

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

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The BSPC Rapporteurs' Report 2021/2023
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. The BSPC aims to raise 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 the sustainable environmental, social and economic development of the Baltic Sea Region. It strives to enhance the visibility of the Baltic Sea Region and its issues in a broader European context. BSPC gathers parliamentarians from 10 national parliaments, 7 regional parliaments and 5 parliamentary organisations around the Baltic Sea. The BSPC thus constitutes a unique parliamentary bridge between the democratic EU- and non-EU countries of the Baltic Sea Region. BSPC external interfaces include parliamentary, governmental, subregional and other organisations 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) and the Baltic Sea States Subregional Cooperation (BSSSC).

The 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 cooperation between national and regional parliaments based on 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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Philipp da Cunha



Jörgen Pettersson

Preface

This report aims at providing an overview of developments, events and innovations in the realm of Integrated Maritime Policy (IMP), focusing on energy and security issues, as well as on infrastructural and environmental aspects of maritime policy. Next to presenting EU (legislative) developments in the field and referring to the anchor point of the EU Green Deal, it names important maritime events, which have been followed by the maritime Rapporteurs MP Philipp da Cunha (Mecklenburg-Vorpommern) and MP Jörgen Pettersson (Åland Islands).

As regards the reverberations of the war in Ukraine and of the COVID-19 pandemic, special emphasis is being laid on cruise shipping, shipyards, supply chains and the twin green & digital transition.

The report is also looking into emerging sectors, which are still in full development but are said to hold significant potential for the future (see section I.1 on Blue Bioeconomy). In addition, it is addressing ocean governance, like the EU's commitment to finalise an agreement for the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction (BBNJ).

During the reporting period, waves of crises have hit the Baltic Sea Region (BSR).

In September 2021, a global shortage of natural gas supplies has been convulsing markets. The OECD raised its forecast for inflation in the G20 countries in part because of higher shipping costs and energy prices.¹ In April 2022, inflation in Europe rose to 7.5 %, in August 2022 to approximately 9.1%, then had a peak in October and stayed at about 9-10 % in spring 2023.

In Asia, new pandemic measures had added to the difficulties within supply chains. What is more, since 24 February 2022, Russian warfare in Ukraine has been overshadowing the life of Europeans, and has been affecting the BSR and maritime policy as a whole. It has brought back the horrors of war to the continent.

It also aggravated the European energy crisis, decisively further impaired chains of supply and led to increased prices for raw materials, oxygen, logistics, transport, fertilizers, commodities and food, amongst others. In consequence, the Baltic Sea could become a trade route too unreliable for economic purposes.

In summer 2022, there were concerns about whether Europe will have enough energy supplies to get through the following winter: the Russian supply to Estonia, Latvia and Lithuania, Poland and Finland had stopped completely. Russian supply to Germany, Denmark, and other EU countries also has then been gradually reduced and came to a complete halt in September 2022.

But as the president of the EU Commission (EC) said in the State of the Union address back in 2022, the necessary transformation – a change of paradigm – of the energy system had started, namely in the Baltic (and the North Sea), where EU member states have massively invested in offshore wind energy. Implementing the EU's REPowerEU plan, ten million tons of green hydrogen² shall be produced in the EU until 2030.

A decisive factor for overcoming the current energy and climate crisis are the EU Green Deal and the related EU Fit-for-55 package of July 2021. In this vein, Virginijus Sinkevičius, EU commissioner for the Environment, Oceans and Fisheries said, “Emergency crisis measures should not in any way impede long-term efforts towards structural energy transition [...] to achieve the objectives of the European Green Deal.”

This also reflects the public opinion: According to the final report on the results of the Conference of the Future of Europe (CoFoE), the EU's citizens are demanding to protect and restore the oceans and biological diversity.

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¹ *The Economist* (2021), Vol. 440, No. 9264.

² *To accelerate the development of clean hydrogen, the European Commission on 8 July 2020 tabled a new hydrogen strategy with the communication 'A hydrogen strategy for a climate-neutral Europe'.*

List of Abbreviations

AEBR	Association of European Border Regions
AER	Assembly of European Regions
BALTFISH	Baltic Sea Fisheries Forum
BBNJ	UN Treaty on the Conservation and Sustainable Use of Marine Biodiversity of Areas beyond National Jurisdiction
BSPC	Baltic Sea Parliamentary Conference
BSR	Baltic Sea Region
CALRE	Conference of European Regional Legislative Assemblies
CBAM	Carbon border adjustment mechanism
CBSS	Council of Baltic Sea States
CEMR	Council of European Municipalities and Regions
CfD	Contract for Difference
CISE	Common Information Sharing Environment
CLIA	Cruise Lines International Association
COP	Conference of the Parties
CoFoE	Conference on the Future of Europe
CPMR	Conference of Peripheral Maritime Regions
DG MARE	Directorate-General for Maritime Affairs and Fisheries
EBCD	European Bureau for Conservation and Development
EGSME	Expert Group on Sustainable Maritime Economy
EC	EU Commission
EEA	European Environment Agency
EMD	European Maritime Day
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EMFF	European Maritime and Fisheries Fund
EP	European Parliament
ESPO	European Sea Ports Association
ETC	European Travel Commission
EU	European Union
EUMSS	European Maritime Security Strategy

EUSBSR	European Union Strategy for the Baltic Sea Region
FSRU	Floating storage and regasification unit
GHG	Greenhouse gas
HELCOM	Baltic Marine Environment Protection Commission/Helsinki Commission
ICES	International Council for the Exploration of the Sea
IMO	International Maritime Organization
IMP	Integrated Maritime Policy
IOC-UNESCO	Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization
IOG	International Ocean Governance
IOW	Institute for Baltic Sea Research Warnemünde
IUCN	International Union for Conservation of Nature
IUU	Illegal, unregulated and unreported fishing
LNG	Liquefied Natural Gas
MP	Member of Parliament
MPA(s)	Marine Protected Area(s)
MS	EU member state(s)
MSP	Maritime Spatial Planning
MSFD	EU Marine Strategy Framework Directive
MSP	Maritime Spatial Planning
NGO(s)	Non-Governmental Organisation(s)
OECD	Organization for Economic Co-operation and Development
PML	Plymouth Marine Laboratory
PSO	South Baltic Parliamentary Forum
R&D/R&I	Research and Development/Research and Innovation
SDGs	UN Sustainable Development Goals
SOLAS	International Convention for the Safety of Life at Sea
STECF	Scientific, Technical and Economic Committee for Fisheries
TAC	Total allowable catches
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNESCO	United Nations Educational, Scientific and Cultural Organization
WTO	World Trade Organization

A – Activities of the Maritime Rapporteurs and other Important Events

Due to the ongoing COVID-19 pandemic, also in this reporting period, many popular maritime events needed to be cancelled or could only take place in a digital format.

1. Reactions of political institutions on the Russian war in Ukraine

As a reaction to the decision of the Russian president Vladimir Putin to wage war in Ukraine, several institutions of Baltic cooperation suspended the Russian voting right or membership.

On behalf of the Council of Baltic Sea States (CBSS), on 3 March 2022, the foreign ministers of Germany, Denmark, Estonia, Finland, Iceland, Lithuania, Latvia, Norway, Poland and Sweden as well as the High Representative of the European Union (EU) for Foreign Affairs and Security Policy published a joint declaration. Therein, they announced their decision to suspend Russia's membership in the CBSS in light of the Russian attack on Ukraine, which began on 24 February 2022. The observer status of Belarus was also suspended.

The South Baltic Parliamentary Forum (PSO), established in 2004, was scheduled to resume its activities in September 2022 for the first time since the beginning of the pandemic, whereas it was decided to leave out the duma of the Kaliningrad Oblast.

Likewise, the BSPC's standing committee agreed on 20 April 2022 in Warsaw to suspend the Russian parliaments.

In light of the current political situation, the German Chair of the Baltic Marine Environment Protection Commission/Helsinki Commission (HELCOM) suspended the Helsinki Commission meeting scheduled for March 3-4, 2022, until further notice and issued a statement on Ukraine.

An alliance on behalf of Ukraine was forged, which consists of Ukrainian and European associations. These are the Council of European Municipalities and Regions (CEMR), Eurocities, the Assembly of European Regions (AER), the Conference of Peripheral Maritime Regions (CPMR), the Association of

European Border Regions (AEBR), the Conference of European Regional Legislative Assemblies (CALRE) as well as the Covenant of Mayors, which are seeking to participate in the “EU Recovery Platform” that has been formed.

2. Pan-European Cruise Dialogue

On 1 March 2022, the European Commission (EC) was to host the second ‘Pan-European Cruise Dialogue’ in Brussels. This event was the latest in a series of dialogues to promote sustainable cruise tourism in the EU. It featured speakers from the European Commission (EC), the European Parliament, the Cruise Lines International Association (CLIA), the European Sea Ports Association (ESPO), the European Travel Commission (ETC) and other cruise tourism stakeholders.

In four panels, they discussed on sustainable cruise destinations management, on making the green transition, on specific measures in the Baltic and in the Mediterranean. The cruise tourism’s governance structures and the respect for local cultures were also central topics of the event.

On environmental stability, an EC representative stated that the task was to reduce the cumulative environmental effect of actions in the maritime sector. There was still a long way to go for the tourism industry to achieve a contribution to the EU’s climate neutrality goal for 2050. Strengthening the sustainable development of coastal and maritime tourism was an integral part of the EC’s new approach to transform the Blue Economy and a key aspect of translating the Green Deal in this field (see section B.I for more details).

Before the COVID-19 crisis broke out, Europe was the second biggest cruise market after North America, both as a source of passengers and as a cruise destination. The sector provided over 400,000 jobs (2019) and had a turnover of roughly 40 billion euros. Moreover, 95% of all cruise ships worldwide were built in European shipyards. Every year, some 7 million Europeans spent their holidays on a cruise ship.

