



Programme Evaluation Report

Baltic Sea City Accelerator
Pilot Programme (2015-2017)

EXECUTIVE SUMMARY

INTRODUCTION AND PURPOSE OF THE REPORT

This report provides a review of the pilot edition of the Baltic Sea City Accelerator, a programme initiated by Race For The Baltic Foundation between 2015-2017.

The purpose of the Baltic Sea City Accelerator was to accelerate local action to clean up waters and spur local economic growth. The aim of this report is to review the outcomes and learnings of the programme, including the challenges cities face, and to capture recommendations for developing and scaling up the next edition of the programme, which is planned for 2018. Further, this report aims to provide insights for authorities and decision makers, as well as for cities that would like to take a leadership position on Baltic Sea issues.

The content of this report is largely a synthesis of the results from a stakeholder review of the Baltic Sea City Accelerator, commissioned by Race For The Baltic and conducted by an independent consultant, Erica Landin-Löfving from Granat Stockholm AB. The report also draws on learnings from internal workshops and feedback from the Race For The Baltic team. For more information about the full stakeholder review, please contact Race For The Baltic (info@raceforthebaltic.com).

PROGRAMME INTRODUCTION: BACKGROUND, AIMS & ACTIVITIES

The pilot edition of the Baltic Sea City Accelerator (BSCA) was launched at the end of 2015, and ran through June 2017. The BSCA aimed to bring stakeholders from various sectors together to collaborate and co-develop sustainable solutions to improve the state of the Baltic Sea and develop new opportunities for local sustainable economic development. The BSCA pilot programme included seven cities from four countries around the Baltic

Sea. The cities participated in the programme to increase their understanding of local social and economic opportunities that could be gained from implementing measures that address eutrophication and pollution of the Baltic Sea. In this process, Race For The Baltic engaged partners, including technology providers, service providers, consultants, academic experts and other organisations working on Baltic Sea initiatives.

The overarching goal for the Baltic Sea City Accelerator pilot programme was to “to collaborate across borders and put the Baltic Sea region on the map as a leading example for innovative water and wastewater management for the world to follow.” To achieve this goal and the programmes’ objectives, key activities included innovation labs, peer-to-peer workshops with municipalities, city visits and interviews, tailored advising for cities as they developed local Baltic Sea Action Plans, and international exposure and events.

PROGRAMME EVALUATION

Key achievements of the programme include:

- ▶ All 7 municipalities delivered city missions and visions for restoring local waters
- ▶ All 7 municipalities identified actions to improve local waters
- ▶ 4 municipalities developed local Baltic Sea Action plans, politically anchored
- ▶ Brought together municipalities with industry and academia
- ▶ Created an active international network between municipalities
- ▶ All stakeholders are now acting as ambassadors for improving the Baltic Sea

- ▶ Two municipalities are key partners in research projects funded by the Swedish Institute and EU, and led by BSCA partners Stockholm Environment Institute (SEI) and Stockholm International Water Institute (SIWI)

In particular, specific outcomes for the participating municipalities include:

- ▶ A source-to-sea perspective learnt and applied
- ▶ Information and solutions shared across the Baltic Sea Region
- ▶ Cross departmental engagement within cities
- ▶ Increased understanding of Baltic Sea issues
- ▶ Business lens applied to identify and calculate cross-benefits of water investments

Key learnings from the programme evaluation suggest that there is a need for a platform within the BSCA structure that supports municipalities and solution providers to go to action on solution implementation. Furthermore, there is a need for increased clarity around programme structure, public-private collaboration and clearer milestones for municipalities within the programme. Feedback from participants highlight very favourable impressions of the programme. All municipalities are positive to the programme and look forward to acting as ambassadors for the programme going forward. The interviewed partners were all hoping to continue collaborating with future rounds of the BSCA and saw clear potential for impact from the programme.

KEY RECOMMENDATIONS AND CONCLUSIONS

Based on the above findings, this report suggests 7 key recommendations for the future Accelerator programme:

1. Ensure a cross-departmental team from each municipality is engaged
2. Develop a platform for action to accelerate solutions
3. Define more clearly the programme's structure, content, and terms of engagement between the participants (e.g. cities and solution providers)
4. Engage a broader range of municipalities
5. Develop a more extensive partner platform
6. Provide additional support around financing projects
7. Develop a digital knowledge-sharing and communication platform for participants

To conclude, the BSCA is considered to be a unique programme to restore the environmental health of the Baltic Sea and support a prosperous Baltic Sea Region. By focusing on municipal action and applying a strategic business lens to identify local water investments, the BSCA has real potential for impact. Furthermore, with a large number of engaged, motivated cities having a clear understanding of their individual issues and opportunities in regards to the Baltic Sea, Race For The Baltic has a unique position to raise issues and share knowledge on a national and international level.

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List of Abbreviations

| Abbreviation | Explanation |
|--------------|---|
| BSAP | Baltic Sea Action Plan |
| BSCA | Baltic Sea City Accelerator |
| EUSBSR | EU Strategy for the Baltic Sea Region |
| HELCOM | Helsinki Commission |
| SIWI | Stockholm International Water Institute |
| SLU | Swedish University of Agricultural Sciences |
| SEI | Stockholm Environment Institute |

PART 1: INTRODUCTION

INTRODUCTION AND PURPOSE OF THE REPORT

This report provides a review of the pilot edition of the Baltic Sea City Accelerator, a programme initiated by Race For The Baltic Foundation. Race For The Baltic is a non-profit foundation initiated by Zennström Philanthropies working to convene leaders from government, industry, NGOs and academia to restore the Baltic Sea environment and support the long-term economic viability of the region.

