

CONVENTION

of the European Grouping of Territorial Cooperation (EGTC) “Baltic Sea Tourism Center” (BSTC)

between

(Members/Project Partners)

PREAMBLE

Ever since the start of the global financial crisis in 2008 and the adverse impact on the European economy, the European Union began to refocus their policy on economic sectors more strongly rooted in the region and with jobs not as easily exportable. As a consequence, the European Commission has published a series of communications and working documents dedicated to the promotion of tourism and the blue economy: “Europe, the world’s No 1 tourist destination - a new political framework for tourism in Europe”¹; “Blue Growth - opportunities for marine and maritime sustainable growth”²; “A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism”³; “A Sustainable Blue Growth Agenda for the Baltic Sea Region”⁴. These documents share the conviction that tourism is “a major economic activity with a broadly positive impact on economic growth and employment in Europe”⁵.

Moreover, with around 2.75 million jobs and a gross added value of roughly EUR 159 billion per year, maritime and coastal tourism is considered one among five so-called high potential sectors in the European blue economy.⁶ However, it is also stated that tourism - because of its mutual interdependence with the status of natural resources, the cultural and natural heritage and owing to its mostly local rootedness - “provides a textbook example of the need to reconcile economic growth and sustainable development (...)”.⁷ This need for reconciliation becomes even clearer when looking at recent projections from

¹ Cp. European Commission (2010), Europe, the world’s No 1 tourist destination – a new political framework for tourism in Europe, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2010) 352 final.

² Cp. European Commission (2012), Blue Growth – opportunities for marine and maritime sustainable growth, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2012) 494 final.

³ Cp. European Commission (2014), A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2014) 86 final.

⁴ Cp. European Commission (2014), A Sustainable Blue Growth Agenda for the Baltic Sea Region, Commission Staff Working Document, SWD(2014) 167 final.

⁵ Cp. European Commission (2010), p. 2.

⁶ Cp. ECORYS et al. (2012), Blue Growth – Scenarios and drivers for Sustainable Growth from the Oceans, Seas and Coasts: Final Report, Rotterdam/Brussels. The other sectors are: aquaculture, biotechnology, mineral resources and renewable energy.

⁷ Cp. European Commission (2010), p. 2.

the United Nations World Tourism Organization (UNWTO), stating that international tourist arrivals will increase from 1.2 billion in 2015 to 1.8 billion in 2030 (+50%). Given this increase and given European demographics, we will not only have to rethink our internationalization strategies in order to stay competitive. Future potential tourism flows into the BSR and changing patterns of demand will also require a more sustainable and joint management of our destination.

In 2017, the Baltic Sea Parliamentary Conference (BSPC) equally called on the BSR-governments, the Council of the Baltic Sea States and the EU, to “further support the development of the Baltic Sea Tourism Center (BSTC) into a permanent platform for information and exchange of know-how at transnational level”. Apart from that, the 26th BSPC included the presentation of the Final Report of the BSPC Working Group on Sustainable Tourism which has drafted several political recommendations regarding cooperation and the development of sustainable tourism in the BSR, among them the support of the BSTC as a newly established “permanent platform for information and know-how exchange (...) as coordinator for the implementation of activities on Sustainable Tourism in the region”.

The EU Strategy for the Baltic Sea Region (EUSBSR) and its policy area tourism aim at reinforcing the cohesiveness of the macro-region through tourism with actions including the facilitation of networking and the cluster of tourism stakeholders. Moreover, as a flagship project, the BSTC directly implements the action plan of the EUSBSR. Unfolding its full potential, it can have a considerable impact on sustainable and international tourism development in the region.

Article 1 - STARTING POINT AND ADDED VALUE OF COOPERATION

The annual Baltic Sea Tourism Forum (BSTF) constitutes a platform to meet and exchange, to reveal common challenges, to share ideas and to trigger new initiatives. Based on this existing cooperation, the establishment of the BSTC as a permanent platform is being supported by numerous institutions and generally expected to further develop the continuous collaboration in BSR-tourism.

Research confirms that internationalisation constitutes a relevant challenge for BSR-tourism and its development while the lack of an international profile, missing language competences and lacking resources for tourism marketing represent major obstacles. Despite existing cooperation and contacts, there are no long-term structures for cooperation while the exchange of experiences and international networking are vital for stakeholders.

