

## PLENARY SESSION ADDRESSES

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Director, European Commission DG Regional Policy

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Mayor Emeritus, City of Stockholm

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**Andrus Ansip**

Prime Minister of the Republic of Estonia

# EU Co-operation in the Baltic Sea Region

**Ms Elisabeth Helander**

Director, European Commission DG Regional Policy



## What is INTERREG?

**The main co-operation instrument of the EU Member States**

- Part of the Structural Funds (ERDF)

**Rationale**  
"National borders should not be a barrier to European balanced development and integration"

**Objectives**

- strengthen economic & social cohesion
- promote territorial integration and sustainable development




## Co-operation and the Baltic Sea

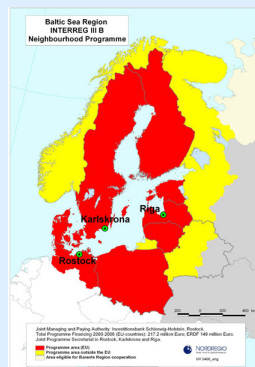

- Intricate mix of programmes and co-operation areas around the Baltic
- Cross-border, transnational and interregional co-operation all supported by the EU
- Internal EU, external borders, co-operation stretching from Norway to Russia, from Nordkap to Krakow
- Funding from the ERDF, Tacis, national resources, Nordic Council of Ministers



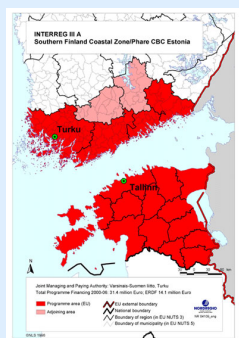

- Cities play a key role in the co-operation process in the Baltic
- Drivers for growth, development, focus points for co-operation projects and larger co-operation areas
- Also, often with a key role in programme structures and programme implementation



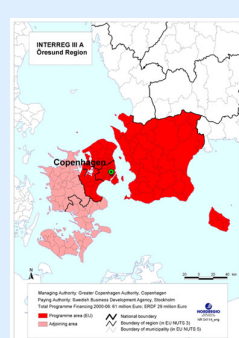
## INTERREG IIIB Baltic Sea Region

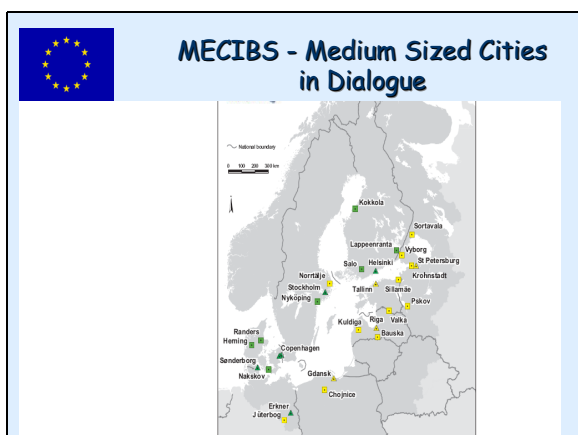
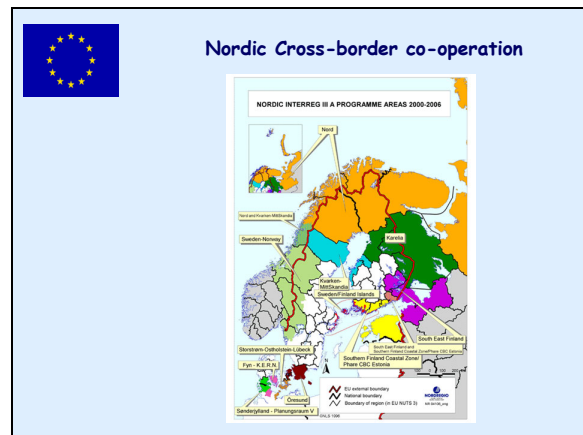
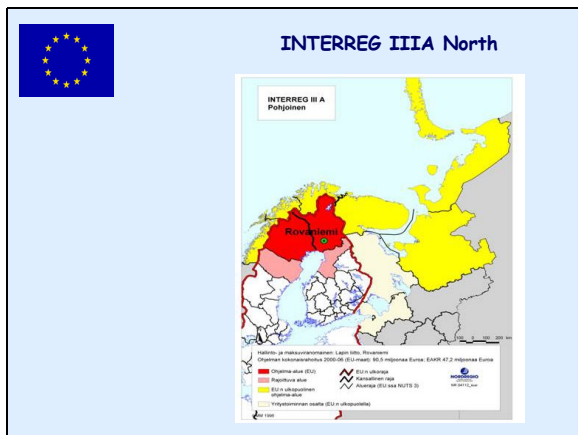



## INTERREG IIIA Finland-Estonia

## INTERREG IIIA Oresund







## ProMidNord

**Objective**  
-to support business development in the Northern regions of low population density

**Expected outcome**  
-Joint strategy for the macro-region  
-A network of the major cities  
-Increased cooperation & business within environmental and energy fields  
-Research school and student exchange programme  
-Increased understanding of the cultural identity and heritage

**Partners** from Sweden, Finland, Norway, Russia (national, regional and local public authorities, public corporations, limited companies, public university, registered associations)

**Total project budget:** EUR 3,460,000  
**EU + Norwegian National contribution:** EUR 2,270,000



## Connect Baltic Sea Region+

**Objective**  
-to achieve the "critical mass" of ideas, entrepreneurial skills, business services and venture capital in the middle sized urban regions

**Expected outcome**  
-New or further developed regional organisations to support networks between entrepreneurs - service providers - experts  
-Strengthened Nordic Connect network  
-Springboards for entrepreneurs  
-Better evaluation procedures

**Partners** from Norway, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Sweden (regional public authorities, foundations, associations, universities, companies)

**Total project budget:** EUR 1,105,000  
**EU + Norwegian National contribution:** EUR 681,500




## BALTMET INVEST

**Objectives**  
Developing strategies guiding the investments in the cities

**Expected outcome**  
-Coordinated investment strategies  
-Best practices of a coordinated approach to be applied by other metropolises of the BALTMET network in planning and development  
-Common internet portal providing investment information in the Baltic Sea Region with an online database of investment objects in the BALTMET INVEST metropolises

**Partners** from Latvia, Estonia, Lithuania (local public authorities, foundations)

**Total project budget:** EUR 649,600  
**EU + Norwegian National contribution:** EUR 487,200



## BUSTRIP

**Problem to be addressed**  
Transport growth as a key obstacle for sustainable development of urban areas

**Expected outcome**  
-Sustainable Urban Transport Plan (SUTP) for each participating city  
-Implementation of SUTP pilot actions  
-Printed guidebook and a toolbox CD  
-Strengthened and active UBC city networks

**Partners** from Finland, Germany, Sweden, Estonia, Latvia, Lithuania, Poland, Norway, Russia (universities, local authorities)

**Total project budget:** EUR 3,330,000  
**EU + Norwegian National contribution:** EUR 1,730,000



## Baltic Sea Cycling Project

**Problem to be addressed**  
Growing traffic volumes contributing to the loss of attractiveness of cities

**Expected outcome**  
-Collection of best practices promoting urban cycling  
-Pilot actions to show the effectiveness of urban cycling in improving city sustainability and attractiveness  
-BSR urban cycling strategy  
-Local cycling policy for each participating city

**Total project budget:** EUR 2,295,000  
**EU + Norwegian National contribution:** EUR 1,415,000



## Baltic Sea Cycling Project



**Partners** from Sweden, Germany, Latvia, Lithuania, Norway, Poland (local public authorities, national public authorities, registered associations)



### BaltMetInno

**Objective**

- to develop metropolitan innovation strategies integrating urban policy and spatial development issues
- selected metropolises' marketing strategies
- concepts for transnationally complementary economic clusters
- joint innovation policy framework

**Partners** from Denmark, Estonia, Finland, Germany, Latvia, Sweden and Russia (municipalities, cities, development agencies, knowledge and technology transfer institutions)

**Total project budget:** EUR 2,650,000  
**EU + Norwegian National contribution:** EUR 1,610,000



### Sustainable Historic Towns

**Objective**  
 Develop strategies, methods and tools to manage the conservation of urban heritage in a sustainable way

**Partners** from Germany, Denmark, Finland, Sweden, Norway, Estonia, Lithuania, Latvia (national/regional/local public authorities, private/public universities)

**Total project budget:** EUR 1,577,000  
**EU + Norwegian National contribution:** EUR 513,500



Project in "South-East Finland/Russia programme":  
 "Musicians' network"


**Objective**

- to prepare a Finnish-Russian concert programme combining symphony and rock;
- Aims at familiarising young musicians with cross-over type musical activity;
- The Heinola cultural office and the Rimsky-Korshakov conservatory in St Petersburg;
- Total costs 72 515 EUR (30 513 EU funding)




### Most INTERREG programmes with external EU borders have been modified to Neighbourhood programmes

- The Neighbourhood programmes help solving co-ordination problems of EU financial instruments (INTERREG-Tacis)
- Strategic partnership further developed through **4 common spaces** (economic; space of freedom, security and justice; external security; research and education, incl. cultural aspect)



### Lessons learned

- Cities are visible in transnational and cross-border co-operation projects around the Baltic
- Many actions, on many topics spread out across several programmes
- Strong level of commitment to co-operation and to INTERREG in particular
- Impressive level of contacts across the external borders of the Union
- Effective project creation process, good project selection success rate



### Some questions for reflection

- Is there a co-ordinated approach to urban co-operation around the Baltic?
- Is there a risk of too many projects going in too many directions, without a strategic, coherent structure?
- Is there a high enough visibility for project results and concrete outcomes which underline the importance of co-operation?
- Do cities have sufficient input into programme preparation and conception?



