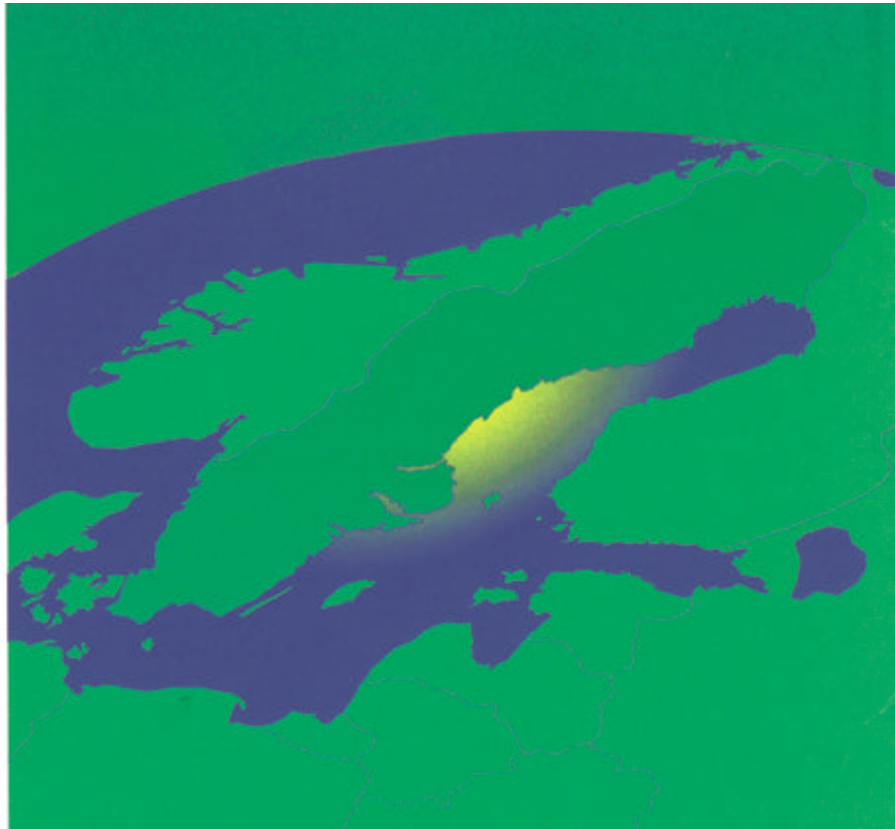


ACTION PLAN FOR MARITIME TRANSPORT IN THE BALTIC SEA REGION



FOLLOW-UP REPORT

ACTION PLAN FOR MARITIME TRANSPORT IN THE BALTIC SEA

FOLLOW-UP REPORT

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SWEDISH MARITIME ADMINISTRATION

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SE-601 78 Norrköping

Tel: +46 11 19 10 00

Fax: +46 11 12 67 91

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September 1999
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August 2000

Executive Summary

In the 1999 report to the Swedish Government, the Swedish Maritime Administration proposed 19 issues for actions to be taken to improve and facilitate shipping in the Baltic Sea area. The actions were specified under five headlines.

1. General Conditions for Transport Policy
2. Inter-modal Transport
3. Technical co-operation
4. Development of know-how and institutional support
5. Special environmental programs

From a general European perspective some general policies and decisions have been taken in line with the more specific proposals and recommendations promoted in the report. In this content it is worth noting that the accession of Candidate Countries to European Union has developed a specific mechanism also targeting Maritime Transport.

In the more general international context also a specific technical standardisation of AIS (Automatic Identification System) has been settled, which has a substantial impact on Maritime safety in the intensely used Baltic Sea.

As concerns special environmental programs the implementation of the Baltic strategy is far going in all Baltic Sea countries. Upgrading of reception facilities in ports has also improved, particularly in some of the ports. The Swedish Government has taken the initiative for preparation of investors meeting to raise financial instruments for further investments in the Baltic Sea Ports. The Candidate Countries in the Baltic Sea i.e. Poland and Lithuania has started a pre-accession program also concerning Maritime affairs, Marine Environment and Maritime Safety.

During the period from autumn 1999 also the intensity of trade in the Baltic Sea has increased. Major developments are substantially increased container traffic and oil traffic. The foreseen negative impact of an abolition of the tax-free regime between EU-countries in the Baltic Sea has not been as dramatic as forecasted. With minor exceptions the traffic pattern and frequency is more or less as intense as two years ago and some

shipping lines even have increased the frequency and standard. The Baltic Sea shipping market has, as clearly established in the report *Baltic Maritime Outlook 2000*, a tremendous potential and the increase in the maritime affairs in the Baltic Sea region during the last two years have proved a positive phase of this development.

As concerns inland waterways, a positive and growing interest from Russia has been noticed. A newly established interest in increasing the capacity in inland waterways in the Baltic Sea region has been noted in several countries.

A part of the Action Plan has been implemented but several projects still remains. In order to speed up further implementation of projects still lacking funding, we propose an iterative process, which means that projects that definitely falls out of the scheme from a single donor should not be elaborated into detail. On the other hand, those projects which have a fair chance of recruiting financing should be elaborated further. There are few, if any, counter-arguments for a more integrated and joint action for the Baltic Sea coastal states in realising such improvements. Our assumption is that combined efforts, on bilateral or multilateral basis in the Baltic Sea region, also would gain to widen the sometimes narrow perspective from the Swedish side.

One perspective in a more integrated view in the search for a common platform, or level of the playing field, in maritime transport is the concept of Northern Quality Shipping, which refers to cost-effective and competitive maritime transport and environment friendliness. Joint actions to make the best use and at the same time give the best care for the Baltic Sea is a triggering challenge for the coastal states in the Baltic Sea region. In that sense improvements in Maritime Industry in the Baltic Sea is perhaps the best exercise in making the Northern Dimension operational and applicable. Also in that respect Swedish Maritime Administration invites for a pragmatic and target-oriented practice to give content to the concepts of Quality Shipping in the Northern Dimension.

1 Background

The Swedish Ministry of Industry, Employment and Communications commissioned the Swedish Maritime Administration in April 1999 to investigate, analyse, and give proposals on actions to be taken to improve Sea Transport in the Baltic Sea Region.

The work to prepare the assignment was organised entirely by the Swedish Maritime Administration's own resources, but with support from an external Reference Group representing Swedish Forest Industry, Swedish Port Industry, Swedish Sea Transport Industry and other stakeholders of Baltic Sea Shipping, seen from a Swedish perspective.

Swedish Maritime Administration delivered a report to the Ministry of Industry, Communications and Employment 15th September 1999. The report contained, further to the background analysis, some 19 proposals on actions to be taken by Sweden, by the Baltic Sea States or from broader international institutions or organisations such as European Commission or even IMO.

The report was edited in Swedish and translated in English. Both versions are available on the website of the Swedish Maritime Administration (www.sjofartsverket.se). The English version is also available on the website of the European Commission, DG TREN (http://europa.eu.int/comm/dgs/energy_transport/index_en.html).

Soon after delivering the report in 1999, Swedish Maritime Administration was asked to go further into detail and to elaborate the proposals submitted. Such a preliminary working paper has been delivered in June 2000 to the Ministry of Industry, Employment and Communications and to the Ministry of Foreign Affairs for consideration.

Swedish Maritime Administration was also responsible for the preparation of Baltic Maritime Outlook 2000, a report which aimed at presenting information about port activities and ship movements for the Baltic region as a whole, as well as country reports of all 10 countries bordering the Baltic Sea, including Norway. Baltic Maritime Outlook 2000 should be seen as an input to the co-operation on Waterborne Transport and Port matters in the region.

2 Summary of SMA “Action Plan for Maritime Transport in the Baltic Sea Region”

The Baltic Sea region has the potential to become one of Europe’s strongest and most dynamic growth regions. After a few years of initial difficulties and adjustment problems following independence, the eastern area of the region, with the new Baltic States and Poland, has displayed favourable economic expansion, with sharply rising growth rates and an expansion in trade that outperform the more mature EU countries in the region. The major question has been – and still is – the direction of developments in Russia.

The positive picture is currently being supported and strengthened by the integration process entailed by EU enlargement. Sweden and other Nordic countries have actively supported and promoted this process from the beginning.

In this report, we conclude that transport issues – and especially shipping and port operations in the case of the Baltic Sea trade – are of key significance and must be developed in a manner that supports rather than restricts the continuing development of trade and contacts within the region. We state that a reasonable objective is that transport systems and solutions in the years ahead should be developed in the east-west axis across the Baltic Sea to the extent that they qualitatively match current conditions in the south-north direction.

