Workshop Report

Introduction - context and aim

In September 2013, the European Parliament approved a preparatory action - a regional strategy for the North Sea region to support cross-sectoral maritime cooperation in the North Sea region through a bottom-up process engaging stakeholders in workshops on funding, space and resource management, environmental issues and innovation. It aims to:

- Raise awareness of the potential of EU sea-basin cooperation for the implementation of EU legislation related to Blue Growth, marine and maritime issues including the Maritime Spatial Planning and Marine Strategy Framework Directives, the Renewable Energy Directive and the Common Fisheries Policy;
- Raise awareness on the need for cross-sectoral cooperation at sea-basin level to avoid conflicts on space use, allow for a sustainable use of resources and stimulate the development of offshore renewable energy production;
- Enable cooperation across the North Sea basin, building on existing fora;
- Give guidance to stakeholders and potential project promoters;
- Liaise with managing authorities of EU funding programmes;
- Help stakeholders identify funding for marine and maritime-related projects at EU and national levels; and bring together project partners to develop cross-sectoral activities;

The first workshop under the "Preparatory action" explored the opportunities and challenges in the energy sector, involving a number of key stakeholders as speakers and panellists. In June 2016, a second workshop was organised to discuss a broader set of blue economy opportunities with a view to fostering the development of strategic cooperation in one or more blue growth value chains or cross-cutting technologies (e.g. sub-sea systems) or service (e.g. maritime data) fields.

Transnational strategic cooperation is defined as an agreement among three or more organisations (businesses, governments, education, research or innovation institutes, cluster organisations, etc.) from three or more countries to cooperate on issues/areas considered strategic for their development (e.g. identified in regional strategies), sharing
key skills or know-how and pooling resources (human and financial) in order to maximise their individual and joint potential, accomplishing more than they could achieve acting alone. Strategic cooperation is distinct from a transnational project (e.g. funded by INTERREG V or Horizon 2020) as it is based on a longer-term framework (e.g. a roadmap) that helps to prioritise and ensure synergies between a portfolio of actions or (co-)investments in order to achieve a jointly agreed objective. Strategic cooperation mobilises and combines funds and expertise from diverse sources to implement the priority actions.

Figure 1: Workshop participants by country and type of organisation

The workshop targeted participants from all North Sea countries and from national and regional public authorities responsible for blue growth issues, business federations, cluster managers, economic development and innovation agencies, industrial and university research centres, etc. The participants (not including harvesters, speakers and European Commission representatives) met this goal with a good spread by country (Netherlands as the host country had the highest number of participants) and type of organisation (including...
a good participation of private sector companies and representative organisations such as cluster managers and business federations). See Figure 1

The workshop sought to identify the need for and potential priority areas for strategic public-private cooperation harnessing Blue Growth economic opportunities in the North Sea. The day-and-a-half programme addressed the challenges of identifying joint priorities, mobilising and involving businesses, cooperation tools and forms of assistance (other than finance), investment platforms, etc. to support and accelerate strategic cooperation.

Figure 2: workshop process

The workshop was organised (see Figure 2) as a participatory ‘brainstorm’ with three consecutive moderated break-out sessions addressing:

- Session 1: working toward a consensus on the priority areas for cooperation/priority setting (e.g. aquaculture/food, short-sea shipping, blue biotech, offshore renewables);
- Session 2: for each priority area, sketching out a vision and necessary actions to develop strategic transnational cooperation;
- Session 3: identifying sources of funding and the need for new financial instruments (e.g. an investment platform) to support the cooperation.

Each session began with one or two speakers setting the scene, after which the participants split into break-out groups for a moderated discussion. At the end of each break-out session, the harvesters reported back to a plenary session to enable a consensus to emerge. The aim was to agree on a short-list of priorities and ‘flagship’ public-private actions to maximise joint business opportunities in blue growth in the North Sea region.
Dutch and European priorities for Blue Growth

The workshop was opened by Rogier van der Sande, the Regional Minister for International Affairs of the Province of Zuid-Holland who welcomed the participants to The Hague. Mr van der Sande stressed how important a role the sea played in the economic and technological priorities of the Province. The major port infrastructure and the inland waterways connecting Zuid-Holland to the heart of Europe mean that the region is a hub for maritime trade. The historic battle to keep the sea out of the low country represents today an opportunity for Dutch companies and universities to export know how in water and delta management technologies. These technologies are increasingly relevant in the face of climate change.

