existing infrastructure would reduce the need to use new land for large infrastructure. This would reduce conflicts with other landowners and nearby residents who usually do not want a large infrastructure near their home. Large infrastructure projects are also resource-intensive and therefore streamlining existing infrastructure would reduce the need for raw materials.

The key challenge in the region is the environmental goals related to the Baltic Sea, and the marine environment. The impact of the circular economy on marine environments depends on which projects receive funding from the program. A reduced climate impact also has a positive effect on marine environments, partly by using water resources in a more sustainable way, and partly by reducing more sustainable and more efficient activities the risk of water pollution. Threats to valuable marine environments, for example from heating, would also be reduced. The use of marine and freshwater resources would preserve the biodiversity of aquatic environments.

As mentioned previously, it is important to ensure good environmental-promoting criteria for the investments, as increased cross-border transports may have negative impact on the environment, especially the marine environment.

The programme activities, combined with previous political objective actions, will be positive for the population and its health.

PO4 – Labour Market

The specific objective focus on the labour market. The programme aims at improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy. The key challenges in this context for the area relates to[10]

- The mismatch of the skills available and jobs needed in labour market
- How to “translate” the competitive skills and future labour market needs into curricula and teaching processes
- Gender pay gap
- The increase in foreign labour potentially creating tensions in the societies
- Challenges in coordinating labour market services across borders for joint labour market (especially FIN-EST and LAT-EST and FIN-SWE)
- Social care responsibilities hinder the access to labour market
- Flexible forms of work are underused

[10] *According the proposed programme version of 4 November 2020*

The assessment of direct and indirect environmental effects is done base on the proposed indicative activities in the programme, and these are

- Awareness raising among target groups
- Designing and implementing trainings
- Incentives and services for employers
- Networking and dialogues between counterparts of labour market
- Digital tools for online skills development and working
- Entrepreneurship enhancing simulations and problem-solving exercises
- Mobility of participants
- Experience exchange and learning as result of joint implementation

The assessment of PO4 is given according to the definition given above regarding the colours:

		Climate change		Ecosystems (incl. flora, fauna, biodiversity and ecosystem services)		Soil and land use		Marine environment (incl. the sea and freshwater system)		Pollution and waste (incl. chemicals)		Resource efficiency		Population and health (incl. social inclusion)	
Political objective	**Specific objective**	+	-	+	-	+	-	+	-	+	-	+	-	+	-
PO4 - Labour markets	4:1 Improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy														

Comments to the assessment:

The impact on the environmental goals of this policy objective is assessed as low. This is due to the majority of the actions proposed are related to training, dialogues etc. These will only indirectly affect the environment. As mentioned above, historically, increased economic growth has been followed by increased greenhouse gas emissions. However, one should be careful to ensure the usage of digitalisation tools to avoid travelling too much, and if so, using less environmentally bad options.

Connecting actors between the regions to create long-term relations is considered positive in strengthening the labour markets and the feeling of inclusion (EU objectives). There is a certain risk that not all regions will be part of a long-term overall partnership and then they may end up outside and not take part in the coordination. It is important to ensure social inclusion and diversity issues in exchange, etc. In order to reduce the risk of negative consequences, the involvement of people in the establishment of territorial partnerships should be secured and diversity taken into account.

Covid-19 has caused many jobs to disappear and actions to ensure new jobs is important in order to create well-being among the countries' population.

ISO 1 – Public Services and Solutions

The specific objective focus on public services and solutions. The programme aims at enhancing the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders. The key challenges in this context for the area relates to[11]

- Administrative, regulatory, language and cultural barriers in public administration in general
- Obstacles stemming from different national legislations, incompatible administrative processes, or the lack of common territorial planning
- The lack of cooperation in developing and implementing smart specialisation strategies
- Cross-border transport infrastructure planning
- Underexploited physical digital infrastructure
- The digital gap (access to and capacity to use the digital resources) in societies
- Public sector's digital solutions and services lag behind of the needs of societies and the need to achieve more cost efficiency

[11] *According the proposed programme version of 4 November 2020*

- The use of existing public services and solutions should be made more widespread
- Digitalisation of industries are lagging and is especially challenging among SMEs

The assessment of direct and indirect environmental effects is done base on the proposed indicative activities in the programme, and these are