The underlying material that we have compiled confirms previous accounts that it is primarily the “soft” issues related to the efficiency and organisation of shipping and ports that must be focused on, rather than the “hard” infrastructure in the form of new or extended ports. The same applies to the forwarding of goods. In the case of the ports, this does not apply only to the eastern sections of the Baltic Sea region but also to the region as a whole, while in the case of land transport, issues involving quality and efficiency present most difficulties in the eastern sections. Several studies prior to ours have confirmed that land connections with ports on the eastern and southern side of the Baltic Sea have in many cases been constructed through densely populated city centres. This has resulted in negative environmental consequences and hampers the development of rational inter-modal transport solutions.

Accordingly, the proposals of the Action Plan are based on positive developments within the region and underline the importance of the “soft” questions in stimulating trade and contacts within the Baltic Sea region. It should be noted that deficiencies and shortcomings do not apply solely to the new market economies. There are also examples of bureaucracy, rigidity and unique interpretations among the region’s EU countries, for whom greater transparency would facilitate cross-border co-operation in the Baltic Sea region and within the EU.

Proposals of the action plan

In an effort to promote maritime transport in the Baltic Sea area, SMA presented in the Action Plan a number of proposals, also summarised in table form in Appendix 1 to this Follow-up report, under the following headlines:

Framework conditions for transport policy

- Harmonisation of transport policy rules;
- Fees, customs tariffs and trade barriers;
- Greater transparency in border-crossing and customs-clearance procedures, reduction in waiting times.

Inter-modal transport

- Development of rational transit transport solutions;
- Increased utilisation of interior waterways;
- Increased access for foreign tonnage in Russian river/canal system.

Technical co-operation

- National implementation of international conventions;
- Increased coverage of modern navigation systems in the Baltic Sea countries (Differential GPS);
- Greater utilisation of transponder technology for maritime traffic;
- Closer co-operation in the maritime safety area;
- Maritime Search and Rescue co-operation.

Development of know-how and institutional support

- Development of know-how in the forwarding and transport area;
- Implementation and harmonisation of port state control in Estonia, Latvia and Lithuania;
- Increased know-how/awareness in Baltic Sea ports regarding the work on the Baltic Strategy;
- Harmonised application of Baltic Sea agreement covering the transport of dangerous goods;
- National implementation of international conventions.

Special environmental programmes

- Development of reception facilities for ship-generated waste;
- Reduction of atmospheric pollutants from shipping;
- Scrapping of tonnage in the Baltic Sea region.

The Action Plan encompasses contributions within the areas of responsibility of the ministries for Foreign Affairs, Trade, Finance, Defence, Education and Environmental. In addition to involving the Swedish Government Ministries, the proposals affect a number of players and institutions, such as government authorities, the Swedish Trade Council, research and educational institutions and transport industry organisations. The Action Plan does not focus narrowly on shipping and maritime transport, but instead has a broader base as one part of the Swedish Policy on Baltic Sea co-operation.

A number of the proposals affect questions that are most appropriately tackled in co-operation with other countries, within the framework of regional fora, EU enlargement in the Baltic Sea area, IMO (International Maritime Organization), etc.

In these respects, the proposals of the Action Plan should be regarded as an initiative by Sweden, aimed at achieving efficient and reliable trade.

3 Programming of actions proposed

The Swedish Maritime Administration's "Action Plan for Maritime Transport in the Baltic Sea Region" was met with positive reactions by different authorities and the maritime industry. Swedish Maritime Administration was in discussions with the Ministry of Industry, Employment and Communication asked to elaborate the proposals in the Action Plan and to identify suitable partners for project implementation.

The programming was based on the different development areas and proposals presented in the Action Plan. The programming was made in a form of concentrated project fiches.

The programming covers project proposals from the following themes of the Action Plan:

- Inter-modal transport
- Technical Co-operation
- Human Resource Development and Institutional Support
- Special Environmental Programmes

The main content of the programme is supported by other countries bordering the Baltic Sea. One example is the document published in February 2000 on the development of the Russian transport sector in year 1999, which also includes an "Action Plan" for a further development of the transport sector in Russia. Another example is the Estonian Government's programme for enhanced maritime safety and protection of the marine environment from October 1998.

Sweden supports strengthened co-operation between the Baltic Sea countries and to continue and develop the Finnish initiative concerning the Northern Dimension, which aims to focus on the Northern Europe as a region of importance for the development of the entire Europe.

Sweden is supporting the efforts of Estonia, Latvia, Lithuania and Poland of becoming members of the European Union, both on a bilateral and regional basis. Sweden is also working actively to integrate Russia in the European co-operation. The Swedish Government's proposal to the parliament (1999/2000:7) on "Economical Development and the Baltic Sea

Co-operation” (unanimously accepted by the parliament) as well as the Swedish “Country Strategy for the development of co-operation with Russia 1999-2000” are both supporting a broader and deeper development of the co-operation in the Baltic Sea concerning maritime transport.

The programming of the Action Plan for Maritime Transport in the Baltic Sea is attached as Annex 2 to this follow-up report.

4 Development of the Maritime Policies and Industry in the Baltic Sea area 1999-2000, some remarks

From a general European perspective some general policies and decisions have been taken in line with the more specific proposals and recommendations promoted in the report. Some of these are

- As concerns Port Industry: the European Commission's proposals in the "Ports package"
- European Commission Erica I and II packages: improved Information System, Port State Control and Environmental Actions for Sea Transport
- New Maritime Transport Policy from Russian Federation 2000-2005 in improving and facilitating Maritime Transport and Inland Waterways, Shipping, Research and Forwarding Industry.

In this context it is worth noting that the accession of Candidate Countries to the European Union has developed a specific mechanism also targeting Maritime Transport. This means that Candidate Countries in the Baltic Sea i.e. Poland and Lithuania have started a Pre-Accession Programmes also concerning Maritime Affairs, Marine Environment and Maritime Safety.

During the period from autumn 1999 also the intensity of trade in the Baltic Sea region has increased.

With minor exceptions the ferry traffic patterns and frequency, despite the abolition of the tax-free regime between EU countries, are more or less as intense as two years ago and some of the shipping lines have even increased the frequency and standard (a substantial part of the Baltic Sea ferry operations is now carried out by High Speed Crafts). Further on, a major development is the substantial increase in container traffic and oil traffic.

As concerns inland waterways transport, a positive and growing interest from the Russian Federation has been noticed. The goods volumes transported on the Russian inland waterways increased by 15.5 % in year 2000. At the same time as the cargo volumes in the Russian Seaports increased by 11.2 %.

Russia is now establishing new investments programmes for inland waterway vessels (and deep sea ships). But still, the full access to Russian inland waterways for foreign flagged ships, reciprocal to the access of Russian flagged ships to the European network, remains to be solved.

The foreseen negative impact of the abolition of the tax-free regime between EU-countries in the Baltic Sea has not been that dramatic as forecasted.

However, some kind of contra-productive actions could also be detected. Some countries sustain subsidies schemes for competing modes of transport, particularly rail transport, which contradicts the EU's white paper on "Fair and Efficient Pricing in Infrastructure". This does particularly concern:

- The national policies on taxation of seafarers differ between Baltic Sea Coastal States and has caused some uncertainty of the main ferry operators in the long term planning of traffic services.
- The shipping policies in Lithuania and Latvia still lack transparency and the process of privatisation has been slow.

5 Recently upcoming project initiatives and Project Status as per March 2001

Since the programming was made in June-August 2000, several initiatives on projects within the areas covered by SMA "Action Plan for Maritime Transport in the Baltic Sea Region" have been proposed by the Baltic Sea countries. These are listed below under the headlines referring to the Action Plan.

Implementation and harmonisation of Port State Control in Baltic Sea countries

- SMA is lead partner, with Finnish Maritime Administration as associated partner, in a twinning project in Lithuania on maritime safety and implementation of a Port Information System. The project is funded by the European Union and contains a substantial component of support on Port State Control and Flag State Implementation.
- Latvia has forwarded a request to SMA for on-the-job training for Latvian Port State Control Officers.
- IMO has forwarded a request to SMA for on-the-job training for Estonian and Lithuanian Port State Control Officers.
- A EU funded project (Tacis programme) on training of Russian Port State Control Officers is ongoing. The training programme is implemented by a German consortium.
- A EU funded project (Phare Programme) on Port State Control Administration for all EU Candidate Countries has been carried out in Klaipeda, Lithuania, by SMA in October 1999.