Yet, cruise tourism was among the industrial sectors most heavily hit by the crisis, if not the most affected one in terms of turnover and employment. Due to lockdown measures, travel restrictions and several outbreaks on board, cruise operations came to a full halt in March 2020.

The industry gradually restarted operations in the second half of 2022.

According to European Commissioner for Environment, Oceans and Fisheries Virginijus Sinkevičius (see picture below), the EC had acted very strongly to sustain the sector. The development of the EU's Health and Safety Seal for tourism establishments and the digital COVID certificate were leading initiatives.



EU Commissioner for Environment, Oceans and Fisheries Virginijus Sinkevičius, source: Landtag Mecklenburg-Vorpommern

In order to truly recover and prepare for the future, the cruise tourism sector would need to reinvent itself by reducing its environmental impact while generating value for consumers. Through NextGenerationEU, the EU's 800 billion euro recovery plan, the green and digital transition plans of the industry have been supported.

As Commissioner Sinkevičius pointed out, the cruise sector might not return to where it left off before the crisis. A new generation of tourists has new expectations - in terms of the impact on the climate, the environment and on coastal communities. According to a recent Eurobarometer survey, over 80% of EU citizens were prepared to change their travel and tourism habits to be more sustainable and environmentally friendly. During the reporting period, an activist group named "Smashcruiseshit" even blocked the cruise ship AIDAdiva in the harbor of Warnemünde, Germany.

At the Pan-European Cruise Dialogue, sustainable cruise tourism for the coming years was examined with

the aim to highlight good practices that leverage partnerships of cruise tourism stakeholders and amplify their joint efforts.

Even though some countries have their own national strategies, there is strong consensus that a European framework for sustainable tourism is needed. In March 2021, the European Parliament (EP) invited the EC in a resolution to establish a new EU strategy for sustainable and strategic tourism aligned with the Digital Agenda, the European Green Deal and the UN Sustainable Development Goals (SDGs). In May of the same year, also the Council called on the EC to propose an outline for an EU Agenda for Tourism 2030.

Moreover, strengthening the development of sustainable tourism is identified in the EC's new approach to a sustainable blue economy, published in May 2021.¹

3. COP-26: EU Ocean Day highlighted role of oceans in tackling climate change

The ocean is a key enabler of life on earth, producing 50% of the oxygen in the atmosphere, absorbing about 25% of human-produced carbon dioxide emissions and 90% of excess heat in the climate system, and regulating the global climate. The ocean has greatly slowed the rate of climate change but also has been among its first victims: 14% of coral reefs are gone, the Arctic has lost an ice area about six times the size of Germany over the last 40 years, and marine species are disappearing from their habitat at twice the rate of those on land.

To underline the importance of the nexus between the ocean and climate change, the EU has called for the third edition of the EU Ocean Day at the Conference of the Parties (COP) “COP26” in presence of Virginijus Sinkevičius, Commissioner for Environment, Oceans and Fisheries.

The event took place in Glasgow in a hybrid format on 9 November 2021 and was co-organised with the European Bureau for Conservation and Development (EBCD), the Ocean and Climate Platform and the Plymouth Marine Laboratory (PML).

¹ See: https://ec.europa.eu/oceans-and-fisheries/news/2nd-pan-european-cruise-dialogue-road-sustainable-cruise-tourism-2022-03-01_en ; access: 8 June 2023.

This event followed up on the commitment of convening a dedicated Dialogue on Ocean and Climate Change, taken at the Blue COP (COP25). It drew on the recently adopted Arctic Joint Communication of the preceding as well as ongoing EU action for the ocean, including the Biodiversity Strategy 2030², the designation of new large-scale Antarctic Marine Protected Areas (MPAs), the Strategy for Adaptation, and the new approach for a sustainable blue economy in the EU to support climate adaptation and coastal resilience.

The EU has set its Paris Agreement target of climate neutrality by 2050 into law, while it aims reducing greenhouse gas (GHG) emissions by at least 55% by 2030 with the “Fit for 55” package”.

The “Carbon border adjustment mechanism as part of the European Green Deal“ (CBAM) was signed on 10 May 2023 and published in the Official Journal on 16 May 2023. The EU Emissions Trading System (ETS)’s free emission allowances are to be replaced by the CBAM, this is to occur from 2026 and 2034.

The final acts on the Revision of the ETS, including on the monitoring, reporting and verification of maritime GHG emissions, were signed on 10 May 2023 and published in the Official Journal on 16 May 2023.

4. The Sealogy Exhibition

On 18 November 2021, the EU-Commission organised a conference at the Sealogy Exhibition - a major international, annual blue economy event in Ferrara, Italy, on the new approach for a sustainable blue economy.

Six months after the launch of the EC’s communication, participants discussed not only the facilitating factors for a sustainable blue economy, such as investments and financing mechanisms, but also the socio-economic value of blue ecosystems and the importance of ‘blue’ knowledge, skills and innovation.

² *The non-binding Global Biodiversity Framework agreed on by representatives from 195 countries and the EU on 19 December 2022 [“Kunming and Montreal Global Biodiversity Framework”] during the UN Conference on Biological Diversity (COP15) sets out four main goals and 23 targets for countries to achieve by 2030 and 2050. These include protecting and restoring at least 30 percent of the world’s oceans by 2030, halting the extinction of known threatened species, and reducing extinction rates tenfold by 2050. In terms of funding, the agreement calls for phasing out harmful subsidies of at least \$500 billion per year and mobilizing \$200 billion per year in national and international funding for biodiversity from public and private sources by 2030.*

Hope was expressed for new sustainable blue jobs and growth, involving public and private funding and investment in the coming years, which is supposed to enable the delivery of products, materials and services in line with the Green Deal objectives not just at sea, but in the main economy as well. Particular attention should be paid to the development of circular approaches, and businesses with high social value. Technical and social innovation come hand in hand, and reinforce each other, directly or tacitly.

The meeting concluded that sustainable blue economy is a huge opportunity for islands, who can function as living labs for programmes on education, training, ocean literacy and the transition to sustainable practices.

Ecosystem services and nature-based solutions have a major role to play, although proper mapping and valuation remains a complex exercise, for which common indicators and a harmonized methodology are needed.

5. European Maritime Day 2022

During the Kick-off event for the Innovation Platform “Sustainable Sea and Ocean Solutions ISSS” on 23 September 2021, which took place online, ten European research organizations sharing the goal of a sustainable use of the oceans and the development of marine technologies were brought together under the auspices of Fraunhofer IGD in Rostock. They agreed on a Memorandum of Understanding for cooperation within the Innovation Platform Sustainable Sea and Ocean Solutions (ISSS platform). In addition to Fraunhofer IGD, RISE (Sweden), VTT (Finland) and SINTEF (Norway) from the Baltic Sea region were participating. The event was organised as part of the “European Maritime Day in my Country” and as an activity within the UN Decade of Oceans.

The key note by Nina Jensen (CEO, REV Ocean) gave insights regarding the importance of our oceans and the empowering role of ocean science for the future. A panel discussion with Anssi Mikola (Founder, RiverRecycle), Szilvia Nemeth (Deputy Head of Unit, Healthy Ocean and Seas, DG Research & Innovation, EU-Commission), Alexandra Neyts (Senior Advisor, European Aquaculture Technology & Innovation Platform EATIP), António Sarmiento (President, WavEC Offshore Renewables) and Bård Wathne Tveiten (Vice President EU Research and Innovation, Sintef Ocean) treated the questions of why improved collection, management and use of ocean data is important and how collaboration on ocean data and knowledge management between industry, research, policy and citizens can be enhanced.

Competences and solutions in the areas of energy and resource harvesting, ocean cleaning, and aquaculture were presented. In three expert sessions, the scientists highlighted their research results, which can be used to tackle the ocean challenges.

6. The Åland Maritime Day

Ålands Sjöfart rf, in cooperation with the Government of Åland and other stakeholders hosted the Åland Maritime Day on June 1st, 2023. The event was attended by 700 delegates who gathered in Mariehamn for a day of trade and information. The following issues were highlighted as challenges for shipping:

- Covid-19 disruptions
- Energy crisis
- Geopolitical instability
- Rapidly increasing Electrical Vehicles, which pose security concerns

At the Maritime Day, concern was also raised regarding compliance with bold environmental targets formulated by the International Maritime Organization (IMO), which affects the order stock in yards worldwide. The RoRo-orderbook-to-existing fleet ratio fell to 7 % in 2022 (in lane meter) and even 6 % in 2023, indicating a future lack of tonnage. The whole orderbook considerably increased between 2015 and 2019, then decelerated quickly since Covid-19. Due to several reasons, prices are also very likely to continue increasing, including consolidated market, cost-reduction programs implemented by shipyards, new regulations, higher material costs, higher labor costs and inflation. Another area of concern for international shipping is cyber threats aimed towards Information Technology and Operation Technology.

Over the last ten years, digitalization has caused growing complexity and therefore new challenges. The maritime industry is generally not well prepared towards this, and digitalization will increase opportunities for cyber incidents. Cyber attacks are getting more dangerous and more prevalent year after year. From the Nordic Council of Ministers there was a presentation raising the common Nordic challenge in shipping. In order to reach sustainability there are a number of barriers identified including costs, lack of fuel availability and bunkering infrastructure and lack of safety requirements on board and on shore for ammonia and hydrogen. Actions needed to overcome these barriers could be cost- and risk-sharing mechanisms such as procurement policies, green financing and Contract for Difference (CfD). A common Nordic approach could be related to alternative maritime fuels safety, promoting green fuel infrastructure

and the construction of a market for green cargo transport with standardized GHG emission accountability.

The Åland Maritime Day is an important networking platform for the maritime industry with interesting keynotes and panel discussions. The event provides an opportunity for stakeholders to discuss the challenges facing the industry and to explore potential solutions.