The purpose of the Baltic Sea City Accelerator pilot programme is to accelerate local strategic action to clean up waters and spur local economic growth. The aim of this report is to review the outcomes and key learnings from the programme, identify gaps, capture insights that could support future policy considerations, and finally, generate key recommendations for a scale up plan.

The report draws on content from a qualitative stakeholder review of the programme conducted by an independent consultant, Erica Landin-Löfving from Granat Stockholm AB, as well as internal feedback from Race For The Baltic.

This report aims to provide valuable information for authorities and decision makers, as well as for cities that would like to take a leadership position on addressing Baltic Sea issues. It will also allow for the expansion of the current programme, which is planning to launch later in 2018.

THE BALTIC SEA CITY ACCELERATOR PILOT PROGRAMME

Programme introduction

Race For The Baltic developed the “Baltic Sea City Accelerator” pilot programme in collaboration with other partners from the science and business

sector, with the aim to bring Baltic Sea Region municipalities together in joint action for a clean Baltic Sea. The main acceleration steps included: developing a vision, identifying pollution sources and possible nutrient reduction measures, and putting together a strategic plan of action. At the same time, the programme aimed to create a platform for cooperation around knowledge, innovation, solution development, and financing.

The impetus for the programme was based on the findings of a report by The Boston Consulting Group (commissioned by Zennström Philanthropies), to better understand the multiple benefits a municipality can capture by addressing eutrophication and restoring the waters in the Baltic Sea region, as well as guidance on how to navigate and prioritise among the many proven measures¹. The report showed the potential for job growth and financial benefits, but also that approximately 25% of the 1,500 municipalities in the Baltic Sea catchment area were unaware of the critical status of the Baltic Sea and 45% were aware of the problem but lacked resources and engagement to implement measures other than the legal minimum.

The focus of the environmental aspects of the programme was eutrophication, i.e. the excess of nutrients that causes algae blooms and dead zones in the Baltic Sea. Through conferences and workshops (Idea Labs, Innovation Labs, Peer-to-Peer Workshops and Interviews), as well as through monthly video conferences and hands-on consulting, the pioneering municipalities were guided along a process to develop a vision and local Baltic Sea Action Plan for their municipality. The programme engaged experts and included partnerships with a range of organisations and companies to create a multidisciplinary, cross-sector platform for innovation and acceleration.

¹S. Dahlgren, N. Källström, F. Lind, M. Morin, T. Mrozowski, T. Seppä, M. Wallin. Restoring Waters in the Baltic Sea Region; A Strategy for Municipalities and Local Governments to Capture Economic and Environmental Benefits. (The Boston Consulting Group, February 2015).

Baltic Sea City Accelerator pilot programme at a glance

- ▶ 7 municipalities, 4 countries
- ▶ 20+ partners from science, business and NGOs
- ▶ 18-month innovation journey, from December 2015 - June 2017
- ▶ Brought together over 50 individuals from science, business, solution providers with municipalities as key stakeholders
- ▶ Basis for proof-of-concept evaluation and scale-up plan

The Baltic Sea City Accelerator pilot programme launched at the end of 2015 with seven local governments from four different countries:

- ▶ Mariehamn, Finland
- ▶ Panevėžys, Lithuania
- ▶ Słupsk, Poland
- ▶ Vaxholm, Sweden
- ▶ Värmdö, Sweden
- ▶ Västervik and Kalmar, representing Kalmarsundskommissionen



BSCA Partners:

Business/Finance

- ▶ Baltic Sea Project
- ▶ The Boston Consulting Group
- ▶ Ecofiltration
- ▶ Ecoloop
- ▶ European Investment Bank
- ▶ GE Water (now Suez Water Technologies & Solutions)
- ▶ Global Utmaning
- ▶ Louis Berger
- ▶ Mannheimer Swartling Advokatbyrå
- ▶ Ålandsbanken
- ▶ Nordic Investment Bank
- ▶ Ramboll

Science

- ▶ Baltic Sea Centre, Stockholm University
- ▶ IVL Swedish Environmental Research Institute
- ▶ Stockholm International Water Institute (SIWI)
- ▶ Swedish University of Agricultural Sciences (SLU)
- ▶ Stockholm Environment Institute (SEI)

Government & Agencies

- ▶ Swedish Institute
- ▶ Swedish Agency for Marine and Water Management

NGOs/Associations

- ▶ The Action Platform for Source-to-Sea Management (S2S Platform)
- ▶ The Baltic Sea Challenge
- ▶ The International Seakeepers Society (USA)
- ▶ Union of Baltic Sea Cities Sustainable Cities
- ▶ Commission
- ▶ The Water Alliance (Brazil)

AIM, OBJECTIVES & ACTIVITIES

Aim & objectives

The overarching goal for the Baltic Sea City Accelerator pilot programme was: *“To collaborate across borders and put the Baltic Sea region on the map as a leading example for innovative water and wastewater management for the world to follow.”*

The short term aims of the BSCA were to:

- ▶ Accelerate a core group of municipalities to move up the ladder in terms of their ambition with Baltic Sea actions (according to the BCG ladder)
- ▶ Support municipalities in creating an investment plan for at least one core project where they identify the economic benefits of that investment

Programme Objectives:

- ▶ To increase demand for solutions, technologies and projects that reduce nutrients entering the Baltic Sea
- ▶ To strengthen the partnership between solutions providers and engage with non-traditional private sector actors to identify roles
- ▶ To work to identify and package investment opportunities that lead to a healthier Baltic Sea
- ▶ To spark an interest from entrepreneurs and innovators to innovate new solutions and technology
- ▶ To work with international water bodies to share best practices and knowledge / showcase our success / be an international example
- ▶ To develop top-in-class examples of “future” blue city² leaders

Activities

To achieve the programme objectives, the BSCA comprised a range of innovative activities and events that brought together business, science and municipalities.

