**August 2014**

**Report by the Rapporteurs of the Baltic Sea Parliamentary Conference (BSPC) on developments in Integrated Maritime Policy**

**Final Version**

**18 of August 2014**

**Preface**

This report summarizes the developments in the Integrated Maritime Policy (IMP) field since the renewed appointment of MP Jochen Schulte (Mecklenburg-Vorpommern) and MP Roger Jansson (Åland Islands) as BSPC Maritime Rapporteurs by the Standing Committee at the conference in Pärnu. Before our appointment as Maritime Rapporteurs, Jochen Schulte had chaired the BSPC’s Working Group on Integrated Maritime Policy, Roger Jansson functioned as Vice-Chairman.

A number of interesting conferences have again taken place throughout the past year, such as the CLEANSHIP Final Conference in Trelleborg, the XII Southern Baltic Sea Parliamentary Conference, or the European Maritime Day (EMD) in Bremen. For further information on the conferences please refer to the first part of the report, and also section C for a detailed report on the EMD.

In the second part of our report we have included a number of important legislative developments at the international level, which are going to affect our own industries and those of third countries that will operate in the Baltic Sea. Among others, the International Maritime Organization (IMO) has agreed that the implementation dates of future NOx ECA (emission control area for nitrogen) areas are to be decided on a case by case basis. This decision effectively pushes back the introduction of a nitrogen emission control area in the Baltic Sea. A respective application document that was prepared by the HELCOM Maritime Group had been ready for submission since 2012.

Changes in legislation, such as the introduction of stricter environmental regulations, also require continued progress in research and development. Since December 2013 the first calls under the new research framework program “Horizon 2020” have been open. The research framework program totals nearly € 80 billion between 2014 and 2020 and is open to all EU Members States plus selected third countries.

Other important legislation is underway and we provide an at-glance overview of these.

Finally, we have included an article in Section D of this report that we published in the November 2013 edition of the journal *Baltic Rim Economies* on maritime sector developments in a global context. In the article we outlined what challenges the maritime sector is confronted with, among others the impact of the economic crisis of 2008, the resulting reduction in trade via sea routes, an increased competition due to new actors in the market, and a tonnage oversupply. With a view to the resulting environmental regulations we called for a level playing field for all competing actors. To this end we also expressed our support for HELCOM’s "Green Technology and Alternative Fuels Platform for Shipping"; an idea that the previous Baltic Sea Parliamentary Conference in Pärnu supported explicitly.

Olsztyn 26th of August 2014

Jochen Schulte Roger Jansson

Maritime Rapporteur Maritime Rapporteur

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# A – Activities of the Maritime Rapporteurs

## Final Conference on Clean Baltic Sea Shipping

Mr. Jochen Schulte and Mr. Roger Jansson attended the final conference of the CLEANSHIP project on September 2/3, 2013 in Trelleborg. The project is part of the EU Baltic Sea Strategy and has been labeled a flagship project by the European Commission for the development of the Baltic Sea as a model region for clean shipping. 19 partners, most of them from the port sector, took part in the project. The project ended in 2013.

The project focused among others on the following topics: the development of sea shipping, sustainable port management, alternative shipping fuels, shore-side electricity, and port reception facilities for ship-generated sewages.

Regarding a long-standing topic of the Maritime Rapporteurs – the implementation of LNG as a shipping fuel and the setup of a corresponding infrastructure in the ports – the project showed that especially for ferries, ro-ro, and cruise ships there is a demand for LNG solutions with a view to new builds. However, the lack of a corresponding LNG infrastructure as well as the limited space on board of the ships constitute obstacles. For bulk carriers, such demand exists to a lesser degree due to the frequent traffic outside of SECA areas. Furthermore, project results showed that there is no demand for LNG in existing builds, despite its technical practicality. For the above reasons, ports do not have clear incentives to set up a corresponding LNG infrastructure on land.

The project also yielded an “Environmental Port Index”, with the aim of making the environmental achievements of the different ports comparable. The index shows that in comparison to their competitors outside the Baltic Sea area, the ports at the Baltic Sea achieve significantly better results. The implementation of such an index could be in the general interest of the states around the Baltic Sea. Further talks would have to show if the ports are interested. In any case, the Baltic Sea Parliamentary Conference could make a significant contribution to making shipping in the Baltic Sea cleaner.

## Contribution to “Baltic Rim Economies”

The journal *Baltic Rim Economies* published an article by the BSPC’s Maritime Rapporteurs in its special issue of November 2013 on maritime sector developments in a global context (also see section D of this report). In their article the rapporteurs outlined what challenges the maritime sector is confronted with, among others the impact of the economic crisis of 2008, the resulting reduction in trade via sea routes, an increased competition due to new actors in the market, and a tonnage oversupply.

In the meantime, the rapporteurs wrote, political efforts to make shipping more environmentally friendly continued. The most controversial debate concerned the stronger environmental regulations by the International Maritime Organization, according to which the sulfur content in shipping fuels would have to be capped at 0.1 percent, as of 2015. As a consequence, individual states had decided on aid measures to support the ship operators. Against this background the Maritime Rapporteurs worked towards a unified solution, in order to ensure a level playing field for all competing actors.

The rapporteurs also referred to a proposal for a regulation on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport (COM(2013) 480). Ship owners would be required to report on the amount and the type of fuel used within a calendar year for each ship that falls within the scope of this regulation. The rapporteurs did stress that the shipping industry also has to contribute its part to successful climate protection, but that unnecessary bureaucratic burdens would have to be avoided. The monitoring of fuel consumption, fuel quality, kilometers traveled and loading for all voyages from and to EU harbors and the documentation and assessment of this data would be disproportionately comprehensive. Furthermore, the monitoring would have to be verified by dedicated assessors, which further increases efforts and costs.