7. EU Strategy for the Baltic Sea Region & The Council of the Baltic Sea States Expert Group on Sustainable Maritime Economy (EGSME)

On June 8, 2023, the EU Strategy for the Baltic Sea Region (EUSBSR) Policy Area (PA) Ship organized a workshop on operational steps to establish green shipping corridors as a way to achieve zero-carbon shipping. The workshop was hosted by the German Federal Ministry of Transport and Digital Infrastructure of Germany and organized as back-to-back with the Germany's Presidency of the Council of Baltic Sea States (CBSS) Expert Group on Sustainable Maritime Economy meeting June 7. The workshop gathered approximately 40 participants representing shipping line companies, ferry operators, shipbuilding industry representatives, port authorities and operators, academic institutes, authorities and policymakers together with NGOs from different countries across the Baltic Sea, Nordics and other parts of Europe.

The workshop highlighted several key messages:

- **Collaborative Approach:** Collaboration between stakeholders including governments, private sector companies and different industry sectors is crucial for successfully establishing green shipping corridors.
- **Financial Risk-Sharing:** Sharing the financial risks associated with the establishment of green corridors among stakeholders is essential to ensure their viability and sustainability.
- **Incentives and Support:** Incentives, such as supportive policies, funding opportunities and regulatory frameworks are necessary to accelerate the transition to zero-carbon shipping and encourage industry participation.

- **Technological Advancements:** Embracing innovative technologies and addressing challenges related to alternative fuels, bunkering infrastructure and safety requirements are critical for the successful implementation of green shipping corridors.
- **Global Collaboration:** International coordination and knowledge sharing among different countries and regions are important to create a unified approach and ensure harmonized implementation of green shipping corridors worldwide.

The *EU Strategy for the Baltic Sea Region (EUSBSR)* aims to make the Baltic Sea Region (BSR) a model region for clean shipping. The Policy Area on Clean Shipping (PA Ship) is responsible for achieving this goal. The workshop on operational steps to establish green shipping corridors is part of the effort to achieve this aim. The Baltic Sea Strategy helps to mobilize all relevant EU funding and policies and coordinate the actions of the EU, EU countries, regions, pan-Baltic organizations, financing institutions, and non-governmental bodies to promote a more balanced development of the BSR.

B – Reaction on the COVID-19 crisis and the War in Ukraine

1. COVID-19 impact and reaction

The cruise industry, which was expected to bounce back after COVID-19, had still not recovered by the beginning of 2022: Aidanova for example had to stop its Canary Islands tour in January, after 52 crew members had been infected.

The German Ship owners' association forecasted in the beginning of the year 2022 that supply chains would not get back to normal until after the pandemic. Companies and consumers had to adjust to missing or delayed deliveries. "Unfortunately, it remains to be seen when the situation with supply chains will improve in the long term," the association's new president, Gaby Bornheim, told the German press agency. "But I am sure that when we have defeated the pandemic, whenever that will be, then things will flow better again."

Large parts of the economy have been complaining for many months that urgently needed supplies were not arriving at all or not on time. The same was true of many consumers who, for example, had to wait for electronics items they had ordered long ago. One reason for this was the early economic recovery in the USA and China. But in addition to the huge surge in demand from the world's two largest economies, logistics in the global transport of goods was also out of sync.

"The strained supply chains are clearly a result of the Corona pandemic [...]", said Gaby Bornheim back in January 2022. Seafarers still could not be brought on or off the ship as usual, she said. There were significant restrictions that hampered change in individual ports on a weekly, sometimes daily basis, so there was no certainty at all of being able to do crew changes in many parts of the world.

Ports have also continuously and severely been affected by the Corona virus. As a result, shipping companies frowned upon their ships "queuing up outside the ports because, for example, terminal staff are also sick," the president of the German Ship owners Association said. In many places, "major ship congestion was forming because hinterland traffic has also largely collapsed or was extremely delayed because, for the most part, truck drivers [were] also unavailable."

2. Shipyards and shipbuilding in the German region of Mecklenburg-Vorpommern

Also in the course of the reporting period of 25 August 2021 until July 2023, like in many Baltic regions, the maritime sector in the German land Mecklenburg-Vorpommern has been severely affected by the COVID-19 pandemic: MV Werften, a large shipbuilding company with sites in the region and around 1,900 employees, faced great difficulties and insolvency partly due to the Corona pandemic and the breakdown of cruise tourism. The shipyards filed for insolvency on 10 January 2022, after the owner, Genting, had become insolvent.

The shipyards were a central part of the land's shipbuilding industry. They were working on a huge new line of cruise ships called "global-class" vessels. The ships, more than 340 meters long, were to sail to Asian ports and the U.S. West Coast.

Work on the ship "Global Dream I" in Wismar had been halted. Then, Disney cruises announced to finish the construction works via the shipyards in Papenburg (Meyer Werft).

The fate of the massive €1 billion "Global Dream II" cruise ship, which had been under construction, has for a long time remained unclear. It was set to be scrapped.

In the attempt to save the shipyards and maritime industries, the Region of Mecklenburg-Vorpommern and the German Federal Government had offered to provide 600 million euros from the pandemic economic fund. However, pandemic-hit Genting was unable or unwilling to co-finance the government funds with its resources at a rate of 10%.

Normally, state aid requires 20% of the funds to be supplemented by the company's own funds. However, in view of the massive job losses, the German side had been trying hard to accommodate the company in terms of financing.

On 18 January 2022, Hong Kong-listed cruise operator Genting Hong Kong Limited ("Genting HK") filed for provisional liquidation with the Supreme Court of Bermuda after it failed to secure access to liquidity.

At MV Werften, 1,900 employees were facing the loss of their jobs, and by December 2021, they had still not received their wages. Throughout the supply chain, another 1,500 jobs were at risk. During a special

session of the Regional Parliament of Mecklenburg-Vorpommern on 13 January 2022, the minister-president of Mecklenburg-Vorpommern, Manuela Schwesig said, the goals of the State Government of Mecklenburg-Vorpommern were to pay wages to the employees, to find ways to complete the “Global One” and find buyers, and also to develop future prospects for all three maritime sites in Rostock, Wismar and Stralsund in order to bridge the crisis period.

Retaining the workers of MV Werften means to retain the existing know-how and to remain an interesting target of potential investors. To that end, transfer companies have been co-financed by Genting and also by the federal and regional government, which have taken action after consulting with employee representatives.

The aim was and is to maintain the shipyard locations in Mecklenburg-Vorpommern as the industrial core of the state and to offer skilled workers long-term prospects. Some employees and trainees had left the shipyards, despite the fact that the transfer company was running until 30 June 2022. Around 20 have been placed at Philly Shipyards in the USA. Complete departments with their foremen were to follow.

The Hanseatic City of Stralsund has acquired the Stralsund shipyard site, facilities and operating equipment for the establishment of a maritime business park. New investors, the Norwegian shipbuilding company Forsen Yard and the Norwegian company Ostseetaal, which plans to build hybrid ships here, have signed leases. The submarine and naval ship manufacturer Thyssenkrupp Marine Systems, TKMS, bought the Wismar site.

Mecklenburg-Vorpommern wants to use the accelerated expansion of green power production to realign and maintain the maritime economy in the state. As Economics Minister Reinhard Meyer (SPD) said in the state parliament in Schwerin in April 2022, the state government had presented a financing model for the construction of so-called converter platforms, which are needed to connect offshore wind farms. The model was the subject of an expert workshop in which representatives of the federal government were also involved.

An opportunity for shipyards in Mecklenburg-Vorpommern could also be the development and installation of new ship propulsion systems to meet environmental regulations in the future. “The need for conversion of the German merchant fleet is great,” Minister Reinhard Meyer said. Some are calling on the federal government to set up a state support program for such retrofits.

3. Reactions on the war in Ukraine

The Russian war in Ukraine among others heavily affected the fishery and aquaculture sectors. Since there were still financial resources available under the European Maritime and Fisheries Fund (EMFF)³, the EC wanted to give the possibility to EU member states to reallocate them to specific mitigation measures: On 13 April 2022, it proposed a legislative amendment (COM(2022) 179) to the EMFF 2014–20. The latter amended and corrected Regulation (EU) No 508/2014 as regards specific measures to alleviate the consequences of the military aggression of Russia against Ukraine on fishing activities and to mitigate the effects of the market disruption caused by that military aggression on the supply chain of fishery and aquaculture products. This proposal complemented Commission Implementing *Decision (EU) 2022/500 of 25 March 2022* on the classification of Russia's military aggression against Ukraine as an exceptional occurrence causing major market disruption, thereby triggering crisis support measures under the new European Maritime, Fisheries and Aquaculture Fund (EMFAF).

The amendment allowed financial compensation for additional costs, for income forgone and for the storage of products, as well as for the temporary cessation of fishing activities where they were unsafe. The proposal also introduced flexibility mechanisms to facilitate the quick implementation of these new measures:

- A simplified procedure for amending the operational programmes of EU member states (MS) as regards the introduction of these measures, including the reallocation of financial resources.
- Retroactive eligibility of expenditure as of 24 February 2022 for these measures.
- The possibility of reallocating the fixed amounts initially reserved for certain EMFF measures (i.e. control and enforcement, data collection) to the new crisis related measures.

This step came in addition to the *Temporary Crisis Framework*, which enabled MS to provide support through state aid.

On 22 July 2022, the European Parliament (EP) and the Council adopted the crisis measures proposed by the EC on 13 April of that same year.

³ The new EMFF regulation for the 2021-2027 period, signed on 7 July 2021, was published in the Official Journal on 13 July as Regulation 2021/1139, entered into force on the following day and applies retroactively from 1 January 2021.



The EU areas of the BSR, source: EC.

In the beginning of July 2023, Latvia took over the Presidency of the EU Strategy for the Baltic Sea Region (EUSBSR) from Sweden. The common efforts to identify and promote means to use the EUSBSR to contribute to the reconstruction of Ukraine, launched by the Swedish Presidency, shall be continued.