1. Idea Lab, Stockholm, December 2015, Programme Launch

At this conference, the municipalities and solutions providers, academia, research institutions, government agencies and funders met and engaged in facilitated discussions focusing on identifying local economic and social benefits to be gained through addressing environmental challenges of the Baltic Sea.

As a follow-up to this event, each participating municipality signed a “Commitment Letter” confirming their engagement and dedication to achieving the goals of the programme.

2. City interviews and City Visits, April-June 2016

City interviews and city visits were conducted in collaboration with programme partners to help the municipalities identify their starting points regarding water and nutrient pollution challenges.

3. Two Innovation Labs and two Peer-to-Peer workshops, Stockholm, April 2016 - April 2017

During the 18 month programme, municipalities, solution providers and science partners convened under the leadership of the BSCA project team. The two-day Innovation Labs involved partners and included inspiration and innovation around specific projects brought forth by the cities. The Peer-to-Peer Workshops focused on hands-on, individual support for the municipalities on their Local Baltic Sea Action Plans.

4. International exposure and knowledge sharing events

The programme aimed to connect municipalities to international frameworks, stakeholders and events. This was achieved by:

- a. Bringing cities to the EU Strategy for the Baltic Sea Region (EUSBSR) Conference in Stockholm, November 2016

²Criteria not yet defined for Blue City Leaders

- b. Presenting the municipalities' work to the European Commission and the governments of Sweden and Russia, to participants at the United Nations Ocean Conference and European Maritime Day (UK), and at a number of other high level events including the Connecting and Protecting Our Seas conference in Monaco
- c. Inviting representatives from HELCOM to present the Baltic Sea Action Plan and outline how municipalities can help achieve pollution reduction targets
- d. Involving representatives from the US EPA Chesapeake Bay Program in discussions about implementation and the integration of science in multi-partner decision-making
- e. Hosting a BSCA information stand at the Baltic Sea Future Congress in Stockholm in March 2017, offering the municipalities an opportunity to share their work and participate as featured speakers

5. Tailored City Advising

Hands-on coaching and tailored city advising was provided throughout the programme to support the cities with the development of their Local Baltic Sea Action Plans. The BSCA project team also supported on specific projects when possible. This included:

- a. Individual coaching for cities on nutrient measuring
- b. Partner review board for local BSAP drafts

6. Final Ceremony, Stockholm, June 2017

Achievements of the municipalities and contributions by the partners were shared and recognised. Commitment and local nutrient reduction measures were delivered to Baltic Sea Challenge and presented to national representatives and HELCOM secretary. Further, in connection with the conclusion of the programme, the municipalities received support in the form of a communications toolkit and coaching on how to share their work and achievements.

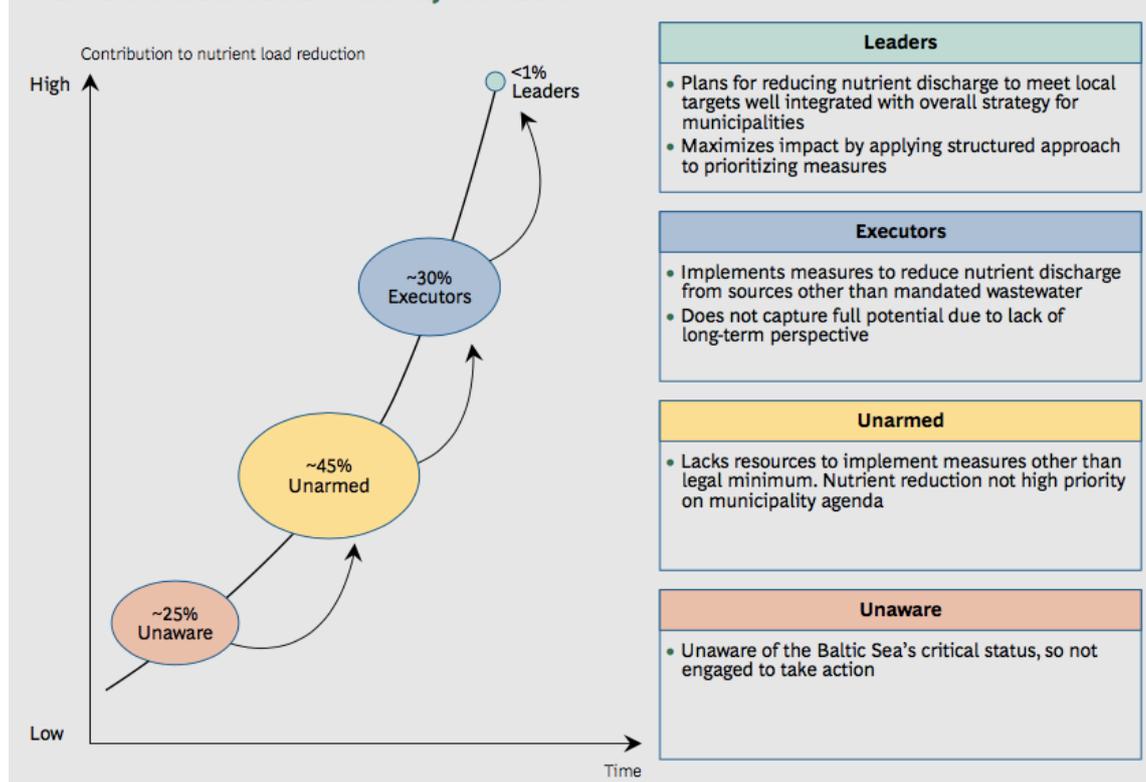
PART 2: PROGRAMME EVALUATION

MAIN ACHIEVEMENTS

The Baltic Sea City Accelerator pilot programme achieved the following outcomes:

- ▶ All 7 municipalities delivered city missions and visions for restoring local waters
- ▶ All 7 municipalities identified actions to improve local waters
- ▶ 4 municipalities developed local Baltic Sea Action Plans, politically anchored
- ▶ Brought together municipalities with industry and academia
- ▶ Created an active international network between municipalities
- ▶ All stakeholders in the programme raised their level of understanding and engagement in Baltic Sea issues, climbing up the leadership ladder despite having vastly different starting points and challenges (see Exhibit 4³)
- ▶ All stakeholders are now acting as ambassadors for improving the Baltic Sea
- ▶ All municipalities have been involved in research projects led by BSCA partners SIWI and SEI, funded by Svenska Institutet and the EU, respectively
- ▶ A number of projects/collaborations identified and now initiated outside the scope of the programme

EXHIBIT 4 | Two-thirds of Municipalities Unaware of Baltic Sea's Critical Status or Have Insufficient Resources to Effectively Address it



³Restoring Waters in the Baltic Sea Region, A strategy for municipalities and local governments to capture economic and environmental benefits, The Boston Consulting Group, February 2015.

- 150+ clean water initiatives identified worth €15,7 million
- Pilot projects backed by over €5 million in funding
- 7 Municipalities committed to HELCOM nutrient reduction targets
- 20+ partners from business, science, finance and NGOs engaged
- 2 funded research projects between BSCA cities and BSCA research partners

5 KEY OUTCOMES FOR BSCA MUNICIPALITIES

1. Sharing information and ideas across the Baltic Sea Region
2. Business lens applied to calculate cost-benefits of investing in water
3. Increased understanding of Baltic Sea Environmental Issues
4. Cross-departmental engagement within cities
5. A source-to-sea perspective learnt and applied

1. Sharing information and ideas across the Baltic Sea Region

Peer-to-peer learning between the cities was a key achievement of the programme, with clear results. Some key highlights of peer-to-peer city learning are:

- ▶ Słupsk Municipality (Poland) took inspiration from the Swedish use of Water Boards and Water Councils, and held the first ever Polish Water Board. By convening all water stakeholders in the region of Słupsk, the City, Water Company, other municipalities in the Słupia River Basin and National Park authorities met together for the first time. Meetings are now held bi-annually by the Słupia River Basin stakeholders.

“A lot of Swedish experience on democracy participation, equality and diversity are really inspiring and we try to use some of the Scandinavian experience. The Water Boards are a promising way to show that it is up to all of us to deliver, not just the government. Every citizen is a part of the solution,” Dariusz Szwed, Słupsk.

- ▶ Kalmar and Västervik Municipalities shared their experiences in nutrient monitoring and how to successfully work across municipal boundaries in the Kalmar Sounds Commission.

2. Business lens applied to calculate cost-benefits of investing in water

Applying a business lens to local water challenges and solutions was a new and effective approach for municipalities. Understanding problems of Baltic Sea eutrophication through a business lens - more specifically the cost of excess nutrient runoff and what can be gained in jobs, tourism, image and overall economic impact by dealing with the problem - is a unique feature of the BSCA.

Whilst not all participants were able to apply this lens to their work due to resource and capacity limitations, those municipalities that had the capacity to do so found it to be a useful and innovative approach. These municipalities were able to collect relevant information, calculate costs and financial gains of specific actions, and then present findings to relevant stakeholders and decision-makers on local measures.

“The analysis in the process helped us to make our political aim clear and specific, with financial calculations and specific actions identified,” Karin Löffström, Kalmar

“We learned how to think in this kind of process, how to develop steering documents, how to involve politicians and management in a productive way. I believe the BSCA will have impact on the Baltic Sea as it expands, it has started a new way of thinking that will be productive over time,” Mia Sklenar, Vaxholm.

3. Increased understanding of Baltic Sea Environmental Issues

Municipalities strengthened their understanding of local water challenges, and their connection to Baltic Sea issues. The clear outcome from increased knowledge is that the participating municipalities are now in a stronger position to present Baltic Sea issues locally and regionally. This has also had a strong result in inland cities, including Panevėžys, Lithuania, and Słupsk, Poland.

“It was particularly useful for us to have visits from Swedish experts, it helped us explain the issues to our politicians. Nutrients was a new concept for us, only the environmental experts knew about it but they did not have a deep understanding of the economical aspects or possibilities. Now we can educate the community and promote it among politicians, creating a feeling of responsibility,” Dalia Gurskienė, Panevėžys, Lithuania

4. Cross-departmental engagement within cities

The process that cities followed to develop local Baltic Sea Action Plans facilitated interaction within and across local government departments and local water companies. The process of developing a local strategy bridged gaps between departments, leading to a shared vision of their future city and broader consensus on how to get there. Whilst this proved challenging for some cities in the programme, the cross-departmental way of working required by the BSCA programme, resulted in multiple departments working together on local water challenges within a municipality.

“BSCA gave us legitimacy to work with a broader perspective, we now have a well thought-out strategy with goals and specific action points in a clear framework,” Gun Lindberg, Västervik

“You HAVE to work across departments and sectors, not place all the work on an environmental officer. We are going to identify an environmental coordinator in all our departments and at our companies to work together effectively going forward,” Barbara Heinonen, Mariehamn.