Mr van der Sander stressed that the full potential of Blue Growth for Zuid - Holland and other regions can only be achieved through more structured cooperation in and around the North Sea. Cross-sectoral coordination and multi-level governance are required to ensure that a better governed region can prosper. Zuid-Holland, like other regions, has identified a number of blue growth field in the regional Smart Specialisation strategy. These include construction with nature (including the Sand Engine project, a unique large artificial sand bank that is a new coastal defence technique), smart and clean shipping (where the region is working with 17 partners from the UK, Belgium, Germany and the Netherlands to reduce air pollution and emission from inland shipping); water and delta technology and dike monitoring (again working with partners from around the North Sea); and finally blue energy, including the Katwijk and Brouwersdam tidal power plants that use novel technologies that exploit differences between high and low tides and fresh and salt water. Such initiatives underline the potential for scaling up and sharing of expertise through strategic cooperation around the North Sea.

Donné Slangen of the Netherlands Ministry of Infrastructure and the Environment set out the Dutch initiatives for Blue Growth in the North Sea. The priority is to ensure that healthy oceans, healthy seas and healthy coastal area can provide blue ecosystem goods and services. The North Sea ecosystem is connected to other sea basins and coastal and inland waterway ecosystems areas. Protecting and restoring the productivity of this area is vital and on 11 June, the Dutch Government approved final proposals for meeting marine protected area targets after long discussion with all partners. The proposals seek to find the right balance between use of the sea and protection of marine life. Developing a decarbonised blue economy by 2050 requires both new players and that current players reinvent themselves and develop new business models, with the support of the triple helix and broader civil society. Recently, falling oil prices have undermined investment in cleantech but there is an upside in that industry is adopting transition economy thinking. For instance, the Dutch oil and gas and offshore wind sectors have announced a co-investment of €100m in R&D to bring down the cost of offshore wind.

The Dutch North Sea Spatial Agenda 2050 has the theme of “building with North Sea nature” and seeks to bridge the tension between marine environment and the pressure humans put on it. An example of sustainable development is the investment in the North Sea seaweed farm near Scheveningen harbour. Energy transition is a priority with a focus on offshore windfarms but also the need to combine different sources of ocean energy. The
Ocean Grazer\(^1\) project in Groningen is a good example of applying technologies that ensure the multi-use of maritime space. As well as a focus on ports and shipping, another emerging topic is land-sea interaction and the need to further develop the potential synergies.

The Dutch Presidency aimed to make concrete and practical progress on a number of maritime priorities. Results include joint efforts to revise the short sea shipping strategy, combatting climate change via rapid implementation of the UNFCCC COP 21 Paris agreement and pushing the circular economy to reduce waste ending up in the sea. A key outcome has been the political agreement, signed on 6 June, for closer energy cooperation between North Sea countries\(^2\). A high-level conference on Blue Growth, organised in February in Harlem, brought to light the importance of mobilising regions to create blue jobs by improving value chain cooperation and leveraging funds, including the EFSI ‘Juncker’ financial mechanism. The event also underlined the need to work across institutional borders and improve multi-level governance. The Dutch Presidency, following the European Maritime Days in Turku, has also brought together an informal High Level Focal Point Meeting on IMP to discuss jointly priorities, reflections on areas to draw up a more detailed Integrated Maritime Policy agenda focussed on progress towards the blue economy in Europe. In closing, Mr Slangen stressed the importance of North Sea co-operation to secure marine food supply, harvest marine energy, etc. while ensuring ecosystem sustainability.

Claus Schultz\(e\) of the European Commission, DG Maritime Affairs (Maritime Affairs Baltic Sea, North Sea and Landlocked Member States) underlined the importance of blue growth as an important element of the EU’s Jobs and Growth agenda. Other international bodies, such as the OECD, also expect the ocean economy to double value added in next 20 years. The Blue economy in the EU is the size of the Belgian economy and DG MARE is looking at how to measure the blue economy more precisely including the value chains that go beyond the coastal regions. The Blue Growth strategy was designed as an overarching framework structured around five key sectors. Since the strategy was launched, the concept has been developed further and international bodies such as the FAO or the UN have pushed for sustainable ocean governance which the EU is also giving more attention to. The Commission is taking stock of what has happened since 2012 and focusing on the specific opportunities and challenges of each sea basin. The sectoral approach has had some success, for instance, ocean energy has moved towards the commercial phase and is being scaled up to make it competitive with a risk insurance scheme and an investment platform being worked on.