Development of Short-Sea Shipping and Inland Waterways

The Council of Baltic Sea States, which is a forum for the Prime Ministers of the eleven countries in the area, including the European Commission, has in its expert meetings also emphasised the recommendation of taking use of Short-Sea Shipping and Inland Waterways to wind up the increasing usage of land-based transport in the area.

A newly established interest in increasing the capacity in inland waterways in the Baltic Sea region has been noted for several countries:

1. A new canal from Lake Saimen to the Finnish bay with improved capacity compared to the existing Saima canal
2. Increased capacity of Elbe-Lübeck Kanal in Germany
3. For Poland rehabilitation of the Odra river and Canal-system in the project Odra 2000
4. Canal projects in Sweden:
 - to widen the capacity of the lock to lake Mälaren in Södertälje-Canal
 - a study has been carried out on Trollhätte Canal

Technical Co-operation

In the more general international context also a specific technical standardisation of AIS has been settled: The implementation of transponder technology and AIS system has resulted in requirements of transponder on board ships from 2002 and onwards. This has a substantial impact on Maritime Safety in the intense traffic in the Baltic Sea.

Special Environmental Programmes

As concerns special environmental programs the implementation of the Baltic strategy, which contains three major elements:

- No special fee for waste disposal at port
- Improved reception facilities
- Monitoring of waste disposal between ports

Upgrading of reception facilities in ports has also improved, particularly in some of the ports. The Swedish Government has taken the initiative for preparation for investors meeting to raise financial instruments for further investments in the Baltic Sea Ports.

SMA has delivered advanced training courses in Port Waste Management. The courses, which have been financed by Sida, Sweden, have been delivered in Sweden in 1999 and 2000. A third course is under preparation and will be delivered in May 2001.

Project Status as per March 2001

1 General conditions for transport policy

	Area of development	Project Status as per March 2001	Proposed further actions
1.1	Harmonisation of transport policies	EU "Ports Package"	
1.2	Fees, customs tariffs, trade barriers	WTO – negotiations ongoing for Estonia, Latvia, Lithuania and Poland. Russia has become member of WTO	
1.3	Greater transparency in border-passage procedures and customs clearance, reduction in waiting times	n.a.	

2 Inter-modal transport

	Area of development	Project Status as per March 2001	Proposed further actions
2.2	Increased utilisation of inland waterways	At least 4 infrastructure projects raised in Sweden, Finland, Germany and Poland. The outcomes from the INLATRANS project (funded by EC Interreg IIC) might lead to an increased co-operation in the Baltic Sea countries on utilisation of inland waterways.	To continue the negotiations with the Russian Federation on access to the Russian inland waterways network

3 Technical co-operation

	Area of development	Project Status as per March 2001	Proposed further actions
3.1.1	Institutional Support – Twinning	Funding raised from EC Phare Twinning Programme in Lithuania to implement EU standards and practices. Twinning Covenant under preparation, to be approved by EC and signed in April 2001 in Vilnius	To apply for new "Twinning", or "Twinning Light" projects by the Candidate Countries.

	Area of development	Project Status as per March 2001	Proposed further actions
3.1.2	Flag State Implementation, Kaliningrad	Project proposal prepared in June 2000. Update of proposal is required. Possible joint actions with Danish Maritime Administration (DMA).	Project proposal to be updated in co-operation with DMA and submitted for raising of funding. Sida will be approached on Swedish input.
3.2	Increased coverage of modern navigation systems in the Baltic Sea countries (Differential GPS)	n.a.	Establish DGPS system in Lithuania (missing link)
3.3.1	Increased utilisation of transponder technology for maritime traffic, Estonia *	Project proposal prepared by Estonia. Funding by Estonian Sources. To be integrated with the Estonian VTS-project	
3.3.2	Increased utilisation of transponder technology for maritime traffic, Latvia *	Basic maritime radio links to be established, also for transponder receiver purposes.	To create shore-based networks, applicable for AIS
3.3.3	Increased utilisation of transponder technology for maritime traffic, Russia *	Project Proposal not prepared, but Russia has initiated the preparation of the communication system to allow the AIS system.	SMA is promoting the AIS system in meetings with representatives from different Russian maritime authorities
3.3.4	Increased utilisation of transponder technology for maritime traffic, Poland *	Poland has shown a considerable interest to the AIS system and the technical proposals and solutions of SMA One shore-based AIS receiver installed.	Representatives from Poland are to visit SMA in Spring 2001, in order to study the AIS system in operation.
3.4	Closer co-operation in the area of maritime safety	The Final Report from the EU funded project "Early Warning System for the Baltic Sea" (EWS) was submitted in Nov. 1999. Far-going discussions have taken place in different foras, such as CBSS	Request for EC position and support in implementing the recommendations
3.5	Maritime Search and Rescue co-operation	Project approved for funding by Sida, Sweden, in January 2000. Phase I, targeting Kaliningrad, completed. Phase II, targeting Russia, Poland and Lithuania, completed. Phase III, involving 6 Baltic Sea States, to be executed in May and Sept. 2001.	To continue the implementation of the different phases, in accordance with earlier agreed project plan.

* International Maritime Organization (IMO) has decided upon carriage requirements on AIS transponder on board ships from year 2002 and onwards.

4 Development of know-how and institutional support

	Area of development	Project Status as per March 2001	Proposed further actions
4.1	Development of know-how in the forwarding and transport area	Brief project proposal outlined in the programming document.	To prepare a complete project proposal for raising of funding
4.2	Implementation and harmonisation of Port State Control in Estonia, Latvia and Lithuania	Request for support on PSC received from IMO concerning Lithuania and Estonia. Request received directly from Latvia. Discussions with DMA concerning a possible joint approach on this issue.	To agree with IMO or directly with the countries of concern.
	Implementation and harmonisation of Port State Control in Russia	Tacis project in progress	none
4.3	Increased know-how/awareness in Baltic Sea ports regarding work on the Baltic Sea strategy	Several sub-actions carried out. See also 5.1	See also 5.1

5 Special environmental programmes

	Area of development	Project Status as per March 2001	Proposed further actions
5.1	Development of reception facilities for ship-generated waste	Proposals are subject to Call for proposal announced for a follow-up study of reception facilities in Baltic Sea ports, which will form a basis for an investor's conference. Evaluation and funding by the Swedish Ministry of Foreign Affairs	n.a.
		Review of Port Reception Facilities in small Polish ports, funded by the Swedish Ministry of Foreign Affairs, completed.	n.a.
5.2	Reduction of atmospheric pollutions from shipping	n.a.	
5.3	Scrapping of tonnage in the Baltic Sea region	n.a.	

6 Further Actions

As understood from the previous analysis, several of the projects and programmes are internally connected and strengthening each other. The proposals can be grouped together under the headlines, i.e. used in the “Action Plan” and “Programming” presented.

Several of the projects proposed in the Action Plan, and obviously the other programmes that have come up in the meantime, have succeeded in attracting financial sources for their implementation. The most substantial Financier has been the European Commission with some comparably big projects (Early Warning System, Twinning Lithuania and Port State Control, Russia). Denmark has been active in environmental software projects. But when it comes to the overall picture, in those projects we have monitored in this report, Sweden has provided financing mainly to several, but minor and selected, projects. One, perhaps surprising, observation is that the International Financing Institutions such as NIB, NEFCO, EBRD etc. have been absent in the technical assistance programmes. The reason for this might be that the safety and environmental projects mainly have very low needs of investments in “hard-ware”. (In this we do not comprise port investment projects, which are of substantial magnitude, and in which the IFI:s are perfectly present.)

The Swedish Government has created a Swedish “Baltic Billion Fund”, which is an important component of Sweden's overall Baltic policy. The fund aims to stimulate economic exchange, growth and employment in Sweden and the Baltic region, and to strengthen the position of Swedish companies in the region. Unfortunately, the Baltic Billion Fund has not proved to be suitable for funding of projects in the development areas covered by the SMA “Action Plan for Maritime Transport in the Baltic Sea Region”.

It is also notable that the various donors and funding sources have very specific, and sometimes strict, conditions for support, which several of the projects not do satisfy. It is a depressing experience to note that good and sustainable projects do not fit to any financier because they are not exactly shaped as the donor wants to. A state guaranty is missing or cannot be provided, a hardware component is included which disqualifies the project, the project is a cross-border project, which is too complicated for one

donor, a receiving partner to a minor project cannot present a full fledged Logic Framework Analysis, etc.

Not to be too pessimistic, we believe that a systematic presentation and promotion of the earlier referred projects - and making it in the context of pieces in a package with a multiplier effect - may perhaps widen the strict interpretations of the donor regulations of their funding. Most of the projects implemented in the maritime sector in the Baltic Sea region the last decade have proved to be low risk projects for the donor and have given apparent, visible and sustainable effects.