For the upcoming twelve months, Latvia will lead the work on overall strategic guidance, facilitation of decision-making and coordination of the National Coordinators Group with the support from the EC and the Baltic Sea Strategy Point. The Strategy's 14th Annual Forum will be organised in Riga on 4-5 October 2023. The Forum's title and topic "Safe and Sustainable Baltic Sea Region for Future Generations" is aligned with the main objectives of the strategy – save the sea, connect the region, and increase prosperity – with special attention on climate affairs, green energy and the youth.

Further Developments at the EU level

I. Blue Growth and the European Green Deal

I.1. Blue Bioeconomy

Bio-based materials for sustainable European aquaculture and the Circular Bio-based Europe Joint Undertaking

The Blue Bioeconomy is pursuing the sustainable, economic use of biological resources from oceans and waters. This includes not only fish and shellfish, but also micro and macroalgae, reeds, driftwood and vascular plants.

Part of the EU's Blue economy, offshore aquaculture is a promising sector, fostering economic opportunity, employment and food security. In offshore mussels farms, mussels are grown on long ropes, suspended underwater. However, the ropes used in aquaculture are made from plastic, threatening marine ecosystems, if discarded or not disposed of correctly. At the same time, as the aquaculture sector experiences increasing demand, more ropes are needed. To solve this conundrum, the EU-funded Biogears project aims to provide the aquaculture sector with innovative bio-based ropes that contribute to a more sustainable aquaculture sector.

Launched in 2019, the Biogears consortium develops prototypes of bio-based ropes for use in mussel and seaweed culture. Biogears builds on knowledge generated by previous projects. Also partly EU-financed, these have been instrumental in understanding both the volume and type of marine litter generated by aquaculture and their impact on the marine environment, and the growth, production yield and quality of mussels, when cultured on conventional plastic ropes.

Aiming to replace or complement oil-based plastics, the consortium has produced compostable plastics from natural components derived from renewable biomass. The goal is to obtain a plastic that does not decompose at sea, but instead turns into compost, when it is no longer of use. The bio-based ropes developed by Biogears are tested at sea, under different environmental conditions. Technical, environmental and economic sustainability assessment of the bio-gears is carried out, including its degradability at sea and the composting conditions.

The project is engaging with the entire value chain and key stakeholders, from the aquaculture industry and producers of materials to regulatory authorities, policy makers, research institutions and consumers. Beyond this project, the bio-based ropes can be adapted for other aquaculture and fisheries needs, contributing more widely to the sustainable transformation of the sector.

The EU-funded Biogears project is in line with the vision for a sustainable blue economy under the European Green Deal and contributes to European policies on plastics and microplastics. It underpins key policies such as those set out in the EU's Bioeconomy Strategy and the European Farm to Fork Strategy.

Shifting from non-renewable fossil raw materials and minerals to circular bio-based production can contribute to the EU's climate neutrality target by 2050 while creating jobs and economic growth in regions across Europe.

In 2021, the Circular Bio-based Europe Joint Undertaking was launched (30 November 2021) in order to advance a competitive bioeconomy for the next ten years. It is a €2 billion partnership between the EU and the Bio-based Industries Consortium that funds projects advancing competitive circular bio-based industries in Europe.

The joint undertaking is operating under the rules of Horizon Europe, the EU's research and innovation programme, for the 2021-2031 period. The partnership is building on the success of its predecessor, the Bio-based Industries Joint Undertaking, while addressing the current challenges facing the industry. The Circular Bio-based Europe Joint Undertaking is its legal and universal successor in respect of all contracts, grant agreements and liabilities. The partnership was established by the Council regulation (EU) 2021/2085 of 19 November 2021.

I.2. Initiatives related to maritime policy in the EU Commission's Work Programme

Several Initiatives in the EC's Work Programme 2023 and in the EC's Work Programme 2022⁴ (published on 19 October 2021) have implications for the maritime sector:

Greening corporate fleets initiative

(legislative or non-legislative, Q3 2023)

Revision of the combined transport Directive

(legislative, incl. impact assessment, Articles 91 and 100(2) TFEU, Q2 2023)

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2010/40/EU on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport

(priority pending proposal)

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Union guidelines for the development of the trans-European transport network, amending Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013

(priority pending proposal)

Maritime security Joint Communication on the update of the EU maritime security strategy

(non-legislative, Q1 2023, see section III.5 in this report)

Revision of the EU Emissions Trading System (ETS), including maritime, aviation and CORSIA as well as a proposal for ETS as own resource

(legislative, incl. impact assessment, Q2 2021, see section A.3 in this report)

⁴ See for a comprehensive list of EU initiatives of the 2022 work programme: https://ec.europa.eu/info/sites/default/files/com2021_645-annex_en.pdf. The EC's work programme 2023 can be found here: https://commission.europa.eu/system/files/2022-10/factsheet_cwp_2023_annex_1.pdf

- *Zero pollution package:*
 - a) **Revision of EU legislation on hazard classification, labelling and packaging of chemicals action**
(Revision of Regulation (EC) No 1272/2008, legislative proposal is expected in Q2 2022),
 - b) **Integrated water management – revised lists of surface and groundwater pollutants**
(legislative, incl. impact assessment, Article 192 TFEU, Q3 2021),
 - c) **Revision of EU ambient air quality legislation**
(legislative, incl. impact assessment, Article 192 TFEU, Q3 2022)

- *Climate measures package:*
 - a) **Review of EU rules on fluorinated greenhouse gases**
(legislative, incl. impact assessment, Article 192(1) TFEU, priority pending proposal)
 - b) **EU framework for harmonised measurement of transport and logistics emissions**
(legislative, incl. impact assessment, Articles 91 and 100(2) TFEU, Q4 2022)

- *Plastics package:*
 - a) **Policy framework for bio-based, biodegradable and compostable plastics**
(non-legislative, Q2 2022)
 - b) **Restriction on microplastics**
(non-legislative, Q4 2022)
 - c) **Measures to reduce the release of microplastics in the environment**
(legislative, incl. impact assessment, Article 114 TFEU, Q4 2022)

- *International ocean governance (IOG):*
 - a) **Joint Communication on international ocean governance**
(non-legislative, Q2 2022)

- *Cyber resilience:*
 - a) **European cyber resilience act**
(legislative, incl. impact assessment, Q3 2022)

- *Multimodal digital mobility:*
 - a) **Multimodal digital mobility services**
(legislative, incl. impact assessment, Article 91 TFEU, Q4 2022)
- *Revision of the vertical block exemption Regulation and of the vertical guidelines*
- *Revision of the horizontal block exemption Regulation and of the horizontal guidelines*
- *Revision of certain procedural aspects of EU merger control*
- *Revision of the package travel Directive - Adaptation to COVID-19 context*

Priority Pending Proposals:

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on shipments of waste and amending Regulations (EU) No 1257/2013 and (EU) No 2020/1056

Proposal for a COUNCIL DIRECTIVE restructuring the Union framework for the taxation of energy products and electricity (recast)

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC:

The goal of the proposal on the use of renewable and low-carbon fuels in maritime transport (FuelEU Maritime) is to reduce the greenhouse gas intensity of the energy used on-board by ships by up to 75% by 2050, by promoting the use of greener fuels by ships. Despite progress in recent years, the maritime sector still relies almost entirely on fossil fuels and constitutes a significant source of greenhouse gases and other harmful pollutant emissions. The Council agreed on a general approach on the proposal in June 2022. In March 2023, the Council and the EP reached a provisional deal on the new rules.

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive (EU) 2018/2001 of the European Parliament and of the Council, Regulation (EU) 2018/1999 of the European Parliament and of the Council and Directive 98/70/EC of the European Parliament and of the Council as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Council Regulation (EC) No 1224/2009, and amending Council Regulations (EC) No 768/2005, (EC) No 1967/2006, (EC) No 1005/2008, and Regulation (EU) No 2016/1139 of the European Parliament and of the Council as regards fisheries control

1.3. Emission control

By 31st of August 2022 each year the EU member states must submit a summary of fuel quality monitoring data collected during the period January to December of the previous calendar year, in accordance with Article 8(1) of Directive 98/70/EC as amended by Directive 2009/30/EC. The delivery process is managed by the European Environment Agency (EEA).⁵

An International Maritime Organization (IMO) agreement was reached on 7 July 2023 to revise its 2018 strategy on reducing greenhouse gas (GHG) emissions from ships, setting the goal of net zero emissions from ships “by or around, i.e. close to, 2050”. It is also setting the target of at least 5% - striving for 10% - uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources by 2030.

To implement the European Green Deal, the EC in its Sustainable and smart mobility strategy outlined the necessary transformation of the EU transportation system. Among the many measures listed, the action plan linked to the strategy mentions also the revision of the EU rules on pollution from ships.

Despite existing EU rules for prevention of pollution from ships, increased surveillance and enforcement efforts, illegal discharges of oil and other polluting substances still regularly occur in European waters, and the detection, and therefore the number of prosecutions, remains low.

According to EU rules, established in Directive 2005/35/EC, EU Member States must ensure that ship-source discharges of polluting substances are regarded as infringements (if committed with intent, recklessly or with serious negligence). The directive also sets out a common framework for how to deal with penalties, including criminal sanctions, for illegal discharges from ships. Persons responsible for discharges of polluting substances have to be subject to adequate penalties, including criminal penalties.

⁵ https://www.eea.europa.eu/data-and-maps/figures#c0=15&c5=&c15=all&b_start=0

Since 2005, there have been significant developments in protection of the marine environment both in the UN International Maritime Organization (IMO MARPOL Convention) and in EU legislation (Directive 2019/883/EU, which requires ships to deliver their waste in ports). In addition, EU rules on the protection of the environment through criminal law (Directive 2008/99/EC) have been found inefficient and in need for revision. Furthermore, the EU has developed several digital reporting systems managed by the European Maritime Safety Agency (EMSA), in parallel to systems used by Member States (MS) as flag States for the control of their fleets, which could be linked and used to provide evidence of pollution discharges.