The BSTC's profile, tasks and services are based on existing analysis, additional expert interviews with actors from nearly all countries around the Baltic Sea as well as on many workshops and discussions with further tourism actors. Therefore, it refers to the needs and requests of numerous stakeholders. It is understood that the BSTC needs to focus on selected priorities striving to accomplish those as good as possible and to generate an added value for its partners and stakeholders, and this is especially crucial in the very beginning of its existence.

The BSTC goes beyond continuing and strengthening the existing cooperation and current achievements. Potential additional benefits include

- enhancement of cooperation and developing the potential by

- building and sharing resources
- developing sustainable cooperation structures and including all BSR-countries
- supporting cohesiveness of BSR-tourism regions and their stakeholders
- speaking with one voice for BSR-tourism
- joint lobbying of the regions on EU-level
- collecting and better using achieved results of projects and initiatives with relevance for BSR-tourism
- developing innovative products and expanding cross-border tourism flows
- creating of a more coherent picture of the region, contributing to the development of a common identity (long-term benefit!)
- provision of data, knowledge and good practices on trends
- development of internationalisation
- enhancement of the visibility and raise of awareness.

Members profit from growing their international network and enhancing the international visibility of their institution and/or region. They will get easier access to data, knowledge and best practices and take better advantage of international development trends. Added value will equally be provided by building up capacities in sustainable tourism development and through joint representation of interest.

Article 2 - LEGAL NATURE OF EUROPEAN GROUPING OF TERRITORIAL COOPERATION (EGTC)

The legal and organisational form “European Grouping of Territorial Cooperation” (EGTC) is evaluated as very suitable for achieving the objective of setting up the BSTC.

The EGTC is a young European legal form based on EU law, which has so far only been used to a limited extent. Applying it on transnational level constitutes a premiere. This also means that there is room for manoeuvre both for understanding the legal form and for its practical handling. The EGTC is a legal instrument (based on EU law) and structures / institutionalises cross-border cooperation, i.e. it “pools” necessary “competences” and resources of its members. An EGTC as a BSTC organisational unit and platform for action opens up clear decision-making procedures across borders, since a decision is binding for all members and vis-à-vis third parties.

EGTCs as a network of public institutions and authorities aim to facilitate and promote cross-border, transnational and interregional cooperation between their members. It brings together tasks from different governance levels. Only local authorities or bodies governed by public law, i.e. associations with the appropriate characteristics, can participate in an EGTC. Members can thus be

- member States and their authorities (ministries, etc.), countries, counties, regions, etc.
- organisations with public rights
- semi-public organisations

They shall be composed of at least two member states, regional and local authorities and/or bodies governed by public law. Non-public law entities may cooperate with an EGTC, but only via a complementary contractual auxiliary structure. Participation of non-EU members is possible.

The EGTC has its own legal personality. Its independent legal form provides a basis for legal certainty, planning certainty and legal clarity. The instrument serves directly to implement EU cohesion policy.

The formal founding of the BSTC as EGTC neither secures the work and effort of cross-border cooperation alone, nor replaces the will and commitment of the involved stakeholders. The BSTC does not automatically provide financial resources. It cannot be set up independently and it does not have unlimited jurisdiction.

The establishment of the EGTC is subject to authorisation, thus requires the approval and support of national/regional authorities. Within the framework of the approval and recognition procedure, the national authorities examine in particular whether the participation of a participant (taking into account the (organisational) constitutional structure) is permissible, does not contravene the EGTC Regulation, complies with all (!) national laws, in particular the competences are complied with and the establishment does not contravene the public interest or order.

The establishment of an EGTC requires the initiative and agreement of the potential members and a statute (EGTC statute). Each founding member need to apply to the relevant competent national authority for approval which should be granted within three months (but probably takes longer). The EGTC is registered / published in accordance with the law of the country in which the EGTC has its registered office.

A contract construction whose content is coordinated with the objectives and content of the EGTC offers the necessary flexibility on the one hand and stability on the other.

Article 3 - NAME

The name of the EGTC is “Baltic Sea Tourism Center”.

