

BSPC

BALTIC SEA PARLIAMENTARY CONFERENCE

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

**Final Version
7 August 2019**



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The BSPC Rapporteurs on
Integrated Maritime Policy

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The Baltic Sea Parliamentary Conference (BSPC) was established in 1991 as a forum for political dialogue between parliamentarians from the Baltic Sea Region. BSPC aims at raising awareness and opinion on issues of current political interest and relevance for the Baltic Sea Region. It promotes and drives various initiatives and efforts to support a sustainable environmental, social and economic development of the Baltic Sea Region. It strives at enhancing the visibility of the Baltic Sea Region and its issues in a wider European context.

BSPC gathers parliamentarians from 11 national parliaments, 11 regional parliaments and 5 parliamentary organisations around the Baltic Sea. The BSPC thus constitutes a unique parliamentary bridge between all the EU- and non-EU countries of the Baltic Sea Region.

BSPC external interfaces include parliamentary, governmental, sub-regional and other organizations in the Baltic Sea Region and the Northern Dimension area, among them CBSS, HELCOM, the Northern Dimension Partnership in Health and Social Well-Being (NDPHS), the Baltic Sea Labour Forum (BSLF), the Baltic Sea States Sub-regional Cooperation (BSSSC) and the Baltic Development Forum.

BSPC shall initiate and guide political activities in the region; support and strengthen democratic institutions in the participating states; improve dialogue between governments, parliaments and civil society; strengthen the common identity of the Baltic Sea Region by means of close co-operation between national and regional parliaments on the basis of equality; and initiate and guide political activities in the Baltic Sea Region, endowing them with additional democratic legitimacy and parliamentary authority.

The political recommendations of the annual Parliamentary Conferences are expressed in a Conference Resolution adopted by consensus by the Conference. The adopted Resolution shall be submitted to the governments of the Baltic Sea Region, the CBSS and the EU, and disseminated to other relevant national, regional and local stakeholders in the Baltic Sea Region and its neighbourhood.

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*Jochen Schulte**Jörgen Pettersson*

Preface

This report summarizes the developments in the Integrated Maritime Policy (IMP) field since the renewed appointment of MP Jörgen Pettersson (Åland Islands) and MP Jochen Schulte (Mecklenburg-Vorpommern) as BSPC Maritime Rapporteurs by the Standing Committee at the conference in Hamburg, Germany. It reflects the great significance, which the Baltic Sea Parliamentary Conference attaches to maritime policy issues and to the common sea-related challenges and opportunities of our time, mainly addressing EU legislative developments in the field and selectively referring to important maritime events the BSPC Maritime Rapporteurs have attended: An overview on a number of important events such as the Annual Forum of the European Strategy on the Baltic Sea Region (EUSBSR) in Gdańsk, the Our Ocean Conference in Bali, the European Maritime Day in Lisbon and the Åland Maritime Day in Mariehamn is given in Section A of the report. A focus also lies on activities and recommendations of the International Maritime Organization (IMO) and the European Community Shipowners' Association (ECSA).

In Section B, legislative developments at the EU level with regard to Blue Growth and overarching aspects are presented next to energy, infrastructural and environmental aspects with regard to maritime policy.

A total of almost 20 million people live on the shore of the Baltic Sea, which is one of the busiest traffic areas in the world. It is an important contributor to global maritime industry and trade, and its regions generate an income above the EU average.

The reporting period comprised the European elections of May 2019, the tenth anniversary of the EUSBSR and its revision as well as continued negotiations on the multiannual financial framework as significant landmarks affecting IMP.

The European Parliament and the Council have reached important agreements, for instance on single-use plastics and fishing gear, which was a crucial step to reduce marine litter.

Yet, the EU-27, being also strong proponents of international ocean governance, achieved in the global SDG-ranking on average their worst results concerning the implementation of SDG 14 “Conserve and sustainably use the oceans, seas and marine resources for sustainable development”.¹ The HELCOM’s “State of the Baltic Sea” assessment shows signs of improvements on the way to reach good environmental status by 2020, but it also indicates persisting problems: In the Baltic, none of the habitats assessed had a favourable status, and 71% had an unfavourable and declining status.

Therefore, continuous efforts are necessary to preserve the Baltic Sea, our regional common good, as a basis for our well-being and economic success.

As Baltic Sea Region Parliamentarians, we will continue observing the developments in the important field of IMP.

Mariehamn, 27 August 2019

Jochen Schulte
Maritime Rapporteur

Jörgen Pettersson
Maritime Rapporteur

¹ UN Sustainable Development Goal (SDG) Index Eurostat, *Sustainable development in the European Union*, ed. 2018.

A – Activities of the Maritime Rapporteurs and other Important Events

1. Activities of Jörgen Pettersson and Jochen Schulte

Among the main maritime events and meetings rapporteur Jörgen Pettersson participated in, a meeting at the European Community Shipowners' Association (ECSA) headquarter with General Secretary Martin Dorsman on 22 February 2019 is to be mentioned, as well as the Council of Baltic Sea States (CBSS) Expert Group for Sustainable Maritime Economy meeting in Jurmala/ the BSC Maritime Working Group on sustainable ports from 3-4 April 2019. In addition, Jörgen Pettersson participated in the Åland Maritime Day in Mariehamn on 9 May 2019, in the Horizon Future Energy Dag in Oslo on 3 June 2019, as well as in the Nor-shipping trade fair in Oslo from 4-7 June 2019 and the Nordic Marine Insurance Conference 2019.

The Baltic Sea Region (BSR) is a vital part of the global maritime industry. Since 2015, the Baltic became a part of the Sulphur Emission Control Area (SECA), where only low-sulphur fuel or scrubbers are allowed. Only in 2020, the rest of the world will follow, which puts the operators in the Baltic Sea in a good position in terms of technical knowledge. The cluster is vital for the economic and social development in the BSR and the rest of the world.

This section of the report focusses on areas where the international shipping associations, e.g. ECSA and the International Maritime Organization (IMO), call for action in order to attract personnel to the sector and to build a more sustainable industry.

Shipping in Europe and BSR make a real impact: Roughly 90% of world trade is carried by ships. 76% of the EU's external trade is shipped by sea, and European shipowners control 40% of the world's fleet.

Highlighted areas and game changers are gender equality, safety, sustainability, automation, digitalization, sulphur cap, blue growth and marine litter.

Gender equality is vital for the whole of the industry

Promoting and empowering women is still a dominant theme throughout the maritime community: IMO hosted a special event at the Nor-Shipping exhibition (6 June) to highlight some of the challenges – and the solutions – around encouraging women to take up seafaring roles.

An all-female panel of experts, with many years' combined seafaring experience, addressed some of the issues they have faced and which still need to be tackled. Many were simple yet vital things. One panellist spoke of the absence of sanitary products on board (despite shaving equipment being readily available) or a means to dispose of them. Another mentioned the real threat of sexual harassment and even assault. Another said she had experienced a stream of belittling comments from fellow crew members and felt a continuous need to prove herself.

However, the overall tone was positive, with a strong feeling that a new generation of both male and female seafarers were no longer finding women at sea so surprising or difficult to cope with. There was a clear view that more female role models and mentors, as well as females in senior positions were needed, and that this idea would assert itself with the generational shift.

All the panellists spoke in inspirational terms about the rewards of a maritime career and praised the many networking and mentoring organisations now established for women in the maritime area. IMO itself has a long-standing gender equality programme and has helped establish seven regional associations for women in the maritime industries.

Earlier during Nor-Shipping, IMO's gender equality programme manager Helen Buni launched a new project with Women's International Shipping and Trading Association (WISTA) to measure exactly how many women are working in the maritime industry. Encouraging more women to work in the shipping sector is widely seen not only as desirable in its own right but also a vital source of labour for an industry frequently predicting human-resource shortfalls in the years to come.

This year, IMO's theme for World Maritime Day is "Empowering Women in the Maritime Community", and this is echoed in the 2019 Day of the Seafarer campaign which will ask maritime professionals regardless of gender to say "I Am On Board" with gender equality at sea.

Safety Matters – always priority Number One

The Maritime Safety Committee (MSC) has met for its 101st session from 5-14 June 2019, with an agenda encompassing, among other things, maritime autonomous ships, polar shipping and goal-based standards. A number of draft amendments were to be adopted, including amendments to mandatory codes covering the carriage of potentially hazardous cargoes: the MSC was set to adopt the draft consolidated edition of the International Maritime Solid Bulk Cargoes Code (IMSBC Code), and a comprehensive set of draft amendments to the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk (IBC Code). The MSC was updated on the regulatory scoping exercise on maritime autonomous surface ships, taking into account different levels of autonomy. On polar shipping, the MSC was expected to approve draft guidance for navigation and communication equipment intended for use on ships operating in polar waters and to further consider how to move forward with developing requirements for ships operating in polar waters but not currently covered by the Polar Code. A new agenda item looked at fuel oil safety. A range of guidance and guidelines were to be approved, including those related to standardization and performance standards for navigational equipment, linked to the development of e-navigation.

Sustainability and balance, future challenges

IMO Secretary General Kitack Lim delivered a strong reminder about the vital importance of balanced and sustainable development to the delegates at the Ocean Leadership conference at the Nor-Shipping 2019 conference in Oslo on 4 June 2019.

In a keynote address, Mr Lim spoke of the UN Sustainable Development Goals (SDGs) as a unifying factor animating global efforts to improve the lives of people everywhere. He confirmed IMO's strong commitment to the 2030 Sustainability Agenda and reminded the delegates that IMO's environment regulations were driving many of the technology innovations being showcased at the Nor-Shipping exhibition.

He highlighted moves to cut greenhouse gas (GHG) emissions, reducing the sulphur content of ships' fuel oil, requiring strict ballast water management and adopting the Polar Code as outstanding recent examples of IMO's own sustainability agenda.

"Events such as this", he said, "remind us that the world is no longer prepared to accept services or industries that are simply cost-effective.

We now demand them to be green, clean, energy-efficient and safe. Through IMO, governments ensure that shipping is responding to that challenge.”

Blue Growth is good for everyone

What is maritime development and why is it important? Isn't one of the biggest challenges the failure to appreciate the value of the maritime sector? These are the questions being raised by IMO at the Growing Blue Conference in Maputo, Mozambique (23-24 May).

“Ultimately, more efficient shipping, working in partnership with a port sector supported by governments, will be a major driver towards global stability and sustainable development for the good of all people”, said IMO's Chris Trelawny, speaking at the event.

IMO's Maritime Development programme is assisting countries to develop sustainable blue economies and achieve the Sustainable Development Goals by working to help IMO Member States to develop innovative policies and strategies to respond to the needs of countries at the national, regional and global levels. This includes supporting development of national port and shipping sectors, promoting seafaring and shipping-related work as viable employment options for young people, both male and female, and facilitating regional maritime trade to foster manufacturing and export of finished products in addition to raw materials, leading to increased and sustainable employment opportunities ashore.

More than 500 participants, including UN Special Envoy for Oceans, Peter Thomson, various ministers and the Presidents of Mozambique and the Seychelles took part in the Conference. It built on the Sustainable Blue Economy Conference held in Kenya in November 2018, which featured forward-looking IMO side events on sustainable blue economy, integrating women in the maritime sector and reducing GHG emissions from ships.

Marine litter is a threat to all of us

A new set of publicly available guidelines for monitoring plastics and microplastics in the oceans will help to harmonize how scientists and others assess the scale of the marine plastic litter problem.

The “Guidelines for the Monitoring and Assessment of Plastic Litter and Microplastics in the Ocean” have been published by the

Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection (GESAMP), a body that advises the United Nations system on the scientific aspects of marine environmental protection. The guidelines cover what to sample, how to sample it and how to record and assess plastics in the oceans and on the shoreline, including establishing baseline surveys. They include recommendations, advice and practical guidance for establishing programmes to monitor and assess the distribution and quantity of plastic litter, also referred to as plastic debris, in the ocean.

The guidelines include common definitions for categories of marine litter and plastics, examples of size and shape, how to design monitoring and assessment programmes, samples and surveys. Sections cover citizen science programmes, which involve members of the public in marine litter surveys and research. There are detailed chapters on monitoring sea surface floating plastic and plastic on the seafloor.

The full set of guidelines is available for download free-of-charge from the GESAMP website. The guidelines can be used by national, inter-governmental and international organisations with responsibilities for managing the social, economic and ecological consequences of land- and sea-based human activities on the marine environment.

The guidelines are responding to the hitherto lacking internationally agreed methodology to report on the distribution and quantity of marine plastic litter and microplastics. They directly contribute to the UN SDG Goal 14 on the oceans. Specifically, the guidelines are a response to target 14.1: “By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including plastic debris and nutrient pollution.” Sea-based sources of marine litter, in particular from the fishing and shipping industries are a significant component of marine litter with severe impacts on the marine environment, food security, animal welfare and human health, safety and livelihoods.

Even though IMO pioneered the prohibition of plastics’ disposal from ships anywhere at sea almost 30 years ago, it is constantly reviewing practices in order to improve them. More details about its action plan were presented at the event, such as the use of adequate reception facilities at ports and terminals for the reception of garbage and its recommendation, that “all shipowners and operators should minimize taking on board material that could become garbage”.

Sulphur 2020 limit will make a difference

IMO Secretary-General Kitack Lim has called for Member States and the entire maritime sector, including shipping and ports, to come on board to achieve the ambitions set out in the historic IMO initial strategy for reducing GHG emissions from international shipping, adopted last year. The strategy makes a firm commitment to a complete phase out of GHG emissions from ships, a specific linkage to the Paris Agreement and a series of clear levels of ambition, including at least a 50 per cent cut in emissions from the sector by 2050.

“We need to focus on technology transfer and research and development (R&D), we need expertise, we need IMO’s Member States to come together as one, we need the Member States to bring forward concrete proposals to IMO. We need to involve all maritime sectors – not just shipping. Investment in port infrastructure is just as important”, Secretary-General Lim said. He was speaking at the High Level Conference on Climate Change and Oceans Preservation, in Brussels, Belgium (19 February). The strategy includes a series of candidate measures that might be applied to achieve these targets in the short, medium and long term. The detailed work of agreeing, which of these scenarios will actually be adopted to realise these ambitions, is now under way.

Mr. Lim said that the initial steps – the candidate short-term measures – are likely to include strengthening the Energy Efficiency Design Index (EEDI) and the Shipboard Energy Efficiency Management Plans (SEEMP) for ships, as well as gathering information under the fuel-oil data collection scheme.