Of course, the matter runs up to improve and detail the remaining project proposals to suite all the details in the forms required by potential financiers. It could be argued that the project proposals, for example those listed in Annex 2, are not elaborated enough to be presented to a funding institution. It is obviously so that the projects are to be detailed much more before presented for serious consideration.

However, we would propose, in order to economise labour force, a selective approach in this respect. This means that projects that definitely falls out of the scheme for a single donor should not be elaborated into details. On the other hand, those projects which have a fair chance of recruiting financing should be elaborated further. Before going further with this argument, a clarification is necessary.

When we are talking about economising human resources (which is expert and management resources) we are not primary referring to resources in the donor countries, but resources in the receiving countries which often suffers by a lack of project preparations capacity and where also bureaucracy bottlenecks occur. To have full engagement of the project receiver, and the project owner in the drivers seat of the project, it is waste of time and effort to present projects ideas with no, or low, probability for funding. In that respect it is fair to demand a preliminary statement from various funding agencies if a funding scheme is applicable and the necessary amounts fall within the budget limitations of the financier.

In such an approach the involvement and the enthusiasm from both parties for implementation of a homogenous and inter-connected programme for safe and clean shipping in the Baltic Sea will be most probable.

7 Recommendations

The previous analysis and identification of future actions is, not surprisingly, made from a Swedish perspective on Baltic Sea shipping improvement. It may be argued that several actions and initiatives emerging from other Baltic Sea countries have been neglected or not noticed. Obviously, no major improvements will be successful by isolated actions from one coastal state only. Nevertheless, as has been clearly pointed out when it comes to particular projects and specific actions for the marine environment, Swedish initiatives (and Swedish funding) have been operational in implementation of the Action Plan from 1999.

Having said that, it is obvious that among the Baltic Sea States, no major divergences in opinion on the main direction of improvements for Baltic Sea shipping is present. On the contrary, it is our absolute conviction that to a great extent consensus already has been established:

- Proactive measures for shipping industries promotes trade and economic growth
- Shipping is an extraordinary competitive mode of transport
- Environmental concerns have to be focused much more in shipping industry
- Substantial improvement in technology for Inter-modal transport and in IT-applications for maritime safety is necessary

There are few, if any, counter-arguments for a more integrated and joint action by the Baltic Sea coastal states in realising such improvements. Our assumption is that combined efforts, on bilateral or multilateral basis in the Baltic Sea region, also would gain to widen the sometimes narrow perspective from the Swedish side.

The Baltic Sea shipping market has, as clearly established in the report *Baltic Maritime Outlook 2000*, a tremendous potential and the increase in the maritime affairs in the Baltic Sea region during the last two years have proved to be an important phase in this development. An updating of *Baltic Maritime Outlook 2000* is planned in co-operation with the European Commission and the involved countries.

One perspective in a more integrated view on the search for a common platform, or level of the playing field, in maritime transport is the concept of Northern Quality Shipping. The concept refers to:

- Cost-effective and competitive maritime transport;
- Environment friendliness;
- Safety Standards;
- Good working environment for seafarers.

The concept Quality Shipping has been developed from a methodology used in the air industry, where industry performance indicators have been applied to different liner operators and flights. The concept has been further developed in the Netherlands and the continental Europe and is now under development for Short-Sea Shipping. Swedish Maritime Administration has launched this concept and promoted it in various fora. It is obvious that it is relevant with common standards of such kind for example in the ferry operations in the Baltic Sea, where there are several arguments not to accept low quality operators. In the Northern Quality Shipping concept several of the actions proposed would be suitable and applicable for a homogenous approach and joint project in benchmarking through performance indicators and best practices.

By geographical reasons the Baltic Sea has some specific qualities:

- brackish sea water;
- winter navigation conditions;
- fairly shallow water, etc.

At the same time the Baltic Sea has an extremely high transport density and is binding together several countries in the north latitudes of Europe. The concept of Northern Dimension has been launched by European Union to extend and develop sub-regional co-operation and policies in the northern part of Europe. In that context, joint actions to make the best use and at the same time give the best care for the Baltic Sea is a triggering challenge for the 9 coastal states in the Baltic Sea. In that sense improvements in Maritime Industry in the Baltic Sea region is perhaps the best exercise in making the Northern Dimension operational and applicable.

Also in that respect Swedish Maritime Administration invites for a pragmatic and target oriented practice to give content to the concepts of Quality Shipping in the Northern Dimension.

Action plan in brief

1 General conditions for transport policy

	Subject	Proposal	International Institutions concerned	What Sweden can do
1.1	Harmonisation of Transport Policies and framework rules	<ul style="list-style-type: none"> • EU's white paper "Fair and efficient pricing in infrastructure". • EU's green paper "Ports and Maritime Infrastructure". 	EU	<ul style="list-style-type: none"> • Follow up and actively support future implementation in candidate countries
1.2	Duties, customs tariffs, trade barriers	<ul style="list-style-type: none"> • Development of a customs-tariff structure that is WTO-compatible. • Harmonisation of tariff rates, regulations, procedures and practices in the Baltic Sea area and the abolition of trade-restriction measures. 	WTO, EU	<ul style="list-style-type: none"> • Promote increased exchange between customs authorities within the Baltic Sea area
1.3	Improved transparency in border-crossing procedures and customs clearance procedures, reduction in waiting times	<ul style="list-style-type: none"> • Facilitation of customs procedures in EU Candidate Countries and Russia. In the case of multiple border passages and certain ports, time cost is unacceptably large. • Improved information regarding regulations, procedures, practice and charges. • Increased exchange among customs authorities within the Baltic Sea area • Human resource development among port personnel and forwarding agents. • Increased focus on transport issues among Swedish foreign offices 	EU, WTO, BPO	<ul style="list-style-type: none"> • Promote the development of customs service and border crossing routines in the Baltic States and Russia. • Human Resource Development and exchange among port personnel and forwarding agents. • Development of channels to the responsible bodies.

2 *Inter-modal transport*

	Subject	Proposal	International Institutions concerned	What Sweden can do
2.1	Elaboration of rational transit transport solutions	<ul style="list-style-type: none"> • Cost-based charging for transit goods • Harmonisation of charges for transit goods transport • Review of charges on transit goods with a final destination other than Sweden • Flexible utilisation of tonnage in ferry traffic and other regular liner traffic 	EU	<ul style="list-style-type: none"> • Review of charges to be presented by the Swedish Maritime Administration before end of year 2000.
2.2	Increased utilisation of inland waterways	<ul style="list-style-type: none"> • Support for studies and market programmes 	EU, BPO	<ul style="list-style-type: none"> • Develop inter-modality and inland waterways transport alternatives
2.3	Increased access for foreign tonnage in Russian river/canal system	<ul style="list-style-type: none"> • Continuing EU negotiations on access for EU member states ships 	EU	<ul style="list-style-type: none"> • Support EU action

3 *Technical co-operation*

	Area of development	Proposal	International co-ordinator	What Sweden can do
3.1	International maritime conventions and national implementation	<ul style="list-style-type: none"> • Support the particular countries' association through training and technical and institutional support 	IMO, EU	<ul style="list-style-type: none"> • Institutional support • Influence the particular countries through technical co-operation with sister organisations
3.2	Increased coverage and availability of modern navigation systems in the Baltic Sea countries (Differential GPS)	<ul style="list-style-type: none"> • Stimulate implementation in the Baltic Sea countries that lack complete coverage (Latvia, Lithuania) 	ITU (International Tele Union) EU	<ul style="list-style-type: none"> • Technical support for the particular countries
3.3	Increased utilisation of transponder technology for maritime traffic	<ul style="list-style-type: none"> • Stimulate implementation 	IALA, IMO, ITU, EU	<ul style="list-style-type: none"> • Support ship-to-shore application • Technical support
3.4	Closer co-operation in the area of maritime safety	<ul style="list-style-type: none"> • Increased access to information on hazardous goods and passengers through the implementation of the EU's HAZMAT directive and similar in Estonia, Latvia, Lithuania and Poland • Harmonisation with Russia 	IMO, EU	<ul style="list-style-type: none"> • Support the implementation of a Baltic Sea Safety Forum
3.5	Maritime Search and Rescue co-operation	<ul style="list-style-type: none"> • Bilateral co-operation in technology • Stimulate and initiate discussions between countries lacking Search and Rescue agreements 	Bilateral contacts, PFP (Partnership for Peace)	<ul style="list-style-type: none"> • Technical support offered in line with needs • Negotiations to be initiated by Sweden with the remaining countries