On 19 May 2021, the European Commission published a combined 'Evaluation and Inception impact assessment roadmap' on the revision of Directive 2005/35/EC with the aim to evaluate the existing situation and to analyse the possibility to propose a revision of the Directive.

It intends to tackle the following issues:

1. Incentives for illegal discharges from ships as compared to delivering waste legally in ports;
2. Difficulties linked to the enforcement of the rules in maritime transport, transboundary by nature;
3. Differences in sanction types and levels among MS;
4. Alignment with amendments to the MARPOL Convention and its Annexes;
5. Efficient use of EU-wide satellite surveillance and digital reporting systems.

The feedback period closed on 16 June 2021.

While the review was initially foreseen for Q3 2022, the publication of the revised proposal is not mentioned in the EC work programme for 2022. For 2023, it mentions that the EC will work to reduce emissions and pollution from transport.

The legislative proposal (COM (2023) 273 final) was presented by the EC on 1 June 2023 as part of the larger maritime safety package. It aims to prevent any type of illegal discharges into European seas, in order to preserve the marine ecosystem. The proposal aligns EU rules with international regulations and extends the scope to cover a wider range of polluting substances. It furthermore establishes a strengthened legal framework for penalties and their application. It will also optimise CleanSeaNet (EMSA's database) which will lead to timely enforcement and cooperation between MS.

This proposal will be considered by the EP and the Council in the ordinary legislative procedure.

I.4. Taxation

On 15 September 2021, in the State of the Union letter of intent from the President of the EC von der Leyen and Vice-President Šefčovič to the President of the EP and to the Council Presidency, it was announced, among the key new initiatives, a legislative proposal on the implementation of the OECD global agreement on minimum effective taxation.

Following the further development of international tax rules by the OECD and G20, the EU Commission has presented a proposal for a directive setting out how the principles of the 15% effective tax rate agreed by 137 countries should be applied in practice in the EU.

It aims to limit competition for ever-lower corporate tax rates and to ensure that multinationals make an appropriate tax contribution, regardless of where they operate. The proposal sets out a common set of rules for calculating an effective tax rate so that it is applied properly and consistently across the EU. The proposed rules apply to all large domestic and international groups, including the financial sector, with a total annual turnover of more than EUR 750 million that have either a parent company or a subsidiary in an EU Member State.

Art. 17 of the council directive (EU) 2022/2523 deals with the exemption of income from international maritime transport.

On 15 December 2022, the council directive was adopted.

1.5. Ocean Governance

On 9 December 2021, the UN General Assembly debated and adopted two resolutions, one on “Oceans and Law of the Sea” and one on “Sustainable Fisheries”, aiming to ensure that oceans and seas can be the basis for sustainable development and provide for the needs of current and future generations.

The EU considered the two annual resolutions important in strengthening ocean governance. The UN Convention on the Law of the Sea (UNCLOS), to which the EU is a party, constitutes a fundamental pillar of ocean governance. It establishes the overarching legal framework within which all ocean and sea borne activities must be carried out. The EU calls upon all members of the international community to abide by the fundamental principles and rules of the law of the sea and refrain from any actions undermining regional stability and security.

The EU highlighted the need to employ the best available science when implementing recovery strategies from the impacts of the COVID-19 pandemic, so as to ensure that the targets of the 2030 Agenda could be achieved, notably as the UN Sustainable Development Goal (SDG) 14 targets due in 2020 have not been met.

The latest scientific reports demonstrated that the health of the ocean is not improving and the impacts of climate change and biodiversity loss are increasing, with potential significant socio-economic impacts. Consequently, the EU looked forward to the opportunities for further progress offered by the 2022 UN Oceans Conference as well as the UN Decade of Ocean Science for Sustainable Development, and encouraged great participation in both.

The EU remained committed to achieving sustainable fisheries, in line with the objectives of its common fisheries policy. Harmful subsidies, which contribute to overcapacity, overfishing and illegal, unregulated and unreported (IUU) fishing, were one of the main obstacles to achieving sustainability. The EU was committed to concluding the long-standing World Trade Organisation (WTO) negotiations in this regard as soon as possible.

The EU was looking forward to the full resumption of UN meetings in the area of ocean and fisheries. In particular, the EU was dedicated to ensuring that ongoing negotiations on an agreement for the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction (BBNJ) could be finalised as soon as possible, ideally in 2022.

The fourth Intergovernmental Conference on a Treaty of the High Seas (the UNCLOS implementing agreement on biodiversity beyond national jurisdiction, known also as “BBNJ”) concluded its work on 18 March 2022, and an agreement on an ambitious, fair, effective agreement on the treaty became in sight. Such agreement would provide much needed protection to biodiversity in the ocean.

The EU and its member states were said to be in the lead, through the 46-countries strong BBNJ High Ambition Coalition “Protecting the oceans - time for action“ for the conclusion of an ambitious, fair and effective treaty in 2022.

At the ministerial meeting in the margins of the conference, EU Commissioner Sinkevičius reminded participants that the high seas comprised 95% of the ocean, provided invaluable ecological, economic, social and food security benefits to humanity and were in need of urgent protection.

Parties of the conference were able to make good progress on all the key issues on the agenda, including on the procedure to identify, establish and manage marine protected areas (MPAs) in the high seas, only 1% of which are protected today. The rules for conducting environmental impact assessments in the high seas, various aspects of marine scientific research and the collection and use of marine genetic resources, the need to support developing countries to implement the agreement, together with the needed institutional set-up, were also discussed.

In concluding the conference, the EU and its MS have stressed the urgency to act to protect the ocean globally, and called for a fifth and final session to take place in August 2022.

In June 2023, the BBNJ was adopted by the UN Plenary Assembly in New York. It still needs to be signed and ratified by at least 60 UN member states to enter into force.

1.6. Common Fisheries

EU Regional Cooperation Group for the Baltic Area

Regional coordination groups are the main hub for regional coordination and cooperation of the different regions contributing to the fisheries Data Collection Framework of the EU.

A new website for Regional Coordination Groups became available in October 2021 (<https://www.fisheries-rcg.eu/secweb/>), which offers information about their work, including details of their meetings, reports and decisions.⁶

Six different Regional Coordination Groups are currently operating, among which is the Regional Coordination Group for the Baltic area (*RCG Baltic*).

Landing obligation: First study of implementation and impact on discards

Overall, a study from 2021 on the implementation of the landing obligation is concluding that control and enforcement of the landing obligation remain challenging, that EU Member States have not adopted the necessary control measures and that significant undocumented discarding of catches occur.

Sustainable fisheries: EU-Commission published first report on the implementation of the Technical Measures Regulation

On 23 September 2021, the EC published the first report on the implementation of the Technical Measures Regulation (the second will follow in the first half of 2024), which sets out the conservation measures governing how, where and when fishing may take place. The report has identified some shortcomings. It found that further action and more decisive steps are needed if the goals of the EU Biodiversity Strategy for 2030 are to be met.

Two years after the entry into force of the regulation, some EU member states (MS) have started to develop additional fisheries measures to protect sensitive species and habitats at both the national and regional levels.

As announced in the strategy, the EC complemented the report with an *“Action Plan to conserve fisheries resources and protect marine ecosystems”*, adopted on 21 February 2023.

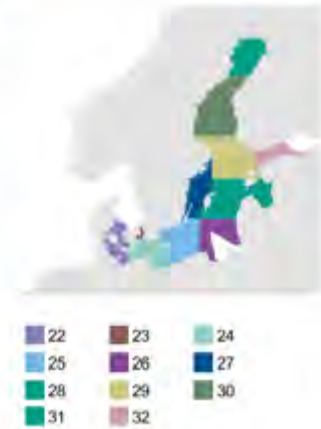
By the end of March 2024, MS will submit roadmaps to the EC and make them public. These roadmaps shall outline the national measures and other measures they intend to propose through joint recommendations in order to meet the objectives of the action plan, including a timeline to 2030.

⁶ The website is funded with support from the European Maritime and Fisheries Fund (EMFF).

Results of risk assessment of non-compliance

Baltic Sea - Fisheries with the highest risk of non-compliance

Gear – Mesh size – Fishery	Area	Main target species	Landing obligation	Mis-recording	Illegal gear	Other
Otter trawls ≥ 105 mm	22-24	Demersal species	■	■		
	25-27	Demersal species	■	■		■
Otter and pair trawls ≥ 32 and < 90 mm	22-27	Herring		■		
Otter and pair trawls ≥ 16 and < 105 mm	28-32	Herring		■		
Longlines	22-29	Salmon		■		
Fixed gears	22-32	Salmon		■		■
Gillnets ≥ 110 mm and longlines	22-24	Demersal species				■
	25-27	Demersal species				■
Recreational fisheries	22-24	Demersal species				■
Eel Fishery	22-24	Eel			■	■



1.7. Employment and gender bias

To an increasing degree, the international shipping sector lacks well-educated employees, e.g. captains, naval duty officers (here, a gap of 90.000 is looming in 2026), pilots, marine engineers, management personnel in harbours and ship owning companies, etc. This could lead to the disruption of supply chains in the future.

In addition, there is still a gender bias in naval employment. For instance, in the EU as a whole, approximately only 3% of the crews of high seas fishing vessels are women.

Traditionally, blue economy sectors (not only fisheries but also aquaculture, marine renewable energy, shipbuilding, etc.) are male-dominated activities in Europe. Although women add high value to fishing communities and the seafood industry, their participation is often less visible, underpaid or undervalued.

II. Energy aspects with regard to maritime policy

II.1. Energy supplies

In summer 2022, the *package of legislative proposals to implement the European Green Deal* was tabled.

