



Kolding, 20 November 2008

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Union of Baltic Cities (UBC) has the honour of submitting its statement concerning the Baltic Sea Strategy of the European Union. The statement was adopted by the Executive Board of the UBC at its meeting in Växjö, Sweden on October 29th, 2008.

The UBC, representing 106 cities in the Baltic Sea Region, sees the strategy as a key instrument in enhancing balanced and sustainable development in the Region. We confirm our commitment to the process and our determination to work for its success. Union of Baltic Cities also assures its willingness to collaborate with the European Commission to make the Strategy successful.

We reserve the option to submit additional inputs reflecting the interests and concerns of the cities as major stakeholders in the region.

Yours cordially,

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President
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CONTRIBUTION OF THE UNION OF THE BALTIC CITIES TO THE BALTIC SEA STRATEGY OF THE EUROPEAN UNION

Union of the Baltic Cities (UBC), representing 106 cities with a total population of more than 20 million citizens in 10 countries harbouring the Baltic Sea, welcomes the declaration of the European Council in December 14, 2007 inviting the European Commission to present a Baltic Sea Strategy.

UBC also welcomes the work and initiative taken by the European Parliament and refers to its Resolution on the Baltic Sea Strategy for the Northern Dimension (2006/2171(INI)). UBC also takes note of the activities of other intergovernmental and nongovernmental bodies on the issue.

UBC stresses that the strategy should be concrete, focused and innovative. The strategy should also provide instruments of accountability: it must be accompanied by an action plan systematically endorsed and reviewed. It must include adequate instruments to exercise pressure to those who are responsible for implementation. This is a precondition for avoiding frustration caused by the failures of implementation.

Although the UBC sees the value of the approach of the Commission to work in four main themes (to improve the environmental state of the Baltic Sea Region, to make the Baltic Sea Region a more prosperous place by supporting balanced economic development across the Region; to make the Baltic Sea Region a more accessible and attractive place and to make the Baltic Sea Region a safer and more secure place) we urge that the elements must be seen interconnected. To make the Baltic Sea Area a prosperous place requires healthy environment and secure and safe conditions in rapidly changing political and economic framework.

The purpose of the Strategy is not to introduce new issues and topics for the region. Awareness of the problems and challenges of the region is high. Regionalisation has advanced in particular during the post Cold War period. Before that the Nordic Cooperation was highly developed and has maintained its dynamics in spite of great changes in the Baltic Sea Region.

The strategy should focus on providing the region with new governance that helps the region to meet its challenges and aspirations. The main focus of this statement is to contribute to that end and to point out avenues that should be explored by the Strategy and eventual Action Plan. The Strategy must bring added value to what already is accomplished in the region in order to be relevant both for the European Union and for the region.

The new governance must incorporate new actors, the interests of the civil society and incorporate the traditional vertical modes of governance to new dimensions of horizontal governance. It should

also take note of the adjacent areas of the EU in the region. UBC believes that more attention in the Strategy building should be devoted to governance issues. UBC is willing to contribute to this end.

Three foundations of the Strategy

UBC sees three basic conditions that are of special importance. For the first, the strategy must employ a holistic **ecosystem approach** to the Baltic Sea. So far much of the attention is devoted to environmental issues as such – with good reasons. Time has now come to focus on the delivery aspects: how the excellent work in the environmental sector could be taken further towards full implementation and to link to the entirety of the region. We expect that the UBC, representing actors close to the citizens, can make a contribution to that.

The ecosystem approach implies that the strategy has to contribute to strengthening of an integrated management of land, water and living resources in ways and through instruments that promote conservation and sustainable use of the ecosystem. The ecosystem approach implies that the future of a sustainable Baltic Sea must rely on a holistic view. This approach will help to reach a balance of the objectives of the Strategy. It recognizes that humans, with their cultural diversity and economic activities, are an integral component of ecosystems.

Secondly, the strategy must provide a **framework for a full use and better utilisation of existing instruments provided by the EU**. The region is for a large part a Northern periphery of Europe with peculiarities caused by this fact. The Strategy to be successful must provide flexibility and a due consideration to the distinctive needs and conditions of the region.

UBC notes that there exists of a wide range of instruments, financial and others, available for the Baltic Sea Region. Often they do not, however, take into consideration the special conditions of the region. Making better use of the existing instruments and policies of the EU should be a specific aim of the strategy.

The adoption of the Strategy takes place in an appropriate time. A new five year political cycle in the EU is in its formative phase. The new Parliament and the new Commission are in the process of adapting their working programs and shaping the agenda of the Union. **The region has apt possibilities to influence the agenda setting and endorse the key elements of the Strategy**. A necessary precondition is that the region as much as possible can speak with one voice on the issues. This requires leadership and ownership.

