

THIRD SESSION

REPORT
Integrated Maritime Policy



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Honourable President,
Distinguished delegates,
Dear colleagues,

It is a special birthday present to me to see you all online today and to convey some of the insights I have gained in the field of maritime policy since my renewed appointment. The more so, because we can benefit all together from one more year of grown experience.

I would like to thank Jörgen Pettersson for his valuable specific input. He truly is a great man of the BSPC.

Following our tried and tested structure, in our report we address important **conferences**, of which fewer have taken place as you imagine, and **legislative developments and overarching aspects** at the EU level. Our focus is on Blue Growth, energy, infrastructure and environmental aspects of maritime policy.

Keeping in mind that Blue Growth is more than COVID-19, let me highlight a few of them.

I would have wished to dive under deeply and get into maritime affairs without having to think of nor to address a pandemic in my speech. But the Coronavirus has been “infecting” our report, too:

COVID-19 not only led to a postponement of many popular maritime events. Next to imposing substantial economic impacts I will describe later, it stalled negotiations on important maritime issues. For instance on the Treaty on the Conservation and Sustainable Use of Marine Biodiversity of Areas Beyond National Jurisdiction: The fourth round of negotiations, tasked to create the international legally binding instrument under the UN Convention on the Law of the Sea, planned for March 2020, was postponed.

Yet, there have been and will be some online conferences, like the International Ocean Governance Forum, the 13th Baltic Tourism Forum, the strategy forum of the EUSBSR and several European Maritime Day country events.

Let's now have a look at Blue Growth: According to the **new EU Blue Economy report**, the sector directly employed close to five million people (+11.6%). It generated around €750 billion in turnover and €218 billion in gross value added in 2018. The mentioned growth in Blue jobs was mainly driven by coastal tourism. Also offshore wind energy keeps strong: jobs multiplied nine-fold in less than 10 years.

The EU supports the blue economy through various instruments. The European Fund for Strategic Investments has invested over €1.4 billion in offshore wind projects and offered substantial support to other parts of the blue economy, including port development and clean shipping.

The BlueInvest Platform of the European Commission and the European Investment Fund have provided grants - €22 million in 2019 and €20 million in 2020 - to innovative, starting blue economy entrepreneurs. In addition, a new BlueInvest fund (worth 75 million euros) was created in February 2020. Also the European Bank for Reconstruction and Development is financing a series of projects.

Unfortunately, many thriving businesses have been severely hit in the course of the Corona pandemic by supply and demand disruptions - the blue economy making no exception.

The situation also proved difficult for cruise shipping, shipyards and suppliers. For some years to come, the demand of new ships of all kinds will be very low. Therefore, the Regional Government of Mecklenburg-Vorpommern has negotiated a recovery package for shipyards in July: 175 million euros of pledged bank deposits have been released, and in September 2020 further 570 million euros out of the economic stabilisation fund could become available.

I think, one should not forget, that the construction of complex ships is a strength of Europe. Modern technologies for driving power may help to find a way out of the crisis. Economically and ecologically.

As a part of the **COVID-19** Recovery Package the European Maritime and Fisheries Fund was increased with €500 million. The money is supposed to enhance investments, which contribute to the Green Deal, including the Farm to fork and 2030 Biodiversity strategies. What is more, in March and April 2020, the EU had adopted emergency aid for fisheries and aquaculture and a temporary framework for state aid.

Concerning the field of Infrastructure and Energy, let me now say a few words about **Nord Stream 2**.

New EU rules and legal proceedings have promoted competition on the gas market. Owners of gas infrastructure must allow third parties access to their pipelines. This includes pipelines connecting member states to external countries.

The Interregional Group “Nordstream 2” within the European Committee of the Regions, I took part in, ceased to exist. Likewise, construction works stopped in December 2019.

Since 15 July 2020, the «Countering America’s Adversaries Through Sanctions Act» applies to Nordstream 2, enabling sanctions against the European firms involved in its construction and operation. Probably, you have heard about the three US senators’ letter to Sassnitz harbour. Our regional parliament will address the issue this week, expressing its disconcertment.

The German Federal Network Agency did not exempt Nord Stream 2 from the EU Gas Directive. 24 EU-members in the meanwhile expressed in a démarche delivered to the US government, that extra-territorial sanctions imposed by third countries are against international law.

EU Energy diversification and greening is ongoing.

Meanwhile, also in Northern Germany LNG terminals are being built – one at Rostock, funded by the EU.

And of course, Europe’s climate ambitions affect the demand of natural gas.

Fuelled by the International Maritime Organisation’s 2020 sulphur cap, maritime transport is looking increasingly towards less carbon-intensive energy sources. As a consequence of the European Green Deal, full decarbonisation of shipping will have to be achieved by 2050. According to the EU Commission’s climate action progress report, the EU has begun economic modernization

toward climate neutrality. The EU, responsible for approximately 10 % of global output, has reduced **greenhouse gas (GHG) emissions** by 23 % between 1990 and 2018; but the potential of the EU's shipping sector to play a significant role in this regard still has to be more consequently fulfilled, also in view of rising emissions attributed to the sector in the past.

Since 2019, steps forward in this direction or against can be monitored: based on the EU regulation on the system for monitoring, reporting and verification, shipping enterprises have to submit an annual emission report to the EU Commission and flag state. This goes for each ship that has been active during the year within the European Economic Area via the THETIS MRV system.

Additionally, the "IMO initial strategy on reduction of GHG Emission from ships" reflects the IMO's striving for a reduction of CO₂-emissions in the shipping sector by 40 % until 2030. The branch must, due to longtime use of ships, already today prepare and keep in mind these developments.

Finally, I would like to focus on fisheries and pollution: The Baltic is the first sea-basin to have a multiannual plan for fisheries management in place; and it is among the first to fully implement the landing obligation.

Yet, many Baltic fish stocks and ecosystems are in an extremely critical situation as new scientific advice suggests. This is not only a concern for the environment, but also troubling for the many local communities whose livelihoods depend on these ecosystems.

Eastern cod is especially ailing: Therefore, in 2020 only by-catches are allowed and recreational fishing is prohibited in those areas where *Eastern* Baltic cod is most present. Total allowable catches for *Western* cod had to be reduced by 68 % again, too, a spawning closure period was re-introduced, and recreational fishers are only allowed to take out two specimen per day.

The EU Commission has adopted a proposal offering support from the EMFF to fishermen affected by the closure of the Baltic cod fishery to permanently decommission their fishing vessels. Starting from 2020, vessels fishing for cod in the Eastern Baltic Sea should also be equipped with a vessel monitoring system or other equivalent electronic monitoring system. Furthermore, at least 20% of these vessels should have observers onboard.

In addition, by 15 November 2019, Member States had to comply with an *EU directive transposing the ILO Work in Fishing Convention*.

Of late, prudent and sensible waste management on board is rewarded. There are also sponsored initiatives to take out the many ghost nets out of the Baltic Sea. This is one further step to combat micro plastic and other micro pollutants.

I hope to have given you a quick enough overview on the most important developments in integrated maritime policy. Thank you very much for your attention!