The rapporteurs expressed their support for HELCOM’s "Green Technology and Alternative Fuels Platform for Shipping". Against the background of financial shortfalls within the sector and increasing demands with regard to the environmental friendliness of ships such a platform would constitute a good opportunity to craft practical solutions. The last Baltic Sea Parliamentary Conference in Pärnu explicitly supported this idea.

## Meeting with the Baltic Sea Forum

On December 3, 2013 the Baltic Sea Forum came together for its annual general meeting at the Landtag Mecklenburg-Vorpommern, where the members also met with Mr. Jochen Schulte. The meeting, under the chairmanship of former German Federal Transport Minister Kurt Bodewig, brought together experts from the German Federal Maritime and Hydrographic Agency and the Executive Board of Hafen Hamburg Marketing.

The participants discussed planned and ongoing offshore wind energy projects in the German Exclusive Economic Zone as well as competing interests of other economic activities in that area. The ensuing discussions especially concerned an efficient maritime spatial planning.

The meeting also debated the importance of excellent hinterland connections. One important benefit of the German ports of Hamburg and Bremerhaven over the so-called “western ports” of Rotterdam and Antwerp would be the good connection to the railroad system. Hamburg, for instance, would be well connected to Europe’s East and South East via rail, thus reaching around 450 million people. The meeting therefore called for a continued funding of hinterland connections, which will continue to be an issue for the work of the Maritime Rapporteurs.

## Meeting with Skåne delegation

As part of a study visit to Northern Germany a delegation from the Swedish Skåne region – a region with observer status at the BSPC – met with Mr. Jochen Schulte at the premises of the Landtag Mecklenburg-Vorpommern. The delegation was led by the region’s governor, Pontus Lindberg.

The meeting’s emphasis was on the contribution of the tourism sector to the overall development of the maritime economy in the Baltic Sea Region. Since the crisis of 2008 the income generated from international travel had seen solid growth. Especially the Baltic countries, but also Sweden and Germany had seen solid to strong growth rates. With 66 million international stays in 2011, the Baltic Sea Region had reached a global market share of 7%. In order to consolidate the Baltic Sea Region’s strong position in the tourism sector, the respective countries would have to better align their tourism strategies, while also minding the necessary competition between the actors. Against this background the participants welcomed the Baltic Sea Tourism Forum’s efforts to more closely coordinate regional and national strategies in the tourism sector.

## XII. Southern Baltic Sea Parliamentary Forum

On May 21, 2014 parliamentarians from all around the southern Baltic Sea gathered in Kaliningrad to discuss issues of relevance for all involved regions, namely tourism, sustainability, health, education and culture. The participants passed a joint resolution, which is directed to all relevant actors in the southern Baltic Sea region at regional, national and European level. Several parliaments have also addressed the European Parliament, the European Commission and the Baltic Sea Parliamentary Conference and transmitted the forum’s resolution.

The forum saw an intricate link between the further development of tourism in the region and the growth of the maritime economy in the Baltic Sea Region at large. With a view to its cultural centers the Baltic Sea Region featured numerous possibilities to market its amber, redbrick Gothic and tradition of fishing. Touristic offers could be based on this common heritage and should be coordinated within the respective project initiatives.

In their resolution the parliamentarians recognized the role of an efficient integrated coastal zone management and maritime spatial planning to ensure a balance between ecological and economic uses of the coast and sea by demanding the *“implementation of the principles of integrated coastal management in order to undertake an appropriate balance between the interests of tourism and coastal protection as well as the necessary investments in both areas.”* The delegates furthermore asked for the *“consideration of the interests of the tourism economy in the further development of the Baltic Sea Strategy as well as in maritime spatial planning, in strategies for the protection of the Baltic Sea environment and as part of an integrated maritime policy.”*

The forum also dealt with ecological issues, which similarly play a role in the discussions regarding the designation of emission control areas and stronger environmental regulations. Various experts for hydrobiology and hydrophysics spoke about harmful algal blooms and fish mortality in the Baltic Sea. Phosphor and nitrogen emissions into the sea still constituted a significant problem. The emission of fertilizers still posed a main cause for this. Further problems would be the invasion of alien species via the international ship traffic. Also harmful substances in the Baltic Sea, especially dumped ammunition at the sea bed, posed further threats to security in shipping, fishing and tourism.

European Maritime Day in Bremen

The European Maritime Day has developed into a key event for stakeholders dealing with maritime issues all across Europe. This year, Mr. Jochen Schulte, actively participated in the European Maritime Day 2014 in Bremen.

The BSPC contributed to the workshop “Working together for a clean, smart and safe Baltic Sea”. Representatives of the Baltic Sea organizations Helsinki Commission (HELCOM), European Shortsea Network (ESN), Vision and Strategies around the Baltic Sea (VASAB) and Baltic Sea Parliamentary Conference (BSPC) presented structure, work and aim of their cooperation and expressed their will to continue their dialogue on maritime issues on a regular basis.

Mr. Jochen Schulte presented the BSPC as an interparliamentarian organization of all the Baltic rim states. To illustrate the work of the BSPC, he explained the advantages of the cooperation by reference to a strong blue economy through Maritime Spatial Planning.

Jochen Schulte highlighted what different maritime economic but also ecological activities occur in the Baltic Sea and he described the BSPC approach of developing political demands by involving experts e.g. for the sea as a field of competing economic, ecological or scientific uses and interests. Both – the traditional uses - shipping and fishing industry - and also the new development of offshore wind energy were rising. Hence there would be a need of good coordinated maritime spatial planning, as all the interests and settings (for shipping, new technologies, areas dedicated to research and ecological preservation) would have to be considered.

