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# **Preparation of Northern Dimension Action Plan, 2004-06**

#### Inroduction

UBC welcomes this opportunity to convey opinions, proposals and perspectives to the Northern Dimension Second Action Plan from the local authorities' perspective in the Baltic Sea Region. We see the opportunity as an excellent example of the co-operative spirit in our region, which so strongly contributes to the uniqueness of the Baltic Sea Region, with peace, stability and a sustainable development.

The UBC - with already more than a hundred member cities - has during its first decade of existence proven to be a most useful and representative network for the cities in the Baltic Sea Region and an effective instrument promoting their views and interests.

The UBC and its member Cities consider the Northern Dimension as a very important process which is responding to actual needs and concerns in the region. It has evoked broad interest among a broad variety of actors - including public authorities, businesses and civil society organisations -

and has been instrumental in both creating better understanding and co-operation between them and drawing attention to specific issues.

There is great potential in the Northern Dimension concept. While the future efforts should be targeted on key issues, it should also reflect a spirit of openness and flexibility to enable participation of interested partners, including cities and civil society organisations to be fully involved in the process. For the success of Northern Dimension process, it is of greates importance that the role of those structures and bodies that are nearest to the citizens and their needs is strengthened when the future plans are drafted. Northern Dimension must not only be a concept for big infrastructure projects and business development, but also have an important human dimension.

The UBC and its member cities are ready to be fully involved in the further development of the Northern Dimension process.

In addition, the UBC would like to make following concrete remarks on the Presidency Conclusions on the Future of the Northern Dimension Policies of the European Union (Luxembourg, 21 October 2002) (with reference to the structure of the said document).

A Vision for the Future of Northern Dimension

The UBC fully agrees with the main content of this vision and especially with the concept that "Northern Dimension is a framework for continued dialogue on priorities and for co-ordination and co-operation."

While the UBC supports the main outline of the proposed vision, it considers that the vision should explicitly mention (in 2.4.) the need to promote people-to-people relations and co-operation among civil society actors as an important contribution to the further stability of the region.

#### The northern Dimension as a Process

UBC especially welcomes that "An appropriate division of responsibility should be agreed for the implementation of the new Action Plan among all relevant actors including EU Member States and partner countries, regional bodies, local governments, the business community and civil society, academia and the scientific community." This would make the local authority level participate in the implementation, and is in line with the co-operative mode here in our region.

This principle would allow the participation of the local authority level in the implementation of the ND Action Plan, and is in line with the prevailing co-operative mode here in our region.

We also welcome the idea of the Northern Dimension as a process and not as a specific status. It will mean that the NDAP will continue to develop as needed. We also accept that EC shall maintain its leading role – provided that EC continues to push the development of the ND forward.

However, CBSS must also have an important role in the continuing efforts to develop NDAP. The communication between the different authority levels in the BSR, represented by CBSS, BSSSC and UBC, are improving all the time. The de-centralised structure of CBSS and of UBC makes cooperation easy and uncomplicated. This is also in line with the division of the responsibilities, as stated in the Presidency Conclusions from Luxembourg.

The idea of a review and monitoring mechanism is welcome. It is important that this mechanism will work under the principles of transparency and participation. UBC is ready to assist and participate in the monitoring mechanism in order to secure that the perspective of the local level authority will be treated.

## Trade, investment and business co-operation.

Business development is very important for the local level authorities. The relation is reciprocal – the Business community depends to a high degree on good relations to the municipalities. The theme of the 7<sup>th</sup> UBC General Conference in Klaipeda in October 2003 will therefore be "Baltic Sea

Wave – Business Development in the Enlarged Europe". There representatives from the Local Authority level, the Business Community, the European Institutions and other actors from the region and Europe will meet and discuss and be inspired to find ways of improving the business conditions in our region. The theme of the Baltic Cities Bulletin will also be connected to Business Development, and we plan to inaugurate a UBC Business Advisory Council in order to secure a sustainable relation between the Business Community and the local authority level.

UBC Member cities also emphasize tourism as a very important element in the business development. The UBC Commission on Tourism promotes several tourism activities, and recently the project "Baltic Welcome Center" was approved by Interreg III B. The commission also promotes training and exchange activities in the Tourism field. The "Baltic Tourism Academy" has resulted in a number of seminars and meetings in different places in the BSR, and the concept will be further developed.

The Cruising industry has reached very high levels in the BSR, and competes successfully on the world scale with other cruising destinations. There is a need to improve the service level in the cities with regular calls of cruise ships. A number of UBC member cities, from every BSR country, therefore co-operative to prepare a joint project on improving the situation and thus improve the competitive position of the BSR and Europe in the world.