In the mid-term (before 2030), he highlighted the need to make zero-carbon ships more attractive and to direct investments towards innovative sustainable technologies and alternative fuels. In this context, the reduced sulphur limit for ships’ fuel oil, which enters into force on 1 January 2020, “should be seen as not only a landmark development for the environment and human health but also as a proxy “carbon price” – increasing the attractiveness of lower-carbon fuels or other means of propulsion for ships”.

Technology and automation

IMO Secretary-General Kitack Lim has highlighted the need to consider seafarer training and standards as shipping evolves, with increasing levels of technology and automation. Speaking at IMO

Headquarters (15 January) at the launch of a new report “Transport 2040: Automation, Technology and Employment - the Future of Work”, Secretary-General Lim set out key questions that will require recognition by all stakeholders: “How will the seafarer of the future manage the challenges related to an increasing level of technology and automation in maritime transport? How will the new technologies affect the nature of jobs in the industry? What standards will seafarers be required to meet with respect to education, training and certification to qualify them for the jobs of the future?”

An important strategic direction for IMO is the integration of new and advancing technologies into the regulatory framework - balancing the benefits of new and advancing technologies against safety and security concerns, the environmental impacts and implications for international trade, the potential costs to the industry and their effect on personnel, both on board and ashore. “Member States and the industry need to anticipate the impact these changes may have and how they will be addressed,” Mr. Lim said.

The International Transport Workers’ Federation (ITF) and the World Maritime University Transport 2040 report is the first-ever, independent and comprehensive assessment of how automation will affect the future of work in the transport industry, focusing on technological changes and automation in road, air, rail and maritime transport. The report concludes that the introduction of automation in global transport will be “evolutionary, rather than revolutionary,” and that “despite high levels of automation, qualified human resources with the right skill sets will still be needed in the foreseeable future.” Technological advances are inevitable, but they will be gradual and vary by region. They will affect workers in different ways, based on their skill levels and the varying degrees of preparedness of different countries.

Mr. Lim welcomed the report, noting that it would contribute to the efforts of the global shipping community to help implement the SDGs, including the goals on quality education, gender equality, decent work and economic growth, industry, innovation and infrastructure.

ECSA’s strategic priorities for 2019-2024

The European Community Shipowners’ Associations (ECSA) was founded in 1965 and represents the national shipowners’ associations of the EU and Norway. The European shipowners control 40% of the global commercial fleet, contribute 147 billion to the

EU GDP and provide 2.1 million Europeans with careers both on board and ashore. ECSA promotes the interests of European shipping so that the industry can best serve European and international trade in a competitive free business environment to the benefit of shippers and consumers.

In a globalised world, the seamless and sustainable transport of goods and passengers is a key enabler for growth and prosperity. 90% of everything we consume travels to us by sea. Without any doubt, shipping is at the very centre of our globalised world. The European shipping industry is a success story and a geostrategic asset to the EU to face global challenges. European shipowners operate one of the largest, youngest and most innovative fleets in the world. With its container ships, tankers, passenger ships, bulk carriers and many other specialised vessels, the EU shipping fleet is very diversified. The fleet also boasts one of the best safety records in the world. The industry is firmly anchored in the European economy with a strong presence of shipping companies, the backbone of the maritime cluster and with a unique Short Sea Shipping sector serving the EU transport network. With a global geographical outreach, the EU shipping industry is also active in all markets around the world, facilitating trade to and from the EU and substantially engaging in cross-trading. EU shipping directly employs over 640,000 people working at sea and on shore. It supports over 1.4 million people through indirect and induced employment. Through these professionals, this industry retains a wealth of maritime knowledge, skills and heritage unique in the world. This European know-how should be cherished and protected, so as not to be lost to other regions in the world. Shipping is a sustainable mode of transport and is committed to working towards becoming carbon neutral within this century. Numerous efforts are being taken by EU shipowners to find innovative solutions to drive the industry towards a greener future, including in key areas such as air emissions, waste, and the protection of marine life. The industry embraces these challenges and is committed to take the global lead for a greener future.

The shipping industry is changing

Our world is changing, driven by challenges such as climate change and societal questions, barriers to free trade and security concerns. These challenges are global and should be addressed through robust regulations set by international bodies. Within the framework of these rules, the EU shipping industry is committed to placing itself at the forefront of change. EU shipowners will keep contributing to

this process through pro-active engagement and a drive towards innovation. Effective representation of the industry is only possible with transparent and accessible regulators. We invite the EU to see our contribution as an opportunity to strive for better regulation. This will benefit the quality of its rules and ensure an effective uptake of its initiatives by industry. With this in mind, EU shipowners are committed to fostering an open dialogue with regulators. We are convinced this will help to achieve the goals we have set for ourselves in six priority areas: Trade, Human Resources, Competitiveness, Climate, the Internal Market, and Innovation & Digitalisation. Europe should be proud of its shipping heritage and of its unique industry. Building its extensive knowledge and know-how, the EU shipping industry is committed to turning current challenges into a growth opportunity for Europe.

Trade

As mentioned above, shipping is the backbone of global trade. The sector enjoys a high degree of liberalisation, and EU shipowners still benefit substantially from free and open access to international shipping markets. However, current geopolitical developments are calling into question the principles of free, rule-based trade and open markets. This is putting global trade under increased pressure. It is important - now more than ever - to avoid taking open market access for granted, and for the shipping industry to raise its voice in order to ensure an open and level playing field worldwide. Therefore, ECSA will continue to:

- Support the EU's free trade agenda and oppose growing commercial and maritime protectionism.
- Advocate for the shipping industry to take centre stage in any EU trade and development policy agenda.
- Call for free and equal access to international maritime transport services through EU trade and maritime agreements.
- Support seamless movements of seafarers, personnel, passengers and goods in a post-Brexit Europe.
- Advocate for EU efforts to ensure secure seas across the globe.

- Advocate for a clear mandate for EU delegations in third countries to assist EU companies with market access related issues.

Competitiveness

The EU shipping sector benefits from a policy framework which is overall strong and consistent. The EU Guidelines on State Aid to Maritime Transport and EU-approved measures in the form of national tonnage tax regimes and seafarers' taxation have been a precondition for the competitiveness of EU shipowners, allowing them to grow their controlled fleet to 40% of the overall world tonnage. However, as other global shipping centres around the world gain ground with intensive support from their governments, preserving and improving the existing policy framework is essential to keep the EU shipping industry competitive. Going forward, ECSA calls upon regulators to:

- Maintain the effectiveness of the existing Guidelines on State Aid to Maritime Transport and ensure an efficient and swift EU approval process for national state aid measures.
- Support the creation of attractive EU ship financing schemes. New instruments such as Horizon Europe and the forthcoming Connecting Europe Facility (CEF) II must support the shipping sector in its research and innovation (R & I) and deployment efforts.
- Retain ship financing expertise and capacity in Europe and ensure EU shipowners can continue to secure adequate and attractive financing from banks in Europe.
- Develop a benchmarking exercise to map out what third countries are offering in terms of competitiveness and other growth initiatives, to ensure the EU is not losing out.

Climate

In April 2018, the IMO adopted a historic climate strategy, setting the shipping industry's path towards a carbon neutral future. It requires that by 2050, global shipping must reduce its CO₂ emissions by at least 50% compared to 2008 levels. Furthermore, GHG emissions from international shipping should be phased out as soon as possible in this century. This is the first time, sector-specific CO₂

targets have been set on a global scale. EU shipowners support this ambitious step change and are committed to being part of the solution through their continued investment in innovative and sustainable solutions. New means of propulsion, new fuels and collaboration with partners in the supply chain are necessary to ultimately reach full decarbonisation. In this context, ECSA calls for:

- Global rules developed at international level to avoid reducing the competitiveness of European shipping.
- The EU to play a constructive role at IMO level.
- EU support for R & I that will help drive the sector towards a carbon-neutral future.
- Funding from the EU that will help the deployment of projects aiming to reduce maritime GHG emissions.

Internal markets

Just as much as global shipping “moves” the world, intra-EU Short Sea Shipping has the potential to move Europe. Short Sea Shipping transports goods and people sustainably across Europe and its closest neighbours and enables trade with our neighbours. However, it is easy to see that more can be done to increase the share of goods (and passengers) carried by sea. Despite being a sustainable solution, Short Sea Shipping only moves 32% of goods within the EU compared, for example, to road transport (49%). To remedy this, ECSA calls upon regulators to:

- Complete the internal market for shipping: other modes already benefit from the absence of customs checks when crossing Member State’s borders within the EU.
- Fully and rapidly harmonise and digitalise reporting of ship formalities when entering EU ports.
- Complete the Trans-European Transport Network (TEN-T) and eliminate bottlenecks. A truly multimodal transport sector of which Short Sea Shipping is an important part can only be achieved with safe, efficient and connected infrastructure.

Human resources

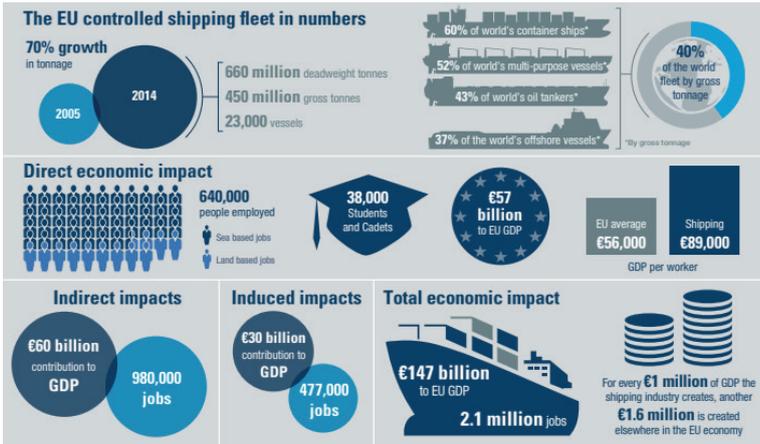
The overarching framework for human resources in the shipping industry is the International Maritime Labour Convention and the International Convention on Standards of Training, Certification and Watchkeeping for seafarers (STCW). Within this framework, EU shipping employs 640,000 people on board and onshore, and creates meaningful career opportunities for young people. The EU shipping industry cannot exist without skilled professionals. This represents a wealth of knowledge and expertise that should be protected and preserved. For this reason, ECSA is committed to:

- Continue working with the European Transport Workers' Federation (ETF) as social partners to maintain and build on the successes of the Shipping Social Sector Dialogue.
- Ensure that existing competences and skills remain in Europe by promoting seafaring and maritime careers in particular for young men and women with a focus on skills for the future.

Innovation and digitalisation

In these times of rapid changes, investing in innovation and digitalisation is vital for the sustainability and competitiveness of the EU shipping industry. With this objective in mind, ECSA calls for:

- A fair and increased share of Research & Innovation support to be allocated to waterborne transport.
- EU R&I schemes to support innovative shipping solutions such as alternative fuels and means of propulsion, digitalisation and automation of operations, as well as safe and secure navigation.



Source: Eurostat.

Rapporteur Jochen Schulte gathered information mainly from the 8th Conference on the future of the Maritime Economy in Rostock, 27-28 November 2018 and from the 12th Baltic Forum on cooperation in the field of digitalisation, which took place on 28 March 2019 in Schwerin.

Important topics identified by Jochen Schulte during the past reporting period were, among others, the issue of digitalisation in maritime transport as well as skilled labour in the maritime sector:

Concerning maritime transport and the maritime data space, there are new possibilities arising from overarching, unrestricted cloud applications like for instance SeaSWIM (Sea System Wide Information Management) or MCP (Maritime Connectivity Platform) in Sea Traffic Management. They allow for the provision and maintenance of a secure, harmonized way of communication within the maritime industry.

In the realm of logistics, the project VESTVIND at the Technical University of Hamburg is elaborating a predictive model, which is able to assess arrivals of lorries and vessels. Following digitization trends, harbours are modernizing, using electronic files, warehouse apps, automatic harbour entrances, radio frequency identification (RFID) transponders to make inventory and smartphones to give working tasks to employees. Additionally, they are stretching out for internet of things (IoT) applications, 3-D truck control systems for staple commodities, blockchain-analyses for bulk commodities as well as drones for ground surveillance.

Regarding combined transport, of which rail traffic forms an important part (80%), Jochen Schulte emphasises the importance of paperless supply chains.

Innovation has led to the creation of “smart waggons”, whose inner cargo arrangement can be checked. Special apps are capable of locating the position of single containers. Related problems still are IT and data security next to the dissemination of broadband and 5G technology.

Regarding autonomous ships and e-mobility, research is also advancing: Already today, there are energy-saving ferries, tugs and fireboats, which can drive autonomously in short ranges. There are special areas designated to test autonomous ships. Autonomous navigation systems to avoid collisions also have been successfully tried.

The Norwegian Yara Birkeland project for example, approved by the state of Norway, will probably be the first autonomous navigation system in operation by 2020, saving 98% energy on its route to transport fertilizers from a production site to the next place of transshipment.

Captain’s bridges’ automatisisation is being enhanced through better equipment with cameras, sensors and provision of weather data. In addition, research is done to display such data in a better way (virtual reality), and to improve itineraries by optimising the exchange among ships and their communication with authorities. Object recognition is also being improved.

In the area of shipbuilding 4.0, so-called digital twins, i.e. digital copies of material objects, are used as assistant systems to support data collection and processing during installation to reduce error and costs. They are also useful in supporting maintenance on-board in overcoming language barriers.

Shipyards are applying robotics, automatised welding, laser painting, laser measuring, laser sounding, and digitalisation has led to process optimisation in sectional construction. Digital tools are also meant to be employed in production control. Shipyards also utilise intelligent welding robots in shipbuilding (e.g. applying laser trackers), where components are usually large and accessibility is limited. Yet, in the field of large structures in production engineering, there are today almost no robots in use for niche applications; nowadays, mainly large robots, mobile robots, lightweight robots, bionic robots (with trunk system) and cable robots are applied. Automatisisation has also reached routine tasks offshore, like inspections of

pontoons carrying wind turbines, where underwater techniques are helping to plan and supervise interventions. They are also supporting production and first-aid measures. Remotely operated vehicles can assess whether technical underwater equipment is damaged. This is done through immediate vicinity inspections, ultrasonic thickness gauge or potential measurement.