The coordination of all these interests is a real challenge to getting a Blue Economy running. Mr. Jochen Schulte detailed various costs that potential investors cared about and that maritime spatial plans responded to. For instance, the economic importance of shipping and ports would require the long-term safeguarding of development potentials, especially for ports. Disadvantages for ports and hinterland connections would always be connected to higher costs for many other businesses. This would have to be avoided if competitiveness is to be safeguarded.

Mr. Jochen Schulte concluded that the best way to manage the right balance between all of the uses and interests is a reasonable framework for Maritime Spatial Planning. That kind of framework could only be effective if devised internationally. Mr. Jochen Schulte named the latest proposed directive on a framework for maritime spatial planning and integrated coastal management, which is further detailed in Section B of this report. Such plans would have direct economic effects. Mr. Jochen Schulte cited a European Commission Report that estimated that maritime spatial planning could bring the following economic effects by 2030: a reduction of transaction costs by 400 million Euros to 1.8 billion Euros, and gains of 150 million Euros to 1.6 billion Euros through acceleration of investments in offshore wind and aquaculture.

At the end of the workshop, all the Baltic Sea organizations agreed on the following concrete future steps to continue the successful work: 1. defining a balanced frame of all parties and challenges, before working on details, 2. improving the communication between all the organizations and parties, 3. raising the awareness of the Baltic Sea problems among the peoples in the Baltic region. The participants concluded that this would transform challenges into opportunities and achieve blue innovations.

In the course of the EMD, the Commissioner for Maritime Affairs and Fisheries of the European Commission, Ms. Maria Damanaki, Member of the European Parliament Mr. Matthias Groote and the Minister of Shipping, Maritime Affairs and the Aegean of Greece, Mr. Miltiadis Varvitsiotis, held keynote speeches. They agreed that the sea provided diverse resources, which would have to be used more but sustainably.

Overall, the EMD 2014 was seen as a success. Industry experts, scientists and policy makers from across Europe came together to discuss how innovation and research in the maritime economy can drive European growth and jobs recovery whilst securing a sustainable future for Europe's seas.

A detailed report of the entire 2014 EMD follows in Section C of this report.

# B – Legislative Developments at the EU level with regard to all BSPC members

## IMO decision on Nitrogen emissions from ships

With the active involvement of the HELCOM member states including all Baltic Sea countries, the International Maritime Organization’s (IMO) Marine Environment Protection Committee (MEPC 66) agreed on April 7, 2014 on a compromise on the implementation dates of existing as well as future Nitrogen Oxide Emission Control Areas (NOx ECAs) under the MARPOL Convention. The establishing of such a control area is expected to mitigate pollution since emissions from shipping constitute a significant source of airborne nitrogen deposition to the Baltic Sea.

The adoption of the compromise amendments includes the retaining of the implementation date of 2016 for the already designated North American and US Caribbean NOx ECAs; postponing the effective date of superyachts in operation in these areas to 2021, and leave the implementation dates of future NOx ECA areas to be decided on a case by case basis. As for the Baltic Sea, an application document has been prepared by HELCOM Maritime Group since 2008 and regarded as ready for submission since 2012.

Shipping in the Baltic is the source of over 13,000 tons of airborne nitrogen deposited to the sea annually, close to the total contribution of land based airborne emissions in countries like Russia or Sweden. If the Baltic Sea would be established as a NOx ECA it is expected to reduce nitrogen pollution of the Baltic Sea by around 7,000 tons annually.

We had informed in our previous reports that when in force, the Nitrogen Oxide Emission Control Areas require that ships meet the strictest (Tier III) NOx emission standards defined in the Annex VI of the MARPOL Convention when operating in these areas. So far only two NOx ECAs, in the North America and United States Caribbean Sea, have been designated but such status has been discussed at least within the Baltic and the North Seas.

## Ballast water

Ships need ballast water in order to maintain their stability. With ballast water, alien species or their reproductive cells transferred from areas where ballast water was taken to areas where ballast water is discharged. IMO estimates that non-native species that spread along with ballast water is one of the greatest threats to biodiversity worldwide.

For this reason, the IMO adopted in 2004 a ballast Convention containing provisions on how ballast water should be treated to prevent the spread of alien species. This Convention has not yet come into force. However when it does come into force it will demand new technological investments from the shipping industry.

In the Baltic, there are currently 120 alien species. The alien species may displace native species in the Baltic Sea ecosystem and alter ecosystem structure and function.

## Horizon 2020 program

On December 11, 2013 the European Commission published its first calls for proposals under the new Horizon 2020 research framework program via the participant portal.

Horizon 2020 is the biggest EU Research and Innovation program ever with nearly €80 billion of funding available over 7 years (2014 to 2020). It covers all research and innovation funding formerly provided through the Framework Program for Research and Technological Development, the Competitiveness and Innovation Framework Program (CIP) and the European Institute of Innovation and Technology (EIT). It provides funding for every stage of the innovation process from basic research to market uptake. Horizon 2020 is the financial instrument implementing the Innovation Union.