### The future of Co-operation

- **Cross-border** co-operation to continue with an increase in eligible maritime areas
- Latest negotiation figures suggest 40% increase in CBC budget
- **Transnational** programmes to continue with more focussed content and around the same budget
- **Interregional** co-operation to continue with around the same budget



### The future of Co-operation

- **Cross-border**: potentially more funding opens up opportunities for border cities
- **Transnational**: increased competition for funding will be challenging. A real need for concrete, added value projects. Changed content also presents a new dimension
- **Interregional**: ever-increasing interest in interregional not matched by increasing budget – thus, fierce competition for funding likely



### Transnational co-operation in the future: examples of topics

- Water and coastal management and protection
- Improving accessibility and interoperability via transport systems and advanced communications and information technologies
- Prevention of environmental and technological risks, maritime safety
- R&TD, technology transfer and SMEs



### Project ideas

- Maritime safety
- Protection against flooding
- Combating environmental threats
- Co-operation between coastal ports and towns to improve accessibility and transport interoperability
- Business co-operation and technology transfer between SMEs, research institutes, universities and regional development agencies to improve the competitiveness of the regions



### Conclusions

- Clear evidence of added value urban co-operation provides in the Baltic Sea context
- Equally clear that a new programme period offers a chance for reflection and adaptation
- Need for greater strategic approach and more structure to co-operation
- Funding package likely to present greater competition – and higher quality in the future
- Importance of external border co-operation cannot be over-estimated



#### More information:

[www.europa.eu.int/comm/regional\\_policy/interreg3/index\\_en.htm](http://www.europa.eu.int/comm/regional_policy/interreg3/index_en.htm)  
and  
[www.europa.eu.int/comm/world/enp/index\\_en.htm](http://www.europa.eu.int/comm/world/enp/index_en.htm)

Thank you for your attention!

## **The Baltic Sea and the role of it in the European Transport System – Motorways of the Seas**

**Kurt Bodewig**

Minister, Deputy Chairman of the Committee on European Affairs, Deutscher  
Bundestag

Dear Mr. Chairman,  
dear honourable representatives of the member and partner institutions of the UBC,  
dear ladies and gentlemen,

First of all, let me thank you for your invitation to speak to you today. As vice-president of the Committee on European Affairs in the German Parliament I am very much interested in this European relations. The Baltic Sea region though is of special interest to me. This is why I would like to express my deepest appreciation for your kind invitation to participate in the 8th General Conference of the Union of the Baltic Cities, here in Turku. It is a real honour to meet such a number of exceptional experts and decision-makers of the Baltic Sea region on such a distinguished forum of political and economical relevance.

Although speaking to you as chairman of the BALTIC SEA FORUM, as one of the region's leading networks, I have been kindly asked to give you a compact overview on the current status of the another important economic, political and even ecological networking issue, i.e. the Baltic Sea and its role in the European Transport System.

And indeed, transport, trade and commerce, the basis and foundation of today's issue, has a strong economic and social tradition in the "Mare Balticum" and is traced even further back than the times of the Hanseatic League. Hence, the mobility of goods and gents on flourishing transport and traffic networks, both on land as well as on sea are determining factors, making the Baltic Sea to one of the most dynamic, prosperous and vital key regions in Europe.

About 90 million people live in this region and nine per cent of the world's gross national product are generated here already. Trade and traffic are the driving forces of this development. Forecasts suggest that freight transport in the EU will increase by 38 percent and passenger transport by 24 percent till 2010 and will peak by then. Though, a doubling of road freights in the 10 new member states by 2020 and a same increase in international trade with the Baltic Sea region by 2015 are foreseen. Some experts even define this fast and flourishing mainly economic increase as a „rally of growth“. This development is not limited to the member states of the European Union, but also due to relations between other regions and countries as there are e.g. Russia or Norway.

But this rally might come to a considerable hold, if the political challenges and consequences of this development for infrastructure, labour and environment are not timely faced and answered. Since 2001 the European Commission elaborated an intermodal response to this complex situation, improving especially maritime transport and traffic. "Intermodality" means a better use of existing infrastructure and service resources through integrating short sea shipping (SSS), rail and road traffic into a combined logistic chain, resulting in the Trans-European Network (TEN-T). The "Transport White Paper" from September 2001 announced the political will, to develop the maritime transport to a "real competitive alternative to land transport". This objective should be reached by the "Motorways of the Sea", a concept traced back to Finnish transport political and hence directly traced in the Baltic Sea region. "Motorways of the Sea" is one of the most important developments for the Baltic Sea and the European Transport System.



Four corridors have been so far designated for setting up projects of European interests by 2010:

- Motorway of the Sea western Europe - leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea
- Motorway of the Sea south-east Europe – connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean, including Cyprus
- Motorway of the Sea south-west Europe – western Mediterranean, connecting Spain, France, Italy and Malta with the Motorways of the south-east Europe and including links to the Black Sea
- Motorways of the Baltic Sea – linking the Baltic Sea Member States with the Member States in Central and Western Europe, including the route through the North Sea/Baltic Sea canal

These corridors provide one essential part of the project: the “Floating infrastructure” of the European seas. However, it is up to industry, national and communal authorities to implement financially and operationally sound projects to use these maritime resources better for new intermodal maritime-based transport systems.

After collaborated and co-ordinated discussion and revision between governmental, non-governmental and business institutions, the European Commission presented Article 12a of the TEN-T Guidelines in November 2004, providing the legal framework for funding and implementing the “Motorways of the Sea”. The three main objectives for this project are:

1. Freight flow concentration on sea-bases logistical routes
2. Increasing cohesion
3. Reducing road congestion through modal shift

To make “Motorways of the Sea” a success, three conditions must be present for each project:

1. In order to obtain the necessary concentration of freight flows, choices have to be made concerning ports and intermodal corridors and services
2. All actors, at least two, in the supply chain have to be committed to these projects
3. Motorways of the Sea need to feature the best available quality throughout the chain in order to be attractive for users

This project platform is endowed with a strong financial framework, both in TEN-T programme for infrastructure and institutions as well as the Marco Polo programme for services and logistics.

The due date for the TEN-T call 2003 to 2007 exceeded on 20th June 2005. The calls for the period 2007 to 2013 are currently open. As usual in European practical politics, the European Commission suggested 30 to 50 percent co-financing resources for relevant projects. The TEN-T programme is allowed for Euro 2 Billion, while for projects within the Marco Polo II financial frameworks Euro 740 Mio are provided.

These resources are not only relevant for directly peripheral communities, since an important quality feature of the “Motorways of the Sea” projects is the active connection with the “Hinterland”, i.e. networking with inland ports and terminals. Thus, it touches the interests of all UBC’s members. Since the participating project partners are not limited to public authorities, but explicitly open to all initiatives and businesses, the “Motorways of the Sea” provides an appropriate field for Public Private Partnership projects. I remember of the co-operation with the ministry of economy, labour and transport of Schleswig Holstein, we held a conference especially on this issue in September 2003.

Though from EU’s perspective, the Baltic Sea is considered as one of the peripheral regions of Europe, the tradition of dynamic trade and transport as designated economic and geographic patterns that ensure a brought and intense approach and relevance of this concept for the whole region. Hence, the Baltic Sea region is on of the most active and most developed of the four “Motorways of the Sea” corridors.



On the one side the existing frameworks, infrastructures and organisations provide ideal assumptions and platforms for implementing the “Motorways of the Sea” within the Baltic Sea corridors. On the other side, it is due to German initiative that the implementation of this concept is accompanied by political frameworks, i.e. the “Baltic Sea motorway task force”.

This working body integrates representatives of all relevant national public authorities of the Baltic Sea countries, excluding Russia. The task force aims to exchange information related to the concepts and for its appropriation.

One of the first results of this discussion and concretisation process has been the study “The realisation of the Motorways of the Sea” by the Maritime Transport Co-ordination Platform (MTCP), conducted by British Maritime Technology (BMT), one of the BALTIC SEA FORUM’s commercial members.

For the Baltic Sea region this fundamental study designed the method to identify the modal shift potential for exceptional port-to-port linkages, improving the existing trade routes and logistic processes to “Motorways of the Sea” patterns.

- For the line Southern Jutland (DK) and German Baltic Sea coast to the Baltic States, the study could identify 0,24 percent of saved tonne-kms in comparison to European road transport work.
- Due to geography, the shortest distance between Poland and East Sweden, has only a potential of 0,08 percent, because this trade line is already efficiently driven of short sea shipping and not by road traffic.
- This is also true for the line from German Baltic Sea coast to Finland, but here a total of 0,12 percent could be saved because of increasing frequency and capacity, bringing more goods from the road to the sea.

Though, the political sphere provides a compact legal and financial framework and the parallel research provides first concrete onsets for businesses and organisations, just a minor number of projects for the TEN-T and Marco Polo programme calls 2007 to 2013 are so far in the state of application.

One elaborated exception currently consists of the application of the maritime authorities from Sweden, Finland, Latvia, Lithuania, Poland and Denmark together with the ports of Göteborg, Aarhus and Helsinki. The idea is to conduct Master Plan studies on for sub-projects, i.e. Good Flows, Maritime Infrastructure, Baltic Sea Winter Motorways and Safe Major Routes in the Baltic Sea and North Sea Baltic Hub. This project is still open to interested ports and communities around the Baltic area and in Norway.

Already deeply integrated for 13 years in the co-operation and co-ordination on the Baltic Sea region, the BALTIC SEA FORUM, as a transparent and extended international network, is able to act as an independent project platform, to support and operate such projects successfully within the frameworks of the “Motorways of the Sea” concept.

Beside our organisational and personal structure, our institution can rely on a strong coherent expertise on the issue. On the one side, this is due to a special focus on members from trade and logistic businesses. On the other side we participated actively in the discussion process, organising in leading and assisting position a Round Table on “Motorways of the Sea” in Hamburg in January 2004 and the Conference of maritime businesses in Rostock in September 2004. The Conference of Public Private Partnerships in Transport, Logistics and Supply Chains in Kiel from September 2003 has already been mentioned.