4 Development of know-how and institutional support

	Subject	Proposal	International Institutions concerned	What Sweden can do
4.1	Development of know-how in the forwarding and transport industry	<ul style="list-style-type: none"> • Support human resource development in Estonia, Latvia, Lithuania, Poland and Russia • Training in international forwarding and transport organisation 	BPO	<ul style="list-style-type: none"> • Development of know-how • Institutional support • Exchange of expertise • Support for BPO
4.2	Implementation and harmonisation of Port State Control in Estonia, Latvia and Lithuania	<ul style="list-style-type: none"> • Support the particular countries' association to the Paris Memorandum of Understanding (MoU) through training and technical and institutional support 	EU, Paris MoU	<ul style="list-style-type: none"> • Development of know-how • Institutional support
4.3	Increased know-how/awareness in Baltic Sea ports regarding work on the Baltic Strategy	<ul style="list-style-type: none"> • Port Environment Management training for port functionaries, primarily in Estonia, Latvia, Lithuania, Poland and Russia. 	HELCOM	<ul style="list-style-type: none"> • Development of know-how
4.4	Harmonised application of Baltic Sea agreement covering the transport of dangerous goods	<ul style="list-style-type: none"> • Institutional support • Follow-up programmes 	BPO, HELCOM	<ul style="list-style-type: none"> • Initiate follow-up transfer of expertise
4.5	International conventions and national implementation	<ul style="list-style-type: none"> • Support the particular countries' association through training and technical and institutional support 	EU, IMO, HELCOM	<ul style="list-style-type: none"> • Development of know-how • Institutional support

5 Special environmental programmes

	Area of development	Proposal	International Institutions concerned	What Sweden can do
5.1	Development of reception facilities for ship-generated waste	<ul style="list-style-type: none"> • Investment studies • Technical and institutional support • Investment support 	HELCOM, EBRD, EIB, NIB	<ul style="list-style-type: none"> • Development of know-how • Institutional and technical support • Involvement in financing
5.2	Reduction of atmospheric pollutants from shipping	<ul style="list-style-type: none"> • Support the introduction of environmentally differentiated maritime charges 	HELCOM, EU	<ul style="list-style-type: none"> • Arrangement of seminars on economic, technical and environmental experience. • Swedish support for Baltic Sea conferences, special initiative in autumn 1999.
5.3	Scrapping of tonnage in the Baltic Sea region	<ul style="list-style-type: none"> • Support programmes for the scrapping of vessels in, for example, unutilised shipyards (Investment study) 	IMO, HELCOM	<ul style="list-style-type: none"> • Initiate investment studies covering recycling requirements and possible corporate co-operation in the area.

Programming of Swedish Maritime Administration's Action Plan for Maritime Transport in the Baltic Sea Region

The programming contains elaborated proposals within the areas below, which are marked with a cross in the right column:

Development Areas	Project Description Attached
<i>1 Framework conditions for transport policy</i>	
1.1 Harmonisation of transport policy rules;	
1.2 Fees, customs tariffs and trade barriers;	
1.3 Greater transparency in border-passage and customs-clearance procedures, reduction in waiting times.	
<i>2 Inter-modal transport</i>	
2.1 Development of rational transit transport solutions;	
2.2 Increased utilisation of inland waterways;	X
2.3 Increased access for foreign tonnage in Russian river/canal system.	
<i>3 Technical co-operation</i>	
3.1 International conventions and national implementation;	
3.1.1 Institutional Support – Twinning	X
3.1.2 Flag State Implementation	X
3.2 Increased coverage of modern navigation systems in the Baltic Sea countries (Differential GPS);	X
3.3 Greater utilisation of transponder technology for maritime traffic;	X
3.4 Closer co-operation in the maritime safety area;	X
3.5 Maritime Search and Rescue co-operation.	X
<i>4 Development of know-how and institutional support</i>	
4.1 Development of know-how in the forwarding and transport area;	X
4.2 Implementation and harmonisation of port state control in Estonia, Latvia and Lithuania;	
4.3 Increased know-how/awareness in Baltic Sea ports regarding work on the Baltic Strategy;	
4.4 Harmonised application of Baltic Sea agreement covering the transport of dangerous goods;	
4.5 International conventions and national implementation.	

Development Areas

Project Description Attached

5 *Special environmental programmes*

5.1 Development of reception facilities for ship-generated waste;

X

5.2 Reduction of atmospheric pollutants from shipping;

X

5.3 Scrapping of tonnage in the Baltic Sea region.

X

2.2 Increased utilisation of Inland Waterways

1. Key facts

- 1.1 Country(ies):** Russia and Poland
- 1.2 Area of development:** Inter-modal transport (2.2)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport, ports and ship owners in resp. country
- 1.4 Project status:**

2. Project Details

2.1 Background:

Traffic on inland waterways in Russia and Poland can be enhanced and offers a potential to become an important traffic system. The system can be linked up with other existing waterway system in the Baltic Sea and with the continental waterways. This traffic alternative has major potential in the offloading road transport.

An EU-financed Interreg II C project, called INLATRANS, in which Swedish, Finnish and German partners are co-operating, is currently in progress in an attempt to stimulate and develop the inland waterway traffic throughout the Baltic Sea region.

A new project is under preparation, based upon the experiences and results from the INLATRANS project, in order to develop traffic on the inland waterways from a northern dimension.

2.2 Objectives:

The Objectives of this project is to promote traffic on inland waterways in northern Europe, with a special emphasis on Russia and Poland, in order to increase the traffic flows on these waterways in the Baltic Sea area and make it possible for them to become an important traffic system and assure the linkage with the European inland waterways.

2.3 Expected outputs:

Promotion of the inland waterways in the Baltic Sea region/northern Europe and establishment of networks between operators and authorities, responsible for and working with inland waterways. Investigation of the possibilities for development of transport systems of inland waterways.

2.4 Scope of assignment:

A detailed project plan is under preparation.

2.5 Time frame:

24 months, starting from January 2001.

2.6 Required input:

High qualified project co-ordinator (part time employed)

Short-time experts, 20 man-months

2.7 Estimated budget

	EURO
Project co-ordination / Project Management	100 000,-
- Fees	
- Reimbursable costs (travel, printing, communication etc.)	
Project Activities	385 000,-
- Fees	
- Reimbursable costs (travel, printing, communication etc.)	
Total amount of Project Costs	485 000,-

3.1 International Conventions and National Implementation

3.1.1 Institutional support - Twinning

1. Key facts

- 1.1 Country(ies):** Estonia, Latvia, Lithuania, Poland
- 1.2 Area of development:** Technical co-operation (3.1)
- 1.3 Beneficiary(ies):** Maritime Administrations and Ministries of Transport in resp. country
- 1.4 Project status:** Twinning projects in Poland and Lithuania on maritime safety are under preparation. For Estonia, twinning in the field of maritime safety is proposed to take place in one-two years.

2. Project Details

2.1 Background:

The international community has adopted a number of transport, maritime safety and environmental conventions for national enforcement. Sweden has actively promoted these instruments in various UN bodies in an effort to attain a joint improvement in standards.

The formal adoption of these conventions by the independent Baltic States of Estonia, Latvia and Lithuania has occurred relatively rapidly after independence. In practice, continuing work is required to complete the necessary changes. However, certain countries in the region have not acceded to some important conventions such as the Civil Liability Convention of 1992, the Search and Rescue Convention of 1979, etc. From the viewpoint of general harmonisation, it is important that the Baltic countries in these respects adopt a coastal responsibility to the level required by these conventions.

2.2 Objectives:

To support the particular countries' association through training and technical and institutional support.

2.3 Expected outputs:

- Ratification of international conventions of importance
- Correspondence and implementation of the EU legislation in the respective countries

2.4 Scope of assignment:

Technical co-operation between sister organisations (Twinning) to influence the countries of concern

2.5 Time frame:

3-5 years

2.6 Required input:

12-18 man-months for each country

2.7 Estimated budget

Appr. EUR 5 000 000,-

3.1 International Conventions and National Implementation

3.1.2 Flag State Implementation

1. Key facts

- 1.1 **Country(ies):** Russia
- 1.2 **Area of development:** Technical co-operation (3.1)
- 1.3 **Beneficiary(ies):** Port Authority of Kaliningrad
- 1.4 **Project status:** Project documentation prepared. Financing not yet available.

2. Project Details

2.1 Background:

Whilst a large scale Tacis project is in progress in the Russian Federation concerning Port State Control there are little or no established links with other countries regarding the role of the Flag State.