For the future, visual and acoustic monitoring is planned, and efficiency of the techniques is supposed to be enhanced through augmented reality (AR)¹, virtual reality (VR) and artificial intelligence (AI) applications.

Among the several implications of autonomous shipping, the changing job outline, jurisdiction, liability, profitability but also high demands with regard to software security are to be named. In the field of autonomous shipping, the biggest challenges are to create international rules within the IMO and the flag states by mutual consent, next to the definition of industrial standards.

In addition, informing young people about job opportunities in the maritime economy remains one of the biggest challenges.²

¹ *Augmented reality refers to applications where virtual reality and reality are combined with one another in real time three-dimensionally.*

² *8. Zukunftskonferenz der Maritimen Wirtschaft Mecklenburg-Vorpommerns, IHK, 27./ 28. November 2018.*

Latest Studies on SECA Implementation

Three latest studies on the implementation of the SECA regulations written as part of the "Environmental Impact of Low Emission Shipping: Measurements and Modelling Strategies (EnviSuM)"-Project are analysing the SECA-related developments regarding innovation, administrative burden for the maritime sector, as well as the motives for "relatively good" SECA regulation compliance³ in the BSR.

Evidence found by Lähtenmäki-Uutela et al. (2019a) is suggesting that regulatory compliance regarding SECA led to a knowledge development that has made it possible for clean-tech companies to engage in entrepreneurial activities, which created new markets.⁴ Some companies started selling emission abatement technologies first to regional markets in the Baltic and North Sea SECA. They expect an increasing demand due to the forthcoming global SO_x emission/ carbon regulations, and some see their business harmed by the low SECA enforcement. The results of the study are empirically supporting the Technological Innovation Systems theory and the Porter hypothesis, implying that regulations on environmental emissions can promote eco-innovation. The article is also providing qualitative evidence on how businesses see environmental regulation.⁵ The authors are mentioning the challenges of scepticism about the reliability of clean technology, possible future regulation that would render existing technology inadequate and possible

3 Lähtenmäki-Uutela, Anu, Johanna Yliskylä-Peuralahti, Sari Repka and Johan Mellqvist (2019b): *What explains SECA compliance: Rational calculation or Moral judgement?*, in: *WMU Journal of Maritime Affairs* 18, pp. 61–78. The authors are concluding from interviews conducted in April 2019 that shipowners' motivation for SECA compliance was a feared loss of reputation and customers, but the response rate was rather low (27%). Regarding compliance with the forthcoming global 2020 sulphur limit (max 0.5% sulphur in ship fuel), respondents to the survey are expecting a great variation in compliance. In their view, this is due to lacking monitoring and enforcement mechanisms as well as ship registration loop-holes and a lack of capability or willingness to enforce the rules by some coastal and flag states.

4 Lähtenmäki-Uutela, Anu, Johanna Yliskylä-Peuralahti, Eunice Olaniyi, Teemu Haukioja, Sari Repka, Gunnar Prause and Olena De Andres Gonzalez (2019a): "The impacts of the sulphur emission regulation on the sulphur emission abatement innovation system in the Baltic Sea region", in: *Clean Technologies and Environmental Policy*.

5 Lähtenmäki-Uutela, Anu, Johanna Yliskylä-Peuralahti, Eunice Olaniyi, Teemu Haukioja, Sari Repka, Gunnar Prause and Olena De Andres Gonzalez (2019a): "The impacts of the sulphur emission regulation on the sulphur emission abatement innovation system in the Baltic Sea region", in: *Clean Technologies and Environmental Policy*.

problems with finding skilled labour for the clean-tech companies. Scrubber technology, for instance, is reliant on keeping heavy fuel as main source of energy for ships while the need to abate GHG is pressing.⁶ SECA regulations have triggered incremental innovations, the authors are supposing, and in their eyes have been sufficient to create markets for low sulphur fuels, exhaust gas scrubbers and sulphur monitoring technologies. Yet, radical or systemic innovation would necessitate setting up a different set of regulatory requirements, whereas scrubbers are seen to be preventing or delaying disruptive innovation in the maritime transports industry.⁷

Olaniyi et al. (2019) are identifying SECA information obligations⁸ of maritime actors and are showing that the administrative burden of SECA regulations is different for ship owners and maritime authorities: The annual administrative burden for ship owners sums up to about 2.7 million Euro (less than 2000 EUR per ship), whereas the additional administrative cost for all maritime authorities in the BSR only amounts to about 260.000 Euro.⁹ The authors are concluding that the administrative burden related to SECA regulations is neglectable for the time being, and that the ex-ante calculation overestimated the impact on the maritime industry in this regard.

Lähtemäki-Uutela et al. (2019b) are mentioning that overall air quality in the BSR has improved significantly and that the SECA compliance rate in Danish waters is above 90%, which is also the case near Gothenburg. The individual companies breaking the rules are always the same. Another non-compliance pattern discovered in recent research consist in vessels rarely entering the Baltic Sea break the rules more frequently; the most common breaches are

6 *Ibd.*

7 *Ibd.*

8 Olaniyi et al. 2019 *SECA regulatory impact assessment: Administrative burden costs in the Baltic Sea Region*, in: *Transport and Telecommunication*, 2019, volume 20, no. 1, p. 66 and p. 70: For shipowners these consist in recording into bunker delivery notes, time spent recording regarding fuel sample/ scrubber emissions logbook/ waste disposal logbook/ fuel switchover. The authors are also mentioning training/ hiring of staff, awareness raising among staff-members about SECA, installations and maintenance next to time spent on applying for subsidies, grants and loans. For maritime authorities administrative tasks are mainly compliance checks of ships in national ports (on-board logbook checks and fuel testing inspections as well as installation of sniffing stations).

9 Olaniyi, Eunice O. and Gunnar Prause (2019): *SECA regulatory impact assessment: Administrative burden costs in the Baltic Sea Region*, in: *Transport and Telecommunication*, 2019, volume 20, no. 1, 62–73.

inadequate logs, and non-compliance occurs more often in areas where monitoring is not expected (e.g. in the Baltic proper as compared to the Great Belt Bridge).¹⁰

The authors are assuming that a rise in marine gas oil (low-sulphur fuel) price makes companies shift to other fuels¹¹ or scrubbers and/or lowers their compliance motivation. They are pointing to a control gap: BSR port states cannot monitor whether installed scrubbers and/or carried low-sulphur fuel have actually been used on the entire voyage of a vessel, and they can only apply sanctions for what has happened in their respective territorial waters. Some ships that have installed scrubbers have still been observed exhausting high levels of sulphur on multiple occasions.

Yet, on 1 March 2020, there will be a carriage ban for fuels non-compliant of the global sulphur rules.¹²

2. Blue Biotechnology in the BSR – From Science to Business

From 22-24 August 2018, more than 100 scientists, entrepreneurs and stakeholders from the realm of marine biotechnology gathered for the international conference „Blue Biotechnology in the Baltic Sea Region – from Science to Business“ which took place in Greifswald, Germany. Current findings in the field of R&D served as the basis for initiating new transnational business cooperation. Emphasis also lay on broadening Blue Growth strategic networks.

The event formed part of the flagship project “Baltic Blue Biotechnology Alliance“, which is promoted within the framework of the EUSBSR.

10 Lähteenmäki-Uutela, Anu, Johanna Yliskylä-Peuralahti, Sari Repka and Johan Mellqvist (2019b): *What explains SECA compliance: Rational calculation or Moral judgement?*, in: *WMU Journal of Maritime Affairs* 18, p. 65.

11 *Among possible alternative fuels there are “hybrid fuels”, also called emission control area fuels, ECA fuels or ultra-low sulphur fuel oils, which exist next to liquefied natural gas and methanol as fuel.*

12 Lähteenmäki-Uutela et al. (2019b): *What explains SECA compliance*, p. 73.

3. High-level conference on EU ocean policy

On 19 March, this year's largest EU event on oceans took place in the European Parliament in Brussels. Organised by MEP Gesine Meissner and European Commissioner Karmenu Vella, the event hosted 1000 advocates for healthy, safe and sustainable oceans. With a large delegation of students and youth organisations in the room, the conference was an interesting recapitulation of today's status quo. Karmenu Vella asked for a "collective response" to the challenges of ocean governance, namely international cooperation on the various aspects that influence the oceans' health: fisheries policy, protection of habitats and biodiversity, development of the blue economy.

The European Commission has published its progress report "Improving International Ocean Governance" in March. It is concluding that the EU has already been acting on most of the 50 actions identified two years ago, and more actions are expected. Maria Damadaki from the Nature Conservancy recognized this achievement and called the EU the champion of ocean governance.

Making a difference is what two leaders of the international youth movement were asking from the EU. Participants reminded everyone that we do not suffice with cleaning the oceans: Money talks, so investments and subsidies should steer public and private activity for the better.

The President of the European Parliament, Antonio Tajani shared that view, as he called for a strong R&D budget for the EU under Horizon Europe. He sees huge opportunities in "clean seas as drivers of the EU economy". Tiago Pitta e Cunha, CEO of the Oceano Azul Foundation, confirmed that we have to start looking at nature as the capital that it really is, and make marine protection bankable.

The oceanographer Peter Herzig proposed a European Ocean Agency, much alike the European Space Agency. Indeed, it is often said that we already know more about the surface of Mars than about the ocean floor.

Oceanography, ocean science, is indispensable if we want to develop impactful policies. To illustrate that point, several EU-supported projects were on display outside of the hemicycle, demonstrating what science and innovation can bring to ocean protection and the blue economy. Think automated submarines, highly advanced satellite programmes, IoT, e.g.

On the other side of the spectrum was the stand of the European Fisheries Areas Network (FARNET), which displayed how the EU helps local communities to innovate while maintaining tradition and ensuring the viability of our coastal regions.

4. *11th Baltic Tourism Forum*

The 11th Baltic Tourism Forum took place from 13-14 November 2018 in Riga. More than 400 participants from the BSR debated the further development of the tourism sector. The increasing transnational interconnection of touristic offers, the reduction of environmental degradation/ pollution and the role of digital marketing have been especially contested issues. Vice President of the Regional Parliament of Mecklenburg-Vorpommern, Ms. Beate Schlupp informed about the results of the BSPC Working Group on Sustainable Tourism, addressing the growing challenges for the respective domestic populations resulting from tourism. She also emphasised the importance of effective measures to reduce pollution.

5. *Our Ocean Conference*

On 29 October 2019, the European Commission announced at the Our Ocean Conference in Bali to provide additional 300 million Euros for clean, healthy and secure oceans.

This important contribution will be made additionally to the more than 550 million Euros the EU has promised to spend as the host of last year's Our Ocean Conference in Malta.

The High Representative of the Common Foreign and Security Policy of the EU, Vice President Federica Mogherini, declared: *“With 23 new commitments the EU continues its efforts to maintain secure, clean and sustainably managed oceans.”*

In addition, several EU Member States have made their own commitments.

They comprise for example the provision of 100 million Euros for R&D projects to fight environmental degradation caused by plastics. Another 82 million Euros are foreseen for marine and maritime research in the field of ecosystem assessment, seafloor mapping or research on innovative aquaculture systems. A further new measure is an investment of 18,4 million Euros aiming at the sustainability of the blue economy in Europe, i.e. all economic branches based

on the ocean and its resources. Concerning the list of new projects, the EU's satellite monitoring programme (Copernicus) is of significance: The programme will be provided with an additional sum of 12,9 million Euros for maritime security and with another one million Euros for research on coastal environmental services. Copernicus with its maritime surveillance system has significantly contributed to the EU obligations for the enhancement of maritime security and law enforcement.

The EU is also acting on the international level: Corresponding to one of the obligations, the European Commission together with the United Nations Environment Programme (UNEP) and other international partners has started a coalition of aquariums to fight plastic pollution. Within the framework of a project endowed with 9 million Euros, marine litter shall be reduced in South East Asia, especially China, Indonesia, Japan, the Philippines, Singapore, Thailand and Vietnam. Further 7 million Euros will be provided for the protection of the marine ecosystems in this region.

Two years ahead of the initial time limit, already 10% of all EU waters have been designated as Marine Protected Areas. Meanwhile, the EU has implemented almost half of the 35 self-commitments agreed upon at the Our Ocean Conference in 2017.

These self-commitments provide an example for the EU's activities to accelerate the shift towards circular economy. On 16 January 2018, it had adopted the European Plastics Strategy, on 28 May 2018, it made its Single-Use Plastics proposal for ten of the most frequently found single-use plastics found at European beaches and seas. The latter was approved by the European Parliament in October 2018. The Council has finally adopted the directive on 21 May 2019. The European Parliament also approved the EU-wide regulations on lost or left fishing gear proposed by the EU Commission.

Our Ocean Side Event on the Sustainable Blue Economy Finance Principles

During the Our Ocean Conference 2018, the European Commission together with the European Investment Bank (EIB), World Wide Fund For Nature (WWF) and the World Resources Institute have organised a side event on the Sustainable Blue Economy Finance Principles.

Financial institutions and organisations with a keen interest in sustainable finance have participated.

The event was part of an international campaign to build a coalition of financial institutions, which endorse the Sustainable Blue Economy Finance Principles and are willing to demonstrate their support for healthy oceans in their investment decisions.

Since its start at the World Ocean Summit in March 2018, this initiative is attracting new signatures, from public and private investors around the world.

The world's first global framework to finance a sustainable ocean economy subsequently was launched at the Our Ocean conference.

The Sustainable Blue Economy Finance Principles were developed by the European Commission, WWF, the World Resources Institute, and the EIB. Having started as a commitment by a dozen financial institutions and key stakeholders, they are now set to become the benchmark to invest in the blue economy in a sustainable way.

Ocean ecosystems are under enormous pressure. With Blue Growth expected to double over the next decade, action is urgently needed to reverse this trend. Sustainable finance can be a powerful solution. By engaging investors, insurers and banks, the Sustainable Blue Economy Finance Principles bring sustainability into the boardrooms of all ocean-based industries, from shipping, fisheries and tourism, to aquaculture, energy and biotechnology.

In order to put the principles into practice, an IT-based tool is being developed to help investment managers assess whether their investment decisions are verifiably sustainable. The organisations behind the principles are convinced that this will show in practice how profitability can go hand in hand with environmental and social stewardship, and how SDG 14 can be achieved.

The Sustainable Blue Economy Finance Principles will become part of a new sustainable blue economy finance initiative under the auspices of the UN Environment Finance Initiative (UNEP FI), which joins the European Commission, WWF, World Resources Institute and the EIB as a founding partner. The initiative, anticipated for 2019, will receive initial support from the European Commission.

