

**CITIES AND PORTS
FOR SUSTAINABLE DEVELOPMENT
- A Regional View from the Baltic Sea**

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Baltic Sea Region – Dynamism and growth

I have the honour to represent in this international Conference a region which is known for its dynamism and rapid growth – namely the Baltic Sea Region. Our host city Stockholm is one of the crown jewels of this region.

The Baltic Sea Region has a long tradition of regional cooperation. The *Hanse League* – some 500 years ago – could be characterised as the first European “common market”. It linked together – under the leadership of Lübeck - cities in Northern Europe and the Baltic Sea Region, which prospered through mutually advantageous trade.

The Hanse was also an early indication of the importance of cities as engines of growth – a phenomenon so obvious today, in the age of globalisation. The Hanse League also demonstrated the interconnection between the sea and prosperity of cities.

In more recent history, our region was divided for 45 years by Cold War. During this time, regional cooperation was carried out between the Nordic countries sharing the same values and social systems, but the Cold War system prevented mutual cooperation in the Baltic Sea Region as a whole.

After fall of Cold War, Mare Dividum became rapidly a Northern Mare Nostrum, moved towards integration and cooperation.

Today, the Baltic Sea Region (BSR) is a geo-political space covering 8 EU member states – three Nordic countries Denmark, Sweden and Finland; three Baltic countries Estonia, Latvia and Lithuania; Northern parts of Poland and Germany as well as Western regions of Russia St. Petersburg and Kaliningrad and southern coastal regions of Norway.

The countries of the region have many common characteristics, but also many cleavages – not only in the present level of economic and social development. But the Baltic Sea Region is undoubtedly one of the *most dynamic regions* in Europe and internationally, a Region on the Move.

The Baltic Sea is uniting these countries and their 80 million people. It is also the gateway to North-East Europe and Russia. The economic growth is reflected in the sea traffic, which is expected to increase 40% by 2010. An important factor here is the very dynamic growth in and around Sankt Petersburg, which is a real metropolis in our region.

Baltic Sea: Ecologically unique and vulnerable

Another characteristic of our region is the unique nature and vulnerable ecological position of the Baltic Sea itself. It is one of the most burdened brackish water bodies in the world.

Its susceptibility to pollution and poisons due to shallowness and shape. The the average depth of the Baltic Sea is just 55 metres - in the Mediterranean 1450 metres. There is – due to the Straits of Denmark – also a very slow change of water masses – about 30 years. If there is an accident, we cannot expect that the oil spills are just diluted in the wider Oceans. Add to this the cold climate and ice cover, making both winter navigation and cleaning operations so much more difficult.

The Baltic Sea suffers mainly from eutrophication, as a result from agriculture and human settlements. The drainage basin is four times the surface of Baltic Sea - 14 countries and some 90 million people.

There is an acute risk of environmental disaster due to rapidly increasing oil and chemical transportation. In the Gulf of Finland, the tanker traffic is expected to reach 160 million tons by 2010 due to new facilities in the Russian territory. Narrow fairways, long, harsh winter and ice as well as human error could lead to devastating consequences.

Union of the Baltic Cities (UBC)

But before I will discuss some of the priorities in our region, let me introduce the organisations I have the pleasure to represent here.

Union of the Baltic Cities, which has its Secretariat in Gdansk (Poland), was established in 1991 as the first major sub-national BSR organisation.

Today, UBC has 106 Member Cities, covering all countries of the region

Mission of the UBC is to act as a spokesman for the member cities, to promote the region internationally, to serve as platform to meet and work together.

Our policy priorities are to promote cities' interests in European decision-making, sustainable development, democracy and participation, common identity and cooperation in BSR as well as new themes of integrated European Maritime Strategy and EU Baltic Sea Strategy

The structure is build on an bi-annual conference, board and 13 Commissions as well as a Brussels Antenna, functioning in the premises of the Stockholm Region.

We have close cooperation with other regional organisations like CBSS (states), BSSSC (regions), Baltic Sea Commission (regions), B 7 (islands), Baltic Ports Organisation etc.

City of Turku – European Capital of Culture 2011

My own city, Turku, is just some hundred kilometres across the Sea – over the Scandinavian Archipelago which can rightly be called the most wonderful archipelago in the world, with its tens of thousands of islands. It served as the capital of Finland – and one of Swedens most important cities, under centuries of common history. Turku is also Finland's oldest town – since 1229 – and still going strong: a dynamic, versatile and innovative economic region of about 300 000 inhabitants. It has been nominated the European Capital of Culture in 2011 – together with Tallinn.

We have about 35 000 university-level students in three science universities – one of which is Swedish-speaking - and Finland's biggest University of Applied Sciences

Turku is also the maritime capital of Finland: We coordinate the national maritime cluster, which in South-West Finland alone has an annual turnover of some 4 billion €, giving work to 17 000 persons.

It is also one of Finland's busiest ports and the Headquarters of Finnish Navy since this year.

Many of you may not know, that Turku is also the birth-place of the biggest and most luxurious cruise vessels in the world: After Adventure of the Seas, now under construction is the Oasis of the Seas and its sister ship. They are huge: 360 meter long, 220 000 GRT and take 5400 passengers. With crew, these are floating cities of some 8-9000 people, and provide also a great challenge for ports and port cities!

New Integrated European Maritime Policy

One of the UBC priorities today is the Integrated European Maritime Policy, which the EU leaders adopted last December.

It is of great importance for Europe. Almost 90% of EU:s external trade and over 40% of internal trade carried by seas; maritime sector alone employs some 5 million people.

It also experiences rapid growth: Cruise shipping is growing at 11% per annum, container movement is expected to treble by 2020 and Europe's shipbuilding is largest in the world.