Article 4 - REGISTERED OFFICE

The registered office of the EGTC is located in Rostock, Germany. The “International House of Tourism” already hosts several tourism institutions, among them the Mecklenburg-Vorpommern Tourist Board (TMV). With the TMV providing the premises at no charge, the BSTC will not have to bear expenses for rent and extra charges.

Article 5 - GEOGRAPHICAL AREA OF INTERVENTION

The area covered by the EGTC’s activities is mainly the BSR. Certain activities may take place in other regions, especially with regards to lobby work and the visibility of the BSR in Europe.

Article 6 - AIM AND SCOPE OF ACTION

The aim is to promote a transnational and continuous tourism cooperation in the Baltic Sea region in form of an EGTC called Baltic Sea Tourism Center (BSTC).

The EUSBSR defines the scope of action for the BSTC including Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden. In addition, it welcomes the cooperation

with EU neighbouring countries (Russia, Iceland, Norway and Belarus). The strategy reflects the key challenges of the region and is divided into three objectives “Save the sea”, “Connect the region” and “Increase prosperity”. Tourism is defined as a policy area (PA) within the last-mentioned objective. PA Tourism “aims at reinforcing cohesiveness of the macro-region through tourism” with actions including the facilitation of networking and the cluster of tourism stakeholders.

Article 7 - OBJECTIVES: MISSION AND VISION

The mission of the BSTC is to jointly improve competitiveness for a sustainable tourism in the BSR. It is heading to be the leading center of expertise speaking for sustainable tourism development in the BSR - providing PARTNERSHIPS, INSIGHTS and SKILLS (vision).

The BSTC aims to establish the leading center of expertise for improved communication and cooperation in tourism at macro-regional level by: associating the key tourism stakeholders, voicing jointly the interests of the tourism sector and promoting sustainable and competitive tourism in the Baltic Sea region.

Article 8 - TARGET GROUPS AND MEMBERSHIP

With regards to its target groups, the BSTC has a clear B2B (Business to Business)-respectively B2P(Business to Politics)-approach.

All activities of the BSTC are therefore directed to tourism professionals (B2B) and politicians resp. administrative bodies (B2P). In particular, the following entities are supposed to be valuable partners/members, facilitators or addressees of the BSTC:

- Destination Management/Marketing Organisations on national and regional level in the BSR
- Representatives of tourism industry associations in the BSR
- Representatives of academic or research institutions in the BSR
- Public administration and political representatives responsible for tourism development on the national and regional level in the BSR
- Representatives of transnational BSR organisations responsible for / involved in tourism development

In order to fulfil the vision of being the „Center of Expertise speaking for Tourism Development in the Baltic Sea Region“ and to justify its function for the entire area, the BSTC needs to include target groups from all BSR-countries and ideally also all BSR-regions.

The EGTC consists of ideally 10 founding members. New members can join the BSTC if they correspond to the named target groups and upon decision of the General Assembly.

Article 9 - COMPETENCES AND TASKS

The BSTC-core competences are PARTNERSHIPS, INSIGHTS and SKILLS.

Establishing PARTNERSHIPS means to provide and facilitate connections: The BSTC connects relevant stakeholders, voices common interests of the sector, develops strategic and political framework, enacts larger policy impact.

Providing INSIGHTS means to research, unlock and provide knowledge: The BSTC provides easier access to data and knowledge, expertise on BSR tourism cooperation and respective projects, creates the basis for strategic and political recommendations.

Enhancing SKILLS means to improve skills and competences: The BSTC provides knowledge and expertise, shares knowledge on best practices, facilitates capacity building for tourism SMEs and organisations, promotes sustainable tourism development in the BSR.

Article 10 - SPECIFIC OBJECTIVES AND ACTIVITIES

General Coordination

The BSTC constitutes the central contact point for BSR related tourism subjects. It supports the EUSBSR and further EU regional strategies.

As the center of expertise for BSR tourism, the BSTC coordinates the three core competences and initiates the respective Expert Groups as well as new tourism projects.

Partnerships

The BSTC provides and facilitates internal and external connections to the BSR-tourism stakeholders. It represents the interests of the sector to relevant European institutions and creates respective alliances. Lobby work for BSR-tourism constitutes a focus activity of the BSTC and requires reliable facts on BSR-tourism.