The principles are endorsed by the major international sustainable finance initiatives, including UN Environment's Principles for Sustainable Insurance Initiative (PSI) and the World Bank.

A growing number of financial institutions and stakeholders have already supported the initiative. With the new UN-hosted sustainable blue economy finance initiative planned for 2019, it is expected that many more institutions will join in. Meanwhile, interested organisations can consult „Sustainable Blue Economy Finance Principles“ under <https://ec.europa.eu/maritimeaffairs/befp>

One week after the Our Ocean Conference, on 5 November 2018, Commissioner Karmenu Vella, responsible for Environment, Maritime affairs and Fisheries, received the German Ocean Award as recognition for his work for protecting and preserving the ocean, and making it part of our economy in a sustainable way. Over the last 6 years the number of EU-wide stocks that are fished at sustainable levels has risen from 20 to 54 – out of 76 for which such advice was available from the International Council on the Exploration of the Seas. The German Ocean Award, under the patronage of the Minister-President of Schleswig-Holstein, is awarded to well-known individuals who have shown special commitment to the cause of preserving and protecting the world's oceans.

Commissioner Vella donated the prize money valued at EUR 10.000 to Sustainable Ocean Alliance, an international nonprofit that empowers young innovators to become leaders in preserving the health and sustainability of the ocean.

6. Tenth Strategy Forum of the European Union Strategy for the Baltic Sea Region

The Tenth Strategy Forum of the EUSBSR was organised in Gdansk on June 12-13. The conference topic was „Circular and sharing economy as an answer to demographic changes and environmental challenges in the Baltic Sea Region“.

Three main sessions, eighteen thematic panels and a networking village set the ground for discussions about business opportunities, demographic change and the socioeconomic development in the BSR as well as about the improvement of the implementation of the EU-SBSR in the framework of its Action Plan revision. Furthermore, the current state of the ecosystem in the Baltic Sea was addressed next to measures how to realise a circular, eco-friendly economy. Speakers presented, among other things, concrete circular economy

examples from the Baltic, ranging from aquaculture and blue biotechnology to renewable ocean energy and green shipping, while the Commission introduced the upcoming technical assistance mechanism.

On 21 May 2019 the Council of the European Union had published an assessment of the four macroregional strategies of which the EUSBSR forms part. It was the second assessment of this kind since 2017. It is undertaken every two years based on a EU Commission report: The report from January 2019 contains an analysis of the activities in the context of the EUSBSR and gives recommendations for future work, which the Council mainly supports in its conclusions: A stronger focus on less but especially relevant topics is required, relying on former experience and results. National and regional actors are supposed to more strongly embrace the strategy in view of its potentials. The programming for the period 2021-2027 should be used to integrate the strategic priorities into the structural funds, the more so since the update of the action plan for the EUSBSR coincides with the programming. In addition, the Council supports a better communication of the successes of the strategy, whose visibility should be enhanced next to cooperation with third countries.

7. BSPP Working Group Meeting on Migration and Integration in Schwerin

From 27-28 May 2019, the 6th meeting of the Baltic Sea Parliamentary Conference Working Group on Migration and Integration took place in connection with the Baltic Sea Parliamentary Youth Forum in Schwerin, Mecklenburg-Vorpommern.

The delegates and young participants exchanged their views and experience of integrating migrants in their home countries in the realm of vocational training, employment and school education.

The results of the conference will lead to political recommendations, which will be adopted during the Baltic Sea Parliamentary Conference in August 2019 in Oslo.

8. Meeting of the CPMR Political Bureau in Brest and of the CPMR executive committee in Turku

On 7 March 2019, the Conference of Peripheral Maritime Regions took place in Brest, France, where the CPMR progress report was presented by Secretary General Eleni Marianou. Main topics addressed during the Political Bureau Meeting were migration policy, Brexit challenges for the CPMR regions next to fisheries/ EMFF, climate and energy issues and cohesion/ the renewal of the EU territorial agenda.

Only one position paper was adopted, in which CPMR demands a European strategy for the maritime industry (“LeaderShip 2030”). Many participants were concerned about the future of the EU, especially about the upcoming EU policy on cohesion, including territorial cooperation, transport, maritime industry and research and maritime policy. In regard to the foreseen consequences of Brexit, the participants supported the request of the EP to create a fund supporting regions strongly affected by Brexit. A representative from Cornwall presented the “Channel Alliance“, designed to bundle future cooperation between Cornwall, Wales, Brittany and Normandy.

From 9-10 May 2019, the executive committee of the CPMR-Baltic Sea Commission gathered in Turku mainly to prepare the revision of the EUSBSR and the annual meeting of the Baltic Sea Commission which was about to take place on 11 June 2019.

9. Shippax Ferry Conference

The Shippax Ferry Conference 2019 was held on board of the Silja Serenade, sailing the route Stockholm-Helsinki-Stockholm from 12-14 March 2019.

The conference was attended by 500 delegates.

Jan Eliasson, Former Minister for Foreign Affairs of Sweden and Deputy Secretary-General of the UN gave a keynote speech. He addressed the shifting of economic power to the East, militarisation of relationships between countries, the weakening of the transatlantic link, refugee problems, and the issue of Brexit.

Other main conference topics were talent recruitment, digitalisation, reducing emissions and pollution with on shore power supply and related costs, e.g. expected increase of average bunker expendi-

ture by 25% as a result of the upcoming IMO 2020 global 0.5% sulphur emission limit. But also the 2018 ro-pax & ro-ro industry performance and megatrends were core themes, as well as the ABB Ability™ Marine Pilot Vision on board of the Silja Serenade with its benefits for safety, efficiency, and ergonomics through augmented reality, sensor fusion and machine learning in real time.

According to the Shippax and individual ferry company data, in 2018 the fleet capacity increase accelerated.¹³ Altogether 46 ro-pax newbuilds were delivered, with a freight capacity totalling 20,000 lanemetres and a passenger capacity totalling 30,000. China consolidated its position as the biggest ro-pax builder in the world. Financial performance of top ferry groups continued to be mixed, with freight volumes rising and passenger numbers stagnating. The three major European ferry groups – Grimaldi, Stena, and DFDS – are expected to further increase their market shares. Competition in Europe is expected to remain strong.

In response to new rules and regulations for the ferry and ro-ro industry, several recommendations on how to tackle the issues of today and of the near future were presented. They included measures introduced to look at hazardous materials as an element in ship recycling, 0.5%-sulphur-emissions-limit compliant fuels, SOLAS 2020 vs. EU regulations, cold ironing, underwater noise regulations, GHG emissions and the 2030 goal.

10. European Maritime Day 2019 and Blue Economy Report

On 16-17 May 2019, the European Maritime Day took place in Lisbon with eight breakout sessions organised by the European Commission, focusing on a number of strategic EU policy initiatives to support Blue Economy, and 28 thematic workshops designed and organised by maritime stakeholders. Among other things, the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA), a market intelligence service of the European Union developed by the European Commission, hosted a workshop titled „Blue bioeconomy: innovations and investments“, and shared the main results of its latest study.

¹³ 6 SHIPPAXINFO – JUNE 19

The main focus of the European Maritime Day 2019 lay on blue entrepreneurship, innovation and investment, and it also hosted a broad array of 105 exhibitors from around Europe who showcased their innovative ideas, products and services related to the conference themes. 1.400 participants from 53 countries have attended the event.

On this occasion, the European Commission launched the second edition of its Blue Economy Report.

According to Commissioner Vella, the EU's coastal regions are home to 214 million people and generate 43% of EU GDP. The report is confirming the blue economy's role as an important growth sector, with opportunities both in established sectors like tourism and shipbuilding, and in emerging areas like ocean energy or the blue bioeconomy. Yet, the blue economy start-ups and small companies often struggle to realise their good ideas. That is why the European Commission is currently developing an investment-readiness support tool to help them mature and eventually access the funding they need to scale up.

Using the opportunities of the oceans sustainably was also at the heart of Commissioner Vella's speech at the international ministerial conference on smart ocean governance, organised by Portugal. He reiterated the key role of oceans – in particular ocean energy – towards achieving a carbon-free Europe by 2050.

This year's blue economy report incorporates various new elements and content, including the maritime defence and the maritime equipment sectors. A preliminary analysis by sea basin has been added, as well as a number of in-depth case studies, e.g. on the economic impacts of marine protected areas or the contribution of the research and education sector to blue economy jobs. Finally, the second edition comprises a section on ecosystem services and natural capital, addressing the costs and economic impact of climate change and mitigation measures.

A Blue Indicators IT tool, which was also launched on 16 May 2019, allows citizens to easily visualise, extract and download much of the report data. Users are also able to download the full report, as well as the accompanying infographics and detailed methodology.

In addition to the report launch, the European Commission used the European Maritime Day to update participants in-depth about several other ongoing maritime policy initiatives:

- the **Technical Assistance facility for Investment in the Blue Economy**, which will assume its activities before summer 2019 and help blue economy start-ups and small and medium-sized enterprises (SMEs) to become bankable for future calls within a planned Blue Economy Investment Platform.
- the launch of the operational phase of the **Common Information Sharing Environment (CISE)**, an important building block of the overall EU maritime surveillance framework, with the involvement of the European Maritime Safety Agency.
- progress on the **ocean literacy platform ‘EU4Oceans’**, to be launched in autumn, which will bring together European groups, networks and organisations active in ocean preservation and ocean literacy, thereby paving the way for a ‘European Ocean Alliance’. The call for tenders closed on 14 June.

The EU executive agency EASME has showcased EU-funded projects, focusing on tidal energy, recycling of old fishing nets and using large sails to reduce emissions from large ships among other things.

Established in 2008, European Maritime Day has become an annual meeting place for maritime professionals, entrepreneurs and ocean leaders. This year, the Commission’s biggest maritime policy event was organised together with the Portuguese Ministry of the Sea and the City of Lisbon.

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

I. Blue Growth and overarching aspects

1. *World Bank and EU Commission promote Blue Economy*

In February 2019, the World Bank and the European Commission launched the Blue Economy Development Framework (BEDF). The Framework is a novelty in the area of international ocean governance. It supports coastal states transition to diverse and sustainable blue economies while building resilience to climate change.

2. *The EU Commission's 2019 Work Programme*

Focal points of the EU Commission's work programme for 2019 consist of fifteen new initiatives and ten REFIT evaluations, revising prevailing legal norms in order to assure their continued appropriateness. Additionally, the Work Programme lists 45 initiatives given priority treatment in the legislative process within the framework of the Joint Declaration on EU legislative priorities. The EU Commission also proposed to withdraw or suspend 17 pending proposals and prevailing legislative provisions.¹

3. *Maritime Spatial Planning: New international guidelines*

Planning human activities at sea so they happen safely and sustainably is a pre-requisite to good ocean governance. This requires a high level of coordination, not just within a same country but also across borders. This is why since 2017, the European Commission and Intergovernmental Oceanographic Commission of UNESCO (IOC-UNESCO) have been working together to develop transboundary maritime spatial planning.

1 https://ec.europa.eu/germany/news/20181023-eu-kommission-arbeitsprogramm-2019_de,

Access: 25 October 2018

In November 2018, as a follow-up action to their Joint Roadmap to accelerate Maritime/ Marine Spatial Planning (MSP) processes worldwide, the two have launched MSPGlobal, a new three-year long initiative that will call on regional experts to develop guidance on international cross-border MSP.

By 2030, the results of MSPGlobal, combined with the other 9 actions of the Joint Roadmap, are expected to triple the area of territorial waters that benefit from an effectively implemented MSP system.

MSPGlobal is co-financed by the European Commission through the European Maritime and Fisheries Fund (EMFF).

Title: Supporting internationally accepted maritime spatial planning guidance

Duration: from 01.11.2018 to 31.10.2021 (36 months)

EC contribution: EUR 1,400,000

Total cost: 1,750,000

Partners: DG MARE and IOC-UNESCO

4. Common Fisheries

New tool to strengthen EU's fight against illegal, unreported and unregulated fishing

The launch of the EU's IT tool "CATCH" was announced by the EU Commission in May 2019. The tool is supposed to streamline the checks of seafood products entering the EU market. The catch certification scheme was established to protect the EU market against products stemming from illegal fishing. Certificates are required for each consignment of fishery products entering the EU territory, ensuring that fishery products from third countries come from legal sources. CATCH will digitalise the current paper-based certification scheme. It will support EU Member States (MS) in their illegal, unreported and unregulated fishery-related verification tasks and help reduce the risk of fraud, facilitate the trade flows, and reduce the burden on operators and administrations.

Adoption of new technical conservation measures

The European Parliament has adopted the political agreement reached in February between the co-legislators on the Commission's proposal for decentralised and simplified technical rules. The new

rules will give fishermen a stronger say in deciding on the best measures for sustainable fishing, adapted to their specific needs.

The new rules, in line with the Common Fisheries Policy and the Commission's Better Regulation agenda, streamline the technical measures guiding how, where and when fishermen may fish, as well as determining the type of gear, catch composition and ways to deal with accidental catches.

The Regulation simplifies the existing technical conservation measures that over the years have become highly complex. It includes provisions for the protection of the marine ecosystem and marine habitats. The new rules confirm the EU's strong commitment to sustainable fisheries by introducing additional measures to avoid by-catches of non-commercial and sensitive species.

Training and certification for fishermen

In March 2019, the EU Commission has adopted a report urging EU Member States (MS) to ratify the International Convention on Standards of Training, Certification and Watchkeeping for Fishing Vessels Personnel (STCW-F Convention) as soon as possible. This will offer extra protection to fishers, one of the most hazardous professions in Europe.

The Convention sets standards of training for personnel on board of fishing vessels and is an important contribution to the promotion of safety at sea. It contains stricter provisions for vessels of 24 meters in length or above, but it also contains important provisions on basic safety training and watch keeping applying to all fishing vessels regardless of their size.

In 2015, Council Decision 2015/799 had authorised MS to ratify the STWC-F Convention in the interest of the European Union, and encouraged them to do so by May 2017. On 28 March 2019, the European Commission adopted a report to the Council reviewing Member States' progress in the ratification of the STCW-F Convention.

The report shows that only nine EU Member States have become Parties to the STCW-F Convention (Belgium, Denmark, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania and Spain).