Topics with relevance to Integrated Maritime Policy that are eligible for funding include, but are not limited to, the following areas:

1. **Excellent Science**

* Research Infrastructures
* Future and Emerging Technologies

1. **Industrial Leadership**

* Information and Communication Technologies
* Nanotechnologies
* Advanced Materials
* Biotechnology
* Advanced Manufacturing and Processing

1. **Societal Challenges**

* Food Security - Aquaculture/Fisheries & Blue Growth
* Energy - Generic topics open to ocean energy
* Transport - Mobility for Growth
* Climate - Ocean interactions, raw materials/deep sea mining
* Security - Maritime Border Security

Most funds are available under the pillar “societal challenges”, which aims to bring together resources and knowledge across different fields, technologies and disciplines and covers activities from research to market with a new focus on innovation-related activities, such as piloting, demonstration, test-beds, and support for public procurement and market uptake.

The first calls have led to an overwhelming response; the likelihood of successfully applying for a call is at fewer than 5%. Interested parties should, however, seek the advice of the network of National Contact Points – the main structure to provide guidance, practical information and assistance on all aspects of participation in Horizon 2020.

## Proposal for a regulation establishing a framework on market access to port services and financial transparency (COM(2013) 296)

The Transport Committee of the European Parliament agreed on March 17, 2014 to abstain from an opinion on the Commission’s regulation proposal regarding market access to port services. Instead, it should be up to the Transport Committee in the newly elected European Parliament to position itself.

Against the background of the expected increase in freight volume by 50 % until 2030, the Commission’s proposal of 2013 envisioned a clear framework on market access to port services and financial transparency. The stated aim of the Commission is to allow all port service providers in the EU to participate in the free movement of services. The selection of port services shall be based on transparent and open procedures. An internal provision of port services by the ports shall be tied to separate control mechanisms. The proposed regulation would apply to all sea ports that are listed in the Commission's proposal for Guidelines on the trans-European transport network (TEN-T)[[1]](#footnote-1).

The free movement of services would apply to port services, though not to cargo handling and passenger services. The port authorities could define minimum standards for the providers of specific port services. The Member States would have the possibility to name agencies, which would be authorized to enforce common obligations. These obligations would have to be clearly defined, transparent, non-discriminatory and verifiable. Furthermore they would have to consider factors such as availability, accessibility and affordability of the port services.

In case that port service providers were not to be selected as part of a public tender or services were to be offered internally, it would have to be ensured that the price for the services is determined in a transparent and non-discriminatory fashion under normal market conditions. The steering committee of the respective port would determine the dues for the use of the port infrastructure autonomously and according to its own commercial strategy.

The fee for the port infrastructure could be individually determined, depending either on the commercial practices in connection with the number of times a port is used, or in order to promote an efficient use of the port infrastructure or of short-sea shipping, or in order to promote environmental friendliness, energy efficiency or CO2 efficiency of traffic.

Each port would require an advisory committee for the port users, which would be comprised of representatives of the operators of vessels, cargo owners or other port users that are obliged to pay fees for their port use. The committee would have to be consulted regarding the price structure and level of rates for the port infrastructure and in certain cases for the port services.

The steering committee of the respective port would have to consult companies, providers of port services and users of that port regarding the coordination of port services, hinterland connections or administrative procedures.

The Member States would have to ensure that an independent body would monitor the implementation of the measures of the regulation proposed by the Commission.

Prior to the Commission’s proposal there had been general agreement that action on ports policy was necessary, though with the ports rejecting a one-size-fits-all regulatory approach and the port users stressing that the internal market principles should be applied to all port services, including port labor.

In our talks with the relevant actors we were confronted with skepticism as regards the legal form of a regulation, as chosen by the Commission. The proposal would require the setup of new administrative structures even though most states already feature well-functioning structures in the area of port services and the determination of port infrastructure fees.

Furthermore, opening the market for port services is not necessary in all areas. The Commission states that in certain TEN-T ports there would be a lack of efficient port services due to weak competition. However, for most of the Baltic ports this does not apply as their competition, and consequently their port services, work.

The stipulations regarding the determination of port infrastructure fees also impede the competition among the ports. The proposal lists certain conditions, which first have to be met before allowing for differentiated port dues.

The required setup of advisory committees for a port’s users must also be viewed critically. Overall, the Commission substantially intervenes in the independence of the ports with a view to their structure and organization. We will address this issue in our talks with the relevant actors.

## EU Transport Scoreboard

In March 2014 the European Commission published a scoreboard on transport in the EU. It compares Member State performance in 22 transport-related categories, such as single market (access to market, regulation), infrastructure, environmental impact, safety, transposition of EU law, infringements of EU law, innovation and research, and logistics. The Netherlands and Germany top the scoreboard with high scores in 11 categories, followed by Sweden, the UK and Denmark.

The aim of this first EU Transport Scoreboard is to give a snapshot of the diversity of Member State performance in transport matters across Europe and to help Member States identify shortcomings and define priorities for investment and policies. It brings together data from a variety of sources, such as Eurostat, the European Environment Agency, the World Bank and the OECD. The Commission's intention is to refine the indicators in the years to come, in dialogue with Member States, industry and other stakeholders, and to track Member State progress over time.

## Proposal for a directive on the deployment of alternative fuels infrastructure (COM(2013) 18 final)

In last year’s report we informed about the Commission’s Communication “Clean Power for Transport: A European alternative fuels strategy” and the corresponding directive on the deployment of alternative fuels infrastructure.

On April 15, 2014 the European Parliament passed a compromise text of the Commission’s proposed directive on the deployment of an alternative fuels infrastructure.

In its Communication the Commission had identified options to replace oil and reduce transport greenhouse gas emissions. The Commission favors a comprehensive mix of alternative fuels und emphasizes that no particular fuel shall be favored over the other in order to ensure technology neutrality. Various fuels were listed as future-oriented, though the Commission criticized that a lack of corresponding infrastructure would constitute the biggest challenge for the introduction of alternative fuels. Therefore, the Commission included the aforementioned directive in the package, in which it demanded the implementation of national strategy frameworks for the development of a market for alternative fuels and the development of the necessary infrastructure, including the definition of common technical specifications. The Member States were to pass national political frameworks, which contain at least the elements found in the directive.