From the BALTIC SEA FORUM’s view, we have identified three relevant projects, between the German Baltic Sea coast and Finland that might be interesting and successful to be financed up to 50 percent by European funds. Hence, these onsets are able to be combined under one project application co-ordinated by our institution. A special strength of our capacities is the plurality of our work and communication, integrating international economic, political and scientific perspectives and partners, as

well as exceeding easily the projects geographic range in the region over the frontiers of the European Union.

Currently we proved these capabilities in co-organising the workshop “Future Mobility” with our member Baltic Design Transfer bringing together more than 40 experts on the fields in Copenhagen and compiling 100 thesis on this important issue, as foundation of a forthcoming design workshop virtually conducted by designers and artists from the whole Baltic Sea region.

Ladies and gentlemen, to conclude my statement, please let me summarise my thoughts in a few words, and definitely in less than 100 thesis:

- The EU concept “Motorways of the Sea” with its intermodal approach is an appropriate response to the challenges of the prosperous development of traffic and trade in Europe
- The implementation of the “Motorways of the Sea” concept and its financial and qualitative frameworks is one of the most important projects for the future of transport systems in the Baltic Sea region.
- The Baltic Sea region provides ideal assumptions as far as transport and trade developments, maritime and logistic infrastructure, co-ordinating networks and political co-operation is concerned to implement this concept sustainable and successfully.
- From today’s perspective the frequency of projects to utilise the improving potential of the concept for the Baltic Sea region is still underestimated.
- Multi-dimensional transparent networks, like the BALTIC SEA FORUM provide the capabilities to increase this frequency, acting as independent project and communication platforms.

Wishing this event a successful run, I am looking forward to the forthcoming fruitful discussions and profound insights.

Thank you very much for your attention.

## **Baltic Sea Region as Part of European Transport Networks – Maritime Safety**

**Markku Mylly**

Director-General, Finnish Maritime Administration

I certainly very much welcome this initiative from the city of Turku to hold this event and I am very pleased to be able to participate in it.

The location of the seminar is the right place due to fact that city of Turku has a long background in shipping and maritime activities in Finland and today we can say that Turku is becoming more and more centre of maritime cluster in Finland.

### **Abstract**

The marine environment is subject to a variety of threats by human activity. These threats include loss of degradation of biodiversity and changes in its structure, loss of habitats, contamination of dangerous substances and nutrients and possible future effects of climate change.

The related pressures include: commercial fishing, oil and gas exploration, shipping, water borne and atmospheric deposition of dangerous substances and nutrients, waste dumping, physical degradation of the habitat due to dredging and extraction of sand and gravel.

I will concentrate in my presentation to maritime industry and especially maritime safety. How and by what actions and means we can improve the maritime safety in the EU-level and here in the Baltic Sea Region.

## **Introduction**

The Baltic Sea, the largest brackish body of water in the world, has always been an important sea route connecting the Nordic countries and Russia to continental Europe. Surrounded by nine countries, it also has some of the densest maritime traffic in the world. In addition, the Baltic Sea has proved to be an important inter-modal link between various logistical chains, and moreover, a link to Russia.

During recent decades, there has been a significant increase in maritime traffic throughout the world. The traffic in the Baltic area has not only increased, but the nature of the traffic has also changed rapidly. Today, many of the shipping routes consist of frequent traffic, where fast ships are running between seaports on a fixed timetable. Ships are also larger and faster than before.

There are also certain routes that have dense passenger traffic, e.g., Helsinki–Stockholm and Helsinki–Tallinn. Perhaps the most interesting development, however, has been the rapid development of Baltic and Russian seaports: old existing ports have been rehabilitated, new terminals and berths are under construction. One tendency has been the increase of oil transportation, especially in the Gulf of Finland (GOF) and through the Danish Straits.

The disintegration of the Soviet Union forced Russia to start developing its own Baltic ports and terminals and to find new routes to export its oil. The Baltic States have enjoyed a remarkable economic boom, especially regarding new port and terminal development and oil transportation. In 2000 the total amount of oil transported on the Gulf was 40 million tons, in 2004 about 100 million tons and may reach 190 million tons by the year of 2010. There are a lot of research activities focusing into the improvement of the maritime safety, especially in the Baltic Sea Region. A lot of R&D works have been carried out to develop preventory measures for the maritime industry. Accidental investigations often include the use of simulators combined with tailor-made problem solutions.

Discussions at the EU level after the Erika and Prestige accidents have also pointed out the necessity of certain actions to improve the safety. One of the most recent safety related action has been the outcomes of the HELCOM's extraordinary ministerial meeting in Copenhagen in 2001. The declaration made in September 2001 was focusing into the improvement of the maritime safety in the Baltic Sea. The input to this declaration was gained from the accident and a severe oil spill of MT Baltic Carrier.

Currently Research society along the Baltic waters have been working on the risk analyses and comparisons of different draught practices in several areas of the Baltic Sea: dedicated risk analyses have been performed, for example in the case of the Gulf of Finland Offshore VTS (GOFREP), where the analyses was made using the Formal Safety Assessment risk assessment approach, as presupposed by the International Maritime Organisation IMO. Other previous studies have been the studies related to Katedrennen and the northern part of Bornholm, where especially Danish, Swedish and German top-scientists have been cooperated closely.

The new items under development in this category are the development and evaluation of IT-based methods for cost-effective hazard identification, the development of stakeholder compensation approaches supporting fairness under asymmetric distribution of risk, the development of a framework for FSA quality assurance and the development of risk communication practices and techniques related to maritime risks. The true fact over the last decades has been the significant improvement of the maritime safety. There are a lot of reasons affecting on this positive development. Many of these reasons are based on the past large-scale accidents. Also the new actions against terrorisms, like ISPS-code and new mandatory actions in ports have improved the general safety.

However, even if the parts of internal or external safety will be taken care, there are still the parts of the human-machine interaction and the environmental issues left as a parts of the total safety concept.

Here we have the most promising field to work with due to the simple truth that human related accidents represent around 80% of the total amount of accidents.

## **EU and EMSA**

European Parliament and Council Regulation (EC) No 1406/2002 (OJ L 208, 5 August 2002), which provides the legal basis for the establishment of the European Maritime Safety Agency, was adopted by the two Institutions on 27 June 2002. EMSA has been operational since early 2003.

This new Agency, created in the aftermath of the Erika disaster, contributes to the enhancement of the overall maritime safety system in the Community in order to reduce the risk of maritime accidents, marine pollution from ships and the loss of human lives at sea.

In general terms, the Agency will provide technical and scientific advice to the Commission in the field of maritime safety and prevention of pollution by ships, thereby supporting the Institution in the continuous process of updating and developing new legislation, monitoring its implementation and evaluating the effectiveness of the measures in place. In order to monitor the overall functioning of the Community maritime safety and ship pollution prevention system, Agency officials carry out evaluations in the Member States.

Among other specific tasks, the Agency is active in strengthening the Port State Control regime, in helping to monitor those classification societies recognised at Community level, in developing a common methodology for the investigation of maritime accidents and in the establishment of a Community vessel traffic information system.

The Agency also works together very closely with Member States. It responds to their specific requests in relation to the practical implementation of Community legislation, such as the recently adopted Directive on vessel traffic monitoring, and organises appropriate training activities on Port State and Flag State Control issues. This enables it to foster cooperation between the Member States and disseminate best practices within the Community. The Agency also plays a positive role in the process of EU enlargement, by assisting the accession countries in the implementation of Community legislation on maritime safety and the prevention of pollution by ships.

The Agency will contribute to the process of evaluating the effectiveness of Community legislation by providing the Commission and the Member States with objective, reliable and comparable information and data on maritime safety and on ship pollution.

## **Towards a future Maritime Policy for the Union: A European vision for the oceans and seas**

A Green Paper on a future EU Maritime Policy, to be adopted by the Commission in the first half of 2006, will constitute a first step towards an all embracing EU Maritime Policy, in line with the Commission's strategic objectives. The role of the Maritime Affairs Task Force established by this Communication is to produce this Green Paper and to launch a wide public debate on the subject. Even during the preparation of the Green Paper, stakeholders will be consulted.

It is against this background that President Barroso, in defining the remit of the Commissioner for Fisheries and Maritime Affairs, asked him *"to steer a new Maritime Policy Task Force with the aim of launching a wide consultation on a future Maritime Policy for the Union."*

Safety related items are very important in the coming Maritime Policy of Union and following topics are examples of those;

The requirements for:

- shipbuilding,
- ship equipment,
- ship safety,

- and maritime security

The importance of these items is continuing to grow and EU technology stands at the forefront of these areas. In fact, safety at sea is one of those areas which are very much a priority these days.

The requirements for shipbuilding, ship equipment, ship safety and maritime security are also continuing to grow and EU technology stands at the forefront of these areas. In fact, safety at sea is one of those areas which are very much a priority these days.

Maritime safety is an area for technology, too. The first and most obvious technological issue is to build safer ships. It is very well known, that precisely here, in Finnish shipyards in Turku Rauma and Helsinki, we have some of the most progressive shipbuilders around, notably as regards the construction of ice-strengthened vessels, icebreakers and world biggest cruise vessels.

Maritime safety is also about ensuring complementarities between technology used in one area and another. Cutting edge technology that serves to forecast sea conditions can be put to good use both in developing better and therefore safer ships and in managing sea traffic better.

Technologies that are used, and are beginning to be developed for seabed mapping can contribute to our understanding of using different areas of the seas for our own purposes. They thus can also contribute to a safer way of managing sea transport, to real spatial planning and the sustainable management of competing activities.