The BSTC facilitates permanent communication. It serves as central communication hub and contact point for tourism in the BSR. The BSTC organises the annual Baltic Sea Tourism Forum, disseminates relevant news and supports match making.

Insights

The BSTC researches, unlocks and provides knowledge. It compiles the Annual Market as well as Trend Reports and develops strategic recommendations.

The BSTC generates a database with qualified experts, researchers etc. who may provide or research further knowledge.

The BSTC has a continuous overview on relevant international tourism projects in the BSR and distributes their results.

Skills

The BSTC improves skills and competences of BSR-tourism stakeholders. It contributes to enhanced quality of innovative and sustainable tourism offers. Specific topics will for instance include internationalisation, seasonality as well as relevant trends such as digitalisation or sustainability.

The BSTC organises and implements regular seminars. Moreover, it develops joint concepts for regional trainings and actively supports cross-border projects aiming at improved skills and competences.

The BSTC establishes a specific database with qualified experts and trainers and evaluates in how far the establishment of a “BSTC-academy” will be feasible and meet the needs of its stakeholders.

Article 11 - GENERAL ASSEMBLY

The General Assembly constitutes the decision-making body of the BSTC. It consists of one representative per member.

Article 12 - EXPERT GROUPS

Specific expert groups are in charge to support defined BSTC core competences. They focus on product and service development for the BSTC with regards to the following themes:

- BSTC Expert Group Tourism Policy
- BSTC Expert Group Market Research
- BSTC Expert Group Sustainable Tourism
- BSTC Expert Group Training Offerings
- BSTC Expert Group Digitalisation

The BSTC Expert Groups start with committed members, ideally from as many countries as possible, thus offering the possibility of active involvement.

Article 13 - WORKING LANGUAGE

The working language of the BSTC is English.

Article 14 - BUDGET, COSTS AND FUNDING PLAN

Financial contributions of the members

Considering the different levels of willingness to pay for membership fees, an average membership fee of EUR 3.000 per year is a compromise to start with. Memberships are offered with a minimum engagement of three years to secure long-term participation of the members. The structure of fees will be evaluated regularly as actual expenses will be reviewed and adjusted. In case of overplus budgets, the range of activities will be expanded accordingly.

The number of BSR states suggest the ideal initial number of ten founding members. The financial contributions by members sum up to EUR 30.000 in the first operating year.

Additionally, any overlaps with the PAC support considering tasks and strategies can be used to create synergies in favour of the BSTC work.

Operational Costs

The costs stated in the table below are to be seen as minimum expenditures to run the BSTC on a very basic level. A significant share of the actual costs is borne by the TMV, the BSTC-members and the BSTF-host cities.

Revenues/Costs annually	Sum in EUR	Remark
REVENUES	47.000	
Membership fees	30.000	
Start-up funding	17.000	External source, balanced out by increased number of members
COSTS	47.000	
Cost of raw materials and supplies"	4.000	
Publications (e.g. Market Report)	4.000	requires participation of all members
BSTF	0	conference covered by host, fees, projects, others
Personnel costs	22.500	
Salaries (approx. 0,5 Staff)	18.000	
Legal social expenditures	4.500	
Depreciation	0	no tangible or intangible assets
Rental and Office Costs	0	TMV premises
Insurance, contributions and charges"	1.500	
Travel and Marketing costs	7.500	
Travel costs	7.500	incl. BSTF
Various operational costs	11.500	
Other ordinary expenses	2.500	e.g. Workshop organisation
Maintenance hardware and software	3.500	primarily bstc.eu
Training costs	0	Fees, self-contained concept, implemented by members
Legal and Consulting fees	2.500	
Accounting fees	500	
Translation costs	2.500	depending on number and support
BALANCE	0	

Expenses occurring during the EGTC funding process are not considered in this calculation.

Budget evaluation

A funding solely based on membership fees can cover the operational costs on a very basic level in the beginning of the BSTC as EGTC organisation. However, this minimum funding will not be sufficient to develop the BSTC to a further level. For a strong and powerful BSTC, more members and thus more membership fees as well as a permanent acquisition of and cooperation with EU financed projects will be necessary. Whenever possible, synergies with other related projects have to be used effectively.