The Commission had furthermore proposed to install LNG filling stations in all 139 maritime or inland ports of the core network of the integrated trans-European transport network until 2020 respectively 2025, and to erect filling stations every 400 kilometers along the motorways of the network.

The Commission estimated the consequent costs at around € 10 billion, which the Commission opined could mostly be met by private investments. Furthermore, the Member States could use TEN-T funding, the cohesion or structural funds as well as European Investment Bank loans.

The European Parliament’s vote followed an agreement with the European Council from March 26, 2014. The text will likely be formally approved by the Council later this year.

According to the compromise text the Member States will still have to adopt a national policy framework for the market development of alternative fuels infrastructure, outlining its national targets for putting in place new recharge and refuel points and relevant supporting actions. The framework will have to be sent to the Commission within two years from the entry into force of the directive.

Among others, the Member States will have to set minimum targets for liquefied natural gas for ships. LNG-powered ships should be able to move between the TEN-T Core Network maritime ports by 2025 and between the TEN-T Core Network inland ports by 2030.

An important amendment has been passed regarding the use of shore-side electricity for the supply of ships. Shore-side electricity supply is still to be installed as a priority in ports of the TEN-T Core Network and in other maritime and inland ports by the end of 2025, however if provided that there is demand and the costs do not outweigh the benefits. This is an important amendment that considers criticism that was also voiced by the BSPC’s Maritime Rapporteurs in last year’s report.

## Proposal for a regulation on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport and amending Regulation (EU) No 525/2013 (COM(2013) 480 final)

Last year we reported that the European Commission had set out a strategy for progressively integrating maritime emissions into the EU's policy for reducing its domestic greenhouse gas emissions in June 2013 (COM(2013) 479).

The strategy consists of three consecutive steps:

* monitoring, reporting and verification of CO2 emissions from large ships using EU ports;
* greenhouse gas reduction targets for the maritime transport sector;
* further measures, including market-based measures, in the medium to long term.

At the same time as publishing a Communication setting out the strategy, the Commission put forward a legislative proposal (COM(2013) 480) to establish an EU system for monitoring, reporting and verifying emissions from large ships using EU ports. This would implement the first step in the strategy. The proposal would create an EU-wide legal framework for collecting and publishing verified annual data on CO2 emissions from all large ships (over 5,000 gross tons) that use EU ports, irrespective of where the ships are registered. At the latest as of August 31, 2017 ship owners would have to report (at the latest as of August 31, 207) and monitor (as of January 2018) the verified amount of CO2 emitted by their large ships on voyages to, from and between EU ports. Owners would also be required to provide certain other information, such as data to determine the ships' energy efficiency. As of 2019 ships owners would be obliged to submit an annual report to the Commission and the respective national authorities regarding the emissions on board and any other climate-relevant information. As of June 30, 2012 all ships will have to carry a valid document on board, which confirms the correct reporting in line with the regulation.

On April 16, 2014 the European Parliament laid down its position regarding the proposed regulation. Mostly importantly, the European Parliament wants to widen the scope of the regulation, both with regard to the type and size of the regulated vessels as well as to the pollutants.

The negotiations in the Council have so far proven to be difficult and it cannot yet be estimated when the legislative process will be concluded.

## Proposal for a directive on establishing a framework for maritime spatial planning and integrated coastal Management (COM(2013) 133 final)

On July 23, 2014 the EU's General Affairs Council adopted legislation on the planning of maritime activities.

The Commission had proposed a directive in March 2013 with the objective of arbitrating between competing human activities and managing their impact on the marine environment.

Last year, several parliaments had issued reasoned opinions, stating concerns that the proposed directive would violate the principle of subsidiarity.

According to the directive that has now been passed, Member States will have to draw up maritime spatial plans that must identify all existing human activities and the most effective way of managing them. They will have to fulfil minimum requirements: take into account interactions between the sea and land; establish appropriate cross-border cooperation between Member States; establish means of public participation for stakeholders, authorities and the public concerned; use of the best available data and organize the sharing of information between stakeholders. According to the Commission, the planning details and the management objectives would be left to the Member States and the EU would not take part in that process.

The Commission hopes that the maritime spatial plans will facilitate the development of Blue Growth sectors, such as renewable energy, offshore aquaculture or maritime tourism, which currently face increasing competition for space and limited ecosystem resources. Operators would know what, where and for how long an activity could take place, thereby increasing the stability, transparency and predictability of investments and giving investors and operators certainty about possible economic development. Each relevant EU Member State must now transpose the Directive into their national legislation and to nominate an authority in charge of its implementation by September 2016.

## European strategy to promote coastal and maritime tourism

On February 20, 2014, the European Commission presented a new strategy to support coastal and maritime tourism in Europe. The strategy outlines 14 EU actions to help coastal regions and businesses tackle the challenges they face and strengthen the sector's position as a key driver of Europe's blue economy. Coastal and maritime tourism includes beach-based and nautical, cruising or boating tourism and is an essential driver for the economy of many coastal regions and islands in Europe. It employs almost 3.2 million people, generating a total of € 183 billion in gross value added for the EU economy, representing over one third of the maritime economy gross product. Tourism is a growing business: in 2013, the number of nights spent in hotel or similar establishments reached a peak of 2.6 billion nights in the EU28, up by 1.6% from 2012.