Switching focus somewhat, the issue of the so-called Integrated Coastal Zone Management i.e. VTS, GOFREP, Portnet, AIS etc. Here we are more into the software than the hardware of maritime activities.

### **Maritime Safety**

Maritime safety can be divided into four elements:

- internal safety,
- external safety,
- human aspects and
- environmental safety.

For the enhancement of these four elements for example Finnish State Research institute, VTT provides research on e.g. the implementation of vessel traffic services, optimisation and design of fairways, definition of wind limits, analyses of ship structures and fire safety, assessments of human factors in ship design and operation, definition of the effect of ship-induced waves and currents, and development of methods for combating hazardous cargo spills. In addition to traditional methods, Formal Safety Assessment (FSA), simulations and man-machine interface research methodologies are utilized.

### **Ship safety and design**

It was considered that the existing age limits for the operation of single-hull tankers were not sufficiently stringent. In order to accelerate phasing-in of double hull or equivalent design requirements for single hull oil tankers Regulation (EC) No 417/2002 of the European Parliament and the Council entered into force 1 September 2002. Phasing-out of single-hull tankers was further tightened in 2003 by Regulation (EC) No 1726/2003. The Member States of the European Union made a proposal for IMO to amend the corresponding MARPOL regulations concerning phase-out of single-hull tankers. The proposal was accepted by the IMO and the amendments to MARPOL regulations will entered into force 5 April 2005.

There are other issues to do with ship safety and design that are equally, if not more important, to do with dual systems: electrical systems, engine systems, steering systems, etc. There were one or two other suggestions made about other aspects, such as emergency towing arrangements and improvement

of manoeuvrability, because some of the incidents have occurred where the tankers are in very tight situations and are unable to manoeuvre easily.

## **VTs & GOFREP**

We need to know what ships are where at what time and where they have come from and where they are going.

The purpose of Vessel Traffic Services (VTS) is to improve the safety and efficiency of navigation. The operators in a VTS centre keep a continuous listening watch on the working radio frequencies during the operational hours, typically is 24 hours a day. The operational area of a VTS can be subdivided in sub-areas or sectors like Helsinki VTS. (MSC/Circ.586 on the IALA/IAPH/IMPA World VTS Guide). Ships report to VTS centres as required in the guidelines concerning the VTS area in question, for example when entering or leaving the area or before entering a certain point or narrow passage in the fairway. Based on the information received from the ships, VTS identifies them and is able to monitor them.

VTS operations can be divided in to three kinds of services: information services, navigational assistance services and traffic organization services. VTS broadcasts information when needed or at the request of a vessel. Information may include for example reports on the position, identity and intentions of other traffic; waterway conditions; weather; hazards; or any other factors that may influence the vessel's transit. VTS can also give navigational assistance to ships, especially in case of difficult navigational or meteorological circumstances or when there are defects or deficiencies in the ships navigability.

### **The GOFREP mandatory ship reporting system**

The Gulf of Finland mandatory Ship Reporting System (Gulf Of Finland REPorting, GOF-REP) started operation on 1 July 2004. The operation covers the international waters of the Gulf of Finland in a joint effort between Finland, Estonia and Russia.

The Finnish part is the responsibility of the Gulf of Finland Maritime District's VTS centre in Helsinki.

### **The aims of the mandatory SRS**

East/westbound traffic on the Gulf of Finland is increasing constantly as Russia establishes more terminals in its eastern reaches. It has been forecast that oil shipments through the Gulf of Finland will rise from the current 100 million tonnes to 200 million tonnes by 2010. The Tallinn-Helsinki route is also busy with passenger shipping, involving some six million passengers a year.

As the volume of shipping grows, so does the risk of accidents. An incident of grounding or collision could cause loss of life or severe environmental damage to the vulnerable marine ecosystems of the Gulf of Finland. The paramount aim of GOFREP is to reduce the risk of ship collisions. According to a risk analysis performed on shipping in the Gulf of Finland, GOFREP will reduce the risk of two vessels colliding by 80%.

Even if GOFREP reduces the accident probability, no preventive measure can eliminate all risks. Not all types of accident – such as those involving equipment failure or human error – can be affected by onshore monitoring. Monitoring and informing shipping, combined with intervention in case of deviations and violations of rules, will enhance maritime safety significantly. Ship crews will still be responsible for the navigation of ships after the system comes into operation.

### **Human resources**

This has been highlighted by a number of occasions and is one of the fundamental issues. It is widely known that 70-80% of accidents are caused by human error. Clearly this is an area where we have to give priority in terms of the crew training, language training (as there have been communication

problems), and training in quality standards and management standards on board the ship. The Commission is proposing to consolidate a training legislation at the moment, but are proposing no changes or no enhancement. I would suggest however that this is very necessary and particularly in the light of the proposals for improving the inspection services and recruiting more surveyors - how are we going to get those unless they are trained. There needs to be a crash training programme for surveyors.

### **Winter traffic in the Baltic Sea**

The statistics of traffic volumes and number of ship calls show today, that the influence of winter is not very remarkable as it used to be let say 10 – 15 years ago. Total number of ships visiting one port naturally varies but the clear correlation between restrictions and traffic density can not be seen. One reason for that can be that most of the ships visiting ports of the Finnish Gulf have ice classes IA and IA Super anyway and their cargo capacity is big enough.

The winter navigation system at the Gulf of Finland is based on ice class rules, traffic restrictions and icebreaker assistance. These factors are tightly connected. Ice class rules determine the required hull and propulsion machinery strength and propulsion power. The traffic restrictions limit the number of vessels eligible for icebreaker assistance based on their ice class and deadweight. The traffic restrictions allow only more ice capable ships to enter ice and thus the number of the icebreakers is adequate to guarantee assistance to all vessels, which fulfil the ice class rules and traffic restrictions. On the other hand the rules and restrictions are set based on an assumption of the icebreaker assistance whenever it is needed.

Because there are a limited number of icebreakers, they can not assist all vessels. Therefore the number of vessels must be reduced based on the ice conditions and the number of the icebreakers at the area. Also the vessels with inadequate hull strength compared to the prevailing ice conditions must be excluded from the area. With traffic restrictions the safety and continuity of the traffic can be assured.

In Finland the restrictions are set by the Traffic Manager of the Finnish Maritime Administration. The Traffic Manager decides on the restrictions based on the information obtained from the Ice Service, satellite images, Weather Service and icebreakers at the area. The restrictions are announced generally five days before they come into force in order to give the ship owners and shippers enough time to react to the change.

In the Gulf of Finland vessels bound to and from the three countries operate at the same area. Finland has an agreement for icebreaker co-operation with both Russia and Estonia but in practice the co-operation has been quite limited. All countries operate their icebreakers practically independently according to their own rules and regulations.

### **FSA analyses**

Shipping is governed by several rules. The safety-related rules of today are predominantly prescriptive, quite often derived as a reaction to a disaster at sea. Thus, the traditional way of rule-making has lead to a multitude of rules. The cost-effectiveness of a new rule and its coherence with other rules have probably not been the leading thoughts in the rule-making process. As a result of public pressure and haste to make a change, the new rule may not be an optimal solution to the problem. The effects of some rules may be even questionable. In this respect, a new, more scientific way of thinking, i.e. a formal methodology supporting the regulatory process, might be more useful. FSA (Formal Safety Assessment) is a method which is recommended by the IMO to be used in the regulatory process (IMO 1997).

FSA is a risk based systematic and sturdy approach to safety management. It is a rather new methodology for rule making, which applies a scientific approach of thinking. If correctly applied, FSA applications are transparent, traceable and repeatable. FSA acts in a pro active way: it should put emphasis not only on risks which have lead to accidents, but also on risks which may have severe consequences. FSA consists of the following five steps:



1. Identification of hazards
2. Assessment of risks
3. Generation of risk control options
4. Cost benefit assessment of the risk control options
5. Decision making recommendations concerning the options available.

The different groups of stakeholders should always be identified at the outset of each FSA procedure, and to some extent be included in the expert panel, to ensure comprehensive views in those FSA analysis steps that rely on expert opinion. This is also the most important way of building up commitment to and understanding of the decisions made. All the information gathered during the previous steps of FSA should be reviewed to identify the preferred regulatory option(s) in general, and then in more detail in order to reach a sufficient equability for each relevant stakeholder

### **What next?**

In its **Transport White Paper** of September 2001, the Commission proposed the development of “Motorways of the Sea” as a “real competitive alternative to land transport.” To help these lines develop, the White Paper states that *European* funds should be made available. These “motorways of the sea” should be part of the **Trans-European network (TEN-T)**.

The “motorways of the sea” concept aims at introducing new intermodal maritime-based logistics chains in Europe, which should bring about a structural change in our transport organisation within the next years to come. These chains will be more sustainable, and should be commercially more efficient, than road-only transport. Motorways of the sea will thus improve access to markets throughout Europe, and bring relief to our over-stretched European road system. For this purpose, fuller use will have to be made not only of our maritime transport resources, but also of our potential in rail and inland waterway, as part of an integrated transport chain. This is the Community added-value of motorways of the sea.

The adoption of Article 12a of the **TEN-T Guidelines of 29 April 2004** by Council and European Parliament gives a legal framework for funding the “motorways of the sea”. Article 12a TEN-T gives three main objectives for the sea motorways projects:

- (1) freight flow concentration on sea-based logistical routes;
- (2) increasing cohesion;
- (3) reducing road congestion through modal shift.

Four corridors have been designated for the setting up of projects of European interest:

- **Motorway of the Baltic Sea** (linking the Baltic Sea Member States with Member States in Central and Western Europe, including the route through the North Sea/Baltic Sea canal) (by 2010);
- **Motorway of the Sea of western Europe** (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea) (by 2010);
- **Motorway of the Sea of south-east Europe** (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean, including Cyprus) (by 2010);
- **Motorway of the Sea of south-west Europe** (western Mediterranean, connecting Spain, France, Italy and including Malta and linking with the Motorway of the Sea of south-east Europe and including links to the Black Sea) (by 2010).