Quotas

2019 is a crucial year for European fisheries: the full landing obligation entered into force as of 1st January while the agreed deadline to achieve sustainable fishing is right around the corner. The Commission is determined to bring commercial fish stocks to healthy levels by 2020, in line with the Maximum Sustainable Yield (MSY) objective. This enables the fishing industry to catch a sustainable amount of fish that would not hinder the regeneration of the stocks. The landing obligation will put an end to the wasteful practice of throwing large quantities of unwanted fish back into the water. The Commission has put forward concrete solutions to advance on sustainable fishing and to ease the implementation of the landing obligation, but it is dependent on the support of the MS.

After the EU Commission had adopted its proposal for fishing opportunities for 2019 for the commercially most important fish stocks in the Baltic Sea in the end of August 2018, Council negotiations took place and the European Ministers for Fisheries adopted the Commission proposal during their meeting of 15-16 October 2018.

The council agreed to increase fishing opportunities for plaice (by 43%), Western cod (by 70%), sprat (by 3%), Gulf of Riga herring (by 7%) and to roll-over the total allowable catches (TAC) for the Main Basin salmon stocks. For the remaining stocks covered by the Commission proposal, the Council decided on a reduction in catches, eg. Eastern cod (by 15%), Gulf of Finland salmon (-3%), Western herring (by 48%), Central herring (by 26%) and Gulf of Bothnia herring (by 7%).

Leisure fishermen will be allowed to keep seven cod per day (previously five).

The proposed TAC are based on scientific advice from the International Council on the Exploration of the Seas and follow the Baltic multiannual management plan adopted in 2016 by MS and the European Parliament.

In view of the EU Commission, further action remains necessary to ensure all stocks grow to levels that allow for sustainable exploitation.

Sustainable fisheries

According to the EU-Commission, the high revenues of the EU fishing fleet in 2016 were mainly a result of low fuel prices and higher average fish prices (more value for less quantity landed). They were also closely linked to sustainable fishing methods, as the Annual Economic Report 2018 presented in October 2018 is displaying. The report is showing record-peak levels in economic performance of the EU fishing fleet in 2016 and is pointing to a significantly improved economic performance of the EU fishing fleet from 2009 onwards.

The EU fleet produced a total net profit of EUR 1.3 billion in 2016, which corresponds to an increase of 68 percent compared to 2015. Projections for 2017 and 2018 have been favourable, too. In 2016, the EU fleet's gross added value, (i.e. the contribution of the fishing sector to the economy through wages and gross profit) amounted to EUR 4.3 billion, a 15% increase compared to 2015. This has led to an increase in the average salaries of the EU fleet employees. Since the large majority of vessels operates in a more efficient and environmentally friendly way, fuel consumption has decreased.

The report is also highlighting that economic performance stagnated, if fleets were dependent on stocks that were still overfished. In contrast, sustainably fishing fleets could increase their profitability.

The overall economic performance of the Baltic fishing fleet improved from a loss-making position in 2014 to post a modest net profit in 2016. In terms of employment and effort, the small-scale coastal fleets provided 68% of all employment and were responsible for 85% of days at sea.

The large-scale fisheries dominate the Baltic Sea fisheries, accounting for 92% of landed weight and 77% of the landing value. Herring, sprat and cod remain the most important species.

Karmenu Vella, Commissioner for environment, maritime affairs and fisheries, said: „It is encouraging to see an ongoing positive trend, which has led to higher profits for the fishing sector and more value added for the EU's fishing and coastal communities. This clearly demonstrates that our joint commitment towards sustainability pays off. The Ministerial Declaration signed in Malta in 2018 between MS and third countries from the Mediterranean and Black Sea offers a 10-year Action Plan so that their small-scale coastal fleets can also benefit from this positive trend.“

The 2018 Annual Economic Report on the EU Fishing Fleet is based on data provided by national authorities and is the result of combined work by economic experts from the Scientific, Technical and Economic Committee of Fisheries and the European Commission.

Sustainable Fishing Partnership Agreements

On 19 October 2018, the EU and The Republic of The Gambia signed a new Sustainable Fishing Partnership Agreement protocol. Both parties welcome the start of a new cooperation period in the fisheries sector.

This fisheries agreement allows EU vessels to fish in the Gambian waters and thus, extends the network of tuna fisheries agreements in West Africa. The new protocol covers a period of 6 years. It will offer EU vessels the possibility to fish 3300 tons of tuna and tuna-like species as well as 750 tons of hake per year in the Gambian waters. In return, the EU will pay The Republic of The Gambia a financial contribution of 550 000 € per year. Half of this yearly contribution will be used to strengthen the sustainable management of fisheries resources and the development of the Gambian fishing sector. The agreement covers the cooperation in the fight against illegal, unreported and unregulated fishing (IUU) and the promotion of the blue economy, including aquaculture. A special support will be given to the artisanal fisheries sector.

The new protocol will enter into force when the necessary legislative procedures for its conclusion have been completed.

In November 2018 and June 2019, the EU and Guinea Bissau also signed new Sustainable Fishing Partnership Agreement protocols.

Among other things, the new fisheries protocols will allow the EU fleet to fish in Guinea Bissau waters for a duration of 5 years. Around 50 EU vessels targeting demersal fisheries (including cephalopods and crustaceans) as well as tuna and small pelagic species will benefit from the agreement. In return, the EU will pay Guinea Bissau a financial contribution of 15.6 Mio € per year, an increase from the 9.2 Mio € foreseen under the previous protocol. Part of the EU-funding will target the development of a sustainable fisheries sector in Guinea Bissau. In addition, EU ship owners will contribute around 4 Mio € per year.

The protocols foresees the transition from the current system based on vessel capacity to a system based on TAC, applicable for the last

three years of the agreement. The EU believes this is very positive as it reinforces the transparency and sustainability of the fishing activity. The catch limits are 1,500 t for cephalopods, 2,500 t for crustaceans, 11,000 t for demersals and 18,000 t for small pelagics.

The protocol also includes improved monitoring, thanks to the introduction of an Electronic Reporting System, which will become mandatory from the third year on. The quantities agreed upon are fully in line with scientific advice and management plans adopted by Guinea Bissau.

The new protocol will enter into force when the necessary legislative procedures for its conclusion have been completed.

The EU and Korea also have pledged to work closely together to fight illegal and unreported fishing. During a bilateral EU-Republic of Korea Summit in October 2018, both parties have signed a joint statement.

After there had been concerns of the EU Commission in the past about Korean illegal, unreported fishing activities, the EU Commission lifted the yellow card in April 2015 (the yellow card had been adopted in 2013 to the Republic of Korea), recognising the country's efforts to bring its legal and administrative systems in line with the international standards.

Outermost regions: Commission adopts new rules to develop sustainable fisheries

On the occasion of the annual conference of the outermost regions, in Gran Canaria, President Juncker has announced that the nine territories can now use state aid to support the renewal of the small-vessel fishing fleet, whilst fishing sustainably.

The Commission has adopted a communication amending the guidelines for the examination of state aid to the fishery and aquaculture sector. Subject to strict sustainability requirements, the revision enables state aid for purchasing fishing vessels in the outermost regions of the EU. The aim is to facilitate fleet renewal in order to increase the safety of fishers, ensure food supplies, and allow the fishery sector to play an important role in the overall development of the regions.

The new measures will allow MS to offer public support for buying new fishing vessels to individual fishermen and companies based in

one of the nine outermost regions of the EU. The state aid can be used to replace outdated and unsafe vessels with new ones. If the capacity limits of a region have not yet been reached, the funding can be used to buy new vessels of different types and lengths that are more suitable for current fishing opportunities. Before paying aid to individual beneficiaries, the Commission has to assess the planned aid schemes and authorise them. The guidelines set out the specific conditions under which the Commission will do so.

The guidelines put particular emphasis on avoiding any negative impact on the sustainability of fish stocks. State aid can only be granted if there is a proper balance between fish resources and the fishing capacity of the fleet segment acquiring a new vessel. Furthermore, the introduction of a new vessel must be done in full respect of the capacity ceilings set out in EU law. Aid is particularly needed in the case of small and medium-range vessels. The maximum intensity of public aid does therefore vary depending on the length of vessels.

The Guidelines also ensure that the benefits of public support remain within the outermost region concerned. Aid can therefore only be granted to beneficiaries registered in the region at the date of granting the aid. Furthermore, the vessel must remain registered in the outermost region concerned for at least 15 years and must, during that time, land all of its catches in an outermost region.

Background

Article 349 TFEU recognises the specific structural and economic situation of the outermost regions of the EU: Guadeloupe, French Guiana, Martinique, La Réunion, Mayotte, Saint-Martin, the Azores, Madeira, and the Canary Islands, and indicates the factors that severely and permanently constrain their development: remoteness, insularity, small size, difficult topography and climate, and economic dependence on a limited range of products.

In its communication on a new EU strategy for the outermost regions of 24 October 2017 (COM(2017) 623 final), the Commission highlighted persisting challenges such as climate change and a critical divergence in the level of development, wealth, and economic and social opportunity between some of the outermost regions and continental Europe. Given that all outermost regions are islands or have access to the sea, successfully using the opportunities offered by a sustainable blue economy, including fisheries, is central to their continued socio-economic development.

Landing obligation entered into force in January 2019

23% of worldwide catches, that is, 30 million tons of fish are thrown overboard every year. In most cases, the fish do not survive.

The landing obligation, which compels fishermen to bring to shore all catches, fully entered into force in January. This will end the unsustainable practice of throwing unwanted fish back into the sea.

Researchers have anticipated the market's needs and have been working on creating innovative fishing gears. Fishermen across Europe are investing in selective nets that allow them to better target their fishery and reduce unwanted catches. The landed fish that is not suitable for direct human consumption will not go to waste either. It can be used to produce fish meal, fish oil, pet food, food additives, pharmaceuticals and cosmetics.

At the beginning of 2019, a Euronews team has visited fishermen and researchers in Sweden and France. There it tagged along fishing trips to film innovations in action. The Euronews magazine "OCEAN" exploring sustainable EU fisheries can be watched online.

European Fisheries Control Agency – a cornerstone of ocean governance in EU and beyond

In 2018, the European Fisheries Control Agency (EFCA) performed 26,922 coordinated inspections, a 28% increase compared to 2017. 714 suspected infringements, 15% less than in 2017, were detected, mostly concerning non-compliance with recording obligations and technical measures.

Ten years after its creation, EFCA has established itself as a cornerstone of the EU's fisheries and ocean governance policies.

Since 2008, the agency based in Vigo, Spain, fosters cooperation between national control and inspection activities in the fisheries sector. Its main task: to ensure that EU rules on fisheries management and conservation are implemented equally across the EU and beyond. This leads to fair competition for the EU fisheries industry on a European level playing field, as well as more sustainable fisheries overall.

An important part of EFCA's daily task is supporting national authorities with training programmes or new tools and offering them

a neutral platform to exchange technical solutions. By pooling assets and intelligence, EFCA helps MS setting up strategic and cost-efficient control campaigns.

EFCA's field of action has significantly increased over the last 10 years, and is set to encompass nearly all the EU-regulated species in European and international waters in 2019.

Recently, the agency is also cooperating operationally with mixed teams of inspectors in so-called multipurpose operations. In cooperation with Frontex (European border and coast guard agency) and EMSA (European maritime security agency), it supports national authorities carrying out coast guard functions.

EP wants more than EUR 7 billion for future European Maritime and Fisheries Fund

On 4 April 2019, the EP adopted its position on the new European Maritime and Fisheries Fund (EMFF) for the period 2021-2027. With EUR 7,739 billion the EMFF shall continue supporting the fisheries sector to become more sustainable and innovative. Furthermore, investments in safety, working and life conditions of crew members and in the quality of caught fish will be supported. The capacity of fishing vessels shall not be enlarged.

Other measures comprise compensation for temporary or final de-commissioning of vessels in cases where a considerable restructuring of the fleet is necessary. The MS will be able to complement EU compensations more easily with state aid.

Small-scale fisheries and outermost regions shall receive special attention and aquaculture shall be promoted. The fund will also support measures to restore biodiversity.

Negotiations with the Council of the European Union on the new regulation will only begin after the constitution of the newly elected EP.

Brexit/ Fisheries: Commissioner Vella presents contingency plans to mitigate “no-deal” impact

The European Commissioner for Environment, Maritime Affairs and Fisheries Karmenu Vella has presented contingency measures to mitigate the impact on fisheries in case of a “no-deal” Brexit.

The acts, tabled by the Commission in January, have been agreed by the MS and the European Parliament at the end of March. The first preparedness measure amends the Regulation on the Sustainable Management of the External Fleets, with the aim of creating the appropriate legal framework for continued reciprocal fishing access by EU and United Kingdom vessels to each other's waters during 2019, provided the UK grants such access for EU vessels.

The second measure allows fishermen and operators from MS to receive compensation for the temporary cessation of fishing activities, due to Brexit, under the EMFF. This will help to off-set some of the impacts of a sudden closure of UK waters to EU fishing vessels.

Release of “EU fish market – 2018” edition

EUMOFA's annual report on the EU fish market offers a comprehensive analysis at EU-level of all market dimensions of fisheries and aquaculture products.

In this edition we learn that the EU is not only the world's largest trader of fishery and aquaculture products, but also ranks fifth globally in fishery and aquaculture production.

According to the report, consumption of fish in the EU increased for nearly all of the main commercial species. It reached 24,33 kg per capita, 3% more than in 2015. Portugal is the absolute champion, with an average of 57 kg of fish and seafood per person, per year. This is more than twice the EU's average per capita.

The top five species eaten in the EU – tuna, cod, salmon, Alaska pollock, and shrimps – amounted to 43% of the market in 2016. These species were mostly imported from non-EU countries.

Wild fish continued to predominate in the EU seafood market, accounting for 76% of the total per capita consumption.

Fish prices grew significantly in the recent years (+ 10% between 2013 and 2017), whereas prices of meat and of food in general remained essentially stable. The amount spent for purchasing fish in 2017 (EUR 56,6 billion) was around one quarter of the amount spent on meat.

In 2017, EU remains the world's largest trader of fishery and aquaculture products. The trade volume between the EU and the rest of the world surpassed China's by more than EUR 2,3 billion.

Imports from non-EU countries reached a 10-year peak of EUR 25,3 billion, mainly due to increased imports of frozen cuttlefish and squid, mostly from India and China, and of prepared/preserved skipjack tuna from Ecuador.