The role of the Flag States of Russia and Sweden whilst sharing a common goal for safety differs considerably regarding practical implementation. The role of the Maritime Administration in Russia and its ongoing and historic association with the Maritime Register of Shipping is also an area with a different approach compared to Sweden. The Swedish Maritime Administration through its inspectorate offices issue a number of certificates for ships after surveys which have been carried out by surveyors of the inspectorate. This task is performed by one particular classification society in Russia namely the Register of Shipping. The role of the Maritime Administration in Russia could be strengthened in regards to increasing involvement in actual survey and certification of ships. This would clearly indicate a commitment to expand the responsibilities of the Maritime Administration itself and thereby also provide the means to take necessary steps in improving safety.

There are differences in the responsibilities for accident investigations in case of calamities. In contacts between the Swedish Maritime Administration and the Port Authority of Kaliningrad, and through a number of fruitful meetings in Kaliningrad and Sweden it has become evident that increased international co-operation is the key to aligning the Port Authority of Kaliningrad with the goals of the Baltic region to ensure safe shipping.

2.2 Objectives:

The overall objective of this project is to enhance safety at sea.

The immediate objective of this project is to assure a high quality of ship related survey and control of ships with Russian flag, as well as to increase emergency preparedness and accident investigation at the Port Authority of Kaliningrad.

2.3 Expected outputs:

By the end of the project, the following will have been delivered:

- A preparatory seminar in Kaliningrad about Flag State Implementation, methods of work and policies.
- On-the-job training courses in Sweden to familiarise the Russian Flag State Control Officers with the working methods, operational matters and policies of the Maritime Safety Inspectorate.
- A two days follow-up meeting in Kaliningrad in order to sum-up the seminar and the on-the-job training, evaluate the outputs and results that have come up from the project.

2.4 Scope of assignment:

2.4.1 Seminar on Flag State Implementation

Content

The seminar on flag state implementation will take place in Kaliningrad and contain issues with regard to the implementation of flag state control in Russia, with special regard to the geographical area of Kaliningrad, and the responsibilities and working methods of the Russian Register of Shipping and the Port Authority.

The last day of the seminar will be co-arranged with the Assembly of Russian Harbour Masters, which will be organised in Kaliningrad in the middle of September 2000 by the Port Authority of Kaliningrad. This gives the opportunity to make a presentation of the previous discussion at the seminar and to have a discussion with a number of Port Authorities in Russia on the role of Russian Flag State and the division of responsibilities between the Russian Register and the Port Authorities.

Participants

It is proposed that from Swedish side two representatives from SMA will take part in the whole seminar. Additional one senior expert on management level from the Swedish Maritime Administration will participate in the last days of the seminar.

From the Port Authority of Kaliningrad and the Russian Ship Register the number of participants will total approximately 10-12 experts, not included the other Russian Harbour Masters on the last day of the seminar. The number of participants this day will total approximately 50 persons.

2.4.2 On-the-job training courses in Sweden

Content and Methodology

The methodology to be used in the implementation of the training course is both theoretical lessons and practical on-the-job training together with senior ship inspectors from the Maritime Safety Inspectorate in the Swedish Maritime Administration.

Areas to be covered in the training course are inter alia:

- Flag state survey work;
- Emergency response to accidents at sea depending on availability;
- ISM audit including operational control;
- Reporting results of surveys;
- Accident investigation;
- New-building projects.

Time schedule and Duration

The on-the-job training course will take place over a period to be decided upon within the year. The training may be spread over the year to accommodate both parties.

The primary location of the on-the-job training is the Stockholm office of the Maritime Safety Inspectorate of the Swedish Maritime Administration.

For practical reasons such as transportation etc. it is suggested that two persons at a time for a one-week working period will be ideal. Under the leadership of qualified ship surveyors they will accompany surveyors for on-the-job training. The training course will be concluded on a Friday afternoon with a summing up meeting.

Participants

Approximately 5 on-the-job training courses are proposed to be delivered, which means that a total of 10 Russian experts will have been participating in the training.

The participants will be qualified experts on flag state implementation, with a good working knowledge of English language.

Follow-up meeting in Kaliningrad

A two days follow-up meeting in Kaliningrad will take place after delivery of the last on-the-job training course, in order to sum-up the project implementation, evaluate the outputs and results that have come up from the project.

2.5 Time frame:

12 months

2.6 Required input:

3,5 man-months short-term experts

2.7 Estimated budget

Appr. EUR 90 000,-

3.2 Increased coverage of modern navigation systems in the Baltic Sea countries (Differential GPS)

1. Key facts

- 1.1 Country(ies):** Latvia and Lithuania
- 1.2 Area of development:** Technical co-operation (3.2)
- 1.3 Beneficiary(ies):** Maritime Administrations and Ministries of Transport in resp. country
- 1.4 Project status:**

2. Project Details

2.1 Background:

Comparable and developed technical security standards in the Baltic Sea area are of vital and fundamental importance for navigation safety, transport efficiency, ice-breaking, etc. In several respects, most of the important traffic areas in the Baltic Sea have modern and reliable systems.

Complete duplication is not yet available in the Baltic Sea in order to offer precise navigational security systems with the correct distribution to satellite navigation (Differential GPS).

2.2 Objectives:

To enhance the navigation safety, transport efficiency, ice-breaking etc by achieving full coverage by differential GPS in the Baltic Sea.

2.3 Expected outputs:

Providing of technical assistance to Latvia and Lithuania in order to support the full implementation of differential GPS in the countries.

2.4 Scope of assignment:

Technical co-operation between sister organisations to influence the countries of concern and providing of consultancy services.

2.5 Time frame:

12-18 months

2.6 Required input:

20-30 man-weeks

2.7 Estimated budget

Appr. EUR 80-100 000

3.3 Increased utilisation of transponder technology (AIS) for maritime traffic

1. Key facts

- 1.1 Country(ies):** Estonia, Latvia, Russian Federation and Poland
- 1.2 Area of development:** Technical co-operation (3.3)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport, Navy, Coast Guard in respective country.
- 1.4 Project status:**

2. Project Details

2.1 Background:

Automatic Identification system (AIS) is a new technical system that makes it possible to monitor ships from other ships and from shore based stations. Ships equipped with AIS meeting anywhere on earth will be able to identify and track each other without being dependent of shore stations. This type of technical adjustment offers significant common advantages and promotes efficiency.

The AIS system is now developing to become a world-wide standard. The International Maritime Organization (IMO) drafted carriage requirements for AIS during the NAV 45 meeting, 8 October 1999. IMO is foreseen to take the official decision about the implementation of AIS at the Assembly in May 2000.

It means that certain ships navigating the Baltic Sea waters will be equipped already in the beginning of next year. AIS on shore ought to be in operation as soon as possible. Lithuania has implemented a national AIS system. Estonia and Latvia is preparing for an implementation. Poland is preparing for an implementation of AIS in the framework of a twinning project, which is to commence in year 2001. Russia is in an early stage in the implementation process.

2.2 Objectives:

To have an AIS system implemented in all Baltic Sea Coastal States in due time before the AIS is becoming mandatory, according the requirements of IMO.

2.3 Expected outputs:

Technical assistance and support in the implementation process for increased utilisation of transponder technology in maritime traffic in the Baltic Sea region.

2.4 Scope of assignment:

Promote the implementation of AIS in the existing fora of co-operation

Technical support in designing and implementation of national AIS systems in the Baltic Sea Countries.

2.5 Time frame:

2000 - 2003

2.6 Required input:

2.7 Estimated budget

Appr. EUR

3.4 Closer co-operation in the area of maritime safety

1. Key facts

- 1.1 Country(ies):** Estonia, Latvia, Lithuania, Russian Federation and Poland
- 1.2 Area of development:** Technical co-operation (3.4)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport, in resp. country.
- 1.4 Project status:**

2. Project Details

2.1 Background:

Institutional co-operation among the Baltic Sea countries is in progress in various maritime area. HELCOM is working on environmental questions, BBRC (Baltic and Barents Sea Regional Co-operation) handles questions involving radio communication, sea rescue, etc. BOPCom (Baltic Open Port Communication) is working towards co-operation between the major ports in the Baltic Sea, BSHC (Baltic Sea Hydrographic Co-operation) deals with hydrographic questions and BPAC (Baltic Pilot Authorities Commission) is working with issues involving piloting. Also, there are regular meetings between the Nordic maritime safety directors for the exchange of experience and discussions on joint questions.