The strategy becomes effective also in an early period of reforms of key policy areas of the EU. Of a particular importance in the Baltic Sea region is the reform of the agricultural policy. Farming is the most important single source of eutrophication in the Baltic Sea Region but it is also a distinct element of the societies. We urge that agricultural policy instruments should be re-defined and modified for the Baltic Sea Region to take note of the particular needs of the ecosystem of the region. This means prioritising. **The strategy should lay foundation to prioritising. Priority actions should be followed by an action plan.**

Regional prioritisation is need in other policy sectors as well. For instance the structural policy instruments must be modified to meet the needs and aims of the Region. In many ways the Baltic

Sea Strategy shall be a pilot project and its success, or failure, serve as a model for other regions of Europe.

As the third basic condition for the strategy is need **for a full political commitment from the actors in the region as well as from European Union institutions**. Political commitment means leadership commitment at all levels of public authority. Member States have the main responsibility but the commitment of other actors, public and private, is needed.

The European Union has taken the initiative of launching the strategy while shaping it and its implementation depends very much of the region itself. We need leadership in the region and pro-activeness and commitment of the European Institutions in shaping the strategy. We also need a forward-looking action from the region.

The full commitment needs attention to the collaboration and interaction between the various actors as well as a careful evaluation of existing instruments and institutions. We believe that the main role in this work must be assumed by the actors in the region. It is important to note that the implementation of the Baltic Sea Strategy does not need to start from zero. The region is rich in institutions and organisations which shall and are willing to take part in the implementation.

Political commitment is not effective without accountability. Accountability means that the Strategy and Action Plan attached to it must have an ownership of the region and that it must be re-enforced during the process of implementation. **UBC proposes that the strategy implementation must include a review mechanism through which allows and necessitates regular monitoring. The strategy must be so designed that it allows appropriate approach to specific issues.**

An element of the accountability is effective use of relevant communication channels. It is evident that traditional instruments of accountability cannot be applied in the complex framework of the strategy. The complexity of governance means that traditional state-like methods of accountability are neither available nor applicable.

Instead of formal accountability instruments transparency and communication instruments should be developed and applied for the accountability. National contact posts could be established for follow-up of the strategy. At the regional level existing institutions, such as the UBC, could be assigned with functions of accountability. These measures could in particular ensure the participation of the civil society in the process and strengthen the bottom-up elements.

Cities as contributors to the Strategy

Cities occupy a central role in the Baltic Sea Governance. The role and weight of urban areas is prominent in the process of transformation in the Baltic Sea Region. Foundations for cooperation at the levels of cities are well based through various European Union programs. Cities have established active regional institutions for their cooperation already in the early 1990's. Union of the Baltic Cities is a living example of widespread cooperation. The region also hosts an intense network of twin cities. City networks at national level also serve important functions. Cities and city networks in many ways constitute a basic structure of the Baltic Sea region.

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The intensity and encouraging experiences of cooperation between the cities strongly emphasize the relevance of the bottom-up approach. **UBC therefore strongly urges the Commission that the bottom up dimension must be instituted and supported in the strategy.** The success of strategy is based on the input and involvement of the stakeholders in the region in early stages of preparation as well, and in particular, in implementation of the strategy.

The bottom-up aspect shall ensure that the interests of the region are adequately injected into the strategy. UBC notes that many of the institutions and networks created in the 1990's have lost their motivation and stamina. But on the other hand, institutions that have served their purpose for their Members and been able to adapt to new conditions create a solid foundation of the Baltic Sea regionalisation. UBC is such an institution.

The particular strength of the cities is their closeness to the citizens. Cities constitute the public authority closest to the citizens and their everyday life. Knowing that a mounting challenge of the European Union is to take the Union closer to its citizens, the cities can perform a vital link. Understanding cities and urban areas as the foundation of the Baltic Sea governance would help to establish a link between the Union and its citizens. UBC also emphasises that cities can play an important role in enhancing accountability and transparency of the strategy. Our vision is also to create a sustainable region with prosperous and gender equal cities where both women and men have equal value.

UBC emphasises that the strategy must pay attention to this dimension. Cities in the region are willing to lend their expertise and experiences to the building of the Strategy.

UBC itself has a focus on horizontal cooperation. It currently runs 13 commissions in key sectors such as Business Cooperation, Culture, Education, Energy, Environment, Gender Equality, Health&Social Affairs, Information Society, Sport, Tourism, Transportation, Urban Planning, Youth issues. These sectors are the key challenges for the Baltic Sea Region. UBC experiences show that the horizontal approach to link various policy areas is fruitful, rewarding and, first of all, possible.