The US and China were the main destinations of EU exports in value terms, with more than EUR 5 billion. Norway and Nigeria were recipients of the highest volume of EU exports, with Norway mainly importing fish oil and Nigeria importing mainly herring and mackerel. Intra-EU trade also grew, reaching EUR 26,7 billion. The largest trade flows involved salmon that entered the EU from Norway and was exported by northern MS to other EU countries.

The EU became the fifth biggest world fish producer, following China, Indonesia, India and Vietnam. The total value of EU landings reached EUR 7,38 billion, the highest of the last 10 years. At the same time, the value of aquaculture products farmed in the EU reached an all-time high of EUR 4,25 billion.

Public consultations

State aid guidelines for fisheries in EU outermost regions

Consultation period: 2 August 2018 – 27 September 2018

The EU Commission aimed at collecting the views of concerned administrations, vessel owners, fishermen, NGOs and other interested parties. By this means, it aims at further assessing the potential role of state aid for the purchase of fishing vessels in the development of the Blue Economy in the outermost regions and to collect views on the draft amendment of the State aid Guidelines proposed by the Commission.

The purpose of this initiative was to add a section on state aid to the fisheries sector in the EU's peripheral regions to the guidelines for examining state aid to the fishing and fish farming sector. It will align them with the Commission's new approach to the outermost regions, taking into account these regions' special characteristics and constraints, as set out in Article 349 TFEU.

Evaluation of the European Fishery Statistics

Consultation period: 18 January 2019 - 12 April 2019

The aim of the consultation is to gather information about professional and personal experience on European fisheries statistics

collected by Eurostat. European fisheries statistics provide official statistics on fish catches, fish landings, aquaculture production and fishing fleets across the EU. They are contributing to policy making and monitoring of the Common Fisheries Policy

Public consultation on EU marketing standards for fishery and aquaculture products

Consultation period: 17 July 2018 – 9 October 2018

On 17 July 2018, the EU Commission opened a public consultation to evaluate and gather feedback from all relevant stakeholders, including consumers, on the marketing standards in the fishery and aquaculture sector as a tool to ensure supply of sustainable products to the EU market, fair competition among operators and improved profitability of the fishery sector as well as a level-playing field between EU and imported products.

Evaluation of the Eel Regulation

Consultation period: 14 December 2018 - 8 March 2019

The European eel stock (*Anguilla Anguilla*) is in critical condition. Recruitment is at an all-time low and exploitation of the stock is currently unsustainable. The decline in eel stock has numerous causes including human activities such as fisheries (commercial and recreational), hydropower turbines and pumps, pollution, habitat modification and the creation of obstacles to eel migrations. A further deterioration of the status of the stock should be avoided. In 2007 a framework to ensure the protection and sustainable use of the European eel stock was established at EU level (Regulation (EC) No 1100 /2007 – the so called ‘Eel Regulation’).

This Public Consultation is part of the evaluation of the Eel Regulation. The evaluation aims to assess the measures for the recovery of the stock of the European eel under the Eel Regulation, and in particular the contribution of the Eel Management Plans established and implemented under this Regulation. These plans include measures to ensure the long-term escapement of at least 40% of adult eels and include limiting professional and recreational fisheries, facilitating fish migration through rivers and restocking inland waters with young fish.

5. *Blue Bioeconomy*

EU aquaculture

The 2018 Economic report of the EU Aquaculture Sector shows a strong and growing sector. In 2016, the EU aquaculture sector has produced and sold 1.4 million tonnes of seafood, worth almost €5 billion. Profits of the sector have doubled between 2014 and 2016. Employment figures demonstrate that aquaculture firms are providing more and more stable employment opportunities.

The aquaculture report provides a comprehensive overview of the latest information available on the production, economic value, structure and competitive performance of the aquaculture sector at national and EU levels for the years 2008 to 2016.

Production has increased by 2.2% yearly between 2014 and 2016 in volume and 3.1% in value. Profit almost doubled over the same period, reaching €0.8 billion total earnings before interests and taxes in 2016. This marks a strong recovery from the bad year of 2013 in most of the large aquaculture countries.

The EU is home to some 12,500 aquaculture enterprises, mostly micro-businesses employing less than 10 employees. Employment has remained stable in terms of total employees (73,000) but has significantly expanded in terms of full-time equivalents: from 36,000 in 2013 to almost 44,000 in 2016. This implies that aquaculture firms are providing more stable employment opportunities.

This positive trend is likely to continue. With investment being significantly higher than depreciation, the sector has a positive perception about its future development.

Yet, there are large differences across MS and subsectors: The EU aquaculture sector distinguishes three subsectors: marine, shellfish and freshwater production. With €2,731 million in turnover, marine aquaculture is the largest, followed by shellfish (€1,134 million) and freshwater (€1,028 million) production. The main species produced in terms of value are Atlantic salmon, rainbow trout and European seabass.

EU production is dominated by five countries: United Kingdom, France, Greece, Italy and Spain.

In the marine sector, the United Kingdom is the main producer of

salmon (91% total value), whereas Greece is the main producer of seabream and seabass (47% total value). In the shellfish sector, France produces 86% of the oysters and Spain leads on mussels, covering 45% of the volume. Italy is the main producer of clams (80%).

By far the most frequently farmed freshwater species is trout. Italy (19%), Denmark (17%) and France (14%) are taking the lead. Carp is another important species, especially for Eastern Europe: Poland (24%), Czech Republic (23%) and Hungary (14%).

Also in terms of average wages, there are strong regional differences. The average yearly wage in 2016 was €25,000 per year, corresponding to an annual increase of 3.5% since 2014. However, nominal salaries range from less than €3,000 per year in Bulgaria to about €65,000 a year in the Netherlands or Denmark.

Economic performance indicators for the EU aquaculture sector, 2016

Country	GVA <i>million €</i>	EBIT <i>million €</i>	ROI <i>%</i>	Average wage <i>thous- and €</i>	Labour product- ivity <i>thous- and €</i>	Capital product- ivity <i>%</i>	Future Expecta- tions Indicator <i>%</i>
Bulgaria	23.1	18.6	22.1	2.6	11.9	27.4	2.8
Croatia	49.5	22.4	8.1	13.5	30.0	18.0	3.1
Denmark	44.9	12.1	5.9	65.7	122.7	21.9	0.4
Finland	39.4	5.0	2.1	40.6	57.8	16.8	-1.0
France	421.1	130.8	12.7	25.1	47.7	40.8	-1.4
Greece	209.9	145.8	13.4	16.2	60.3	19.3	0.1
Ireland	71.0	40.3	21.1	28.5	69.2	37.2	0.8
Italy	185.0	103.8	24.1	37.2	97.7	42.9	28.2
Latvia	5.6	1.5	2.8	12.2	16.5	10.6	-4.5
Malta	37.0	26.6	50.5	17.1	82.6	70.1	0.8
Netherlands	35.4	18.9	14.0	67.0	172.4	26.2	3.5
Portugal	83.6	55.9	60.2	13.7	100.8	90.0	14.9
Slovenia	0.8	-0.1	-1.0	9.5	42.4	11.0	-9.5
Spain	238.9	74.0	10.8	22.4	36.6	34.7	-0.6
Sweden	43.3	19.7	15.3	28.4	68.3	33.8	-1.4
United Kingdom	573.3	127.2	33.0	36.6	101.8	33.0	3.7
Total EU	2,062.0	802.6	19.4	25.0	59.7	32.0	3.0

Source: STEFC EWG on Aquaculture.

EUMOFA study on the EU bioeconomy

Over 50% of any fish caught or farmed is not consumed directly. In the case of tuna, as much as 70% of the animal ends up as waste or by-product.

Traditionally, the rest goes into production of fish oil, fishmeal, animal feed, pet food or fertilizer. According to a new study from EUMOFA, the European Market Observatory for Fisheries and Aquaculture Products, there is more to gain from the aquatic biomass. As nutritional and pharmaceutical ingredients or cosmetic products, fish by-products and algae can generate high added value, and boost the blue bioeconomy.

An EUMOFA study looks into the value and activities comprising the EU bioeconomy. It offers an overview of the types of investments underpinning the sector, the size of demand and main players involved, future requirements, as well as public policies promoting the biotech sector.

One finding of EUMOFA is that policy changes that incorporate technological changes to capture methods and fishing equipment may be needed to deal with some structural challenges to reduction of discards. The scale of loss of biomass to further use should be reduced. I.e., according to the study, about 7% of the cod catch in the Baltic Sea was discarded, whereas the amount of unwanted flatfish also caught in trawl-nets is unquantified.

The study notes that the amounts of biomass available from each type of resource varies widely. As a rule of thumb, more than 50% of any finfish does not directly enter the human food chain. White fish such as cod may generate almost 60% waste, ocean fish such as tuna as much as 70%. For shellfish such as scallops, wastes are as high as 88% of catches and harvests. Exceptions might include cephalopods (c. 65% of cuttlefish is edible) and “reduction fish”, of which 100% is used for fishmeal and fish oils.

Algae and other aquatic plants have also considerable development potential. The study shows an increasing number of SMEs developing high added value products from macro- and microalgae. However, EU algae production is still very small, compared with the rest of the world. The vast majority of the supply is therefore imported.

The study identifies the opportunities and challenges to create products, such as novel foods and food additives, nutraceuticals (food

with health benefits), pharmaceuticals, cosmetics, materials (e.g. clothes and construction materials) and energy.

High value added ingredients found in algae or seafood are, for example, omega-3 fatty acids, collagen, chitin, gelatin, minerals, carotenoids, enzymes, amino-acids, etc.

Very often, the cost of development is high and the time to market long. Investing in R&D and innovation to make good use of seafood resources requires significant financial resources. Nevertheless, the study confirms that this new stream of the blue bioeconomy can bring a new impetus for long-term economic growth and employment.

EUMOFA is accessible via www.eumofa.eu. It is a platform developed by the European Commission that offers information on the European Union fisheries and aquaculture sector. EUMOFA provides, among others, industry data, access to studies and reports as well as market overviews at EU and MS level.

Blue Bioeconomy Forum

With the Blue Bioeconomy Forum, the European Commission has a new tool to boost the blue bioeconomy in Europe.

The blue bioeconomy is an exciting field of innovation, turning aquatic biomass into novel foods, feed, energy, packaging and much more. Thanks to the forum, all stakeholders can help shape the future of this promising area.

The Blue bioeconomy forum was launched at the high-level event on the Sustainable and circular Bioeconomy, the European Way on 22 October in Brussels.

Marine Genetic Resources: Bridging policy, law, science and research and development

Over 65% of the biomass in the ocean is made of plankton. Marine microbes bring services to our ecosystem and their genetic diversity is remarkable. Moreover, marine genetic resources (MGR) have enormous potential in fields such as pharmaceutical, bioremediation, cosmetics, nutraceutical, or biomedical innovation.

Marine genetic resources in areas beyond national jurisdiction are not regulated. Therefore, the European Commission organised an international workshop on “Marine genetic Resources in areas beyond national jurisdiction: bridging policy, law, science and research and development” on the 21st and 22nd of May in Brussels.

Negotiators of the international treaty on marine biodiversity beyond national jurisdiction (BBNJ), top scientists, legal experts and representatives from the private sector and the civil society came together to better understand the scientific process related to the discovery, analysis and use of those resources from areas beyond national jurisdiction, e.g. the high seas. In total, 90 participants from 32 countries attended the workshop, discussing technical aspects related to: the sampling of marine genetic resources; their scientific analysis; their storing in collection; the transformation of samples into digital scientific information; examples of applied research; legal issues, such as intellectual property rights.

Molecular biologists described how DNA is extracted and transformed into digital data, which then needs to be curated before being analysed.

The scientific community stressed the importance of having open access to data, as this is the foundation of scientific investigation. Oceanographers gave an overview of the technologies employed for sampling the deep sea and explained how difficult and costly it is to organise cruises in the high seas. International cooperation is therefore essential and there are plenty of good examples to follow. BBNJ negotiations is a political priority for the European Union. The President of the BBNJ intergovernmental conference at the UN, Rena Lee, underlined the need to base the negotiations on solid scientific knowledge and to look for practical solutions, through a pragmatic approach.

The BBNJ negotiation to elaborate the text of an international legally binding instrument under the United Nations Convention on the Law of Sea (UNCLOS) on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction, is currently ongoing. The negotiation focuses on four elements of a “package deal”: areas based management tools, including marine protected areas – environmental impacts assessment – capacity building and transfer of marine technologies – marine genetic resources, including benefit sharing. The EU and its Member States has been a strong promoter of this political process since its inception in 2006. Reaching an effective and universal agreement is a key priority for the EU, within the Ocean Governance Agenda.

6. Assistance mechanism for investment in the Blue Economy

A call for tenders, in a form of an open procedure, was launched in August 2018 with a view to establish an assistance mechanism for investment in the blue economy, to be branded as “Blue Economy Assistance Platform”, with a view to facilitating access to investment for maritime ventures.

The purpose of this call for tenders was to select a service provider to set up and operate an “Assistance Mechanism” that supports access to finance for SMEs, start-ups, early stage businesses and scale-ups in the blue economy.

The goal of these services is to select ventures and companies in order to increase their level of investment readiness, and ultimately facilitate investment in these by private and/ or public investors.

7. Blue Economy: A new call for proposals to kindle sustainable maritime development across Europe

Realising the full potential of the ocean will demand responsible, sustainable approaches to its economic development – says a recent report by the Organisation for Economic Cooperation and Development (OECD).

But what are the barriers to such responsible development? What are the factors still preventing eco-friendly sectors from growing up and shaping a sustainable ocean economy?

Having identified a few of them, the Commission has been piloting its recent policies and investments to overcome obstacles such as the mismatch between workers’ skills and labour market needs; the scattering of research efforts; and the conspicuous absence of funds to scale up promising projects from pilot to demonstration phase.

The latest Blue Economy Call launched by the EMFF (out in October 2018, €18.7 million) took an even more targeted approach by focussing on some specific needs of the maritime players. The Blue Labs section (€5 million) supports new, multidisciplinary partnerships between maritime stakeholders that can drive innovation forward in the blue economy. Blue labs’ multidisciplinary partnerships between young scientists and experienced mentors have led before to innovations such as microbes cleaning up oil spills and drones fighting marine litter.