A joint approach to maritime safety questions in the Baltic Sea region is a cornerstone in creating a safer shipping in the Baltic Sea. To increase co-operation and contacts between the Baltic Sea countries and to create a forum for the discussion of various questions in the area of maritime safety, an EU-financed study in which the Swedish Maritime Administration is involved, has proposed that a regional Baltic Sea Safety Forum be established. This forum will be open to maritime administrations in all Baltic Sea countries and will cover questions not taken up by other technical organisations.

Increased institutional co-operation in the maritime safety area is of major importance, and thus Sweden should support and promote such initiatives and activities.

Moreover, in the case of the Baltic Sea, certain specific IT questions are being discussed, such as the introduction of an IT-based reporting system for passengers and hazardous goods in an effort to efficiently implement the EU Directives in the area. There are good reasons for Sweden to support these measures, too. Similar co-operation has been commenced on a Nordic basis.

2.2 Objectives:

- To increase the co-operation and exchange of information between the Baltic Sea States in the field of maritime safety
- To render the work on maritime safety more effective
- To increase access to information on dangerous goods and passengers through the implementation of the EU's Hazmat directive and others in Estonia, Latvia, Lithuania and Poland
- To harmonise the implementation of the above system with Russia

2.3 Expected outputs:

Establishment of a Baltic Sea Safety Forum

2.4 Scope of assignment:

To establish a Baltic Sea Safety Forum, based upon a Memorandum of Understanding, with a secretariat and with participation from all the nine countries bordering the Baltic Sea.

2.5 Time frame:

Appr. 24 months for the establishment and start up of the Forum.

2.6 Required input:

Appr. 12 man-months

2.7 Estimated budget

Appr. EUR 250 000,-

3.5 Maritime Search and Rescue co-operation

1. Key facts

- 1.1 Country(ies):** Estonia, Latvia, Lithuania, Russian Federation and Poland
- 1.2 Area of development:** Technical co-operation (3.5)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport, Navy, Coast Guard in resp. country.
- 1.4 Project status:** Under implementation

2. Project Details

2.1 Background:

To ensure common safety in the Baltic Sea for passenger transport and combined ferries, as well as for coastal fishing and recreational boating, it is important to have functioning Search and Rescue organisations. Measures involving the resources of several nations need to be trained and developed. Measures undertaken should be maintained and extended. A programme for the Baltic Sea countries is now to be prepared. The programme is also designed to stimulate practical initiatives for further sea rescue agreements within the Baltic Sea region.

As regards Search and Rescue (SAR), Sweden does not have agreements with Estonia and Lithuania. An agreement with Latvia has been ratified in December 1999. The previous SAR agreement with the Soviet Union has in practice been taken over by Russia. The initiative has been taken for internal agreements between Lithuania and Estonia. An operational co-operation has been started up between Kaliningrad (Russia), Klaipeda (Lithuania) and Gdynia/Gdansk (Poland). This development, which is of major significance for mutual exchange and security in combined transports and passenger traffic on Baltic Sea, is proposed to offer technical support for the implementation of agreements and the required training programmes.

2.2 Objectives:

- To strengthen the total SAR capacity in the South-East Baltic Sea region.
- To establish a common methodology and understanding among the SAR specialists in the Baltic Sea area by exchanging experience, which will form the basis for further co-operation.

2.3 Expected outputs:

Delivery of seminars, expert study visits and training courses for SAR representatives.

2.4 Scope of assignment:

The project will be divided into five phases:

Phase I Institutional Support, Exchange of Experience and Cross-border Co-operation

Kaliningrad oblast

Phase II Institutional Support, Exchange of Experience and Cross-border Co-operation

Kaliningrad oblast and St Petersburg region (Russia), Klaipeda region (Lithuania) and Gdansk/Gdynia region (Poland)

Phase III Know-how transfer, including international visits at sites, and SAR seminar

Kaliningrad, St Petersburg region (Russian Federation), Lithuania and Latvia

Phase IV Training Course for SAR Mission Co-ordinators up to IMO-Certificate level

Kaliningrad and St Petersburg region in Russia.

Target group extended also to include Estonia, Latvia and Lithuania.

Phase V Training course for SAR on-scene co-ordinators, up to Certificate level

Kaliningrad, St Petersburg, Lithuania and, optional, Gdansk/Gdynia

2.5 Time frame:

36 months

2.6 Required input:

Appr. 25 man-months, including project management, tutors etc.

2.7 Estimated budget

Appr. EUR 670 000,-

4.1 Development of know-how in the forwarding and transport area

1. Key facts

- 1.1 Country(ies): Estonia, Latvia, Lithuania and Russia
- 1.2 Area of development: Development of know-how and institutional support (4.1)
- 1.3 Beneficiary(ies): Ministry of Transport, ports, port operators, forwarding companies etc. in resp. country
- 1.4 Project status:

2. Project Details

2.1 Background:

As regards cross-border transport in the Baltic Sea region (including Russia, the Ukraine, Belarus and destinations beyond) the factual basis that can now be overviewed further underscores the crucial soft factors:

- Homogeneity over time in border passage procedures;
- More stable and, particularly, more predictable tariff structures;
- Skills, educational levels and experience in international forwarding;
- Computerisation and information support for goods documentation;
- Too many intermediaries and functionaries involved in terminal and border passage procedures.

It should be emphasised that these problems exist to a lesser or greater degree in all countries around the Eastern Baltic Sea but are significantly more accentuated in border passages to Russia and other eastern destinations. At the same time, as noted above, the development of the Russian market offers the decisive leverage for Baltic Sea transport in the East/West axis. Consequently, it should be emphasised that attempts to achieve modernisation, skills enhancement, internationalisation and the development of confidence for the support system for the transport industry in Russia requires sustained, multi-faceted and extensive technical and educational co-operative efforts.

So far, one may conclude that it is not the physical infrastructure that is generally the critical factor in increased trade and transport in the region; rather it is the lack of functionality in other fundamental legal, institutional and administrative systems.

Broader and deeper know-how in the area of international forwarding and transport organisation has been mentioned throughout the Action Plan for Maritime Transport in the Baltic Sea Region as one important area to develop in order to make it easier for the goods to pass the borders.

Sweden is advanced in this particular field and has a fairly long experience.

2.2 Objectives:

The objective is to make it easier for the goods to pass the borders in the trade between the Baltic Sea States by increasing the skills and knowledge for transport forwarding and use of modern IT-related information systems within the public administration and freight companies as well as organisation, management and business development.

2.3 Expected outputs:

1. Education and training courses on international forwarding, logistics and transport organisation and management, with a focus on transport forwarding, logistics and freight management regarding pricing, marketing and selling of transport services and on information system for transport companies. State-of-the-art and development of transport forwarding organisation.
2. Development of distance education techniques for courses on transport forwarding and logistics
3. Development of a competence and training centre in Russia within the field of transport forwarding, logistics and freight management for public administrations as well as private sector.

2.4 Scope of assignment:

Project I. Education and training on international forwarding, logistics and transport organisation and management

Training Objectives

The objectives of the above-mentioned training on transport forwarding and management by the Swedish instructors is intended:

- to equip trainees with, or extend their knowledge of a variety of transport forwarding and management techniques;
- to secure a capable training resource within the Baltic Sea Region in order to meet the ever changing transport forwarding situations;
- to improve the skills of, and job performance by trainees in their current positions and hence attain a high degree of professionalism;
- to revitalise and energise trainees to be more productive and efficient;
- to prepare trainees to better achieve the organisational goals;

- to equip trainees with up to date techniques on how to utilise training methods and aids efficiently and effectively during the instruction process;
- to expose the trainees to various methods of designing, implementing and evaluating transport forwarding and logistics management plans; and
- to increase the trainees understanding of the political and socio-economic context of logistics of freight management and transport forwarding.

Participants

Participants shall be appointed by the responsible Ministries of resp. country concerned and shall be directors and managers of those ministries or authorities, or directors of sales and marketing in transport companies, directors of minor transport companies and researchers within the transport sector.

Training has so far not been conducted on a joint basis in the Baltic Sea countries. It is proposed that such training be organised for all target countries, in which the participant quota for Russia should be offered generously on account of its major requirement.

Course content and length

The whole programme consists of three steps on different levels from basic training of business and organisation development to advanced training with use of modern information technology in transport forwarding. The training should be carried out as two week courses in Sweden for each step, which then can be followed up and evaluated with seminars in the one or several of the participating countries.

Course Programme Structure

Step 1

Focus on strategies in a competing transport market.