- Awareness raising
- Trainings and networking
- Feasibility studies
- Plans and designs (including strategic and land use planning)
- Improving participatory processes for developing services
- Improving public services and solutions
- Creating joint cross-border services
- Digitalising joint public services

The assessment of the Interreg specific objective is given according to the definition given above regarding the colours:

		Climate change		**Ecosystems** (incl. flora, fauna, biodiversity and ecosystem services)		**Soil and land use**		**Marine environment** (incl. the sea and freshwater system)		**Pollution and waste** (incl. chemicals)		**Resource efficiency**		**Population and health** (incl. social inclusion)	
Political objective	**Specific objective**	+	-	+	-	+	-	+	-	+	-	+	-	+	-
Public services and solutions (ISO)	Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders														

Comments to the assessment:

This objective focuses on regulatory and administrative issues to develop the region, and also obstacles related to implementation of the goals set by the other political objectives of this programme. It is important to reduce barriers related to different administrative systems between the countries.

Digital solutions will also improve the communication and may reduce environmental footprints in the region. All actions related to this part of the programme is considered positive for the environment, even though long-term effects are anticipated rather than short-term effects.

A warning related to possible increased travel to ensure cross-border collaboration and infrastructure developments.

5.3 Programme proposal compared to alternatives

Consequences of ZERO alternative

The zero alternative describes environmental conditions and the probable development of the environment in a given future if no program is implemented. The zero alternative also takes into account the measures and the change that can be expected to be implemented even if no new program is adopted.

Developing a future scenario for the region's environmental conditions without the program being implemented contains major uncertainties. There are a number of different parameters that the program does not control and that can affect development in the region in various ways, both economically, socially and environmentally.

For the region, this means that greenhouse gas emissions will not decrease to the extent required to achieve international climate goals, that water quality in the marine environment as well as in lakes and watercourses will not have a level that ensures biodiversity and human health, and that biodiversity also will continue to be depleted. Furthermore, the landscape image and the cultural environment are judged to be negatively affected by various activities. The presence of toxic substances will not fall to acceptable levels, and cities in the region will continue to have air quality problems. In the zero alternative, the region is also judged to continue to have inhabitants who experience exclusion and an uncertain social and / or economic situation.

The key environmental challenges for the involved countries are in all cases climate change related issues, but also[12] [13]:

Estonia:

- Waste recovery;
- Air pollution due to combustion;
- Coastal water status and water-protection measures.

Finland:

- Biodiversity losses due to climate change;
- Eutrophication in smaller lakes in southern Finland;
- The status of the Archipelago Sea and the Gulf of Finland.

Latvia:

- Minor overexploitation of some natural resources, e.g. forests, fish resources;
- Lack of relevant and scientifically based evaluation of species and biotopes;
- Insufficient management of particularly protected areas; and poor actions against aggressive invasive species.

Sweden:

- Nature conservation and biodiversity
- Ecological sustainability
- Marine environment
- Non-toxic environment

Looking at the Sustainable Development Report (see chapter above on “Existing environmental problems and trends”) we can conclude that challenges remain in most areas for all countries, even though they differ between the countries, but the major challenges remain in goals 12 and 13, i.e. Responsible consumption and production and Climate actions, respectively. The proposed programme for Interreg Central Baltic is clearly focusing on several of the above challenges, pointing to a clear positive effect of running the programme compared to the zero alternative.

[12] https://www.eea.europa.eu/soer/2015/countries

[13] For Sweden: Government Communication 2003/04:129, ”A Swedish Strategy for Sustainable Devlopment”

In conclusion, the Zero alternative can be summarised as follows:

Positive consequences for the Environment	A number of political decisions in each country point to initiatives that will reduce environmental effects towards the goals set for each country.
Negative consequences for the Environment	All indications are that most of the goals will not be achieved, which means that a program such as the Central Baltic program will increase the pace of implementing measures that can contribute to less negative consequences. Without programs, things go slower.

Consequences of the Environmental Alternative

One way to create an Environmental Alternative is to re-prioritize investment priorities. Program areas (PO) contribute to varying degrees to the environmental goals. If you only study the green, yellow and red markings, you will find that PO2 generally have a greater positive impact on the environmental goals compared to the other policy objectives. In the proposed program, it is still unclear what the investment profile will be.

An environmental alternative will then be to prioritize away the initiatives that have a high risk of contributing negatively to the environment. Note that this is partly a speculative reasoning, but also an input to the design of the program.