5. A source-to-sea perspective learnt and applied

The concept of source-to-sea perspective of water pollution and management was promoted throughout the BSCA. The importance of understanding and addressing upstream pressures was highlighted, with two cities in the programme more than 20 km inland. Furthermore, coastal municipalities in the programme also gained from this new perspective, with some developing their local water plans to incorporate land-based pollution sources and activities that affect the Baltic Sea. This approach was considered new for some municipalities, with limited awareness of it before the programme.

OUTCOMES FOR IMPACT - AN IN-DEPTH LOOK AT HOW WE'RE WORKING TO REACH OUR GOALS

- ▶ Working across sectors for action
- ▶ Connecting municipalities and sharing knowledge across the region
- ▶ Inspiring action through a collective impact model

Working across sectors for action

The BSCA succeeded in bringing together and building a network made up of a diverse range of stakeholders, including over 50 individuals from science, cities, solution providers, finance and other companies. Through innovation labs, conference calls and city visits, BSCA partners and cities connected around local water problems and solutions.

1. Developing cross-sectoral partnerships

Bringing together industry, academia and the municipalities was considered a winning concept by the programme partners. While the partners expressed a variety of reasons for participating in the programme - ranging from a personal dedication to improving the state of the Baltic Sea to having an opportunity to network, meet potential clients, and be part of well-regarded forum - one reason they had in common was that they were motivated to participate by the new approach of engaging a non-traditional set of actors.

2. Connecting municipalities' water challenges with research and solution providers

Both solution providers and research partners gained valuable insight into the issues faced by the municipalities, which led to the funding of two research projects and open dialogue between solution providers and city politicians and officials on possible solutions. The focus on municipalities was attractive to BSCA partners and considered a valuable and relevant approach for a future programme.

"The work around Baltic sustainability requires collaboration between many different actors. Race For The Baltic has brought people together who might not have met before, that is a positive contribution," Maria Osbeck, representing SEI. *"This is an interesting initiative bringing people from all sides together, both national and international and EU, policymakers and users, universities, research and development, technical providers, service providers, legal and technical consultants. Bringing them all together brought new perspectives and approaches to identify novel solutions."* Fredrik Åkesson, GE Water (now Suez Water & Technologies).

Meeting our goals & objectives:

- Increasing demand for solutions, technologies and projects that reduce nutrients entering the Baltic Sea.
- Strengthening the partnership between solution providers and engage with non-traditional private sector actors to identify roles
- Sparking an interest from entrepreneurs and innovators to innovate new solutions and technology

Connecting municipalities & sharing knowledge across the region

The network developed between the participating BSCA municipalities was relevant, inspiring and useful for the participants to increase local action. They found it both motivating and important to place their issues within an international framework and to get the chance to collaborate on these issues with other municipalities. The network has remained active outside the framework of the BSCA, with municipalities bringing teams to visit other municipalities, in other regions or other countries, with similar challenges.

⁴Criteria not yet defined for Blue City Leaders

“It was good to benchmark internationally. In Scandinavia, we are ahead on technical work but we see that we are not as strong in getting the public interested in getting engaged in questions of eutrophication and water as they were in Lithuania and Poland,” Karin Lövström, Kalmar, Sweden

“We were inspired by the work Słupsk is doing on sludge, which is an issue we are working on as well. We will talk more to them as we structure our solutions,” Barbara Heinonen, Mariehamn, Åland

“We had a low knowledge of what was going on in other countries around the Baltic Sea region. This exchange of information was very important,” Dariusz Szwed, Słupsk.

Inspiring action through a collective impact model

The BSCA pilot programme succeeded in motivating municipalities to engage in both Baltic Sea issues and their local water issues. This is considered a key achievement, as getting municipalities engaged and motivated will drive water protection to the top of the municipality agenda over time.

Feedback from the municipalities suggests that this engagement in water protection arose from three key factors:

- ▶ The commitment and professionalism of the Race For The Baltic team was considered a key factor to activating this sense of mission.
- ▶ The accountability and focus created by the BSCA programme, as well as the friendly peer pressure that ensued between the cities as they developed Local BSAPs and strategies;
 - As one participant describes it, it became a “collective kick in the butt” for action. The risk of being seen as not having made sufficient progress between workshops was motivating - everyone wanted to be “best in class” (and no one wanted to be seen as “underperforming”).

- Having their work recognised at higher levels in the public and private sector - due to the participation of “high-level” representatives from government and business at some of the meetings, spurred the cities even more in their efforts.

- ▶ The placement of local issues in a national and international framework, including HELCOM targets, the EU strategy, the Sustainable Development Goals

“We WANTED to deliver, that was the kind of energy Race For The Baltic provided,” Karina Alvarez, Värmdö.

- Developing top-in-class examples of “future” blue city⁴ leaders.
- Working with international water bodies to share best practices and knowledge / showcase our success / be an international example

PROGRAMME PERFORMANCE

Learnings

This provides a brief overview of key learnings collected by the independent researcher via in-depth interviews with stakeholders in the BSCA programme. (For more information about the full stakeholder review, please contact Race For The Baltic (info@raceforthebaltic.com)).

1. Moving from exchange of ideas to cross-sector partnership & action requires more than just bringing actors to the table

Whilst municipalities sought collaborations with partners, and there was a significant amount of dialogue and fluid exchange of ideas, this did not lead to the initiation of projects to the extent that was expected.