The proposed actions include facilitating closer cooperation and dialogue across Europe between all coastal tourism stakeholders, public-private partnerships, promoting skills and innovation, promoting ecotourism, and creating an online guide to funding opportunities to help drive investment. Member States, regional authorities and the industry are identified as being central to the design and implementation of the actions.

The sector faces a number of challenges which the strategy seeks to address. These include gaps in data and knowledge, volatile demand, high seasonality, a lack of adequate skills and innovation, and difficulties accessing financing. The proposed actions in the strategy seek to overcome these obstacles and create an environment, which would attract investment. At the same time, the strategy’s stated goal is to make the sector's activities sustainable, preserve natural and cultural heritage, reap significant economic and environmental benefits, and help make the sector more competitive globally.

The strategy follows a public consultation on the challenges and opportunities for maritime and coastal tourism in Europe from May 2012 and a respective Communication by the Commission.

# C – Report about the European Maritime Day in Bremen

Workshop: “Working together for a clean, smart and safe Baltic Sea”

The BSPC contributed to the workshop “Working together for a clean, smart and safe Baltic Sea”. Representatives of the Baltic Sea organizations Helsinki Commission (HELCOM), European Shortsea Network (ESN), Vision and Strategies around the Baltic Sea (VASAB) and Baltic Sea Parliamentary Conference (BSPC) presented structure, work and aim of their cooperation and expressed their will to continue their dialogue on maritime issues on a regular basis.

Mr. Jochen Schulte presented the BSPC as an interparliamentarian organization of all the Baltic rim states. To illustrate the work of the BSPC, he explained the advantages of the cooperation by reference to a strong blue economy through Maritime Spatial Planning.

Jochen Schulte highlighted what different maritime economic but also ecological activities occur in the Baltic Sea and he described the BSPC approach of developing political demands by involving experts e.g. for the sea as a field of competing economic, ecological or scientific uses and interests. Both – the traditional uses - shipping and fishing industry - and also the new development of offshore wind energy were rising. Hence there would be a need of good coordinated maritime spatial planning, as all the interest and settings (for shipping, new technologies, areas dedicated to research and ecological preservation) would have to be considered.

The coordination of all these interests is a real challenge to getting a Blue Economy running. Mr. Jochen Schulte detailed various costs that potential investors cared about and that maritime spatial plans responded to. For instance, the economic importance of shipping and ports would require the long-term safeguarding of development potentials, especially for ports. Disadvantages for ports and hinterland connections would always be connected to higher costs for many other businesses. This would have to be avoided if competitiveness is to be safeguarded.

Mr. Jochen Schulte concluded that the best way to manage the right balance between all of the uses and interests is a reasonable framework for Maritime Spatial Planning. That kind of framework could only be effective if devised internationally. Mr. Jochen Schulte named the latest proposed directive on a framework for maritime spatial planning and integrated coastal management, which is further detailed in Section B of this report. Such plans would have direct economic effects. Mr. Jochen Schulte cited a European Commission Report that estimated that maritime spatial planning could bring the following economic effects by 2030: a reduction of transaction costs by 400 million euros to 1.8 billion euros, and gains of 150 million euros to 1.6 billion euros through acceleration of investments in offshore wind and aquaculture.

At the end of the workshop, all the Baltic Sea organizations agreed on the following concrete future steps to continue the successful work: 1. defining a balanced frame of all parties and challenges, before working on details, 2. improving the communication between all the organizations and parties, 3. raising the awareness of the Baltic Sea problems among the peoples in the Baltic region. The participants concluded that this would transform challenges into opportunities and achieve blue innovations.

Workshop: “Added value from transboundary maritime spatial planning- lessons from four European sea basins”

This workshop was based on lessons in transboundary Maritime Spatial Planning (MSP) in four different sea areas in Europe: Atlantic, North Sea, Baltic Sea and Adriatic Sea. Therefore, four initiatives presented their transboundary work in MSP as a key tool for balancing environmental, social and economic objectives for the sea: TPEA – Algarve/ Gulf of Cadiz and East Coast of Ireland/ Irish Sea for the Atlantic, North Sea Grid Initiative for the North Sea, PartiSEApate for the Baltic Sea and AdriPlan for the Mediterranean.

The representatives illustrated their different organizations which are engaged for a cross-border MSP, their constitution und how they proceed in implementing new approaches like “Blue Growth” technologies.

The constitutions of all these cross-border organizations are similar (mostly authorities from politics, economics and science). But the approaches and strategies on implementing are handled differently. In the Atlantic as well as in the Adrian area two pilot areas were defined (in the north and the south) to collect data and install new technologies. The experiences of these pilots will afterwards be used as a framework for the other sea regions.

The representative of the North Sea explained another approach. In that area, they have created country pairings to develop Generic Virtual Programs and achieve a general recommendation for all rim states. As every country has different approaches, timings and durations, countries with similar features were paired in order to draw up a detailed implementation strategy. The development of the best practices will be the recommendation for the other states.

PartiSEApate introduced their work for the Baltic Sea region. PartiSEApate developed and tested methodologies for how to carry out the multi-level maritime spatial planning processes of all the Baltic Sea rim states via three concrete pilot cases (Lithuania, Middle Bank and Pomeranian Bight). The work will be driven by an expert group of professional maritime spatial planners from the Baltic Sea Region countries involved. The cases will be used to develop recommendations on transnational MSPs and related consultations. They will also feed into the development of an updated version – with specific emphasis on multi-level governance issues - of the Compendium on MSP systems in the BSR countries, which was produced by VASAB in 2009.