These corridors provide one essential part of the projects: the “floating infrastructures” of our European seas. However, it is up to industry, Member States and the Community to implement financially and operationally sound projects to use these maritime resources better for new intermodal maritime-based transport systems.

To make motorways of the sea a success, three conditions must be present for each project.

- First, in order to obtain the necessary concentration of freight flows, choices have to be made concerning ports and intermodal corridors and services.
- Second, all actors in the supply chain have to be committed to these projects.

- Third, motorways of the sea need to feature the best available quality throughout the chain in order to be attractive for users.

By 2010, a fully fledged network of motorways of the sea should be established throughout Europe on the corridors mentioned above.

Ladies and gentleman,

This was a short description of maritime safety related actions and means taken by IMO, EU, EMSA, HELCOM and Baltic sea regional authorities. There are many players on this field and it is essential and important that all the players have a common goal, i.e. to improve maritime safety and prevent maritime accidents on this region. By these common actions we can protect our vulnerable and sensitive Baltic Sea.

## **Cities and Competitiveness**

**Carl Cederschiöld**  
Mayor Emeritus, City of Stockholm

The subject of this intervention - Cities and Competitiveness - is rapidly becoming one of the most important parts of the whole discussion on how competition and thereby economic development come about in our globalised world.

Contrary to the situation during most of the 20th century when competition was dominated by the national perspective – in our world it is increasingly about and between cities and regions regardless of national borders. The welfare of a country is becoming more dependent on how successful their cities are.

A few figures from my own region - Stockholm - go to underline this argument very clearly:

- It has 21% of the population of Sweden
- It produces almost 30% of our GNP
- It pays 40% of all taxes in the country, and
- It accounts for around 40% of the total annual growth of our GNP.

In an international environment characterized by a growing mobility of people, goods, capital and ideas the basis for competitiveness becomes more and more local / regional. There is abundant empirical evidence to support that view. Given an open economy this is not that surprising. Competitiveness or the lack of it depends at the end of the day on people and what they do. People live, work and run businesses locally.

Cities have always been places for commerce and thus they always are catalysts for development - good or bad - that depends on our actions.

But a city has not been - and is not only a place for exchange of goods - it is before everything else a place for exchange of ideas - a breeding - place for creativity and innovation.

Cities thus have the potential for competitiveness and thereby economic growth and development of our society. The question we all have to answer is how we do make use of this potential.

What can a city - meaning their political leaders and their institutions or administrations do to promote their cities or regions competitiveness?

There are of course a row of important factors that play a role, but the key factors are according to my opinion:

- Good and well functioning institutions - good governance
- An environment that stimulates and accept innovation with an open mind.
- A good climate for investment, and
- A responsible and comprehensive investment - policy by the city itself.

The first point demands that local independence regarding responsibilities in designated areas - that is the legal competence for the local and regional level - is for real and not only beautiful democratic decoration.

If the mayor and the city council can not really do anything why vote for them.

An efficient, professionally competent and impartial city administration is in this context as important as the public institutions on the national level.

The second point is not as clearcut and concrete - but has much to do with open channels of information and communication between the city, business and the academic world - triple helix.

It is to a considerable extent about discovering what is new and what will affect the position of the city and its competitiveness in the future.

I will not dwell long on the importance of the general investment climate. It has as always to do with well known things as taxes, fees, the amount and complexity of Regulations etc.

The fourth point is perhaps more difficult to handle especially if we are talking of an EU - country subject to the rules of the inner market, the public tendering process etc.

What is the role of a city regarding investment? To simplify matters it could be divided into two parts:

- Basic Infrastructure – such as water-supply, sewage treatment, waste management, roads and schools. It can of course also be ports, airports, and public transport.

This can be done exclusively by the city - or as so called PPP's - or by contract tendered out to private companies.

The vital element in this case always being that there should be a municipal responsibility and that this responsibility is based on a legal competence laid down in the law of the land.

- Investment in other areas - but under what circumstances?

A city can and often has valid reasons for trying to promote investments of a commercial kind in order to stimulate local and regional economic development - meaning jobs and rising welfare for the citizens.

In this context the trick is to avoid distorting competition on the free market and unduly favour certain private companies.

To use a metaphor - this can be done by the city acting as a "midwife" for certain strategic investments. We can help see to that a desired baby really is born. But we will not feed and raise the child.

The instruments are among other things - land-policy, adapting and organizing schools and education to stimulate the creation of a competent labour-force, keeping the infrastructure and planning - process in an efficient shape.

In rare cases it can also be the role of the city to be a direct investor as long as one does not come into conflict with the EU - competition and public procurement-laws.

Sometimes such a simple thing as efficient, service minded and fair departments within the city - administration goes a long way to help desired private investments to be realized.

I will now turn to a short description of how and in which areas of investment the city of Stockholm in order to be competitive puts its priorities today.

Before that it is however necessary to make one small remark about the framework within which we work with respect to municipal investment in Sweden.

There are no formal caps on municipal investment. They have existed but were abolished more than 20 years ago.

You could say - though - that there is an indirect cap of a legal nature - the Swedish municipalities have to balance their overall budgets over a three year cycle. This means as you all can see that municipalities must weigh capital costs for investment against other expenditures.

Stockholm has a clear need for investment in infrastructure and housing if we are to catch up with the rapid growth of the city during the nineties and the first years of this century.

Thus the priorities are:

- With the support of the government - roughly 2 billion Euro - will be spent the next seven years on ring roads and a railway tunnel - the Mälartunnel - under the central part of Stockholm.
- This in order to raise the capacity for public transport - commuter trains and trains in the Mälardalen region - as well as the national railway system.
- The city has in political unity established the goal to see to that 22.000 apartments are built the next 4-5 years – a tough task.

The city is also taking its role as midwife seriously when working together with private actors and the academic world to formulate a common vision and subsequent action plans for certain strategic areas in Stockholm.

The Kista vision - adopted by the City Council - is aimed at constituting commonly agreed guidelines for all, the actors in Kista - a suburb 12 km NW of the city-centre and one of the most important world centres for development in the field of mobile information technology.

To us it is thus of vital importance that it continues to grow and retains its competitiveness.

In the "Vision-Department" it is also worth mentioning the plan for a biotech - R.A.D Center - at or rather on top of the old freight train station in the northern part of the inner - city. This is close to the Karolinska Institutet - the institution that chooses the winners of the Nobel-Prize for Medicine.

We are talking about facilities of 50.000 square m. or more.

Finally the city sees the need for investment in human capital - that is in the competence and professional skills among its own employees.

To recruit and keep employees will be crucial in the future if a city is to meet the challenges that a quickly changing and developing society puts on it.

To that end we have allocated a fund of 2 billion SEK (220 mill. Euro) to be spent to train and educate employees and developing our working methods over the next ten years.

It is also worth mentioning that the city of Stockholm continues to invest in clean water and the protection of our water resources. The latest big example is the recently finished investment of around 80 million euros in the sewage-treatment plant – Henriksdal.

To sum up:

- Investments should be made in close cooperation with other actors in society so as to make the most of them.
- As far as possible - the level of investment should be stable over a long term period - meaning that they can be well planned and efficiently procured from an economic and technical point of view.

I would like to end this intervention by listing a couple of rules of thumb for what a city and its leaders can do in cooperation with private business for their city to become and remain competitive. Thereby contributing to a brighter future for their city, region and its citizens.

I have ended up with 10 golden rules for success.

1. An elaborate strategy built on an evaluation of strengths and weaknesses of your city.
2. Define if and where you have clusters with a critical mass - or in which areas you may be able to create them.
3. A visionary political leadership - that is clear intentions, a transparent policy that is easily understood.
4. Foster an open and tolerant intellectual environment that stimulates curiosity vis a vis new ideas.
5. Create the right incentives for innovators and entrepreneurs.
6. Create markets as deregulated as realistically possible.
7. Establish a physical infrastructure at the forefront - and maintain it - but realize - it will never be completed.
8. Give a lot of attention to the educational system both for business and the public sector.
9. Keep your city administration modern, competent and adaptable.
10. Make the active and committed companies in your city like it and become ambassadors for it.

## **Cities and Good Neighbourhood Policies**

**Viktor Surikov**  
Head of Kronshtadt

Dear participants of the conference!

Dear colleagues!

Dear friends!

The main factor determining modern dynamics of cooperation in the Baltic region is expansion of the European Union.

Expansion of the European Union as well as extension of the dialog between EU and Russia on the basis of four mutual spaces create a favourable political atmosphere for wider opening of the potential for regional cooperation.

It can be expected, that concrete priorities of the member countries will influence general directions of European politics. As an example I can tell about Northern dimension of EU, which was started under the influence of such countries as Finland and Sweden. There are no reasons for initiatives of the kind not to appear in the future as a result of expansion. EU has already started to take in consideration in its internal politics influence of the expansion on its neighbours including Russia.

St. Petersburg is involved in regional cooperation with the European cities and regions, which is an important factor for further development of investment attractiveness of the city. In this sense we welcome versatile initiatives, which extend economical interaction in the region, especially in conditions of EU expansion.

The Government St. Petersburg considers cooperation in the Baltic Sea regions one of the most important priorities of its international activities. We consider that mutual efforts should aim at:

- assisting development of regional economical integration and versatile cooperation, keeping spirit of good will and partnership, respecting human rights and national minorities.
- assisting in realization of the initiatives of four roads (four cooperation spaces) included in summit Russia – European Union held in Moscow in May 2005, taking in consideration remarkable role of St. Petersburg in the Baltic region.
- cooperation of the cities on the field of informational society, ecology, innovations, transport, culture, tourism, logistics, development of small and middle size business, education, health care and sports.
- creation of mutual projects in framework of Good Neighbourhood of the European Union, interaction with the other programmes of the EU.