We assess e.g., the possibility of not financing any projects that contribute to increased transport without these being with renewable fuels. More focus on ICT solutions to avoid transport is another measure. That is, certain business policy goals are partly set lower in favour of environmental policy goals.

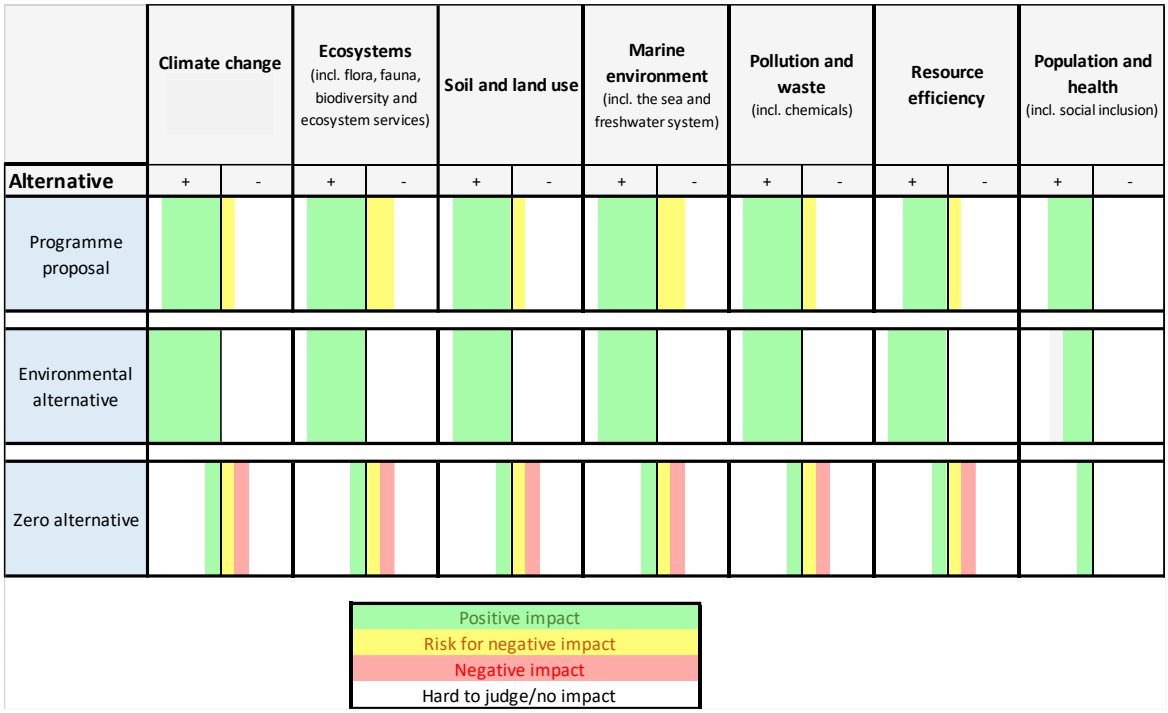
Aspects such as biodiversity are demonstrably a problem for all countries and avoiding interventions in nature that harm this can be prioritized away - either directly in the program, or through strict criteria for project support. Interventions in nature such as major infrastructural initiatives can e.g. not be selected.

Effects on the population and health are generally positive through cross-border measures, but otherwise contribute to a lesser extent to other environmental goals.

Positive consequences	Increased focus on the initiatives that contribute positively to the environment is, of course, positive for the environment.
Negative consequences	The negative consequences of this reasoning are that cross-border cooperation has an environmental policy focus, while other political goals are given lower priority.

Comparing the Alternatives with the Programme Proposal

If we compare the three alternatives: Programme proposal, Environmental alternative and Zero alternative, we come to the following visualisation:



From the figure it is clear that the Environmental alternative is considered best for the environment, which naturally should be the case. Still, it is the assessment group's view that the Environmental alternative as a whole will be less effective in the long term to contribute to the future cohesion policy within the EU and to fulfil the overall purpose of the Interreg programmes. In conclusion, taking all the objectives related to the establishment of the programme into account, such as cross-border collaboration and business development, the proposed Programme is considered to be the preferred alternative.