Governance through coordination

What is increasingly needed is greater coordination between policy fields, networks and actors involved. There is a greater need for coordination and synchronising. This again calls for new data and new indicators that could help the advance to the next phase of region-building. The UBC stresses the importance of the horizontal dimension.

UBC stresses that the horizontal dimension must be recognized also in the coordination of European Union policy instruments of different kinds. Currently Union activities and financial instruments are diverse and sometimes contradictory. **The Baltic Sea Strategy must contribute to better coordination of EU activities and ensure that adequate coordination takes place.**

The structure of coordination must be flexible. The region hosts a great number of institutions and organizations that provide the necessary structure for coordination. **UBC is of the opinion that no new institutions are necessarily needed. The existing institutions could be furnished to the purpose of coordination. UBC is willing to take its share.**

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An example of a need for better coordination is the process towards an integrated maritime policy. The mandate of the European Council takes note of this “without prejudice to the integrated maritime policy”. For actors in the region, like cities and urban regions, linking the two major policy areas is essential. Cities are also in an advantaged but demanding position to be able to converge key elements of the two policy areas.

Increasing volume of seaborne traffic demands increasing attention to security and safety issues. This is another concern that draws the attention of the cities in the Baltic Sea Region. Safety issues are diverse. Traditional concerns in the carriage and handling of goods need continuous attention. But new issues such as for instance the critical infrastructure concerns are part of the safety and security agenda. Port cities also have to pay more attention to various forms of illegal trafficking

Implementation of the maritime policy in the Baltic Sea region is a crucial issue. Implementation must pay attention to the variety of actors involved and interested. A great number of stakeholders of the implementation of the maritime policy faces great challenges. A particular challenge is created by the fact that the implementation shall not be based on legal foundation but on project, programmes and framework decisions. This calls for extended cooperation between stakeholders at all levels.

From multilevel to multidimensional governance

The new governance in the region means that the traditional multilevel governance is complemented by an emerging horizontal dimension. The two dimensional governance is a challenge for the region. In particular the “urgent environmental challenges related to the Baltic Sea”, as referred in the mandate, have encouraged the private actors to be actively involved in parallel to traditional actors. Cities in the region have welcomed the partnership of private actors and the involvement of civil society organisation in many important environmental projects. Environmental as well as public health issues are firmly on the agenda of the UBC. UBC for instance has shown commitment to questions of environment by establishing a permanent secretariat.

UBC emphasises that new forms of governance should be introduced in the Baltic Sea Strategy. The horizontal governance shall inevitably shape the work of the existing institutions and agencies. A category of mixed agencies is likely to emerge: agencies that are basically public by nature but allow the participation of non-governmental actors in various capacities. Mixed agencies make possible the interaction between states, cities, private actors and civil societies in a single framework.

The mixture of multilevel and horizontal governance may become a vehicle in improving regional competitiveness as well. The Baltic Sea Region is a one of the fastest growing economic regions in Europe but its economic potential is not fully in use. Adequate attention to public health issues for instance is part of the economic competitiveness as well as a precondition for a working Baltic Sea wide labour market.

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External Dimension

Activities in the adjoining regions have an impact on the region. Baltic Sea activities cannot be fully realised without coordination between the Member States and the adjacent regions. There are interests of the region that are different of the wider European interests. These particular interests deserve special attention and special activities from the part of the European Union.

The Baltic Sea Strategy of the European Union shall define the borders of the Baltic Sea. This is a political choice that the strategy has to make. Should the strategy be seen strictly as an internal strategy of the European Union as the mandate of 2007 implies or should it be modified into a policy framework with a build-in mechanism of external dimension? And if, how far the external dimension reaches? These are questions that that strategy has to confront.

Territory-based definitions of the scope of the Baltic Sea Region often refer to the drainage area of rivers falling to Baltic Sea. The external dimension then should cover Russia, Ukraine and Belarus. In particular Russia, as the main “user” of the Baltic Sea, must be incorporated.

Russia - Baltic Sea region relationship is part of a wider EU-Russia connection. This in theory provides a structure for the relationship between Russia and the Baltic Sea region. However, the negotiations for a new treaty framework have been deadlocked for years. The political atmosphere for an advance of negotiations has been unfavourable. Under these conditions the Baltic Sea Region could serve as a pilot region for finding new forms of collaboration between the EU Member States and Russia.

UBC is in a key position: UBC has experiences and instruments in incorporating cities from non-EU countries. Cities can offer experiences and models for trans-boarder collaboration and coordination. We see the existing framework of contacts as a helpful instrument for the external dimension of the strategy.