Main issues that prevented going to action:

- ▶ Generally, the municipalities did not know what they could expect from the partners and knew that most were not able to help them without a budget.
- ▶ The partners did not meet the municipalities as often as the municipalities met amongst each other, resulting in weaker relationship building between partners and municipalities.
- ▶ There was some uncertainty about how and to what degree partners from the private sector and solution providers could interact with the municipalities in the spirit of developing innovative solutions, without coming across as too sales-oriented. Further, the partners expressed an interest in having a third-party (such as Race For The Baltic) facilitate and help guide this interaction.
- ▶ The process to help get projects launched was not as well-defined as the route to identifying local issues and possible solutions. Stakeholders considered that a future BSCA programme might include a “fast-track” pathway to financing for feasibility studies or pilot projects (that are not dependent on public procurement procedures or the normal decision-making timeline of municipal budgets).
- ▶ Smaller companies were challenged in getting leads, both because of resources available to spend on activities not directly linked to income-generating projects, but also because municipalities often need more time to get comfortable with the idea of working with smaller companies with newer, less-established products and services.
- ▶ Municipalities were also looking for services, including technical knowledge, beyond those found in the existing partner group.

“We started discussions with partners, exchanging ideas but we did not see tangible results and collaborations fizzled. Perhaps

there should be guided common projects with partners and municipalities, to finalize a concept or work on a specific issue. That could create a deeper relation and lead to other collaborations,” Dalia Gurskienė, Panevėžys.

2. The BSCA needs short term goals for participants to measure progress

A number of the municipalities and partners expressed that having clear interim goals during the programme would be beneficial, as this would clarify expectations and support achievement of the programme’s end deliverables. Further, this would enable participants to measure their progress on e.g. a quarterly or more regular basis.

Setting up measurable goals with deliverables for the participants (municipalities, partners and Race For The Baltic) for the total programme, as well as in three month increments, would make it easier for participants to understand at the outset what their participation and time commitments during the programme will be, and to identify if they are on track.

Stakeholder Feedback

All municipalities are positive to the programme and look forward to acting as ambassadors for the programme going forward. The interviewed partners were all hoping to continue collaborating with future rounds of the BSCA and saw clear potential for impact from the programme. The partners see that the BSCA could be a path to making a real, tangible difference to the Baltic Sea, and this is what draws them in and keeps them engaged. They see room for improvement and were unanimous in considering the BSCA as “the right path to take”.

“Working with the Race For The Baltic team was a fantastic experience. The passion and energy rubs off. They have done a great job bringing engaged, enthusiastic partners on board. I really hope there is a next phase, a next round, and I am looking forward to participating in it,” Fredrik Åkesson, GE Water (now Suez Water & Technologies).

Feedback from municipalities:

- ▶ The overall impression of the BSCA from the cities was positive
- ▶ Useful for networking across borders
- ▶ The programme was more challenging than expected
- ▶ Programme was attractive because of the focus on municipalities and going to action
- ▶ Some municipalities lacked internal resources and time to complete a full Local BSAP
- ▶ Need for clarity of expectations and commitment
- ▶ Need for a structure for collaboration with partners
- ▶ Municipalities request support to keep progressing after completing the programme
- ▶ Municipalities recommend programme to others

Feedback from partners:

- ▶ Non-traditional players and focus on action seen as valuable
 - ▶ The partners were positive and saw potential for improvement
 - ▶ Call for more focus on action or a continuation of the programme
 - ▶ The networking was seen as useful and inspiring
 - ▶ Partners see potential but request clarity and focus on action
 - ▶ To keep partners engaged, there is a need for return on investment
 - ▶ Future programme should include action platform
 - ▶ Engaging a broader range of municipalities is needed
 - ▶ Structural problems reduced chance of partner-municipality collaborations
 - ▶ Passionate enthusiasm of the team was key to engaging partners
-

PART 3: RECOMMENDATIONS & CONCLUSIONS

SCALING UP THE BSCA - RECOMMENDATIONS

- ▶ Engage a cross-departmental team from each municipality
- ▶ Develop a platform to go to action with public-private collaborations
- ▶ Define more clearly the programme's structure, content and terms of engagement between the participants (e.g. cities and solution providers) clarity of programme structure, content, and rules of engagement
- ▶ Support engagement of a broad range of municipalities
- ▶ Develop a more extensive partner platform
- ▶ Develop a digital knowledge-sharing and communication platform for participants
- ▶ Provide additional support around financing projects

Engage a cross-departmental team from each municipality

The BSCA structure and content challenged municipalities to work across departments. This was difficult for some municipalities as they worked their way through the programme,

as a cross-departmental team had not been communicated as a prerequisite for municipalities participating in the programme. Nonetheless, the fact that the Baltic Sea City Accelerator challenges cities to break out of silo mentalities to tackle water challenges is considered a valuable approach.

It is clear that more resources are needed to support municipalities in their endeavours to work across departments, and the BSCA pilot was unable to provide this support. Only a few municipalities had a cross-departmental team in place at the time of starting the BSCA, and those benefited greatly from the support and input from other departments. Municipalities whose representatives had to build up a network internally during the BSCA process found the programme to be more challenging and required support from more senior colleagues in the municipality's administrative and political organisations.

Key recommendations for a future City Accelerator is that the programme should require engagement from more than one person, and more than one department, in each municipality. Further, engagement from both politicians and public servants in municipalities is seen as valuable and critical for success.

Develop a platform to go to action with public-private collaborations

There were some expectations among partners and municipalities that there would be more focus on matching challenges with solutions providers and getting projects started (and possibly even financed) during the BSCA pilot programme. These expectations were not met in full as the programme primarily focused on guiding and supporting each municipality with the development of a strategy and

local Baltic Sea Action Plan through the BSCA process.