The Blue Careers section (€5.5 million) – in view that the labour market is changing quickly - supports the development of innovative vocational training schemes that boost both industry engagement and entrepreneurial/ social skills. And the blue economy grants (€8.2 million) help innovative technologies and services find the capital they need to become market ready. These grants for innovation are the largest in terms of budget in the maritime economy which will help companies to fund pre-commercial demonstration projects, so they can go to market and scale up much faster.

The call was open to applicants until 31 January 2019. An information session on the Blue Economy was scheduled on 22 November 2018 in Brussels. During the event, participants learned about eligibility, budget, submissions and applications process. The event also showcased some of the most notable Blue Labs, Blue Careers and Blue Tech projects generated by the first call of this kind in 2016.

The Blue economy call is a recognition that we need to continue investing to ensure healthy oceans which would become part of our economy supporting jobs and growth.

In January 2019, already 22 sustainable blue projects had been selected for funding by the European Commission under the EMFF, benefitting 104 companies from 22 countries (€15.1 million). The had been divided into 4 strands. The biggest share has been addressed to demonstration and market projects (almost 9 million). Blue networks and fighting marine litter shared € 2.3 million for each strand. One project was selected in the strand of restoring ecosystems and received €1.5 million.

These projects have been the result of a selection made under a call for proposal launched to accelerate the deployment of a sustainable blue economy across the EU and the Mediterranean. They work on the following topics: innovation (de-risking investment in demonstration projects), environment (fighting marine litter and restoring ecosystems), cooperation for a sustainable blue economy, among other things.

8. Seafarers' training: provisional agreement with European Parliament on simpler framework

The EU has streamlined its regulatory framework on seafarers' training and certification. On 4 April 2019, the EP has approved the simplification of the rules on training and recognition of seafarers. The Presidency of the Council and EP representatives had reached an agreement already on 11 February 2019. The EU rules are supposed to closely relate to the STCW. The EU Commission regularly checks that EU member states and third countries comply with the requirements of the EU directive and the STCW Convention. The new directive shall make the recognition of seafarers from third countries more efficient and effective, but it also aims at preserving high qualification standards. The Council still has to formally adopt the directive.

9. Consultations

Block-exempted state aid – fishing and fish farming sector (2021-27)

Period of consultation: 28 June 2019 - 20 September 2019 (mid-night Brussels time)

State aid control in the fishery and aquaculture sector is regulated by a specific framework of rules: (1) De minimis Regulation (Commission Regulation (EU) No 717/2014), (2) Block Exemption Regulation (Commission Regulation (EU) No 1388/2014), and (3) Guidelines for the examination of State aid to the fishery and aquaculture sector (Communication 2015/C 217/01, as amended). The Commission has embarked on the exercise of the review of the State aid framework, which should ensure consistency of the Regulations and the Guidelines with the new rules governing the European Maritime and Fisheries Fund. The review should also ensure that any potential for simplification and increased legal certainty is taken into account when designing future rules. As the two regulations will expire at the end of 2020, a review and replacement of these instruments will be needed for the period from 2021 to 2027. The consultation will cover all the three State aid instruments.

State aid (small amounts) – fishing and fish farming sector (2021-27)

Period of consultation: 28 June 2019 - 20 September 2019 (mid-night Brussels time)

State aid guidelines for fisheries – amendment

Period of consultation: 28 June 2019 - 20 September 2019 (midnight Brussels time)

Consultation on the evaluation of the Consortia Block Exemption Regulation

Period of consultation: 27 September 2018 – 20 December 2018

Liner shipping services consist of the provision of regular, scheduled maritime cargo transport on a specific route. They require significant levels of investment and therefore are regularly provided by several shipping companies cooperating in „consortia“ agreements. Consortia can lead to economies of scale and better utilisation of the space of the vessels. A fair share of the benefits resulting from these efficiencies can be passed on to users of the shipping services in terms of better coverage of ports (improvement in the frequency of sailings and port calls) and better services (an improvement in scheduling, better or personalised services through the use of more modern vessels, equipment and port facilities).

Article 101(1) of the Treaty on the Functioning of the European Union („TFEU“) prohibits agreements between undertakings that restrict competition. However, Article 101(3) TFEU allows declaring such agreements compatible with the internal market provided they contribute to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits without eliminating competition.

Council Regulation 246/2009 provides that, in accordance with the provisions of Article 101(3) TFEU, the Commission may, by way of Regulation, exempt consortia agreements from the application of Article 101(1) TFEU for a period limited to five years with the possibility of prolongation. Accordingly, the Commission has adopted Regulation 906/2009 (hereafter the „Consortia Regulation“), which sets the specific conditions for the exemption of consortia agreements. These conditions notably aim at ensuring that customers enjoy a fair share of the resulting benefits. The Consortia Regulation will expire on 25 April 2020, and the proposed evaluation is scheduled to be finalized before the expiry date.

This public consultation was a part of the evaluation of the Consortia Regulation, which started in May 2018. The objective of the consultation was to collect evidence and views from stakeholders in order to assess the impact and relevance of the Consortia Regulation and provide an evidence base for determining whether it should be left to expire or prolonged (and if so, under which conditions).

II. Energy aspects with regard to maritime policy

1. Nordstream 2 and the Interregional Group in the European Committee of the Regions

On 10 October 2018, the 6th meeting of the Interregional Group Nord Stream 2 took place in the premises of the European Committee of the Regions (CoR) on the sidelines of the 131st CoR Plenary. Members of the CoR discussed energy security, sustainability and environmental issues with Nord Stream 2 AG representatives. Member of Parliament Jochen Schulte participated from the German region of Mecklenburg-Vorpommern.

The Interregional Group had been constituted in December 2017. The 15 founding members are mainly from Poland and Lithuania.

In June 2019, Nord Stream 2 AG has withdrawn its application for the route through Danish territorial waters south of Bornholm, thus terminating a more than 2-year lasting procedure. The second and third applications for routes north-west and south-east of Bornholm international waters remain unchanged.

2. EU competition rules also apply to gas pipelines from third countries such as Nordstream 2

Following the EU Member States' ambassadors decision on 8 February 2019 to adopt a common position to reform the EU Gas Directive, already during the first round of negotiations with the European Parliament an agreement was reached on the new regulation on February 2019 (the EP had already adopted its position in April 2018).

In the future, the same competition rules shall apply for gas pipelines from third countries as for those within the EU. This means, for example, a necessary separation of grid infrastructure and transport up to the border of the territory and territorial sea of the Member State in which the line joins the EU network. Exceptions are possible. For existing pipelines, belonging to a vertically integrated enterprise at the time of the adoption of the directive, MS may grant a derogation within one year of the entry into force of the directive, provided it does not affect competition within the EU. Existing technical agreements between transmission system operators on the operation of pipelines should continue to apply, if they do not infringe EU law.

The new directive provides for a procedure for the negotiation of agreements between MS and third countries on the operation of a gas pipeline, which regulates, for example, differences between EU law and the legislation of the third country. MS are required to inform the EU Commission, if they wish to enter into negotiations for the conclusion, amendment or extension of such an agreement with an impact on EU law. For the part that could affect EU rules, the Commission must authorize the MS to open formal negotiations. If exceptions to EU law are envisaged, the Commission will examine, whether they are necessary and the conditions are met. The provisional agreement requires formal adoption by the Council and the Parliament. After entry into force, MS must bring their national legislation into line with the directive within nine months.

3. Report on new technologies in the ocean energy sector

While the ocean energy sector is still at an early stage of development, a new report analyses ten future emerging technologies to generate energy from the ocean tides and waves.

An integrated systems approach is necessary for their successful commercialisation.

Moving to economically viable ocean energy technologies is a huge step towards decarbonisation and the growth of the blue economy in many coastal areas.

With only 17 MW compared to 15.8 GW of offshore wind of operating capacity installed in European waters, mostly as demonstration or first-of-a-kind precommercial projects, every technological solution proposed to bridge the gap between R&D stage and the commercialisation of ocean energy devices can be seen for the time being as a future emerging technology.

As part of the European Commission's internal Low Carbon Energy Observatory project, the Joint Research Centre (JRC) is developing an inventory of future emerging technologies relevant to energy supply.

30 experts in the ocean energy analysed the needs for the sector, and the type of innovations to bridge the mentioned gap.

A new report called "Future emerging technologies for the ocean energy sector: innovation and game-changers" offers policy makers and all other ocean energy stakeholders an array of innovations that

– provided further R&D expenditures are made at private, national or European level – can bring ocean energy to the market and would help maintain European leadership in this emerging sector.

The authors are giving a description of the progress in each of the technology family, of advantages, technological limitations, as well as their technological readiness.

In Europe, a large variety of concepts has been developed for ocean energy conversion, with more than 200 different devices proposed.

The experts are reviewing about ten technology families, grouping wave or tidal converters, subsystems and components that are characterised by a common operating or design principle.

Tidal energy

In terms of speed of development, the first generation of tidal energy converters is heading the group. They have reached the pre-commercial stage with the total installed capacity of around 12 MW in Europe and the speed of development is medium, with devices having reached maturity after 10+ years of R&D.

Floating tidal devices do not require heavy and costly foundation systems.

Speed of the technology development is medium/fast (meaning between less than 5 to 15 years), with some floating tidal platforms already at an advanced stage of development.

Third generation tidal energy converters extract energy from a tidal flow or water flow using the sails, kites, or simulating fish-swimming motion.

The speed of development is medium/fast, and is affected by the development of materials and ancillary technology.

Wave energy

As for wave energy, the research goes back 40 years.

Testing facilities and new computational tools render research more accessible and open up new opportunities leading to novel approaches to the first generation of wave energy concepts.

The advancement of artificial intelligence and learning algorithms offer an opportunity for developing designs, which are more efficient. Development speed is in medium-slow range.

Novel wave energy concepts exploit the material-flexibility and the orbital velocities of water particles to convert wave power to electricity.

They are characterised by an overall simplicity of design compared to first generation wave energy devices. Yet, they are at early stages of development, with no device installed in real sea and the maximum power rating for the device yet to be identified.

Direct drive, hydraulic and inertia systems

Mechanical systems can be at a relatively fast pace, while dielectric elastomers offer fast speed of development but require more R&D.

Further information on those concepts is available through Marinets 2 P Horizon 2020 project, the Wave Energy Scotland programme and the European Marine Energy Centre list of wave and tidal energy technology.

The researchers are concluding that an integrated systems approach is required to develop successful marine energy systems; therefore, collaboration with industry and engagement with original equipment manufacturers from the early stage of development is recommended.

System capabilities and requirements should be properly defined and made transparent to increase the effectiveness of future technologies and applicability to ocean energy technologies.

The impact of the future emerging technologies should be put in the context of the priorities for the ocean energy sector as identified through the Ocean Energy Roadmap and the SET-Plan implementation.

A further analysis is needed to prioritise which options could have the greatest impact on the sector in achieving short-term goals (2025 targets) and long term ambitions (100 GW of installed capacity by 2050).

4. Consultations

Public consultation on the evaluation of the offshore safety directive

Consultation period: 19 September 2018 - 21 December 2018

The Offshore Safety Directive (2013/30/EU) established minimum requirements for safety and environmental protection across the EU for offshore oil and gas operations. The consultation gathered views on the implementation of the directive, its effectiveness, relevance, coherence, EU added value and efficiency, as well as any needs for its further development and adjustment.

III. Infrastructural aspects with regard to maritime policy

1. *The European Atlas of the Seas*

The European Atlas of the Seas is an interactive web-based tool available for the general public, non-expert professionals and schools in the 24 official EU languages.

The atlas hosts a wealth of information about Europe's marine environment and related human activities, covering topics such as nature, tourism, security, energy, passenger transport, sea bottom, sea level rise, fish consumption, and much more. Users have access to an enriched catalogue of more than 200 map layers.

2. *Port calls: Reporting obligations for ships will be simplified*

The EU Council Presidency and EP representatives agreed on 7 February 2019 to simplify all reporting formalities associated with port calls. In the future, they will be bundled in a “maritime single window”. To this end, the existing national maritime single windows will become linked in a coordinated and harmonized way. The reform will improve interoperability between various systems, making it easier to share and reuse data. With the „once-only“ principle applied, the data transmitted during a port application can also be

reused for subsequent port calls. The regulation still has to be formally adopted by the Council. The EP has adopted the regulation on 18 April 2019.

3. EU invests 800 million euros in energy infrastructure

Member States approved on 23 January 2019 a proposal from the Commission to invest almost € 800 million from the CEF programme in European energy infrastructure projects. These include a project to better connect the Baltic States to the EU electricity grid and the Baltic Sea pipeline between Denmark and Poland. In the electricity sector, the project for the synchronisation of electricity networks in the Baltic States will receive a grant of EUR 323 million. The Baltic states are synchronically connected to the centralised Russian distribution system, which hampers their full integration into the EU electricity markets. The project aims to improve the security of supply and reliability of electricity systems in the region through synchronisation with the continental European network. In June 2018, EU leaders agreed on the political framework for the completion of synchronisation.

In addition, nearly € 215 million from the CEF will be used in the gas sector to support the Baltic Sea Pipeline project, a new bidirectional offshore gas interconnector between Poland and Denmark. This pipeline will be critical to the security of supply and market integration of the region.

The CEF foresees a total of EUR 5.35 billion for the trans-European energy infrastructure for the period 2014-2020. For a project to qualify for a grant, it must be a „project of common interest”. The Union-wide list of projects of common interest is updated every two years. The current list of projects of common interest was published by the Commission in November 2017.

4. Court of Justice of the European Union against planned state aid for Fehmarnbelt tunnel

The Court of Justice of the European Union challenged the proposed state funding of the planned Fehmarn Belt tunnel between Denmark and Germany on 13 December 2018 for procedural errors. In 2015, the Commission decided not to oppose Denmark’s proposed state aid to the state-owned Danish group Femern A / S for the design, construction and operation of the tunnel. The Court considers, however, that a formal investigation procedure should

have been carried out. It partly upheld the complaints of the shipping companies Scandlines Danmark and Scandlines Germany as well as the Swedish Stena Line Scandinavia.

5. Safer Seas through EU Common Information Sharing Environment

The common information-sharing environment (CISE), mentioned already in section A, is being developed jointly by the European Commission and EU/ European Economic Area members with the support of relevant agencies such as EFCA. It integrates existing surveillance systems and networks, and all authorities concerned can have access to the information they need for their missions at sea. CISE makes different systems interoperable, so that data and other information can be exchanged easily through the use of modern technologies.