The UBC Commission on Business Development carries out regular meetings in different locations where the role and actions of municipalities to improve the business sector is discussed. The last meeting was in Tampere in 2002. The Commission is also preparing for a project on "Developing a Technology Park/Business Incubator concept in Baltic area" with participation from many UBC member cities.

## 4.1.B) Infrastructure

## 4.1.B.1 Energy

The energy sector is undergoing very substantial changes, with an increased influence from market economy and breaking up of monopolies. Most of the energy consumption takes place in cities, so the city level in the BSR is very important for the development of production and distribution of energy. The sector will also in the future be in the centre of interest of municipalities.

One very notable trend is the increasing importance of sustainable energy sources. Local authorities are often at the forefront in the development. For example, many district heating systems have been changed to biological fuel on the initiative from local authorities. Also alternative fuels for city buses also have been introduced as a consequence of initiatives from the Local Authority level.

## 4.1.B.2. Transport

The EU transportation policy, as expressed by the Tran European Network and in the White Book on Transportation, is not adapted to the conditions in the Baltic Sea Region. That creates several problems.

We in the Baltic Sea Region consider ferry routes as vital and basic links in the European Transport network, but they are not part of TEN. TEN is very steering on infrastructure investments and for building a European transportation network. When applying TEN on the Baltic Sea Region, there exists, for example, no link of the TEN-link that crosses the Baltic Sea between the eastern and western shores. This does not correspond with the conceived reality in our region.

The White Paper on Transportation hardly mentions the Baltic Sea Region, not to speak of the lack of discussion on the special conditions here. Among those conditions is the importance of Ferry transportation as links in the transportation network, that the Baltic Sea Region will be a remote part of Europe, and the special problems the climate creates for transportation.

UBC considers the transportation issues as vital for the members – after all, most of our members were founded of reasons where transportation played an important role. The standpoint of UBC is that ferry connections are integrated parts of the communications network for freight as well as passengers and vital for the Baltic Sea Region to be an integrated part of the European Union.

The lack of good ferry connections across the Baltic Sea in large parts of the region is a severe obstacle for development.

Municipal Traffic Planning is in the focus of the activities of the UBC Commission on Transportation. Traffic planning was traditionally planning of infrastructure for cars and public transport, but it has gradually become obvious that traffic can also be seen as an expression of human behaviour and issues connected to that have become increasingly important.

The UBC Commission of Transportation has focused on three large areas in order to encourage sustainable transport solutions:

- public transport how to develop the management of public transport systems
- cycling to learn why and how to improve the conditions of cyclists and pedestrians
- mobility management exchange of information on the potential for mobility managementtools to develop efficient, sustainable transport habits

#### 4.1.B.3 Telecommunications, Information Society

The Baltic Sea Region is one of the main centres in the world for the Telecommunications industry. The role and importance of the telecommunication industry cannot be over-estimated. Today, when the recession in the telecommunications industry is wide-spread, it is important not to lose the comparative advantage of the BSR in this field.

The UBC has recently approved the initiative from St Petersburg to create the tenth UC Commission, namely the UBC Commission on Information Technology. This initiative will create a

new platform for the development of and clarification of the cities role when ling with Information Technology.

UBC wants to stress, that the process to develop a functioning information society, the citizens and their needs - not the technological innovations as such - must be the starting point. Technology must serve the needs and interests of the citizens and assist them to have better access to information, help them in exercising their rights as well as create improved access to services, be they public or private.

#### 4.2. Human Resources, Education, Scientific Research and Health

The UBC considers, that chapter 4.2 should include a specific chapter about the need to promote civil society co-operation and co-ordination as well as people-to-people contacts in the Baltic Sea Region, and to ensure that civil society representatives are fully participating in the implementation process of the NDAP. A specific Action Plan to this effect should be created, in co-operation with representatives of civil society organisations in the BSR.

#### 4.2.A) Human Resources and Education

The administrative capacity of local and regional authorities has developed tremendously during the first decade after the fall of the Iron Curtain. In general, the local level in our region is well managed and administrated.

The EU enlargement process has a profound influence on municipal activities and administration. Practically all municipal sectors are involved, some more and some less. UBC has been very active in preparing the cities for the EU accession for a long time. The UBC General Conference in 1999 was, as an example, devoted to defining the problems with enlargement for the local authority level. We also have had EU financing of two projects on EU membership preparation, but whole in whole, it has been very difficult to find appropriate financing for all planned activities, which means that many plans to start pre-accession activities have not been carried out.