Strategic marketing in a transport company

Costs and effects of various types of marketing programmes

Marketing and selling organisations

Marketing methods in practice - practical training in developing a marketing plan

Lectures on personnel selling, customer maintenance and direct marketing.

Hearing with experienced sellers and buyers of transport services.

Distribution and transport planning in practice (Study visits)

Planning and buying of distribution services

Methods and systems for effective storage handling

Business and organisation - business plans

logistics marketing

Step 2

Focus on pricing, tariffs, costs and calculation

Tariffs and pricing

Theory and Computer practice and training

Cost and Price Calculation computer training

Combined Freight Transport concepts in theory and practice.

Combined transport - practical examples

Swedish Postal Freight Transport Company
Forwarding company-Basics in production and administration
IT-organisation, resource utilisation, priority and control
Project management, development administration and maintenance,
control (AO-modelling, help desk information centres etc)
IT-frames, hardware, software, developments techniques, tools,
databases, programming languages, IT infrastructure and architecture

Step 3

Focus on information system for transport companies

Network concept
Technology developments in transport modes
Resource utilisation
Data capturing in the logistic chain
Information system - developments and trends
Use of EDI, EDIFACT and other IT-related logistic systems
Demands on transportation information systems from the user, case descriptions
International Forwarding company – study visit and a presentation
Information in forwarding and transportation as a part of company development
- case with demonstration
Forwarding company - choice of information system. The domestic case
Demonstrations of information system
Information systems support in logistic planning - practical examples
Forwarding company's information system in a European perspective
Selected projects of information systems in Europe
Port information system
Information system in a shipping line- examples and study visits,
Information systems of customs authority - TDS
Study visits
Presentation of Swedish State Railway
BRAVO Freight Transport System
Information System for railway transportation
The future Management of railway operations
Traffic Safety and Train Planning
Rail –Sea Combi transportation
Combined transportation and effects on environment
Swedish transport politics concerning the implementation of information technology in
development of freight transport
Research

Project II. Development of distance education techniques for courses on transport forwarding and logistics

With modern Information Technology it is possible to train a large number of people in a very cost efficient way. The same course as mentioned in Project 1 can be evaluated and carried out with interactive training on distance. This needs a development of the course material to

adopt the documentation of the course to the pedagogic that needs to be used for this type of training. Sweden is very advanced in this field and has a lot of experiences in using this. The technique makes it possible to give individual training of the theoretical parts and to some extent of practical training.

Project III. Development of a competence and training centre in Russia within the field of transport forwarding, logistics and freight management for public administrations as well as private sector.

2.5 Time frame:

2001 – 2003. If required, the different project could be split over more years.

2.6 Required input:

Besides the instructors and the arrangement facilities to organise the courses etc could be useful to have some resources for updating the computers existing in the participating countries. By experience we know that the level of computerisation differs quite a lot among the countries concerned.

2.7 Estimated budget

For each two week course/training in Sweden (includes all costs for a group of 25 people – hotel, accomodation, meals, transportation in Sweden, documentation, tuition fee. International travels to/from Sweden has to be paid by the authorities in the participating countries)

Approx. EUR 95 000,-

For each seminar in some of the participating country
(Includes all costs for Swedish experts taking part in the programme. All local costs – venue, class room, equipment, per diem for participants from the country concerned etc are taken by the local organiser)

Approx. EUR 25 000,-

Computer resources: Approx. EUR 60 000,-

Estimated budget each year for Project I above:

Three step training programme	3 x 95 000	285 000 EUR
Three follow up seminars	3 x 25 000	75 000 EUR
Computer resources		60 000 EUR
	Total EUR/year	420 000 EUR

Estimated budget for Project II above:

Distance course development, test and evaluation	
The project needs two years of evaluation of which each year	175 000 EUR
<u>Total of whole project II</u>	<u>350 000 EUR</u>

Estimated budget for Project III above:

This project supports the development of program structure, training content, management, organisation and administration of a competence centre including a test and evaluation of the centre	each year	60 000 EUR
<u>Total of whole project III</u>		<u>180 000 EUR</u>

5.1 Development of reception facilities for ship-generated waste

1. Key facts

- 1.1 Country(ies):** Estonia, Latvia, Lithuania, Poland and Russia
- 1.2 Area of development:** Special Environmental programmes (5.1)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport and ports
in resp. country
- 1.4 Project status:** Under implementation in Poland and Russia (Kaliningrad Oblast)

2. Project Details

2.1 Background:

Sea transport does, like most production of any commodity in the industrialised world, generate negative external effects. For most of the negative external impact on the environment, illegal waste disposal etc, the producer does not pay.

There is no simple solution available for adequate handling of such external effects. Nevertheless, some regimes are widely accepted to deal with environmental effects and the mechanisms for its implementation:

- Polluter pays principle
- Enforcement of environment control regimes requires a legal base and an implementation body
- Stimulate the potential polluter to internalise the external cost

For the Baltic Sea Area several of these principles are adopted within the Baltic Strategy, which is agreed upon by the Baltic Sea coastal states. These remarks point out one issue of importance. Any proposal on port waste management is to be formed to ensure the fulfilment of the requirements outlined in the Baltic Strategy.

Sweden is actively promoting the question of implementing the HELCOM recommendation concerning the Baltic Strategy and has involved itself in training and knowledge-transfer surrounding these questions. This needs to be continued.

Several technical questions concerning the development of reception facilities for ship-generated waste have been completed in countries around the Baltic Sea. In several cases, the

shortage of finance for such facilities represents an obstacle. Consequently, Sweden should take up the question of finance in the appropriate manner and consider some form of investment contribution to conducting its implementation.

2.2 Objectives:

The objective is to decrease the environmental impact from ship-generated wastes in the Baltic Sea.

2.3 Expected outputs:

- Investment studies
- Training courses
- Technical and institutional support
- Investment support for hard ware

2.4 Scope of assignment:

- Development of know-how
- Institutional and technical support
- Involvement in financing

2.5 Time frame:

1,5-2 years

2.6 Required input:

12-14 man-months

2.7 Estimated budget

Appr. EUR 200 - 300 000

5.2 Reduction of atmospheric pollutants from shipping

1. Key facts

- 1.1 Country(ies):** Estonia, Latvia, Lithuania, Poland and Russia
- 1.2 Area of development:** Special Environmental programmes (5.2)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport, Ministries of Environment, ship owners etc. in resp. country
- 1.4 Project status:**

2. Project Details

2.1 Background:

Sweden is working on several fronts to spread the application of some form of environmental differentiation of infrastructure fees in maritime traffic to stimulate the use of more environmentally friendly bunker fuel and cleaning technology onboard.

Among other things, the Swedish Maritime Administration is co-operating with the international environmental movement in this question.

Additional measures are needed for lobbying and training concerning the polluting aspect of shipping.

2.2 Objectives:

The objective is to decrease the environmental impact from air pollutions from shipping in the Baltic Sea.

2.3 Expected outputs:

Support the introduction of environmentally differentiated maritime charges

2.4 Scope of assignment:

- Arrangement of seminars on economic, technical and environmental experience.
- Swedish support for Baltic Sea conferences

2.5 Time frame:

Appr. 12 months

2.6 Required input:

2-3 man-months

2.7 Estimated budget

Appr. EUR 60 000,-

5.3 Scrapping of tonnage in the Baltic Sea

1. Key facts

- 1.1 Country(ies):** Russia, Estonia, Latvia, Lithuania and Poland
- 1.2 Area of development:** Special Environmental programmes (5.3)
- 1.3 Beneficiary(ies):** Maritime Administrations, Ministries of Transport, ports and ship owners in resp. country
- 1.4 Project status:**

2. Project Details

2.1 Background:

The average age of fleet in the EU candidate countries and Russia is considerable high.

Since the beginning of the 1990s, Russian tonnage has fallen by some 10% annually. One of the factors underlying this trend is that older Russian tonnage has been withdrawn from service (70% of Russian tonnage is more than 15 years old).

A question of great importance from the environmental point of view, which has been discussed in the last few years concerns resources for scrapping/recycling of vessels.

2.2 Objectives:

The Objective of this project is to support programmes for the scrapping of vessels in, for example, unutilised shipyards.

2.3 Expected outputs:

A feasibility study on the establishment of scrapping of vessels in the Baltic Sea region on regular basis.

2.4 Scope of assignment:

- Scrutinising of the matter of scrapping of vessels from different aspects, including financial aspects.
- A mapping of existing shipyards and other resources that might be used for this purpose.

2.5 Time frame:

6-8 months

2.6 Required input:

Appr. 10 man-weeks.

2.7 Estimated budget

Appr. EUR 50 000,-