It is already recognized that Baltic region is above all the region of the cities. The cities particularly are the points of growth in social, political, ecological, economical and cultural sense.

Our city has close relations with its partner cities around the world including the Baltics. In Finland partners are Helsinki, Turku, Tampere, Lappeenranta, Kotka, Imatra, Mikkeli; in Germany Hamburg and Dresden; in Denmark Århus; in Poland Warsaw and Gdańsk, and others.

The main cooperation directions of St. Petersburg with the Baltics are development and promotion of mutual projects with cities and regions of Finland such as Helsinki, Turku, Tampere, Lappeenranta, Uusimaa region including the following: “Challenge of eCitizen – Promoting eGovernment Actions in European Cities”, intellectual property rights etc. Promising cooperation is in the field of logistics, creation of technoparks, development of electronic services for the citizens of the Baltic cities; project Baltic palette, which connects Stockholm Mälars region (Sweden), regions of Uusimaa and South-Eastern Finland, Tallinn and Harju region (Estonia), Riga (Latvia), St. Petersburg and Leningrad region (Russia).

St. Petersburg participates in the international cooperation network “Baltic metropolises”, the aim of which is to develop cooperation between capitals and major cities of the Baltic Sea region, to formulate and promote mutual initiatives, to represent them in international regional organizations and governments of the Baltic countries and to EU.

Project “Growth Triangle of the Gulf of Finland” is a unique example of modern multilevel concept of cooperation in the field of foreign relations of the subject of the Russian Federation. The project covers the subregion of the Gulf of Finland, including Regional Alliance of Southern Finland, regions of Estonia Uda-Viru and Harju, St. Petersburg and Leningrad region.

Long cooperation programmes of St. Petersburg with Tallinn and Narva (Estonia), Vilnius (Lithuania), Helsinki, Turku (Finland) including annual meetings and seminars are important for our city.

Government of St. Petersburg appreciates the role of the Union of the Baltic Cities as an organization for making decisions. Union of the Baltic Cities acts as a structure, which gives possibilities to discuss and coordinate the whole line of problematic issues between representatives of more than a hundred cities of the Baltics, and leads development of international and foreign trade relations in the region.

St. Petersburg is a Chairman of the Commission on Information Society of UBC, which was established under our initiative. It cooperates with Senior Officials on Informational Society of the Council of Baltic Sea States. Meetings of these organizations will be held in St. Petersburg during October 27th-28th, 2005 in Smolny, building of the executive power.

System of international organizations, permanent forums, cooperation of the subregions, consulting networks of city and subregion administrations is an instrument of international cooperation in the Baltics, which takes in consideration interests of Russia in one of the most dynamically developing regions of Europe and the world.

In economical aspects of border cooperation we all should overcome the barriers for trade, investments and for people dealing with trade, investments, small and middle size business and experience difficulties in border crossing. We should transform Baltic region in favourable area for investments. Of course, we need real schemes for investment interactions, the sources for which can be found on EU programmes, especially in a new Neighbourhood Programme of EU.

Under the Neighbourhood Programme St. Petersburg cooperates with South-Eastern Finland, Baltic region and regions of North-West of Russia, with Estonia and Latvia.

Geopolitical location of St. Petersburg, Leningrad region and South-Eastern Finland as border regions of Russia and EU is one of the most important factors influencing the future development of this trans-border region.

One of the examples of cooperation in the framework of Neighbourhood Programme might be a mutual Russian-Finnish project Vision 2013, which is being under development. It defines five priorities of development of cooperation region:

- development of partnership and cooperation
- support of development of innovative technologies
- development of tourism and free time industries
- development of transport and logistics network
- ecology and development of ecological technologies

Achievement of higher level of integration and competitiveness of the Baltic region should happen by means of development of regional, economical and social interaction in these areas.

Among positive things in Neighbourhood Programme we would like to emphasize participation of the countries in decision making concerning choosing the projects and financing, as well as possibility of financing of both sides of the border.

We suggest to cooperate more actively in finding and development of project ideas, which could develop cooperation between regions of the Baltics.

In St. Petersburg at the moment we accumulate suggestions aiming mainly at development of cooperation with South-Eastern Finland.

Activity with Estonia and Latvia is lower, which is caused probably by the early stage of our cooperation with these countries as full EU members. We should be more active here.

One of the most promising projects in the Baltic region could be a network project “Northwest Analysis. The Region of Effective Governance: Nordic Experience Meets the Needs of Northwest Russia” developed by Baltic Research Centre, partner Committee for External Relations and Tourism of St. Petersburg in international projects.

The project is developed under support of the Nordic Council of Ministers, Authorised Representative Office of the President of the Russian Federation in North-West Federal Region, St. Petersburg Administration and Information and Analytical Centre of St. Petersburg, and aims at creation of informational and analytic products and infra-structure for institutions of the Nordic Council of Ministers, local authorities of North-West of Russia and community.

The other promising direction for cooperation is “Baltic Park”, the project of establishing a modern recreation and tourist centre for active rest of families, schools and youth in Strelna on the coast of the Gulf of Finland near Petrodvorets. It is planned to establish five theme areas in the park: “Russia”, “Amber coast”, “Northern Europe”, “Scandinavia” and “Lapland”. National and social direction will give historical and cultural atmosphere of the countries and cities of the Baltic region, their lives, will contribute in giving information about the Baltic region and be a concrete example of multilevel cooperation between Baltic countries.



I believe, that the project conforms to the tasks realized by UBC. I consider politically important to support this project and hopefully to accept the resolution on this matter.

At the moment definition of cooperation perspectives depends on active interaction of the representatives of the authorities and organizations of the cities and regions in analyzing and decisions for choosing strategic perspectives.

I hope that this conference will contribute to strengthening of European and Baltic unity, in development of relations of the countries, cities and regions.

I wish success, effective cooperation and friendly contacts to all the participants!

## **Results of the 6th VASAB Ministerial Conference**

**Zbigniew Rykowski**

Chairman of the Committee on Spatial Development of VASAB

Thank you for being invited to such distinguish Conference of the Baltic Cities. It is a great privilege for me to be here and to share with you some observations concerning the VASAB Ministerial Conference we held in Gdańsk almost two weeks ago. We were impressed by the address of the UBC representative at this Conference so I hope my presentation will be also interesting for you.

### **VASAB – Visions and Strategies around the Baltic Sea 2010**

VASAB – Visions and Strategies around the Baltic Sea 2010 – is a co-operation among Ministers responsible for spatial planning and development, of the countries around the Baltic Sea. Germany and Russia participate also through representatives from the regions that are adjacent to the Baltic Sea Region (Länder in Germany, Oblasts in Russia). The co-operation started in 1992. In 1994, a report “VASAB 2010 – Visions and Strategies around the Baltic Sea” was presented, being the first transnational vision for spatial development world-wide. It was adopted at a Ministerial Conference in Tallinn (Dec-1994) and laid the foundation for joint action of the participating countries and regions. VASAB 2010 Plus reflected the experience made during 8 years of co-operation. It considered changed conditions after a first decade of transition, new knowledge on spatial trends in the Baltic Sea Region, and a diversity of transnational co-operation projects on spatial development. On this basis recommendations for future transnational actions were developed.

### **6<sup>th</sup> Conference of Ministers responsible for spatial planning and development in Gdańsk**

The 6th Ministerial Conference took place in Gdańsk on 19.09.2005. This is the city where the Solidarity movement has started and the conference took place during its 25 anniversary celebration. The Conference has adopted Ministerial declaration and discussed the Policy Document.

The conference recognised that both the Vision and Strategies around the Baltic Sea 2010 as well as the VASAB 2010 Plus Spatial Development Action Programme, adopted in Wismar in 2001, continue to provide a good basis for co-operation between our countries, regions and cities for development of new programmes and projects on cross-border and transnational co-operation. However, more emphasis should be put on priorities related to the changes in situation and the challenges brought about by EU enlargement and the strengthening of the territorial dimension of the EU cohesion policy. These new challenges increase the demand for better co-ordination through spatial planning and integrated spatial development.

In the Gdańsk Declaration the Ministers have addressed EU Commission and Baltic Organisations with following messages:

- It is important to continue the future transnational cooperation programme in the Baltic Sea Region within the current INTERREG III B boundaries in order to maintain strong instruments for the implementation of a coherent spatial development policy in the Baltic Sea Region.
- In future, EU Cohesion Policy could be better adjusted to the specific features and diversity of the different pan-European regions. It should take advantage of their specific potential and address key development issues. The Structural Funds Programmes, within all the three objectives, and the European Neighbourhood and Partnership Instrument should take the consequences of their actions for spatial development into account.
- Relevant research should be undertaken to provide a more precise specification of the needs and means for connecting Baltic Sea Region potentials into synergic network systems. Research programmes, such as ESPON 2, could provide more focused research on the specific territorial characteristics of European macro regions such as the BSR.

The Ministers have asked the pan-Baltic organisations to pay attention to the spatial effects of their agreements, co-operation programmes and policies.

### **The long-term perspective for the spatial development of the Baltic Sea Region**

The Ministers also instructed the Committee on Spatial Development of the Baltic Sea Region to focus the work of VASAB, until the Seventh Conference, first of all on preparation of the long-term perspective for the spatial development of the Baltic Sea Region. This should be done with active participation of the regional authorities and in dialogue with relevant pan-Baltic organisations;

The recommendations in the Policy Document "Connecting Potentials", prepared for the 6th Ministerial Conference, are intended to respond to the challenges I have already mentioned. The Policy Document is a first step in creating a new long-term perspective for the spatial development of the Baltic Sea Region, in line with the encouragement of the Council of the Baltic Sea States. The long-term perspective should take into account BSR countries and Pan-Baltic Organisations development concepts and plans, the priorities of the EU Territorial Cohesion Policy, the conclusions from the Rotterdam and Luxembourg Ministerial Meetings, as well as the work undertaken by the European Conference of Ministers responsible for Regional Planning, CEMAT. Main difference comparing to the Tallinn (1994) approach is that the long-term perspective should be prepared in dialogue with regions and BSR organisations.