According to the State of the *Energy Union Report* published in October 2021, in 2021, renewables overtook fossil fuels as the EU's main power source for the first time: 38% of the EU electricity came from renewables, 37% from fossil fuels. Nuclear energy accounted for 25%.

There was still a high dependence on fossil fuel supplies coming from the Russian Federation, particularly in Hungary, the Slovak Republic, the Czech Republic, the republics of Estonia, Latvia, and Lithuania, in Finland and in Poland. Overall, the EU spent almost EUR 300 billion a year on fuel imports. The legislative package therefore also proposed improvements on energy independence and affordability as well as on the resilience of the EU energy system and security of supply.

While the EU tabled plans in May 2022 to phase out Russian fossil fuels and strengthen its security of supply, full energy independence from Moscow was not envisioned until 2027 at best. In summer 2022, there were serious concerns about whether Europe would have enough gas supply to get through the coming winter (a gap of 20 bcm was looming in case of a complete halt of Russian gas delivery): in a first step, the Russian supply to Estonia, Latvia and Lithuania, Poland, Bulgaria and Finland had stopped completely and Russian supply to Germany, Denmark, the Netherlands and Italy has been reduced. Flows through Nord Stream 1, the largest import route to the EU, have been cut by 60%. At that point, several EU countries risked running very low by the end of winter, making it challenging to replenish supplies for 2023.

In June 2022, Russia cut deliveries through the pipeline Nord Stream 1 by 75% - from 170m cubic metres of gas a day to roughly 40m cubic metres.

In July 2022, the country shut it down for ten days, citing the need for maintenance. When it reopened, the flow was halved to 20m cubic metres a day.

In late August that same year, it shut down Nord Stream 1 entirely, blaming problems with equipment.

Then, in late September 2022, Nord Stream 1 has been closed indefinitely due to sabotage: a number of leaks were found in it and in the parallel pipeline, Nord Stream 2 (near the island of Bornholm, see section II.2 below). Seismologists had detected explosions under the sea.

Despite a sharp drop in the export of Russian gas sent by pipeline to the EU, Russian LNG deliveries to the EU rose in 2022 (by 12 per cent compared to 2021). The largest importers of Russian LNG in 2022 were France, Spain, Belgium, and the Netherlands. This made Russia the EU's second biggest LNG supplier after the US.⁷

In 2023, protests have occurred against setting up LNG terminals close to the German island of Rügen – a sensitive habitat and tourist site – while LNG terminals are criticized for being expensive, noisy, environmentally harmful and potentially leading to overcapacity.

Also in 2023, the EC has launched the first international tender for joint gas purchasing under the EU energy platform AggregateEU.

II.2. Nord Stream 2

The Nord Stream 2 pipeline was completed in September 2021. The 11-billion-dollar pipeline connecting Russia with Germany under the Baltic Sea became ready for operation, but the certification process was stopped.

The controversial Nord Stream 2 Baltic Sea pipeline could not be approved in December 2021, according to the German Foreign Minister Annalena Baerbock, who had spoken out against Nord Stream 2 during the election campaign before the Bundestag elections in September 2021. Already in May 2020, the German Federal Network Agency had declared not to exempt the pipeline on German territory from the EU regulation. Until early January 2022, the German Federal Network Agency had to decide on an operating permit for the pipes, through which up to 55 billion cubic meters of natural gas could be delivered from Russia to Germany each year. In November 2021, it had provisionally suspended the procedure for certifying Nord Stream 2 AG, which was owned by the Russian state enterprise Gazprom, as an Independent

⁷ <https://ecfr.eu/article/conscious-uncoupling-europeans-russian-gas-challenge-in-2023/>, access: 29 June 2023.

Transmission System Operator. It had come to the conclusion that certification of an operator of the Nord Stream 2 pipeline could only be considered if the operator was organized in a legal form under German law.

The German Social Democrats, the Greens and the Liberal Democratic Party have agreed in their coalition agreement that European energy law would apply to energy projects. According to Minister Bearbock, the project did not meet the requirements of European energy law, and the safety issues were unresolved: It had been discussed between the U.S. and the previous German government that in the event of further escalations, this pipeline could not continue to be connected to the grid in this way. She was alluding to the tense situation on the border between Russia and Ukraine.⁸ On 24 February 2022, the Russian war in Ukraine began.

The "Climate and Environmental Protection Mecklenburg-Vorpommern Foundation" that was founded by the land of Mecklenburg-Vorpommern and that allowed to circumvent US-American sanctions was important for the completion of the Nordstream 2 pipeline. According to the foundation's statute, a business within the foundation was created for this purpose.

The Nordstream 2 Corporation was involved in the foundation as a partner, contributing 60 million Euros (including 20 million to set it up).

On 18 May 2022, the Regional Parliament of Mecklenburg-Vorpommern has decided to establish and equip a parliamentary investigative committee to clarify events and decisions surrounding the "Foundation of the State of Mecklenburg-Vorpommern for Climate Protection and Conservation of Nature - Climate and Environmental Protection Foundation MV", particularly with regard to the completion of the Nord Stream 2 pipeline.

Before the beginning of the war in Ukraine in February 2022, 40 percent of the European gas market were supplied by Russia. At that point, a stop of Russian gas exports to the EU meant, that within six weeks supplies would have been used up.

Russian gas imported by Germany had amounted to 56.3 billion cubic metres in 2020 (mainly via Jamal and Nordstream 1), and more than 50 percent of the German energy market had been supplied by Gazprom. //

⁸ 13 December 2021, German Press Agency (*Deutsche Presseagentur, DPA*).

II.3. Electricity grids under sea

High-voltage power lines can be deployed by ships across the sea floor in order to connect producers and users of power. The business, among others plugging offshore wind farms into the grid, is booming, and common projects between Denmark, Norway, the Netherlands, Sweden and Germany are said to be an option.⁹ It is possible to lay cables at depths of 3.000 metres. An accompanying robot can dig a trench in shallower waters, the better to protect against stray anchors and fishing nets. The International Energy Agency estimates 80 Gigawatts of offshore wind farms will have to be installed every year by 2030 to meet decarbonisation targets. Each gigawatt of offshore capacity requires around 250 million Euros of cable input including the installation, experts say.

II.4. New energy projects

The Baltic Pipe

The Baltic Pipe is a strategic infrastructure project aimed at creating new gas supply opportunities on the European market. It will enable the transmission of gas directly from deposits located in Norway to Denmark and Poland, as well as to customers in the neighbouring countries of Central and Eastern Europe. The Baltic Pipe will also enable bi-directional gas transmission from Poland to Denmark.

Finland and Estonia made joint decision to lease a large LNG terminal ship

A common project of Finland and Estonia to lease a large LNG terminal ship in their pursuit of ending the use of Russian gas was announced on 7 April 2022. The roughly 200 metre-long LNG terminal ship, a „floating storage and regasification unit“ (FSRU), is capable to transform liquefied natural gas into a gaseous state again.

In the process, natural gas is liquefied by cooling to the point of -162 degrees. That reduces its volume 600 times and facilitates easier transport.

This FSRU became located on the coast of Finland near the natural gas transmission network. The name of the chosen site was Inkoo.

⁹ *The Economist*, 16 October 2021, p. 56f.

Estonia has said it would end Russian gas imports by the end of the year 2022.

The share of gas in Finland's energy mix was only 6%, but it was important for the industry. Most natural gas came from Russia, but also through the Balticconnector gas pipeline reaching out to the Klaipėda LNG terminal in Lithuania.

If and when imports from Russia ended, gas would have been to be replaced with other energy sources – or an increase of the use of liquid gas had to follow.

Allegedly, the Balticconnector could not cover all of Finland's demand in case there was no gas coming from Russia. The search for a ship was underway, but the global demand was high, too.

A floating LNG terminal at that point in time was said to be more expensive than a stationary one because of operating costs (up to 200.000 US dollar a day).

Floating storage and gasification units in Germany

The first stationary LNG terminal was said to be ready for operation in Germany only in 2026.

FSRUs are operational in Wilhelmshaven, Brunsbüttel and Lubmin. Another one will follow in Stade.

Rostock had also been considered for the stationing of floating LNG terminals (FSRU, floating storage and regasification units, see above), but that plan has been rejected. In addition, the island of Rügen has been taken into consideration for a terminal, whereas public opinion in the region of Mecklenburg-Vorpommern was strongly against due to the high dependence on tourism (see section II.1).

Only 48 such ships exist at a global scale. Each can process about 5 billion cubic metres of gas per year to be made available for the gas net.

In Lubmin, the “Neptune” became ready for operation in December 2022. The terminal will be able to feed up to 5.2 billion cubic meters of natural gas per year into the gas pipelines that run directly adjacent to the port.

III. Infrastructural aspects with regard to maritime policy

III.1. Revision of the EU passenger ship safety legislation

The proposal COM(2022) 53 for a Directive of the EP and of the Council amending Directive 2003/25/EC as regards the inclusion of enhanced stability requirements and their alignment with the stability requirements established by the IMO concerned specific stability requirements for ro-ro passenger ships. The new *Directive (EU) 2023/946* entered into force in June 2023.

Specific objectives of its revision were to: – Ensure consistency as far as practicable with the recently updated international damage stability standards as agreed at the IMO for passenger ships; – Reduce the complexity as well as the technical and administrative burden, primarily stemming from two different regimes for evaluating the survivability of ro-ro passenger ships in damaged condition; – Reduce the ambiguity of definitions and requirements, where possible, in the light of the amended Directive 2009/45/EC; and – Eliminate outdated provisions concerning international instruments no longer relevant or in force. For the sake of clarity and consistency, this proposal also updated numerous definitions and references to relevant EU legislation and International Convention for the Safety of Life at Sea (SOLAS) Regulations.