One very important element of the European Union strategies to strengthen the four pillars (Employability, Entrepreneurship, Adaptability and Equal Opportiunities) is the concept of Life Long Learning. The local authorities are given a special role in this field in a Commissions Communication on "Strengthening the local dimension of the European Employment Strategy".

The UBC Commission on Education is planning to invite local authorities from the new EU states in order to discuss the best strategy for local and regional authority involvement in Life Long Learning. The conference would be a starting point for various activities. The Commission is currently looking for funding, but so far in vain. There is also a need for further initiatives in this field in order to get the process rolling, especially in the new EU members in the BSR.

Other activities of the UBC Commission on Education involve "Pupils and Students Exchange", "Distance Education Projects" and "Adult Education Projects".

## 4.2.B) Scientific Research

The 6<sup>th</sup> Framework Program has introduced new fields of research of high interest for the subnational authorities. UBC is involved to a high degree in an initiative on research under the priority area 7, "Citizens and governance in the knowledge based society", together with other local authorities' networks from other parts of Europe and a number of research institutions. The project, called "Sustainable Citizenship", SUCI, aims at research on governance using new tools provided by the new information technology tools (e-governance). The project is of high interest for the Baltic Sea Region.

The  $6^{th}$  Framework provides many new possibilities for research that is of importance for our region. In that respect, increased co-operation between universities and research institutions on one hand and sub-national authorities on the other hand is of great importance. There have been several initiatives within the UBC to improve this kind of co-operation. Those efforts have to continue.

#### 4.2.C) Public Health

Elderly care constitutes by far the largest budget item in the municipal budgets in the Scandinavian countries, so money-wise this sector create many head-aches in the city administrations and the political leadership. However, local administrations are engaged in many other Public Health related activities. One strategically important activity is food security and control, which has lead to a very high hygienic standard in the BSR cities.

## 4.2.D) Culture

Culture is considered as a strategic factor to increase city attractiveness and thus competitive power.

During the 90-ies, the cultural sector suffered least from cut-backs in the budgets, compared with other city sectors. So culture is very important in local and regional development, and UBC Commission on Culture is very active.

The Commission has produced a catalogue on Cultural Institutions in the Baltic Sea Region, which can be down-loaded at the UBC home-page. In the catalogue you can find contact information on about one thousand cultural institutions in almost all UBC member cities, like museums, concert halls, theatres and so on.

Among other projects carried out by the UBC Commission on Culture are

- "MARE ARTICUM Baltic contemporary art magazine", is published twice a year.
- "N.E.W.S. /North-East-West-South/- the contemporary art exhibition" organised a exhibition that was shown in Szczecin, Riga and Visby.
- The International Choir Festival has been organised every two years since 1998.

#### 4.3 Environment, Nuclear Safety and Natural Resources

UBC works very actively in the field of environment and sustainable development. This work is of utmost importance in solving many of the environmental and sustainability problems in the Baltic

Sea Region. The human population is largely concentrated in the cities, and many economic, social and environmental problems culminate there. The essentiality to deal with these problems within the "urban context" is increasingly being taken into account in European policy developments. For example the 6th Environmental Action Plan of the European Union includes a Thematic Urban Strategy. The UBC follows such developments closely and contributes to them actively in relevant EU Expert Groups and through other channels. Parallel, similar policy developments are taking place in the Baltic Sea Region. These developments should also be taken into account in the NDAP. Within its approaches, it should also include the urban approach, i.e., put more emphasis on sustainable urban development as an effective and integrated way to deal with several of the Sustainable Development challenges.

In implementing this in practice, the UBC is of great help. Since 2000, we have been implementing our own UBC Agenda 21 Action Program. So far, 11 projects have been implemented within the program and several more are ongoing. These activities have concentrated for example on developing cities environmental management systems, supporting local Agenda 21 processes, benchmarking, and peer reviews of good environmental practices. The latest initiative is a large Baltic Sea Regional co-operation project on developing ports as sustainable transport corridors. 10-15 ports and port cities will be included in this large project, and the application will be submitted to Interreg III B in March 2003. The project aims at harmonising ports environmental practices in the whole BSR through voluntary co-operation.

Funding of the projects within the UBC Agenda 21 Program has been mainly from DG Environment, different EU programs, Nordic Council of Ministers and Finnish Ministry of the Environment. In our opinion, there is no need for new funding instruments in implementing the environmental and sustainable development parts of NDAP, but the use of the existing instruments

should be further developed. For example, Interreg III B (or future Interreg programmes for the BSR) could have more clearly respective measures corresponding directly to NDAP.