Furthermore, Mr. Charles Ehler reported about his experiences with international/ cross-border cooperation beyond the EU. He confessed that there are just a few to mention, at least they cannot be compared to the European transboundary work. The first country outside the EU who has international planning is the USA. There are six US states that plan to cooperate on maritime themes. But they have not yet defined any deliverables that are to be achieved. Hence there is no real possibility to measure a success.

Another point that was mentioned was that there is not enough trust between the participants of the international cooperation. And without trust, international goals cannot be reached properly or at least take more duration than necessary. To conclude, the participants agreed that it is important to have 1. just a few drivers, 2. a clear framework and a defined goal and 3. trust between the different contributors.

Workshop: “Knowledge based Cooperative Maritime Security for the Future”

This workshop focused on needs and modalities to launch a public-private collaboration for developing the future Maritime Security on innovative concepts, enhanced awareness capabilities, full cross-sectoral and cross-border cooperation, extended Common Information Sharing Environment (CISE) and flexibility and synergies in the assets’ markets at EU level. The strategic choice improves effectiveness and efficacy of interventions at sea, enhancing citizens’ security and safety while reducing operational costs and improving economic activities.

The most obvious problem of the cooperative maritime security is that there are too many national, regional and private organizations whose tasks are maritime security. Moreover, the particular states of the EU do not have a consistent competence for the maritime security. This situation leads to a confusing number of maritime security organizations, private and public ones. To conclude, too many different national regulations, no legal international framework for maritime security and too many projects of cross-border cooperation prevent an EU-wide maritime security system.

Ms. Beate Gminder (Head of Unit, Directorate-General for Maritime Affairs and Fisheries, European Commission) concluded that for the above reasons the mandate of national maritime security should be given to the EU. It should be the political will of the states’ authorities to cooperate on an EU-strategy for international Maritime Security.

Plenary

In the course of the EMD, the Commissioner for Maritime Affairs and Fisheries of the European Commission, Ms. Maria Damanaki, Member of the European Parliament Mr. Matthias Groote and the Minister of Shipping, Maritime Affairs and the Aegean of Greece, Mr. Miltiadis Varvitsiotis, held keynote speeches. They agreed that the sea provides diverse resources, which must be used more but sustainably.

**Keynote speech by Ms. Maria Damanaki**

At first Ms. Damanaki introduced some current and prospective statistics regarding the increasing worldwide population. Because of these statics it is necessary to use the maritime resources more but sustainably. Four steps must be considered for a sustainable management of the maritime resources and receiving blue growth:

* More and better information about the Oceans (Action-Plan Data 2020)
* Sustainable management of the maritime resources; like creating aqua-culture instead of robbing the sea (EU Directive for Maritime Spatial Planning)
* Balanced framework for security and dangers; the Commission proposed a EU-Safety-Strategy for maritime issues concerning crime and pollution
* Global cooperation for international discussion on biodiversity; EU-Commission, Parliament and Council should be a real global governance of the oceans.

**Keynote speech of Matthias Groote**

Mr. Groote focused on blue and clean economy. The EU- Parliament agreed on a resolution for a blue growth strategy under the following conditions: the ecological and social sustainability must have priority; the jobs in the maritime sector must be strengthened and the support of the maritime energy resources only can be done by focusing on renewable and efficient energies.

The EU-Parliament sees a big potential in the offshore wind energy, tidal energy and the thermal updraft. Thus the development and science must be supported, for example by the Horizon 2020 research framework.

Another example for the work of the EP on maritime issues is the directive to reduce the use of polythene bags.

The net product potential of the maritime sector must be used sustainably and with sense. That means also by supporting economic growth and employment. So environmental protection and industrial policy are no contrasts.

**Keynote speech of Panagiotis Petropoulos on behalf of the Minister of Shipping, Maritime Affairs and the Aegean**

Mr. Petropoulos reported on behalf of the Greek Presidency in the EU Council. The Greek Presidency believes that the sea and maritime activities are an inexhaustible source of growth and prosperity for the whole of Europe. Accordingly Greece made the “sea” one of the pillars of its Presidency. That pillar comprises a horizontal theme that runs across all priority areas, namely growth and jobs, European integration, migration and borders.

In their Presidency they managed to finalize important dossiers, such as the EMSA funding Regulation and the Marine Equipment Directive. In the area of Integrated Maritime Policy, considerable progress was made during the Greek Presidency. They were particularly pleased to complete the negotiations with the European Parliament with regard to the Directive establishing a framework for Maritime Spatial Planning, with the valuable support and contribution of their counterparts working closely together with the Commission and the European Parliament. Thus the Greek Presidency created a framework for maritime and coastal Spatial Planning for the EU states to plan their use of space and even multiple uses of the same space.

Mr. Petropolous opined that both the maritime domain and its challenges and opportunities are vast. With the support of all stakeholders, policy makers and professionals, Europe will be able to face those challenges and reap the benefits of “growth out of the blue”.

# D – Contribution to *Baltic Rim Economies (November 2013)*

The following article was originally published in the November 2013 issue of *Baltic Rim Economies*

As the region’s common element the Baltic Sea offers countless opportunities for cross-border cooperation. This is true for sustainable development, public health and social wellbeing and also for economic growth. The Baltic Sea brings together a labor force of 67 million people, representing 30.9 % of the total EU labor force. The Baltic Sea Region makes up over 25 % of Europe’s economic strength and is responsible for one third of all European exports. Europe’s maritime economy is innovative but is also confronted with a number of challenges: the effects of the global economic crisis of 2008, the accompanying decline of large parts of the seaborne trade, competition from new players, and a growing oversupply of tonnage.