In general, more and larger funding sources are required to enable more investments in BSTC activities and cover associated personnel and operational costs. The drafted concept and budget are considered to be a starting point. They strongly depend and rely on the material and immaterial support of the BSTC members, who are requested to deliver input beyond the membership fees.

Article 15 - DURATION AND DISSOLUTION

The BSTC is set up for unlimited duration. It ends with its dissolution.

According to Article 14 of Regulation (EC) No 1082/2006 as amended by Regulation (EU) No 1302/2013, on an application by any competent authority with a legitimate interest, the competent court or the **XX (in MV)** as competent authority of the Member State where the BSTC has its registered office, winds up the BSTC if it finds that the BSTC no longer complies with the requirements laid down in the Regulation or that the BSTC is acting outside the confines of the tasks laid down in the Regulation.

Notwithstanding the provisions on dissolution contained in Article 14 of Regulation (EC) No 1082/2006 as amended by Regulation (EU) No 1302/2013, dissolution may also be the result of a decision by BSTC General Assembly. The BSTC shall be dissolved by the General Assembly if a unanimous decision to this effect is made by all its members.

Article 16 - AGREEMENTS FOR MUTUAL RECOGNITION

In the interests of mutual recognition of the legal systems of the BSTC members from the other participating Member States, including for financial control issues, it is agreed that all documentation needed for financial control should be made available in the language of the controlling institution and in the form required.

Article 17 - APPLICABLE LAW

The members will comply with Regulation (EC) No 1082/2006 as amended by Regulation (EU) No 1302/2013 as well as with the national provisions of Germany and the provisions of the German Federal Land Mecklenburg-Vorpommern, where the registered office has its seat.

In exercising their activities, the BSTC's organs are subject to the national provisions of Germany and the provisions of the German Federal Land Mecklenburg-Vorpommern due to the seat of the registered office.

German law is applicable for the interpretation and enforcement of the Convention.

Article 18 - ADOPTION OF THE STATUTES AND AMENDMENTS TO THE CONVENTION

The Statutes shall be adopted on the basis of and in accordance with this Convention by the EGTC members acting unanimously. Amendments to the Convention and amendments to the Statutes which entail an amendment to the Convention require the approval of all Assembly members of the BSTC.

Any other amendments to the Statutes require the approval of a two thirds quorum of the present General Assembly members. Any subsequent amendments to the Convention and to the Statutes shall be notified to the Member States by the BSTC.

According to Article 4 of Regulation (EC) No 1082/2006 as amended by Regulation (EU) No 1302/2013, amendments to the Convention, except solely in the event of accession of a

new member under point (a) of Article 4 paragraph 6 a, require the approval of each Member State.

Article 19 - PERSONNEL MANAGEMENT AND RECRUITMENT

The BSTC may employ personnel directly or make use of seconded personnel. Personnel administration, recruitment procedures and working contracts are the responsibility of the General Assembly and the registered office. Due to the seat of the BSTC's registered office, for these procedures German law and the law of the Federal Land Mecklenburg-Vorpommern are applicable.

The **XX** decides about the recruitment of personnel upon proposal submitted by the **XX**.

Article 20 - LIABILITY

The BSTC shall be liable for all its debts. To the extent that the assets of the BSTC are insufficient to meet its liabilities, its members shall be liable in equal parts for its debts irrespective of the nature of those debts.

Article 21 - FURTHER PROCEDURE

The founding members of the BSTC will shortly get in contact with existing EGTCs. They will draw up a sample and collect expressions of intent from interested partners. This procedure requires the identification of and exchange with approving authorities in the respective regions. Moreover, the founding members will need to develop the statutes and integrate a moderator in this process.

Article 22 - FINAL PROVISIONS

According to Article 5 of Regulation (EC) 1082/2006 as amended by Regulation (EU) No 1302/2013, the Convention, the Statutes and any subsequent amendments shall be published according to the applicable law where the BSTC has its registered office.

The BSTC shall acquire legal personality on the day of the publication of the Convention and the Statutes. The members shall inform their Member States and the Committee of the Regions of the publication of the Convention and the Statutes.

The BSTC will notify the present Convention and the Statutes to the Committee of the Regions for the purpose of publication according to Article 5 of Regulation (EC) No 1082/2006 as amended by Regulation (EU) No 1302/2013.