Safer seas and a safer Europe got one step closer since 27 March, day of the final conference of the European security research project EU Common Information Sharing Environment (EUCISE2020) in Brussels. The project has shown how European coordination on maritime surveillance could become a reality even when the dozens of authorities and their information and telecommunication infrastructures all speak a different (human or digital) language. A research project funded by the EU's 7th Research and Innovation funding programme (FP7 2007-2013), it aimed to create an environment that enables information sharing across all relevant sectors and user communities. The project involved about 60 European maritime authorities from 15 States, all connected through 12 "nodes". These nodes receive information from the coast guard, the navy, fisheries ministries, customs authorities and allow national authorities in different MS to communicate quickly. The Italian Space Agency ASI coordinated the effort and worked with 39 partners, including maritime authorities, universities, research centres and oceanographic institutes.

The final conference also demonstrated that intelligent information sharing between maritime authorities makes surveillance less expensive and more effective. The Common Information Sharing Environment will make European seas safer, better controlled and more protected.

CISE has entered a new phase, funded through a direct grant of 3,5 million € by EMFF, during which it will build upon the successful completion of the EU interoperability project EUCISE 2020 as

well as upon the knowledge gained through important national projects.

The CISE Stakeholders Group, which will be the governance body for the transitional phase, was set up by Directorate-General for Maritime Affairs and Fisheries (DG MARE) and held its kick off meeting in Lisbon on May 15, 2019. All EU Member States, many EU agencies (EFCA, Frontex, European Union Satellite Centre - SatCen, European Defence Agency - EDA) and the European External Action Service (EEAS) are members of this group. The next meeting of the CISE Stakeholders Group will take place in October.

The leading institution EMSA, the European Maritime Safety Agency, will assist MS in the course of the next three years to implement CISE on a voluntary basis and examine how it fits with other EU information exchange systems.

Integrated Maritime Surveillance is the effective understanding of all activities carried out at sea that could affect the security, safety, economy, or environment of the European Union and its MS. Ensuring a more secure maritime environment is a key precondition to allow blue economy to grow. CISE will improve maritime surveillance and mitigate the diverse risks that might have a negative effect on European seas and shores, such as pollution, illegal and criminal activities, piracy, or terrorism.

A Staff Working Document was being drafted in June, presenting the review of CISE, the achievements of last years and the main challenges that lie ahead for its further implementation.

6. New insights into European maritime traffic

European seas are a hub of human activity. Maritime transport is so omnipresent that it inevitably affects anybody working in or with the ocean.

For the first time, those responsible for monitoring shipping emissions, identifying the best routes to lay pipelines and cables, assessing the impact of fishing on the seafloor or planning offshore wind farms can have maps of vessel activity on their desktops.

The new EMODnet digital vessel density maps will help them visualise vessel movement patterns and distribution of maritime traffic in European waters. This allows users to access monthly composite maps by ship type for the year 2017 (with more to come).

Maps are available free of charge for viewing, downloading, processing and use for commercial and non-commercial purposes alike from the EMODnet Human Activities portal.

The EMODnet Human Activities team has developed a bespoke method for developing the vessel density maps, in close consultation with the Joint Research Centre (JRC).

In March 2019, the data available in the maps covered the year 2017, but 2018 data is due later this year. Regular updates will be released on the portal as soon as they become available.

7. EMODNET launches new “street view” of the seabed

EMODNET also has launched a high-resolution, 3D underwater terrain model for the European Seas.

The model is a significant upgrade of the “bathymetry DTM”, a service that visualises the „beds“ or „floors“ of water bodies. The DTM is useful for a whole range of applications in marine science, ocean governance, and the blue economy.

Available free of charge, it helps companies and scientists when tracing out new pipeline trajectories, deciding on locations of offshore wind farms or planning harbour extensions. It enables biologists to draw seabed habitat maps, geologists to study morphological processes and oceanographers to develop their hydrodynamic models.

The DTM helps to reduce risks for coastal and offshore installations, and improves forecasting storm surges.

First launched in 2010, the EMODnet Digital Bathymetry (DTM) has now become a reference for government, science and industry. Regularly visited by more than 10 000 persons per month, with over 3 000 downloads per month, it provides the best publicly available gridded bathymetry model for European marine waters.

With the ambition to refine further the quality and the resolution of the DTM, considering both European offshore waters and coastal zones, EMODnet invites potential high-resolution bathymetric data providers to help generate an even better DTM product. For more information on the EMODnet Data Ingestion portal: www.emodnet-ingestion.eu

8. Consultations

Ex-post evaluation of the Trans-European Transport Network (TEN-T) Programme 2007-2013

Consultation period: 15 November 2018 – 14 February 2019

The ex-post evaluation of the TEN-T Programme 2007-2013 was supposed to present the progress in the achievement of the measures' objectives, the efficiency of the use of resources, and an evaluation of the relevance, coherence and European added value of the TEN-T programme.

Trans-European Transport Network (TEN-T) Guidelines – evaluation

Consultation period: 24. April 2019 - 17.Juli 2019

The purpose of the evaluation was to assess progress made since the guidelines took effect. Key areas include alternative clean fuels, combining different means of transport (multi-modality) and digitalisation.

Evaluation of EMODnet

Consultation period: 6 March 2019 - 29 May 2019

The purpose of this consultation was to evaluate the performance and functioning of the European Marine Observation and Data Network (EMODnet). The findings of the evaluation will be used to guide activities undertaken in support of marine knowledge in the remaining years 2019-2020 of the EMFF and to feed into the preparatory process for a possible follow-up post 2020.

IV. Environmental aspects with regard to maritime policy including climate protection

1. *Measures of the EU member states to protect seas and oceans*

A new European Commission report on the implementation of the EU Marine Strategy Framework Directive shows that MS have made considerable efforts to address pressures on the marine environment. Yet, these measures are not yet sufficient to achieve good, healthy and productive seas by 2020.

The concept of ‘good environmental status’ is defined by measures conserving biodiversity and tackling pressures like overfishing, seabed damage, marine litter and contaminants.

The programmes of measures set up by MS under the Marine Strategy Framework Directive are the last step of their 6-year strategies. In their programmes of measures, MS have relied on regional cooperation more than ever before, and integrated different national, EU and international policies. For example to fight overfishing and reduce the negative impacts of fishing, MS have reported measures taken under the EU Common Fisheries Policy, in regional and international agreements, as well as new measures, such as introducing the use of specific and less damaging fishing gear.

One in four measures announced by MS has been developed specifically for the purposes of this Directive to target pressures on the marine environment that would otherwise not be covered. Nevertheless, the assessment shows that the goal of ‘good environmental status’ of European marine waters by 2020 will not be achieved without further improvements. In some cases, such as marine litter, where MS lacked coordinated measures, this shortcoming is partly addressed at EU level, through the EU’s Strategy on plastics and its subsequent actions.

In the report and its annex, the Commission makes a number of general and specific recommendations to MS, guiding them on next steps.

MS are required to set up six-year strategies through which they assess the status of their marine waters. This involves to determine ‘good environmental status’ on the basis of 11 descriptors (such as biodiversity, commercial fish stocks, marine litter and sea-floor

integrity), to set environmental targets, to develop and implement monitoring programmes and, finally, to develop and implement measures to achieve this good environmental status objective. The framework relies on the ecosystem approach to the management of human activities that have an impact on the marine environment, integrating the concepts of environmental protection and sustainable use.

2. Approaches to curb marine litter

In 2018, the European Commission launched legal proposals to curb marine litter from single-use plastics, as well as from derelict fishing gear. The directive on single-use plastics was finally adopted on 21 May 2019 (see above).

Through the various EU funds, innovative projects to reduce, reuse or recycle marine litter get EU support. Also in international forums such as the G7 and the UN, the EU is taking the lead and encouraging other countries to take action.

The EU Commission has also welcomed an agreement on port facilities to reduce and recycle waste on ships on 12 December 2018.

The European Parliament and Council reached a provisional agreement on a Directive on port reception facilities for the delivery and processing of waste from ships. This was based on a Commission proposal of January 2018 and part of the European strategy to reduce plastic waste. Violeta Bulc, Commissioner for Mobility and Transport said: “Pollution is killing our oceans and urgent action is needed to reduce marine pollution and marine litter. Shipping and ports play a central role in collecting waste generated from a sea going vessel. Today’s agreement is a further proof of the EU’s determination to protect the oceans from pollution while fostering new and innovative business models to make our economy more circular and sustainable.” The Directive tackles waste from ships, with a focus on sea-based marine litter. It sets measures to ensure that waste generated on ships or collected at sea is always returned to land, recycled and processed in ports. The new rules will enable a mix of incentive and enforcement measures such as a targeted inspection regime, supported by a digital reporting system, as well as cost recovery systems, based on an indirect fee that will give incentives for ‘green ships’ that demonstrate sustainable waste management on board.

On the occasion of World Cleanup Day, some 50 EU delegations and representations have been teaming up with NGOs, embassies,

schools and volunteer networks to organise beach clean activities across the world.

Every year, some 8 million tons of plastic enter the sea. Made to last, plastic can survive hundreds of years in the ocean environment. As it slowly degrades, plastic marine litter turns into microplastics, becomes ingested by animals and in turn enters the human food chain.

Public policy and legislation alone cannot solve this problem. Indeed, a clean ocean is the responsibility of all. Each person's way of purchasing and consuming, and of treating waste affects the entire planet.

By cleaning beaches, riversides and even cities, the EU representations and delegations (its embassies in EU and non-EU countries, respectively) want to send a strong statement. The #EUBeachCleanup campaign had started on 11 September in Fiji and ended on 27 October in Singapore, a few days before the Our Ocean 2018 conference in Bali.

These events are mapped in the European Atlas of the Seas (https://ec.europa.eu/maritimeaffairs/atlas_en), mentioned above in this report.

3. Report of the EU Commission on the implementation of the Marine Strategy Framework Directive: EU member states enhance their measures to protect the marine environment

The European Union is a strong advocate of international ocean governance. In September 2018, the first round of negotiations on an international law to preserve and sustainably use marine biodiversity at the high seas took place in New York and marked a significant step towards delivering an effective legal instrument, with universal application, as soon as possible. The EU works towards this international legal instrument under the UN Convention on the Law of the Sea (UNCLOS) in order to play its part within the global community's commitment to implement the UN Sustainable Development Goals (SDGs).

More than 170 States, international government organisations, civil society representatives, academia and industry were present at the intergovernmental conference tasked to elaborate this international agreement. The negotiations were held around the four elements of

the future instrument: marine genetic resources, including questions on the sharing of benefits, area based management tools, including marine protected areas, environmental impact assessments, capacity building and transfer of marine technology.

The next round of negotiations took place between 25 March and 5 April 2019.

4. Voluntary protection of harbour porpoises and diving ducks in the Baltic

A conservation project of the coast of Schleswig-Holstein, Germany, financed through the EMFF is helping to support local fishermen, ecologists and administrative bodies in adopting measures to protect harbour porpoises and diving ducks.

Both species have been affected by bycatches in the region, and gillnet fishing has been identified as the main cause of death amongst porpoises washed up on the beach. The project brings people together to identify and put a solution in place. 240 local fishermen out of about 300 active in the area are taking part. They are now using shorter gillnets during summer months and avoiding areas with many diving ducks in winter. Both these measures were judged by scientists to be suitable ways to protect the two marine species. The project is running between 2016 and 2019 and is supported by EU funding of around €400,000.

5. The Challenges of Unexploded Munitions in the Sea

On 20 February in Brussels, the European Commission, in cooperation with the European External Action Service, organised a Colloquium on the Challenges of Unexploded Munitions in the Sea.

In Europe, this problem is also particularly felt in the Baltic Sea. The sunken munitions pose growing safety, security and environmental risks, especially as they often contain chemical agents like sulphur mustard, nerve gas and lewisite. Leakage could pose a threat to marine ecosystems and, possibly, human health.

Unexploded munition can also be a barrier to blue economy opportunities, deterring or blocking the development of blue activities in dumping sites.

The event gathered representatives from MS, regional and interna-

tional organizations, researchers and other relevant stakeholders.

A map with the dumped munitions in EU waters can be found at the European Atlas of the Seas.

6. Consultations

Fitness Check of the Water Framework Directive and the Floods Directive

Consultation period: 17 September 2018 – 12 March 2019

The Water Framework Directive (2000/60/EC) is the most comprehensive instrument of EU water policy and its main objective is to protect and enhance EU water resources to achieve good status. The fitness check will evaluate this directive, two other directives directly linked to it (Directive 2006/118/EC on Groundwater and 2008/105/EC on Quality Standards) and the Floods Directive (2007/60/EC), which has been the catalyst for introducing a risk management approach to water floods across the EU.

List of Abbreviations

AI	Artificial intelligence
BSR	Baltic Sea Region
CBSS	Council of Baltic Sea States
CEF	Connecting Europe Facility
CISE	Common Information Sharing Environment
CoR	European Committee of the Regions
DTM	Digital Bathymetry
ECSA	European Community Shipowners' Association
EFCA	European Fisheries Control Agency
EIB	European Investment Bank
EMFF	European Maritime and Fisheries Fund
ETF	European Transport Workers' Federation
EUMOFA	European Market Observatory for Fisheries and Aquaculture Products
EUSBSR	European Union Strategy for the Baltic Sea Region
FARNET	European Fisheries Areas Network
GESAMP	Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection
GHG	Greenhouse gas
IMO	International Maritime Organization
IMP	Integrated Maritime Policy
IoT	Internet of Things
ITF	International Transport Workers' Federation
JRC	Joint Research Centre
LCEO	Low Carbon Energy Observatory
MCP	Maritime Connectivity Platform
MS	EU member states

MSC	Maritime Safety Committee
MSP	Maritime Spatial Planning
NGOs	Non-governmental organisations
SDGs	UN Sustainable Development Goals
SeaSWIM	Sea System Wide Information Management
SECA	Sulphur Emission Control Area
SMEs	Small and medium-sized enterprises
STCW	International Convention on Standards of Training, Certification and Watchkeeping for seafarers
STCW-F	International Convention on Standards of Training, Certification and Watchkeeping for Fishing Vessels Personnel
R&D/	R&I Research and Development/ Research and Innovation
RFID	Radio frequency identification
TAC	Total allowable catches
TEN-T	Trans-European Transport Network
UNCLOS	United Nations Convention on the Law of the Sea
UNEP	United Nations Environmental Programme
VR	Virtual reality
WISTA	Women's International Shipping and Trading Association
WWF	World Wide Fund For Nature

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