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Item No. 12.1.2
Community Planning and Economic Development
May 17, 2018

TO: Chair and Members of the Community Planning and Economic Development
Standing Committee

Original Signed

SUBMITTED BY:

John Traves, Q.C., Director, Legal, Municipal Clerk and External Affairs

DATE: April 3, 2018

SUBJECT: Potential International Partnership with Gdynia Poland

ORIGIN

Staff initiated report based on a request from Gdynia, Poland.

International Partnership Update report, provided to the Community Planning and Economic Development Standing Committee on July 20, 2017.

LEGISLATIVE AUTHORITY

Administrative Order 2014-003-GOV respecting International Partnerships (International Partnership Policy) approved by Regional Council in April 2014.

RECOMMENDATION

It is recommended that the Community Planning and Economic Development Standing Committee recommend that Halifax Regional Council:

1. establish a Friendship Partnership Agreement with Gdynia, Poland;
2. authorize the Chief Administrative Officer to negotiate and prepare a memorandum of understanding with Gdynia, Poland, that includes the anticipated goals and outcomes for the partnership in accordance with the discussion section of this report, for a term of 5 years; and
3. authorize the Mayor to execute the memorandum of understanding.

BACKGROUND

The International Partnership Policy highlights the benefits of establishing relationships with other communities and outlines the criteria and protocol to be applied in considering requests from international cities. The Policy defines 'partnership' and clarifies the roles, responsibilities, and expectations for both partners, as well as the procedures which HRM will employ to administer partnership agreements with existing and potential partners. The Policy reflects the following principles:

- Initial primary focus on potential economic development benefits;
- Inclusion of written agreements, activity plans and specific resource commitment;
- Involvement of community stakeholders and/or active committees;
- Alignment with HRM Council priorities and/or strategic objectives.

The Policy defines three categories of formal partnership agreements between the municipality and international communities, each of which entail a different level of scrutiny and involvement. These categories are: Economic Partnership Agreements, Friendship Partnership Agreements, and Historic Partnerships. The primary purpose of a Friendship Partnership Agreement is facilitating international goodwill through community-level events and public celebrations such as flag raisings, based on cultural or historic relationships between HRM and international communities. Currently, Halifax has friendship agreements with Hakodate, Japan and Campeche, Mexico.

The City of Gdynia, Poland sent a letter to the Mayor's Office in June 2016 expressing interest in establishing a relationship with Halifax. Since that time, partnership opportunities have been explored between Gdynia's Museum of Emigration and Halifax's Pier 21 Museum of Immigration, port facilities in the respective cities, as well as the cities' library systems. Initial focus on initiating and/or pursuing these relationships have resulted in the first steps toward development a proposed Friendship Agreement with Gdynia.

DISCUSSION

Gdynia Profile

The City of Gdynia is part of what is known as Poland's Tri-city area, including the much smaller Sopot and much larger Gdańsk. Population estimates of this metro region vary, but are typically close to one million residents. Gdynia alone hosts a population close to 250,000. In either respect Halifax's population (at 418,000) is relatively close in size and scale to Gdynia.

Infrastructure

The Port of Gdynia is one of the major ports in the Baltic Sea and the entire Tri-city area is accessible via the Gdańsk Airport, which is similar in size to Halifax's Stanfield International Airport. From an infrastructure standpoint, Gdynia provides similar opportunities to Halifax: a major port, an active and accessible international airport, roadways designed for international shipping, unified city railway, and modern commercial, medical, cultural, and entertainment venues.

International Relations

According to Global Affairs Canada, Canada currently enjoys very positive bilateral relations with Poland. This includes academic cooperation, scholarships, NATO participation, joint military exercises, as well as significant trade and investment. While Poland is outside of the Eurozone, it is part of the European Union, Council of Europe, Visegrád Group, EU Customs Union, EEA, and Schengen Area. Despite its unique currency, Poland is well integrated with the European Union and has seen an enthusiasm for further economic integration with western developed economies.

Education

The region is home to eight universities, with a mix of state-owned and privately-owned options. The Oceans sector and local Navy feature prominently at the three state-owned institutions: Gdynia Maritime University, Polish Naval Academy, and University of Gdańsk. Among privately owned institutions, the focus is more on business, commerce, economics, and other social sciences. These universities focus on feeding the local talent needs for its Financial Services sector. Given its Oceans and Oceanography focus, there may be opportunities to pursue collaboration with Halifax's post-secondary institutions.

Economy

The Tri-city area is one of Poland's most prosperous regions, with a per capita GDP 40% higher than the national average. While its actual GDP is quite low relative to most western industrialized countries, as a highly urbanized location with many educational institutions and regional shipping advantages, it has significant economic advantages over other Eastern European locations.

Economically, the region favours services industries much more than the rest of Poland. The Gdańsk metropolitan area (roughly the Tri-city area) focuses on a few key sectors to buoy its economy. These include Information Technology and Electronics, Financial Services, Maritime Logistics, Shipbuilding, and a smaller focus on Fish Processing. While Halifax is less involved in electronics manufacturing, its industrial makeup is similar to Gdynia and both cities' industrial structures are driven by a concentration of recent graduates from their local universities.