## 4.4 Cross-Border Co-operation and Regional Development

Cross-border co-operation between local and regional authorities is a very important element in regional development. However, when comparing the situation for cross-border co-operation in our region with that of central Europe, it can be clearly seen that the Baltic Sea Region is seriously disadvantaged by the present rules and regulations concerning cross-border co-operation.

The reason is that maritime borders have a serious disadvantage against land-borders when financing cross-border co-operation from EU. At least 50 % of the available funding for cross-border co-operation is destined to the so called Strand A. Strand A is mainly intended for land borders and not for maritime borders. There are exceptions to that rule in our region, namely the Öresund region, between parts of South Finland and North Estonia across the Gulf of Finland and between some regions in Finland and Sweden across the Bay of Bothnia, but those exceptions are just exceptions.

Strand B is intended for regional co-operation, but Strand B can be at most 44 % of the total amount aimed at cross-border co-operation. Cities with Interreg III A activities also have the possibility to involve in Interreg IIIB or C projects, so the whole array of cross-border financing possibilities are open, whilst only Strand B and C are available for the overwhelming majority of UBC member cities. The result is that, apart of the Öresund Region and some minor areas (the border between south Jutland and Schlesvig, Poland-Germany and Helsinki-Tallinn), less than 2 % of the available EU funding for cross-border co-operation is available in the Baltic Sea Region.

Another disadvantage is that when Strand A is not available, the more relaxed rules in Strand A cannot be utilised, such as the possibility of smaller projects, and decision making on projects locally in the Baltic Sea Region and not in Brussels.

A very efficient way for capacity building in local authorities is exchange of experience as part of twinning activities. It has been shown by several evaluations. The main financial supporter of twinning in the Baltic Sea Region has been the national support programmes, especially from Sweden. Now the national support programmes are down-grading the support to the coming EU members, of understandable reasons, and directing it to Russia and other parts of the Former Soviet Union and elsewhere.

It is very important not to create a vacuum where well established and fruitful co-operation will fade away because of lack of funding. Instead the EU program for twinning should be better adjusted for the co-operation traditions in the Baltic Sea Region, which differs from those in South and Central Europe.

The Baltic Sea will in a near future be almost an inland sea of the European Union. This will undoubtedly create new economical, political and administrative possibilities and perspectives. In this context, it is necessary to strengthen the possibilities for cross-border co-operation in the Baltic Sea Region. The abundance of maritime borders and the lack of land borders in our region should not hinder support to cross-border co-operation. Instead, the need is just as great here as in central and southern Europe.

## 4.5. Justice and Home Affairs

#### 4.5.C Civil Protection

Rescue Management is a municipal responsibility to a very high degree. Investments in different infra-structure that increases road traffic will therefore create increased duties and costs for local and regional actors. The UBC Via Baltika Accident Management Project, carried out a few years ago at the Via Baltika near Pärnu, Estonia, shoved clearly the role of local authorities in case of a major disaster along the main roads. There is a need to upgrade the rescue management and also to carry out more training projects as a part of the development of the Via Baltika.

One special concern is about the prospects of environmental disasters, caused by the increasing shipping and oil transportation activities in the Baltic Sea. Municipalities at the coast will be heavily involved in case of a disaster. There is a need for more equipment and training, but above all it is important to introduce such safety measures that make the risk of environmental disasters minimal.

## 5.1 Kaliningrad

Kaliningrad is a UBC member, and the city of Baltijsk in the Kaliningrad Region is a UBC Board member.

The local cross-border co-operation between the Kaliningrad region and Lithuania and Poland are functioning well, considering the circumstances. It may be affected by the new rules to be introduced in connection with the EU accession of Poland and Lithuania.

However, the co-operation between the Kaliningrad Region and the rest of the Baltic Sea Region has more problems. One concrete issue are the problems for our board members from Baltijsk. The efforts to get visa to other countries than Poland and Lithuania are so great so they have problems to be active in the work of the UBC Board.

Financing of cross-border co-operation between South-east Sweden and the Kaliningrad region is mainly carried out by the Swedish government, and at present there is no immediate danger of reduction of the financing. But there is a need to adjust the EU cross-border program as mentioned in the section on cross-border co-operation earlier in this paper. The adjustment should lead to that EU financing of cross-border co-operation would not be as limited as it in practice is now, and allow for example cross-border co-operation across the maritime borders between Kaliningrad and Sweden. From local authority perspective, it is important to facilitate involvement of Kaliningrad in the BSR.

What has been said about cross-border co-operation problems on Kaliningrad also applies to Western Russia.