### **Networking among cities**

The development in the Baltic Sea Region emphasises the need to focus future work on networking among cities, environmentally friendly transport modes and transnational development zones in order to connect potentials and thereby increase spatial integration of the BSR. The main engines of the city networking in the BSR are capital cities and metropolitan areas. Such a tendency might reinforce the development gap between highly urbanized regions and more rural areas. The European Spatial Planning Observation Network (ESPON) suggests to strengthen the development of the largest BSR cities in order to make them complementary to the cities of the European core, often referred to as the Pentagon. Therefore, actions should be taken to avoid further concentration and polarization for example through efficient networking of the cities and towns – second and third performers, and creation of a critical mass for development. Supplementary development policy is required at the BSR level in order to strengthen the second or third-best performers and their networking, i.e. cities with potential among which Baltic co-operation can arise. Competition and cooperation Urban networking in the Baltic Sea Region has yet to reach a better balance between concentration and policentricity, that is between the benefits of competition and the benefits of cooperation. The challenge is to channel the financial flows towards the most promising transnational clusters and projects and to support local and regional governments in consolidating existing clusters and in developing new ones. However, we lack information what types of clustering should be supported in fact. More information are necessary about functional polycentricity. Here is evident shortcoming of current ESPON.

Following steps are proposed. The institutional co-operation model, extending the co-operation of public authorities to also embrace private enterprises, should be developed and implemented. A study of existing potentials and flows would be needed to identify possibilities for the development of new transnational clusters. This could be one focus for BSR-oriented research, especially in the framework of the ESPON 2 programmes but also in other studies.

### **Transnational development zones**

BSR is a too large area for the real transnational cooperation in spatial planning and development. In the BSR a concept has been further developed, which promotes the integration of the Region in larger territories, which cover parts of several countries and extend beyond the typical crossborder areas. This concept was implemented under the name of transnational development zones, and its implementation has had a considerable impact on the geography of cooperation within the Region. Transnational development zone is characterised by the integration of all spatial development issues from city networking to accessibility in a larger sub-area of the BSR. The concept is process-oriented, based on political networking, and comprises the elaboration of spatial development perspectives, the definition of key development themes and the generation of concrete pilot projects. The transnational development zones could be further developed as a tool for the elaboration of innovation strategies in a spatial context. Equally important is that transnational co-operation, which uses the development zone concept, will contribute to a high quality environment in the BSR.

### **External relations of the BSR**

Finally, I would like to stress the importance of the external relations of the whole BSR. The improvement of the internal integration of the BSR should be complemented with an enhanced integration of the BSR with other pan-European regions, in particular the Barents, Mediterranean and Black Sea regions. For the Baltic Sea Region to become a global player, the already existing and planned links westwards will need appropriate extensions through the development of southern, eastern and northern connections.

Being grateful for your attention I would like to invite UBC to work together with VASAB on a long term spatial development perspective.

## **The Baltic Sea Region – a Mediterranean View**

**Emilio D'Alessio**

Vice Mayor of the City of Ancona

This is a very precious opportunity. The idea of asking for a look at the Baltic Region taken from a southern, Mediterranean perspective is innovative and extremely interesting. Do not let yourself be trapped by the latitude issue.

In spite of the differences in climate, human behaviour and culture the Baltic and the Mediterranean have a lot in common. These similarities get even closer if you look at that portion of the Mediterranean called the Adriatic Sea. The Baltic and the Adriatic are inner seas and have acted during the cold war decades as the eastern borders of Europe. That was then. Now the Baltic is the symbol of the new Europe in the third millennium, where changes and chances occur. The Adriatic is still way behind, struggling with the trails of a recent, devastating war that reshaped the political context of the Balkan region.

But we are both facing east, and looking east not fearing a menace anymore, but confronting a challenge. And we both felt the necessity of networking, building associations of coastal cities. As UBC

is a consolidated and reputable network, our Forum of Adriatic and Ionian Cities and Towns is younger and weaker, but it has been growing steadily since his founding in 1999.

Three countries of our region (Greece, Italy and Slovenia) are EU members, while other four (Croatia, Bosnia-Ertzegovina, Serbia-Montenegro and Albania) are not. Kosovo and Macedonia do not have access to the sea, but are part of the scenario. The situation is not going to change much in the near future: only Croatia is currently negotiating with the EU.

Our inner seas, so delicate and fragile, managed to resist cold and real wars. It is amazing how delicate ecosystems like the Baltic and the Adriatic have been able to recover from the damages and the insults they received. Our seas proved that they are more resilient than their shores and the resident communities.

I believe that there is a common way to address the future of the Adriatic and Baltic communities. We could share our experiences and skills and build a common future. The Nordic cities could show the Adriatic how to deal with good governance and equal opportunities. Southern cities could give Baltic communities their advice on preserving cultural heritage and preventing the impact of mass tourism. On the fun side, we could probably give you some cooking lessons, and you could explain to us the mystic approach to sauna.

Talking of serious business, we have many common challenges. First of all, the integration and cohesion between cities and states. Then the risks of sea pollution, the remodelling of the waterfronts, the integrated coastal zone management, just to name a few.

These issues must be addressed with strong concepts, political determination and adequate resources. In term of resources, we must necessarily rely on the European Union. But if we need the EU funds to build bridges between our cities, on the other hand the European Union needs us. We are the perfect example of a good practice. We are self-born networks, we use bottom-up policies, we believe in cross-border cooperation and our regions are the priority fields of the cohesion strategy.

Mediterraneum in Latin means between lands. In Latin terms, the Baltic is the second Mediterranean sea of Europe. I believe we have a lot to share and a great potential to express, taking the best from both of us.

North-South cooperation on the eastern border of the European Union is a major issue. I foster a permanent collaboration between our organizations to build a common platform and a shared strategic plan.

## Fortum – a leading energy company in the Nordic area

**Mikko Rönnholm**  
Development Manager, Fortum



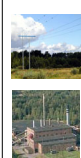
**– a leading energy company  
in the Nordic area**

Mikko Rönnholm, 29.9.2005, UBC /Turku

Corporate Communications  
September 1  
2005


**Leading market positions in the Nordic area**


**Nro 1**



Electricity  
distribution


Heat

**Nro 2**



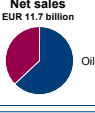
Power  
generation

Retail sales  
of electricity

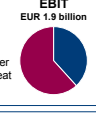
Corporate Communications  
September 2  
2005


**A major Nordic energy player**  
(incl. oil businesses)

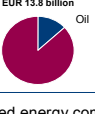
**Net sales**  
EUR 11.7 billion




**EBIT**  
EUR 1.9 billion



**Net assets**  
EUR 13.8 billion




**Employees**  
12,859

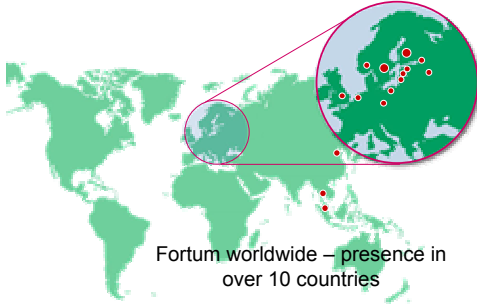


- Largest listed energy company in the Nordic countries
- Total customer base about 2 million


2004 figures

Corporate Communications  
September 3  
2005


**Focus on the Nordic area**



Fortum worldwide – presence in  
over 10 countries

Corporate Communications  
September 4  
2005


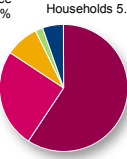
**A listed company**  
31 December 2004

Financial and insurance  
institutions 2.0%

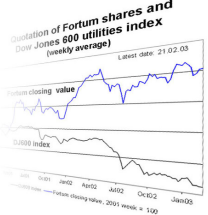
Other Finnish  
investors 8.2%

International  
investors  
~ 30%


Finnish State 51.7%



**Quotation of Fortum shares and  
Dow Jones 600 utilities index**  
(weekly averages)



- Market capitalisation EUR ~11 billion
- More than 50,000 shareholders
- Listed on the Helsinki Stock Exchange

Corporate Communications  
September 5  
2005



**Fortum's strategy**

Fortum focuses on the Nordic and Baltic Rim markets  
as a platform for profitable growth

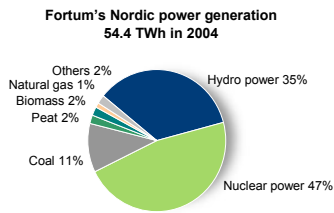
Become the  
leading  
power and heat  
company

Become the  
energy supplier  
of choice

Benchmark business performance

Corporate Communications  
September 6  
2005


## Power generation by energy source

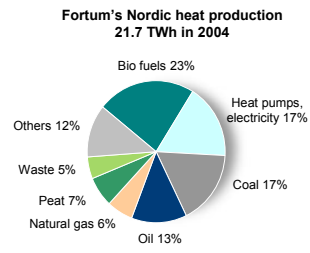


Fortum's Nordic generation capacity 11,220 MW

Corporate Communications  
September 7  
2005



## Heat production by energy source



Total generation capacity 8,290 MW

Includes 100 % of Fortum Värmes samägt med Stockholms stad

Corporate Communications  
September 8  
2005



## Broad customer base

Industrial, oil and energy companies  
as well as private consumers

**1.1 million** electricity customers  
**1.4 million** electricity distribution  
customers  
**0.2 million** heat and gas customers

Corporate Communications  
September 9  
2005



## Fortum...

... distributes electricity to  
**1.4 million** households  
... provides district heating for  
appr. **80** cities in **5** countries

Corporate Communications  
September 10  
2005



## Strong environmental commitment

**38%** of generated electricity  
uses renewable water- and  
biomass-based energy  
sources

**83%** of electricity generation  
is carbon dioxide-free

**Certified** environmental  
and quality systems

Corporate Communications  
September 11  
2005



At last - I as the Managing director of the join Companies with the local  
Municipalities I can underline, that the partnership of different kind owners,  
is really fruitful.  
Don't hesitate to contact us. We are more than ready to develop Your Energy  
Supply efficiently, customers friendly ant environmental sustainable direction.