As Maritime Rapporteurs of the Baltic Sea Parliamentary Conference (BSPC) we follow and report on developments in the field of Integrated Maritime Policy.

The Baltic Sea Parliamentary Conference is currently made up of 11 national parliaments, 11 regional parliaments and 5 parliamentary organizations around the Baltic Sea. The conference aims at fostering the common identity in the Baltic Sea Region and at facilitating the exchange of the involved parliaments with the other organizations at the international and interregional level. The Baltic Sea parliamentarians deal with common ecological, social, and economic issues, initiate corresponding political measures and accompany these. We held our latest annual conference in Pärnu, Estonia on August 25 - 27, 2013.

For us, the CBSS is a natural correspondent on governmental level. We as parliamentarians are also a transmission belt between public, executive authorities and specialists. Also for this reason one issue that we as Maritime Rapporteurs constantly deal with is the problem of how to optimize the framework for the maritime industry in the region to help its competitiveness. First and foremost there are changes to the Directive 1999/32/EC of 26 April 1999 relating to a reduction in the sulfur content of certain liquid fuels and amending Directive 93/12/EEC. The Council passed the directive in a vote on October 29, 2012. Parliament and Council agreed to adapt existing EU legislation to revised, stronger IMO regulations concerning the reduction of sulfur limits in marine fuels as from 2015 in Sulfur Emission Control Areas (COM(2011) 439 final). We have addressed the issue in a number of conferences and events, among others during a conference on the competitiveness of the maritime economy in the Baltic Sea Region, organized by the Maritime Rapporteurs on April 12, 2013 in Schwerin.

The stronger sulfur limits were background for a letter from the rapporteurs to the European Commission, HELCOM and the Council of the Baltic Sea States (CBSS), in which we made aware of the difficulties arising from different national state aid policies for the shipping industry. Only through similar implementation of state aid rules and incentives can we achieve a level playing field for the maritime industry.

The conference in Schwerin provided important input for the XI. Southern Baltic Sea Parliamentary Conference on June 2 - 4, 2013 in Schwerin. The delegations of 7 Southern Baltic Sea regions passed a resolution, which among others called for economic incentives for fleet rejuvenation, the facilitation of alternative ship engines and fuels, and a common approach to a liquid gas bunker infrastructure. These demands also found their way into the final resolution of the 22nd Baltic Sea Parliamentary Conference in Pärnu.

In our work as Maritime Rapporteurs we have also called attention to a number of other important legislative developments at the EU level, which are going to affect our own industries and those of countries that will operate in the Baltic Sea.

Very topical for our work is a Commission proposal for a regulation on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport and amending Regulation (EU) No 525/2013 (COM(2013) 480 final). In June 2013 the Commission had set out a strategy for progressively integrating maritime emissions into the EU's policy for reducing its domestic greenhouse gas emissions (COM(2013) 479). The strategy consists of three consecutive steps: monitoring, reporting and verification of CO2 emissions from large ships using EU ports; greenhouse gas reduction targets for the maritime transport sector; further measures, including market-based measures, in the medium to long term. The proposal for a regulation would implement the first step in the strategy. It would create an EU-wide legal framework for collecting and publishing verified annual data on CO2 emissions from all large ships (over 5,000 gross tons) that use EU ports, irrespective of where the ships are registered. Ship owners would have to report (at the latest as of August 31, 2017) and monitor (as of January 2018) the verified amount of CO2 emitted by their large ships on voyages to, from and between EU ports. Owners would also be required to provide certain other information, such as data to determine the ships' energy efficiency. As of 2019 ship owners would be obliged to submit an annual report to the Commission and the respective national authorities regarding the emissions on board and any other climate-relevant information. As of June 30, 2012 all ships will have to carry a valid document on board, which confirms the correct reporting in line with the regulation.

In our talks with industry representatives it became apparent that the shipping sector has to contribute its fair share to global climate protection goals. However, the proposal so far seems to entail a disproportionately comprehensive obligation to monitor and report the aforementioned data. Furthermore, the monitoring would have to be verified by dedicated assessors, which further increases efforts and costs. The already tough competition between ship operators and builders and the rising fuel costs already induce a need on the industry to implement energy efficient shipping technologies. Furthermore, the Shipping Energy Efficiency Management Plan (SEEMP), a set of best practice measures for fuel efficient shipping, has been mandatory since this year. A contribution from the shipping industry to climate protection is only warranted, however within the parameters of what is economically feasible.

Another issue for the rapporteurs will be the forthcoming IMO decisions regarding the potential designation of the Baltic Sea region as a NECA area (Nitrogen Emission Control Area) from year 2021 onwards, whereby nitrogen will be restricted in the Baltic Sea. This is a scenario that the shipping industry must take into account.

A further issue on our agenda is the question of how to finance the technical improvements that come with the new environmental regulations. A lot of ship operators face the problem of receiving increasingly less credits for new, energy efficient builds or energy efficient retrofitting of existing vessels. We therefore support the initiative by HELCOM to create a "Green Technology and Alternative Fuels Platform for Shipping", which would focus on the dialogue between the public sector and the private stakeholders, including ship owners, shipbuilding and marine design enterprises, manufacturers and ports, and the research community. High on the agenda will be the question of financial support schemes for the industry.

Among all the executive and non-governmental organizations in the Baltic Sea Region the Baltic Sea parliamentarians try to ensure that the voice of the legislative bodies is heard. We are your partner to work towards a healthy and prosperous Baltic Sea Region.

1. COM(2011) 650 final/2. The final number of TEN-T ports will depend on the outcome of the on-going

   legislative procedure. [↑](#footnote-ref-1)