International Markets

According to the Gdańsk Institute for Market Economics, the Gdańsk metropolitan area has the highest export growth dynamics of every voivodeship (equivalent of a province) in Poland. Their exports are focused in the electronics sector, steel products, and chemical sectors. The Port also acts as a through-port for activity in land-locked areas of Poland. Especially with Poland's positive approach to the European Union, Gdynia is integrated with international markets.

Screening Process

The International Partnership Policy includes a delegation of authority from Council to the Chief Administrative officer (CAO) to strike an ad hoc committee (the International Partnership Committee) to evaluate requests for international partnerships. The committee consists of one member from the Office of the Mayor (appointed by the Mayor) and HRM staff from Government Relations and External Affairs (appointed by the CAO), the Halifax Partnership and, when required, other municipal staff. The Committee meets as needed to assess potential international partnerships.

The June 2016 letter from the Mayor of Gdynia expressed interest in establishing a specific programme of cooperation with Halifax. The focus of their proposal was primarily cultural, and some of the areas of interest (i.e. Pier 21 Museum, the Maritime Museum of the Atlantic, the Nova Scotia Art Gallery, the Nova Scotia College of Art and Design) fall outside of municipal jurisdiction. Identified areas related to the municipal mandate include the Halifax library system and international event planning (i.e. Tall Ships festivals). Secondly, the letter outlined interest in exploring cooperation on future economic development opportunities with HRM, primarily in the ICT sector, seaports and shipyards, and post-secondary institutions.

Per the HRM policy, the Gdynia proposal was assessed at a meeting of the International Partnership Committee. As noted above, the cultural aspects of the Gdynia proposal lie primarily in areas outside the municipality's jurisdiction. This, together with the lack of an organized community group to support a partnership, led the Committee to suggest continuing the bilateral activities that had been initiated and beginning a process to explore development of a partnership. In follow-up to the screening of the Gdynia proposal, the Halifax Partnership conducted a formal assessment of the Gdynia request and determined

that full Economic Partnership was not feasible at that time, but that the city could be presented first as a proposed friendship partner. Subsequently, a recommendation to pursue a Friendship Agreement with Gdynia was made by the International Partnership Committee.

Assessment Results

As noted in the above profile of Gdynia, the region shares many similarities with HRM. According to the assessment conducted of Gdynia as a potential economic partner, the most notable missing factor between Halifax and Gdynia is an existing base of commercial activity. A cursory environmental scan reveals only \$6.6 million worth of exports between Nova Scotia and all of Poland. It is likely that significantly less activity occurs between Halifax and Gdynia. Most exporting appears to be based around the Lobster industry, which is typical for Nova Scotian exports. Further, while there are potential similarities in academic focus, post-secondary institutions in Halifax have little information on any connections to Gdynia, although possibilities are being pursued. Pursuing relationships into Eastern Europe may provide some economic opportunities, and Halifax has been exploring economic relationships, as well as potential avenues of access into in this region. However, further capacity building may be required to determine the most appropriate partners in this area.

While the foundations for the development of a potential economic relationship over time are present, there does not appear to be significant commercial or academic activity between Gdynia and HRM at this time. Few existing business or academic relationships have been established between Halifax and Gdynia. To establish a lasting economic partnership, it would be incumbent on both sides to identify and pursue private sector or post-secondary partners. In addition, as noted in the key principles of the International Partnership Policy, the support of local community interests (ideally a committee) is important to the success of an ongoing relationship. While there are some resources available internal to HRM to support community efforts, there are not sufficient resources available to lead the partnership, so development of community support is essential.

Culturally, Gdynia is known for an annual Film Festival, though it is not an especially active tourist destination in comparison to its neighbours. While some assets exist, more tourism attention is drawn towards Sopot, a small resort town and tourism destination within the Tri-city region. Some events and organizations do exist to promote Polish culture in Halifax. Especially among Christian Groups and parishes, there are events such as the Annual Polish Heritage Festival, and celebrations of Polonia Day. Poland maintains an Honorary Consulate in Halifax, and the Polish Canadian Society of Nova Scotia represents a potential community partner.

Based on this information, the International Partnership Committee is recommending that HRM formalize a Friendship Agreement with Gdynia. This step would allow for continuation of existing bilateral activity and work planning to identify and assess further opportunities for joint projects or initiatives. In addition, formalization of an agreement will assist in the process of identifying local community interests who can facilitate growth of the relationship. In total, these steps may eventually result in the commercial and academic partnership activity required to establish a longer-term formal economic partnership between the two cities. If that step is to occur, further staff and financial resources may need to be identified to support the relationship.

FINANCIAL IMPLICATIONS

There are no direct financial implications resulting from the material in this report. Any expenses related to international partnership activity will be covered by a combination of the existing Halifax Partnership and Government Relations and External Affairs (GREA) budgets. Funding of \$30,000 in the GREA budget was approved for International Partnership Activity as part of the COW Options list for the 2017/18 and 18/19 proposed operating budgets. As a detailed program is developed, expenses will be confirmed and built in to the existing 2018-19 budget, as well as further fiscal years as required.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low. As the relationship proceeds, and if ongoing development of an Economic Partnership is considered, further risk assessment will be conducted.

COMMUNITY ENGAGEMENT

Input into development of this relationship has been provided by the local Honorary Polish Consul General.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

The Standing Committee may choose to not pursue a Friendship Partnership with Gdynia, Poland.

ATTACHMENTS

None

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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