[www.fortum.com](http://www.fortum.com)

Corporate Communications  
September 12  
2005



## **European Voluntary Service**

**Vegard Hölaas**

Director of International Affairs, the Swedish National Board for Youth Affairs

Mr. Chairman,  
Ladies and Gentlemen,

### **Imagine**

- a network of young people and of local communities stretching across the Baltic Sea
- a network where youth from our countries can learn to know each other, can learn from each other, and can develop friendship that will last for many years
- a network where youth are offered new learning opportunities; language, intercultural experiences, personal development, professional skills
- and where local projects, organisations and communities can establish contacts in other countries, contacts on a personal and professional level that can contribute to their development.

### **The European Youth Pact**

Let me begin with referring to what happened in March this year.

In their meeting 22 – 23 March 2005, the European Council discussed a re-launch of the Lisbon strategy - how to make the European Union “the most dynamic and competitive knowledge-based economy in the world” by 2010. The Council stressed the importance of including young people in the efforts to stimulate growth, jobs, caring for the environment and developing social networks. Furthermore, the Council adopted the European Youth Pact as one of the instruments contributing to the achievement of the Lisbon objectives.

The Youth Pact is about

- integration of young people into the labour market
- stimulating entrepreneurship among young people
- developing the educational sector

while focusing on the situation of the most vulnerable young people

It is also about

- encouraging mobility for students, workers and volunteers
- developing the comparability of occupational qualifications
- recognition of non-formal and informal education
- and promoting the reconciliation of working life and family life

Why does the European Council put such emphasis on the role of youth in the follow up of the Lisbon strategy?

It is in line with the European Union’s white paper on youth and the four youth policy areas participation, information, voluntary work and better knowledge of youth.

And then it is a question of economy: The Heads of State and Government of the European Union know that the number of young people in Europe will decrease the next 10 – 15 years. To be able to build “the most dynamic and competitive knowledge-based economy in the world” you need to ensure that those entering into the labour market have the necessary education and skills.



Furthermore, it is a question of stability. If you want to reduce social tension and division between people, you need a strategy for including all young people into society.

But it is also a question of seeing the special needs of and the possibilities in a large group of Europeans: Europe's young people. By making it possible for every young European to explore their potentials, to go through an education, to get a job, to start a family and be part of society we invest the future of our countries.

### **European Voluntary Service**

But, I was supposed to speak about European Voluntary Service and networks of young people and local communities, so why do I start with the Youth Pact?

I do this because the Youth Pact is the latest and most important initiative to put youth questions on the European political agenda. And because the European YOUTH programme, of which European Voluntary Service is a part, is an important tool in the implementation of the pact.

The YOUTH programme is the European Union's programme for mobility and non-formal education. It is targeted at all young people between 15 and 25 – it is not linked to their background, skills, education or work, and it focuses especially on those young people that – of different reasons – have less opportunities. And, it is open to youth in 31 European countries and to a number of countries in neighbouring regions. In each of the 31 European countries, there is a National Agency that provides support for and distributes grants to project organisers.

Within the framework of the YOUTH programme, young people can participate in youth exchanges, work as volunteers, develop their own local projects, and youth workers can participate in a broad spectre of trainings and support activities.

In 2004 the YOUTH programme reached over 155 000 young people through more than 13 000 projects.

The European Voluntary Service (EVS) is open to youth between 18 and 25. It allows a young person to work as volunteer in another country in 6 to 12 months. The volunteer can be placed in different types of non-profit projects, such as working in youth clubs, with environmental questions, with activities for children or the elderly, in the field of art and culture, with sport ... There is a wide range of possibilities.

An EVS project is not only about the volunteer. It consists of three partners, of which the volunteer is one. The others are a sending organisation and a hosting organisation. The three will prepare the project together. The sending organisation is responsible for preparing the volunteer and to be the contact point at home. The hosting organisation is responsible for accommodation, language training, providing meaningful activities, etc. – everything that is connected to hosting a young person for a longer period. The sending and the hosting organisations receive a grant that covers costs connected with the project, while the volunteer receive pocket money.

When EVS works at its best, we can see how the volunteer becomes a bridge between local organisations in different countries. We can see how ideas and working methods used in one community can inspire the other organisation and the professionals involved. And – in the case of EVS projects focusing on young people – we can also see how the YOUTH programme is used to fund exchanges between youth groups from the two communities, contributing further to the process of linking them together.

The benefits for the communities can be important. Still, even more important is what happens with the volunteers.

In the National Agencies of the YOUTH programme we meet volunteers that return with new ideas about what they will do with their lives. Young people that tell us how they have grown through the difficulties they have met and the positive experiences they have had. They have learned a new language, they have learned how to manage a project, how to organise themselves. We meet volunteers that have acquired new skills that might help them to get a job when they return or to start further education. And we meet young people that have reserved a place in their hearts for the people and the country they have learned to know.

And this is what brings us back to what I started with: This is how we, step by step, build a network of young people and local communities.

### **European Voluntary Service in the Baltic Sea Region**

But how can this happen in the Baltic Sea Region?

Partly it already does. Many of you come from cities where NGOs and local authorities are involved in the YOUTH programme. But we can do more. And I would like to invite you to join a discussion on how the European Voluntary Service can be used to strengthen cooperation between the people of the Baltic cities and to open up new possibilities for young people in this region.

I work in the Swedish National Board for Youth Affairs – a governmental agency responsible for the implementation of the Swedish youth policy. We are as well the National Agency for the YOUTH programme in Sweden.

We are now discussing with the UBC network on youth issues and the city of Kalmar the possibilities of establishing a centre for the coordination of European Voluntary Service projects in the Baltic Sea region. The centre would work having a special focus on assisting and supporting hosting and sending organisations in the UBC. It would for example offer contact making seminars where local organisations would be able to meet and develop projects. It would also offer training courses focusing on how to develop and run a successful EVS project and it could offer support to local organisations in the implementation of projects.

Hosting and sending organisations and volunteers would at the same time be supported by their National YOUTH Agency – there is one in each of the countries represented in the UBC except Russia. This includes seminars for the volunteers and a well qualified support structure as a back up for the hosting and sending organisations. The National Agencies would also be responsible for processing applications from their own country and for paying grants to accepted projects.

Together, the National Agencies and the EVS coordination centre can offer a unique possibility for municipalities, NGOs and other organisations that want to participate in the YOUTH programme.

And, for the Union of the Baltic Cities this might be one of the tools used to stimulate cooperation, development and human contacts in the region.

Ladies and gentlemen, I am looking forward to our future discussions in this matter.

Thank you for your attention!

## **Is Baltic Sea a safe Heaven?**

**Andrus Ansip**

Prime Minister of the Republic of Estonia\*

Dear UBC friends,

I am extremely pleased that this year's General Conference in the City of Turku is focused on the future of the Baltic Sea region and the role of UBC members in shaping it.

Our region has experienced significant changes in recent years. One of the most noticeable ones has been the growing impact of the European Union on our daily lives. As of the 1st of May 2004, eight out of eleven Baltic Sea countries are members of the European Union. I am absolutely convinced that EU enlargement has added new momentum to the development of our region and its cities. I also am convinced that the EU's increasing role in our region should not be an excuse for decreasing regional cooperation. Indeed, it should prompt us to strengthen our well-developed regional contacts and look for new ways of cooperating within a wider Europe.

Today, the Baltic Sea Region is one of the most dynamically developing regions in Europe. I am convinced that our region can maintain its impressive growth rate in the years to come. However, in order for this to be possible, we need to do more to promote economic development and environmental protection, particularly in the field of maritime safety. We also need to make greater efforts to implement the principles of sustainable development.

I am pleased that the Union of the Baltic Cities has taken the initiative in these and other areas, such as health and tourism, which are crucial to our region's further development. Indeed, the UBC has been doing an excellent job so far. I am certain that it will remain a significant element in the promotion of co-operation in the Baltic Sea region.

Please accept my best wishes for an interesting and fruitful conference. And congratulations to my good friend Mr. Armas Lahoniitty, the Mayor of Turku, for hosting such a successful event.

\* Address delivered by Mrs Laine Jänes, Mayor of the City of Tartu

## **Recommendation address**

**Iver Pedersen**

Councillor, Chairman of the International Committee, City of Kolding

Mr. President, Your Excellency, ladies and gentlemen.

It is a great honour for me to take the floor today during the General Conference of UBC to recommend the re-election of the President of the UBC during the last 4 years.

I represent the member city Kolding in Denmark where the Candidate for President has been a mayor for more than 20 years with a very positive development for the City of Kolding as a result of his political leadership.

It will be a great honour for our city and for the Danish representatives when the General Conference has made the choice and has re-elected Per Bødker Andersen as President of the UBC for a new 2 year term.

He has during all the years showed his great ability to promote the democratic processes through a big overview and a great international vision.

The City of Kolding will give the Candidate for President all the support wanted to manage this international task.

The City of Kolding considers the membership of UBC as a very important investment to promote an international understanding and to support the effects of the democracy in our neighbour countries to secure peace, prosperity and development of welfare among our citizens.

I wish for the UBC and the future president Per Bødker Andersen a creative and happy development for the activity of the UBC for the future term.

Thank you for listening.