For the implementation of Lisbon and Gothenburg strategies, it is obviously crucial to tap full potential of the seas and ensure their healthy status.

Here, one size does not fit all: There is a need for regional implementation of the Maritime Policy. In the BSR, this should proceed in tandem with the EU's Baltic Sea Strategy, now under preparation.

Maritime Policy: Baltic Sea Region priorities

The Integrated Maritime Policy is of special importance for our region, which is linked together by the Baltic Sea and occupies a significant economic and strategic position in Northern Europe

We think that the Baltic Sea must be recognised as a separate sea with distinct characteristics, equal in importance to the Mediterranean – and treated accordingly.

The dynamic development in adjacent regions, Norway and especially North-West Russia (St. Petersburg) has also great significance for the BSR. Russia has to be engaged in Maritime Policy development. UBC and its members can offer their services in this respect. The new Centrum Balticum think tank (www.centrumbalticum.org) is already active in this field.

Maritime governance implies by nature a multilevel governance – European and national levels must be complemented by regional and local level. Policy implementation must – to be effective – be based on the division of labour and follow the logic of subsidiarity.

In addition to the issues of governance, the UBC sees as its priorities the development of multisectoral clusters and regional centres of maritime excellence and fostering of international co-operation between the regional clusters in BSR

We must ensure that European shipbuilding and other maritime sectors are competitive – and that the know-how and working places stay in our countries!

We have to ensure competitiveness of maritime transport, remove bottlenecks in shortsea shipping and logistics and create a Common European Maritime Space without Barriers (customs)

Need to ensure parallel expansion of both cities and ports

The role of cities as engines of growth and innovation increases due to globalisation – and so does their attractiveness. Just look around here in Stockholm – how the city has developed during recent years! It also reflects the increasing attractiveness of maritime regions in general, which already generate over 40% of Europe's GDP.

Much of this is based on the growing role of coastal cities as nodes of logistical chains. We have to promote a knowledge and innovation base for the maritime policy and increase further the attractiveness of Maritime Europe. Public support is also important. We could increase understanding by celebrating 20 May as the Day of Maritime Europe in a big way.

And let us remember, that sustainability and clean maritime environment are preconditions for many sea-linked economic activities. More attention should be paid to the relationship between sustainability and economic activities!

I already mentioned the new EU Baltic Sea Strategy – to be presented under Swedish EU Presidency in 2009. This could be of decisive importance for the whole region and its development as one of the emerging mega-regions of Europe. We think this strategy must be developed in parallel and in tandem with the European Maritime Strategy.

The European Commission stresses a bottom-up approach in the Strategy preparations. The first

stakeholder conference will be here in Stockholm 30 September, the second one in Rostock in January 2009. We all Europeans here – and our reference groups – must prepare for these.

Some examples of UBC and Member City initiatives

The main work of the UBC takes place in 13 Commissions. The biggest and maybe most experiences of these is the UBC Environment and Sustainable Development Secretariat based in Turku. It is the working place of some 15-20 international experts, financed by practical, action-oriented projects.

Of special interest here may be the New Hansa of Sustainable Ports and Cities –project (2003-2005), a joint project of 18 ports, cities and other partners from all sides of the Baltic Sea. It aimed at supporting creation of ecologically, socially and economically sustainable ports in BSR and resulted in a Memorandum of Understanding on Sustainable Port and Maritime Policy for the BSR (www.newhansa.net).

The next step is under preparation. It is called SPICES – Supporting Port Innovations and Cities Enhancing Sustainability, with some 30 partners and associated partners including cities, ports, HEL-COM, ship owners and their associations as well as Port Associations.

Joint responsibility: Saving the Baltic Sea

I already noted the alarming state of the Baltic Sea. It is encouraging, that this has – finally - led to a public awakening and practical actions.

Prominent new actors for the Baltic Sea include business-based “capitalist philanthropists” , including Björn Carlson’s Baltic Sea 2020 Foundation and the John Nurminen Foundation. These have carried out, or are in process of preparing, water treatment projects in St. Petersburg, Poland and elsewhere.

Another initiative which has received much positive publicity is the Challenge of the Cities of Turku and Helsinki to improve the state of the Baltic Sea. It was launched by their mayors in June, 2007

These cities committed themselves to a broad variety of voluntary actions beyond statutory obligations and made a challenge to other actors (cities, ports, shipowners, universities, companies etc) to make their own commitments/plans of action.

The Helsinki – Turku Challenge has already received very positive – even enthusiastic – response. Over 110 organisations have already responded positively, many others intend to do so.

We have received support from the UBC and BaltMet City networks and major cities like Stockholm, Tallinn, Riga already responded. An international Steering Group with two cities from each country in the BSR is being set up.

Of hundreds of examples of concrete action and measures in the spirit of the Challenge I would like to mention a few:

The City and Port of Helsinki has (12.6.08) decided, that Cruise ships can now leave waste water without additional cost to the harbour.

The Port of Turku and the Finnish Port Association are developing joint projects between industry and authorities for defining solutions and good practises in dredging and dredged material management, use of contaminated sediments in site filling, joint deposit sites etc. This could be very valuable, as many of these issues are very sensitive to the public, too.

A new emission calculation model of harbours is also construed. It helps to indentify, and plan remedies, for problems which often can lead to friction in big port cities.

The Port of Kotka is developing innovative construction of port extension, using waste materials (tyres)

which are cheaper and more eco-friendly than using concrete.

We have to clean the Baltic Sea and preserve its unique environment.

This is the imperative for the nature and for future prosperity of people.

The choice is ours - Now is the time to act!

Thank you for your attention!

www.ubc.net

www.turku.fi

www.balticseachallenge.net