5.4 Cumulative and Synergetic effects

The most devastating environmental effects are not normally caused by single direct environmental effects from an individual project but by the combination of individually small effects from a number of projects. The environmental assessment therefore includes an assessment of cumulative effects. The cumulative environmental effects caused by the aggregation of past activities, ongoing activities and activities in the foreseeable future within the geographical area affected by the program are related to consequences for the aquatic environment and natural environment, with the risk of significant impact on biodiversity.

The positive and negative consequences that a cross-border collaboration would have - based on the action proposals that we have read - are described in the respective areas above.

Measures that have positive or negative effects on the climate and the aquatic environment generally have a cross-border effect. The climate effect is global and affects / benefits everyone. The geographical area is largely composed of water and sea. Efforts that improve the aquatic environment in a country contribute to positive effects in the neighbouring country; directly or indirectly.

Effects on land use, as well as effects on cultural environments, are generally linked to the places where investments take place, which makes them more regional / national than border regional.

Natural environments and ecosystem services are generally judged to be positively affected by proposed measures. Biodiversity is generally an environmental challenge for all countries, so the development of investments in initiatives that create positive feedback on this is important. This applies to aspects linked to transport corridors, increased tourism or labour travels - to take a few examples. Cross-border learning can make a positive contribution to this goal.

Increased collaboration between people in the four countries is generally positively linked to the population and environmental health. It also creates greater conditions for diversity and inclusive aspects. Cross-border measures linked to the population's health create the conditions for positive effects on related environmental goals.

5.5 Mitigation of potential negative environmental effects

The high level of abstraction of this type of programme, where projects and activities are not determined, makes it difficult to do a quantitative and detailed assessment of the potential effects from the programme. The direct negative environmental effects that can be identified relates mainly to potential resource and energy usage. Also, both activities and projects will use transportation means. Enhancing growth and competitiveness of SMEs is recommended to have a clear focus on eco-innovations, clean tech, green procurement, and circular economy to mitigate potential negative effects.

Also, future projects and activities funded by the programme must aim to ensure that no adverse effects to the important environmental objectives are supported by CBP (even if the direct impacts will occur in the long run). E.g. in some cases, energy generation from renewable sources can result in negative effects on other environmental issues if not properly planned. These potential negative effects must be considered while exchanging respective experiences and practices or while strengthening the implementation of regional programmes in these areas.

The character and the management of this kind of regional programme requires travelling of partners, representatives of member countries, and programme management. It is the overall purpose of the programme to promote prosperity while connecting the region, and to provide capacity development by interregional cooperation activities. Emission of greenhouse gases, air pollution and noise are the most significant environmental issues related to this activity. However, the use of digital meeting has been established as a new norm, that hopefully will continue in the future. It is recommended to keep using digital meetings in order to mitigate negative impact from travelling with fossil fuelled vehicles.

6. RECOMMENDATIONS FOR THE PROGRAMME

Recommendations for development of the programme:

- Secure the set of requirements and criteria for project support. It is the focus of the individual projects that determines the environmental effect. The requirements should be noted in the description of the program, so that these are integrated in the support criteria. This means that the criteria must also capture consequences in the longer term than the program period.
- Prioritization of funds in the program between PO1, 2, 4 and ISO1 also has an effect on environmental goals. Even if there is quite a lot of money in the program, it should be considered whether there is time to carry out all the different activities included in the program. There are four areas with somewhat different types of actors. The opportunity to create positive effects on the environment also depends on the size of the effort and the time available. Is there enough time? Is the money enough for everything to be achieved?
- Ensure a structured and continuous follow-up of the program and its projects, to avoid negative cumulative/synergistic environmental effects of the program.

7. PROPOSED MONITORING MEASURES

An environmental impact statement shall contain an account of the measures planned for follow-up and monitoring of the significant environmental impact that the implementation of the plan or program entails. There are also requirements to report these measures either in the decision to adopt the plan or program, or in a separate document in connection with the decision.

Follow-up and monitoring can be seen as part of the process of environmental assessment. When planning the evaluation, it is primarily the significant environmental impact that is to be monitored. How extensive

and detailed the follow-up needs to be depends, among other things, on how environmentally damaging the implementation of a plan or program can be assumed to be. In cases where the environmental assessment process has been able to contribute to a minimized environmental impact, the need for follow-up is generally less than if the plan has not been able to be adapted to avoid environmental impact. However, there is always a need to follow up and monitor any unforeseen environmental impact that the implementation of the plan or program may lead to.

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