III.2. Trans-European Transport Network

This legislative proposal *COM(2021) 812* for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Union guidelines for the development of the trans-European transport network (TEN-T), amending Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013 is a key action of the European Green Deal and the Sustainable and Smart Mobility Strategy. The aim of the TEN-T Regulation is to build an effective EU-wide and multi-modal network of rail, inland waterways, short sea shipping routes and roads which are linked to urban nodes, maritime and inland ports, airports and terminals across the EU. The problems addressed by the revision are insufficient and/or incomplete TEN-T infrastructure standards and a lack of integration of standards for alternative fuels infrastructure on the TEN-T with negative impacts on climate and environment. Secondly, the TEN-T network suffers from capacity bottlenecks and an insufficient network connectivity to all regions that hamper multimodality. Thirdly, the insufficient safety and reliability of the

TEN-T infrastructure needs to be addressed. Finally, the governance instruments are inadequate compared to new needs and the TEN-T network design needs a review to increase coherence with other policies.

With the legislative initiative “Trans-European transport network: streamlining measures for advancing its realisation“ the EC wanted to speed up the completion of the TEN-T. The EP adopted the final text in second reading on 6 July 2021, the final act was signed the following day and published in the EU Official Journal on 20 July 2021. MS will have to comply by 10 August 2023.

III.3. New developments in infrastructure

Rail Baltica

During wartime in Ukraine, rail has been essential for the export of Ukrainian grain, accounting for more than one third of Ukrainian agricultural exports between May and July 2022. However, the different rail gauges have undermined the rail’s potential. This has been particularly the case for the three Baltic countries (Estonia, Latvia and Lithuania). While they wanted to help Ukraine to maintain access to its export markets via their ports and also send back vital goods, the fact that trains need to change the gauge twice on the way from Ukraine to the Baltic ports makes this export route quite challenging and expensive. Nonetheless, Baltic countries have gone beyond to support Ukraine; the regular rail services between Ukraine and the port of Kláipeda in Lithuania are an example of European solidarity.

What is more, the EC proposed new legislation in July 2022 to gradually unify the European railway gauge.

Rail Baltica is being built to specifications that make it usable for both civilian and military purposes. Rail Baltica is said to also open up new routes to the Arctic, a region whose geopolitical importance is set to grow.

In the Baltic States high speed rail is absent, leaving a major missing link in the trans-European transport network and the North Sea – Baltic corridor, which should connect the northwestern and the northeastern regions of the EU by 2030.

Fehmarnbelt fixed link

The Construction of the Fehmarnbelt Tunnel began in 2020 on the Danish side and in 2021 on the German side. The tunnel of 18 kilometres in length will be completed in 2029.

III.4. EU maritime security infrastructure

Incurring sabotage at the North Stream 2 Pipeline (see above) raised security concerns in the Baltic Sea.

It implies that there is a demand of protection of critical infrastructure, for instance of pipelines, maritime digital infrastructure and of electricity infrastructure.

On 10 March 2023, the EC and the High Representative of the Union for Foreign Affairs and Security adopted a *Joint Communication on an enhanced EU Maritime Security Strategy* to ensure a peaceful use of the seas and safeguard the maritime domain against new threats. They have also adopted an *updated Action Plan* through which the strategy will be implemented.

Together, the EU's members form the largest combined exclusive economic zone in the world. The EU economy depends greatly on a safe and secure ocean. Over 80% of global trade is seaborne and about two-thirds of the world's oil and gas is either extracted at sea or transported by sea. Up to 99% of global data flows are transmitted through undersea cables. The EU intends to reinforce the wide range of tools it has at its disposal to promote maritime security, both civilian and military.

Adapting to new threats

Security threats and challenges have multiplied since the adoption of the EU Maritime Security Strategy (EUMSS) in 2014, requiring new and enhanced action. Long-standing illicit activities, such as piracy, armed robbery at sea, smuggling of migrants and trafficking of human beings, arms and narcotics, as well as terrorism remain critical challenges. However, new and evolving threats must also be dealt with increasing geopolitical competition, climate change and degradation of the marine environment and hybrid and cyber-attacks.

Recent geopolitical developments, such as Russia's military aggression against Ukraine, are a forceful reminder that the EU needs to enhance its security and step up its capacity to act not only on its own territory and its own waters, but also in its neighbourhood and beyond.

An updated European Maritime Security Strategy (EUMSS)

The *updated EUMSS* is a framework for the EU to take action to protect its interests at sea, and to protect its citizens, values and economy.

- It promotes international peace and security, as well as respect for international rules and principles, while ensuring the sustainability of the oceans and the protection of biodiversity. The strategy will be implemented by the EU and its MS, in line with their respective competences.

The Joint Communication and associated Action Plan specify several integrated actions that will deliver on the EU's interests. To do so, the EU will step up its action under six strategic objectives:

- **Step up activities at sea.** Actions include organising naval exercises at EU level, developing further coastguard operations in European sea basins, designating new maritime areas of interests for the implementation of the Coordinated Maritime Presences concept (a tool to enhance coordination of Member States' naval and air assets present in specific maritime areas) and reinforcing security inspections in EU ports. The updated EUMSS proposes the establishment of an annual EU naval exercise, involving relevant entities from as many MS as possible.
- **Cooperate with partners.** Actions include deepening EU-NATO cooperation and stepping up cooperation with all relevant international partners to uphold the rules-based order at sea, notably the UNCLOS.
- **Lead on maritime domain awareness.** Actions include reinforcing coastal and offshore patrol vessel surveillance and strengthening the Common information sharing environment (CISE). This is to make sure the national and EU authorities involved can exchange information in a secure way.

- **Manage risks and threats.** Actions include conducting regular live maritime exercises involving civilian and military actors, monitoring and protecting critical maritime infrastructure and ships (including passenger ships) from physical and cyber threats, and tackling unexploded ordnance and mines at sea. The updated strategy calls for the development of a coherent framework to tackle unexploded ordnance, conventional weapons and chemical weapons at sea. This comprises the development of an action plan for the Baltic Sea where this problem is particularly acute. This plan will include the identification of the best methods and technology, with the involvement of the industry, as well as military and civilian entities. This plan could then be replicated in other sea basins.
- **Enhance capabilities.** Actions include developing common requirements for defence technologies in the maritime domain, stepping up work on projects such as the European Patrol Corvette (new class of warship), and improving anti-submarine capabilities.
- **Educate and train** by improving hybrid and cyber security qualifications notably on the civilian side and conducting training programmes open to non-EU partners.

The updated strategy and its action plan will contribute to the implementation of the EU Strategic Compass for Security and Defence.¹⁰

III.5. Maritime Spatial Planning

MSPglobal Initiative: successfully promoting maritime spatial planning worldwide since 2018

On 5 October 2021, the Intergovernmental Oceanographic Commission of UNESCO (IOC-UNESCO) and the EC organised the online final conference of their joint Maritime Spatial Planning (MSP) global Initiative.

The MSPglobal Initiative was designed to support – from November 2018 to October 2021 – the implementation of the ‘Joint Roadmap to accelerate Maritime/Marine Spatial Planning processes

¹⁰ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1483, access: 3 April 2023.

worldwide' (MSProadmap), which was adopted by IOC-UNESCO and the Directorate-General for Maritime Affairs and Fisheries in March 2017.

The event aimed to share the key outcomes of the MSPglobal Initiative while providing an overall approach to Marine/Maritime Spatial Planning (MSP) initiatives at national, regional and global scale.

The conference also marked the launch of the 'MSPglobal International Guide on Marine/Maritime Spatial Planning', the main deliverable of the project.

The presentations and video recordings of the conference (English, French and Spanish) are available on the MSPglobal website.

III.6. Mobility for the Elderly

The GreenSAM project focuses on the development of age-friendly green mobility solutions based on needs of older people. It involved participatory tools used in six cities across the Baltic Sea region (BSR).

Older people often remain reluctant towards green urban mobility solutions that are introduced in many cities in the BSR – such as bike-sharing offers or public transport systems. This challenge becomes even more important in the context of ageing societies throughout Europe.

Thanks to street talks, several workshops, visits to senior centres, conversations in buses or during peer coaching trips the challenges for older people in everyday mobility became comprehensible – i.e. it was explored, whether they were physical, digital or caused by the lack of needs-oriented infrastructure. The findings have been used to create a toolbox, so that a knowledge repository is now available for urban transport planners.

The implemented solutions are already showing positive effects. In Tartu, the share of older bike-share and public transport users has doubled over the course of the project. Here, the info-posts at bike-sharing stations were replaced with more age-friendly ones. In Turku, senior citizens helped each other to travel in public transport while young people showed the seniors how to use the city's bicycles.

Not only the cross-national cooperation was profitable for the project, but also the mix of different institutions with different expertise and practical knowledge – from university to energy agency and city administration. A key insight for all pilot cities was that one should not rely only on creating instructional materials and disseminating them. Practical training and personal instructions are especially important for the generation 60+.

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

IV.1. Eutrophication: Baltic Sea has still not recovered despite measures

The Ministers of the Environment and High-Level Representatives of the nine Baltic coastal countries and the EU had already on 6 March 2018 agreed to set up a Baltic-wide nutrient recycling strategy by 2020. The Helsinki Commission (HELCOM) regional policy was to support countries in creating a sustainable and environmentally safe scheme for recycling nutrients in agriculture and from sewage sludge.

Eutrophication was, next to marine litter and underwater noise, a major challenge identified by the former EU Commissioner for the Environment, Karmenu Vella.