The in-depth efforts by the municipalities to develop a strategy and local Baltic Sea Action plan resulted in more awareness-raising, leadership building and local planning to reduce excess nutrients in the Baltic Sea. And while this resulted in municipalities developing a vision and plan for efforts required at the local level, it did not lead to as many projects being started or implemented during the course of the BSCA.

Nevertheless, after having completed the programme, the municipalities are better positioned to take the next step and set about activating projects with partners. And now that the municipalities are ready for action, Race For The Baltic is in a unique position to accelerate these efforts.

A key recommendation for a future programme is to provide a platform/programme to continue engagement between municipalities and solution providers and to 'accelerate solutions'. Some municipalities and several partners discussed the possibility of an extension of the programme, in which the planning phase would be followed by an action phase. In the action phase, the focus could be on providing a platform for businesses, entrepreneurs, solution providers to develop projects with municipalities, and to support the initiation of these projects with a structured process that extends beyond facilitating introductions.

Define more clearly the programme's structure, content and terms of engagement between the participants (e.g. cities and solution providers) clarity of programme structure, content, and rules of engagement

Feedback from municipalities and partners suggest that a future programme would benefit from more clarity and clear information regarding the milestones, structure and roles in the programme.

1. Key points for increasing clarity of

expectations for partners:

- ▶ Developing clearer roles for the partners - the partners want very specific, clear information on what is expected of them in the programme.
- ▶ Increase clarity on how partners should interact with each other - are they competitors or should they be encouraged to create solutions together to present to the municipalities?
- ▶ Increase clarity on how partners should interact with municipalities - guidelines for project initiation, selling services and rules of engagement are needed to support partner-municipality interactions.

2. Key points for increasing clarity of expectations for municipalities:

- ▶ Develop clear guidelines for municipalities regarding key milestones and expectations of the programme, including time and resource commitments required by municipalities.
- ▶ Develop clear guidelines about which roles, departments and/or municipal water companies from the municipality need to be involved and see that those individuals and their managers are made aware of the programme in time.
- ▶ Increase understanding and expectations for the sake of municipal budget planning, as the timeline required to budget for anything other than minor participation could be a roadblock to activating the required resources and team members.

Support engagement of a broad range of municipalities

The BSCA pilot programme included municipalities with very different starting points regarding local knowledge, capacity and resources to tackle local water challenges and Baltic Sea issues. As a result, some municipalities could not develop a full, politically approved local Baltic Sea Action Plan. Despite this, partners and municipalities expressed that the programme should not exclude municipalities that have the will to act, but not the

resources. There is value in continuing to build a vision together with a broad range of municipalities.

A key recommendation for a future programme would be to offer varying levels of participation and milestones, so that a broad range of municipalities can still participate meaningfully.

Develop a more extensive partner platform

Though the technology and service providers that participated as partners in the programme were considered interesting and relevant, there was strong interest among the stakeholders for a broader range of solutions/solution providers. The municipalities recognise that their strength does not lie in scanning or identifying interesting new technologies, but did express that Race For The Baltic had the competence to attract those kinds of companies to a common platform where their products/services could be presented - and perhaps even where the municipalities could see what other municipalities might be interested in joining forces for a feasibility study or pilot.

A key recommendation for a future programme is to increase the partner & solution provider platform to include a more diverse range of partners, including experts on financing options, more technical experts, and more technology and service providers to better match individual needs.

Develop a digital knowledge-sharing and communication platform for participants

There was a desire for easier communication and knowledge-sharing between municipalities and partners (between the meet-ups).

A key recommendation for a future programme is to develop a platform that, for example, could keep all stakeholders informed about the process and their progress in the programme, share knowledge, address questions or look for participants to collaborate in individual projects. Offering such a platform will be important, particularly as the network grows.

Provide additional support around financing projects

The BSCA pilot programme revealed that municipalities need support in identifying financial solutions. More specifically, the municipalities need more help identifying how to finance innovative projects, both large and small. Among the municipalities from Sweden, the law on public procurement (Lagen om Offentlig Upphandling, LOU) was seen as a hindrance to getting projects started with the partners or with any innovative technology providers.

A key recommendation for a future programme is to provide expertise in identifying financial solutions for municipalities, as well as providing support from procurement experts that can help municipalities identify a path forward within current public procurement regulation. Furthermore, providing support with identifying sources of financing, such as specific EU funds, and summarising the application requirements on an easily navigated platform would be a major support for all stakeholders.

CHALLENGES FACED BY CITIES AND PARTNERS RELATING TO POLICY

- ▶ Political or governmental support needed to move Baltic Sea questions ahead
- ▶ Law of public procurement limits collaboration to pilot technologies
- ▶ Participation from national and EU water authorities requested
- ▶ Finding data to calculate pollution sources was a challenge

In the process of gathering stakeholder feedback, the municipalities also offered some input related to national and international laws and institutions. This input is presented below.

Political or governmental support needed to move Baltic Sea questions ahead

The continuation of projects may be hindered due to a lack of ownership of the Baltic Sea issues. This was identified as a problem by some of the participants from Sweden who suggested that a national directive on Baltic Sea issues communicated to the municipalities, outlining what municipalities must do to reduce nutrient leakage, would improve the possibility for cross departmental support on the local level and long term municipal funding.

“It’s not clear which department or governmental body owns the Baltic Sea question. We need to be officially commissioned to work with Baltic eutrophication in order to finance projects long-term. Right now we can only fund pilot projects using innovative solutions, nothing that can be a permanent item on our agenda and in our budgets,” Civil servant from a municipality in Sweden.