According to the German Press Agency, the Baltic Sea, plagued for decades by over-fertilization, with its oxygen-poor “death zones” has still not recovered. This is also due to the consequences of climate change, as a *Baltic Sea climate report*¹¹, which was presented in late summer 2021, suggested: In the past, over-fertilization was the number one problem. People have intervened since the 1980s and then vigorously reduced nutrient inputs - but a good ecological status, as targeted by HELCOM by 2021, has not been achieved, as climate researcher and oceanographer Markus Meier from Leibniz Institute for Baltic Sea Research Warnemünde (IOW) told the German press agency. Mr Meier was playing a substantial role in writing the climate report as chairman of the “Baltic Earth” research community. He explained the slow reaction of the sea vis-à-vis the measures against eutrophication with the “system of the Baltic Sea itself, which reacts slowly to changes in nutrient loads due to the special hydrographic conditions as an inland

¹¹ <https://helcom.fi/wp-content/uploads/2021/09/Baltic-Sea-Climate-Change-Fact-Sheet-2021.pdf>, access: 19/07/2023

sea. Global warming has a reinforcing effect: The warmer the water, the less oxygen dissolves in it. In addition, biological activity, and therefore algae growth, is intensified by higher temperatures.

In light of climate change, with its effects on numerous factors such as sea ice, sea level and water temperature, scientists face new research challenges. Most of the “dead zones” are due to the nutrients that have entered, but there is a contribution of climate change.

Calculations suggest that precipitation in the northern BSR will increase, leading to greater river water inputs in the north. At the same time, global sea level rise will bring more water that is saline into the Baltic Sea through the straits near Denmark. That means there are two opposing effects. Because the knowledge of the actual extent of sea level rise is still limited, it follows that projections of changes in salinity are also subject to a high degree of uncertainty.

The Baltic Sea riparians united in HELCOM had agreed on their first Baltic Sea Action Plan in Krakow in 2007 with the goal of achieving good ecological status in the Baltic Sea by 2021. In October 2021, the environment ministers of the HELCOM countries met in Lübeck and adopted an *updated action plan*¹².

Meanwhile, the European project “Live Lagoons” is developing floating wetlands made up of reed and willow, which are cleaning waters in the South Baltic area from nutrients like nitrogen or phosphorus. By doing so, they help fight an excessive growth of algae, oxygen depletion, loss of biodiversity and odour issues.¹³

Addressing biodiversity, eutrophication, hazardous substances, and sea-based activities such as shipping and fisheries, the updated HELCOM Baltic Sea Action Plan contains about 200 concrete actions that were developed to tackle the pressures the Baltic is facing. In addition, the plan now also addresses climate change, marine litter, pharmaceuticals, underwater noise, and seabed disturbance.

¹² <https://helcom.fi/wp-content/uploads/2021/10/Baltic-Sea-Action-Plan-2021-update.pdf>; access: 19/07/2023.

¹³ https://ec.europa.eu/regional_policy/index.cfm/en/newsroom/news?keywords=&countryCode=ALL&themeld=9&t-ObjectiveId=ALL; access: 04/01/2022.

IV.2. EU Mission Starfish 2030: Restore our Ocean and Waters

Under the EU's Horizon research program, five European Missions aim to find solutions to key global challenges by 2030. These include missions to revitalize our oceans and waters by 2030, as well as adaptation to climate change.

All EU missions have a specific timeframe and budget, depending on the challenge.

70% of the world's seas and oceans have seen a sharp decrease in biodiversity over recent years. With one billion people depending on them for basic resources, the survival of organisms in these waters is essential.

With a 2030 target, the EU mission 'Restore our Ocean and Waters' puts research and innovation, citizen engagement and blue investments at the service of healthy marine and freshwater ecosystems.

The work programme of the mission 'Restore our Ocean and Waters', which is the main instrument for the implementation of its research and innovation (R&I) component and also addresses the Baltic Sea, offers opportunities for collaboration between scientists, authorities, business and citizens. An indicative budget of €114 million was to be allocated to the first call for proposals that was planned to be launched in December 2021.

The mission work programme put a special focus on the concept of "lighthouses", conceived as R&I project portfolios for the development and deployment of transformative and innovative solutions in four sea/river basins:

- Atlantic and Arctic basin
- Baltic and North Sea basin
- Mediterranean Sea basin
- Danube River basin.

Some of the 2021 calls were to target three main challenges:

- protect 30% of the EU's sea area and restore marine ecosystems and 25,000 km of free-flowing rivers
- prevent and eliminate pollution by reducing plastic litter at sea, nutrient contamination and use of chemical pesticides by 50%
- make the blue economy climate-neutral and circular with net-zero maritime emissions.

EU fishing boats shall be equipped with geolocation tools for tracking them and stop over-fishing. In addition, clean engines shall be developed for all kinds of motorised vehicles on the seas and oceans, especially for coastal areas where ferries and coastal ships tend to be.

Coordination activities shall address the setting up of a governance structure and a monitoring framework, networking and communication actions as well as providing technical assistance and expertise for a well-functioning innovation ecosystem at basin level.

A cross-basin initiative was to provide new opportunities for the protection and conservation of the blue natural capital and the establishment of “blue parks” across the EU.

Enabling activities should support the development of an “ocean digital knowledge system” – the “digital twin ocean”, public engagement initiatives, foresight and other studies in marine/maritime and water domains.

IV.3. Revision of the Marine Strategy Framework Directive

The aim of the EU’s Marine Strategy Framework Directive is to protect the marine environment across Europe more effectively.

The Marine Strategy Framework Directive had been adopted on 17 June 2008 and is going to be revised in summer 2023.

The EU biodiversity strategy for 2030, adopted in May 2020, insists on the need for stronger action on marine ecosystem protection and restoration. In the zero pollution action plan for air, water and soil, adopted one year later, the EC, recalling the importance of achieving ‘good status’ for fulfilling the Green Deal’s zero pollution ambition for all aquatic ecosystems, indicated that it would review, and if necessary revise, the marine strategy framework directive.

IV.4. Biodiversity

Baltic Sea conservation: EU acts to protect harbour porpoises

On 26 February 2022 new measures to protect Baltic Proper harbour porpoises (latin: *Phocoena phocoena*) from being caught in fishing operations came into effect (Commission delegated regulation (EU) 2022/303).

Virginijus Sinkevičius, EU Commissioner for Environment, Oceans and Fisheries, commented that still more needed to be done.

Baltic Proper harbour porpoises live in areas of the sea that are subject to fishing and can become entangled in fishing nets. To prevent this, eleven marine areas are now closed to fishing with static nets, or fishing gears must be equipped with acoustic deterrent devices that deter these marine mammals.

The new measures include:

A year-round closure for fishing with static nets in the *Natura 2000*¹⁴ area of Hoburgs bank och Midsjöbankarna and in the Southern Midsea Bank,

- A year-round closure for all fisheries, except for fishing with pots, traps and longlines in one area, the Northern Midsea Bank,
- A seasonal closure for fishing with static nets in nine Natura 2000 sites (Rønne Banke, Adlergrund, Western Rønne Banke, Pommersche Bucht with Oderbank, Greifswalder Boddenrandschwelle and parts of Pommersche Bucht, Ostoja na Zatoce Pomorskiej, Wolin i Uznam, Pommersche Bucht, Sydvästskånes utsjövatten)
- The obligatory use of acoustic deterrent devices in two Natura 2000 sites of Poland and Sweden (in the West and East of the sandbank Ryf Mew, within and outside the Natura 2000 site Zatoka Pucka i Półwysep Helski; and in the Natura 2000 site Sydvästskånes utsjövatten).

¹⁴ Stretching over 18% of the EU's land area and more than 8% of its marine territory, Natura 2000 is the largest coordinated network of protected areas in the world. It shall offer a haven to Europe's most valuable and threatened species and habitats. A viewer can be found here: <https://natura2000.eea.europa.eu/>

The measures are based on the scientific advice from the *International Council for the Exploration of the Sea* (ICES). They are the outcome of almost two years of joint efforts by the EC and eight Baltic Sea Member States (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden), resulting in a binding EU Regulation.

Based on the *advice* by the International Council for the Exploration of the Sea (ICES), the Baltic Sea Fisheries Forum (BALTFISH), consisting of the eight EU member states bordering the Baltic Sea, submitted to the EC two joint recommendations for reducing incidental catches of harbour porpoises in some areas of the Baltic Sea. Furthermore, the *Scientific, Technical and Economic Committee for Fisheries* (STECF) concluded that, if effectively implemented, these measures would contribute to reducing unintended, incidental catches of the Baltic Proper harbour porpoise.

This population of the species has been assessed as “critically endangered” by the *International Union for Conservation of Nature* (IUCN) and the *Baltic Marine Environment Protection Commission* (HELCOM) and is in “unfavourable status” under the EU Habitats Directive.

More information can be found on the EURLEX website:

Commission Delegated Regulation (EU) 2022/303 of 15 December 2021 amending Regulation (EU) 2019/1241 as regards measures to reduce incidental catches of the resident population of the Baltic Proper harbour porpoise (*Phocoena phocoena*) in the Baltic Sea¹⁵

IV.5. Baltic Sturgeon

In autumn 2022, about 20.000 Baltic sturgeons died as a result of an environmental disaster related to some poisonous substance found in the Oder River. The sturgeons belonged to a reintroduction project on the island Darß (Born) in the region of Mecklenburg-Vorpommern.

The sturgeon is a living fossil. The IUCN has just published an updated Red List. According to this list, sturgeons are the most endangered group of animals worldwide.

¹⁵ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2022.046.01.0067.01.ENG, access: 19/07/2023.

IV.6. Seabed loss and disturbance

Loss and disturbance to the seabed is caused by human activities that inflict permanent changes or temporary disruptions to the physical habitat. Examples of such activities include extraction of seabed sand and gravel, modification of the seabed for installations, maintenance of open waterways by dredging, shipping and bottom trawling. Based on the data available from the HELCOM holistic assessment period 2011-2016 (State of the Baltic Sea – Second HELCOM holistic assessment 2011–2016, *Summary Report 2018*)¹⁶ and current knowledge, approximately 40 % of the seabed area is disturbed while about 1% is lost. There is currently no regionally agreed method for assessing how loss and disturbance is causing adverse effects on the marine environment.

¹⁶ <https://helcom.fi/wp-content/uploads/2019/06/BSEP155.pdf>, access: 19/07/2023