“The biggest challenge for the whole Stockholm region is to coordinate action with all of the stakeholders to reach the goals of the Water Framework Directive,” Civil servant from a municipality in Sweden.

Law of public procurement limits collaboration to pilot technologies

The municipalities were pleased to meet interesting solutions providers through the programme. However, because of the laws of public procurement, particularly in Sweden, they saw difficulties in how they could initiate collaborations. The process of public procurement added a timeline and a structural component that inhibited action, particularly on the testing of innovative technologies and approaches. Two municipalities felt a need to learn more about those options. A third municipality regularly tested new technologies but could never get the projects to continue as they were only allowed to do a small trial outside of the procurement procedures and could only test innovative, new technologies through this process. This did not lead to long term action as the procurement procedure was one roadblock to continuing with the technology provider that had invested the time and money to set up the project.

Participation from national and EU water authorities requested

To sanction the work done through BCSA on an EU level, it was suggested by BSCA participants to get participation from the Directorate General of Environment (DG Envi), especially someone working with water, in the programme. That would raise the issue on an EU level and help keep the work in line with DG Envi water goals. They also asked for someone from the national water authorities to be more actively involved in the programme, which would also give insight into how the different water authorities work.

“We don’t see much support from the EU on water issues. They talk only about green energy. We need to press the EU authorities more to increase the currently low understanding that water is a real problem,” Civil servant from a municipality outside of Sweden.

Finding data to calculate pollution sources was a challenge

In smaller municipalities, the effect that new residential or commercial developments may have on local water resources is not always that well understood due to a shortage of resources or a lack of understanding. This needs to be addressed as local city planning is critical to achieving EU Water directives.

Further, information resources in Sweden were considered by some stakeholders as difficult to navigate and receiving support from national agencies, e.g. Länsstyrelsen, to access data or assistance on calculations was considered difficult for municipalities. Databases, such as Sweden's VISS (Vatteninformationssystem Sverige), were considered good resources, but from the perspective of municipalities rather challenging to navigate, time-consuming and out-of-date. However, municipalities from some of the other countries represented in the programme did not have access to the necessary figures or any measurements at all.

"It doesn't feel like someone fully understands how to calculate how new city plans affect our water plans. We are always limited by resources - financial and staff. The county administrative board seldom has time to help us or to dig deeper. The smaller municipalities would be helped by shared support staff, perhaps from HaV, for these issues." Civil servant from a municipality in Sweden.

OVERALL ACHIEVEMENTS AND CONCLUSIONS

- ▶ A novel approach to addressing Baltic Sea issues
- ▶ A platform for identifying areas of cooperation for new knowledge and projects
- ▶ A Sea of Opportunity - New lens for investment
- ▶ A collective platform to raise issues and demonstrate successful practices on the global level - looking forward

A novel approach to addressing Baltic Sea issues

The BSCA is considered a unique programme to restore the environmental health of the Baltic Sea and support a prosperous Baltic Sea Region. By focusing on municipal action and investment opportunities - key to activating and enabling municipalities as stakeholders - the BSCA programme has the potential to achieve long-term impact.

"Race For The Baltic has the potential to get the private sector competence engaged, that requires speaking a language companies that usually don't work with these questions can understand. A vast array of organisations works with the Baltic Sea issues, but this approach is unusual and refreshing." Jakob Granit, Havs- och vattenmyndigheten.

A platform for identifying areas of cooperation for new knowledge and projects

By connecting a broad range of stakeholders, the BSCA has contributed to identifying important areas for research and action-oriented projects that address key challenges faced by cities and related to local water pollution.

The development of two research projects involving BSCA cities and partners (funded by parties external to the programme) is one example. Another is the forum the BSCA programme established for an open dialogue between solution providers and city politicians and officials on possible solutions - which was highly valued by all participants.

A Sea of Opportunity - New lens for investment

Looking at the challenges facing the Baltic Sea with an investment lens reveals a sea of opportunity. The BSCA programme focused on addressing eutrophication and provided municipalities with tools to understand how investing in nutrient reduction measures could lead to socio-economic returns - in terms of jobs, tourism, quality of life for local residents, and overall attractiveness of the community. By including the business sector in the programme and focusing on solutions and how to go to action, rather than only discussing the problems on a broader level, was also recognised as a successful aspect of the programme - and key to incorporate in future rounds of the programme.

“Profitability is about finding the right technologies. If RFTB could create a platform for us to identify technologies and start-ups, or for us to present ideas to companies that could commercialize them, that would be useful,” Karin Löfström, Kalmar

“Make the issues of the Baltic Sea into something fun, responsible and profitable to be engaged in. Make stakeholders see the possibilities for a prosperous Baltic, rather than just focus on problems. Let’s make others as excited to work on this as we are!” Ina Ununger, Värmdö

A collective platform to raise issues and demonstrate successful practices on the global level - looking forward

With a large number of engaged, motivated cities having a clear understanding of their individual issues and opportunities in regards to the Baltic Sea, Race for the Baltic has a unique position to raise issues - and share success stories - on a national

and international level. The platform also provides a unique international framework for collecting data on the state of the Baltic Sea in real time. Further, having cities and municipalities who as a result of the BSCA are now so engaged offers a unique platform for action and securing involvement from other stakeholders, such as citizens, media, NGOs and businesses on a local level, as well as on a national and international level. This potential will increase as Race For The Baltic structures increased collaboration with - or ideally serve as a coordinating organisation for - other Baltic Sea initiatives.



www.raceforthebaltic.com
www.balticseacityaccelerator.com

Race For The Baltic
Valhallavägen 117F 5th Floor
115 31 Stockholm, Sweden