However, more future growth is expected to come from a stronger cross-sectoral approach and by structuring value chains that do not respect standard sectors or extend beyond the sea-basin. This has been done, for instance, through the Vanguard Initiative pilot on Offshore Technologies (e.g. new materials into offshore wind parks). Such cooperation is led by regions but with a strong industry involvement and is a good example of the sort of bottom up strategic co-operation that the Commission wants to encourage. The European Parliament is also convinced of the need for extending this bottom up cooperation and took the decision to finance the preparatory action to support cross-sectoral cooperation and bottom up processes. In this context, the CPMR is an important partner of the Commission and has been active in promoting cooperation in the sea basins, including the North Sea.

\(^1\) [http://www.oceangrazer.com/](http://www.oceangrazer.com/)
The survey underlines that funding remains an issue and that certain types of investment or projects do not access finance easily. The EFSI provides one important source of funding, notably for major investments (wind parks, etc.) but investments under 25m can be packaged into investment platforms. The Commission is currently working on investment platforms for ocean energy, bioeconomy and green shipping. Indeed, stakeholders are encouraged to bring forward strategic and bankable projects. There is significant scope for more strategic projects across sea-basins. The meaning of 'strategic' is very important in that respect in that projects should be based on joint visions, prioritise strategic development opportunities, enhance synergies and critical mass and be transformative in bringing forward new solutions and business opportunities. These ideas were taken on board for the Blue Tech call of DG MARE³ with the aim that dynamic and entrepreneurial organisations (such as clusters) come together across a sea-basin to work on a roadmap and develop bankable projects. The deadline is in September and the Commission hopes that at least one project will emerge from the North Sea partnerships.

Session 1: Prioritising transnational cooperation in Blue Growth value chains

The first of the working sessions addressed three key questions:

- What are the lessons from past transnational cooperation for Blue Growth in the North Sea area, what are the do’s and don’ts for future actions?
- In which North Sea blue growth sectors/value chains is there the most need or opportunity for transnational cooperation?
- What are the barriers to maximising the potential from Blue Growth and to what extent do they require a transnational response?

Before splitting into break-out groups, participants were addressed by Marcella Smyth, Chair of the Atlantic Strategy Group and Maritime Affairs Attaché at Permanent Representation of Ireland to the European Union, who outlined the experience of the Atlantic Strategy Group in developing a more strategic approach to cooperation. Many lessons have been learned in developing the Atlantic Strategy and the process and governance model provide insights into how strategic cooperation can be developed. The EU Integrated maritime policy adopted in 2007 was an important element in that it called for sea basin strategies and in 2010 the European Council and the European Parliament both called for an Atlantic Strategy to be developed. In 2011, the strategy was adopted and launched after following a Commission Communication and a broad based consultation in the five member states. Ms Smyth underlined that a broad consultation is hugely important to ensure a sense of ownership and that a sea basin strategy must be based on a clear demand from Member States.

The Atlantic Strategy is structured around five over-arching and interlinked themes:

- Implementing an ecosystem approach – through, for instance, the CFP marine strategy framework directive

Workshop on Strategic Cooperation on Blue Growth in the North Sea

- Reducing Europe’s carbon footprint – ocean renewable energy, low emission maritime transport, etc.
- Exploiting the Atlantic seafloor’s natural resources – marine raw materials for food, fuel, marine pharmaceuticals, marine knowledge etc.
- Responding to threats and emergencies – maritime safety, crisis management, surveillance, etc.
- Socially inclusive growth –vocational training, tourism, maritime clusters, etc.

The implementation of the strategy is based on the principle of the “Three Nos”: no new funding, no new legislation, no new structures. This requires strong political commitment and coordination. An Atlantic Forum was created in 2012 to draw up an action plan and agree on priority actions via further consultation with all interested parties, overseen by a Leaders Group (high level representatives of the EU institutions and the Atlantic Member States). The Action Plan was approved in 2013, under the Irish Presidency, along with an international dimension with the signing of the Galway Statement on maritime research with the US and Canada.

It was important to have the action plan in place to allow the priorities to feed into the planning for the ESIF programmes for 2014-20 and other existing funding programmes. Four priorities were selected:

- Promote entrepreneurship and innovation;
- Protect, secure and enhance the marine and coastal environment;
- Improve accessibility and connectivity;
- Create a socially inclusive and sustainable model of regional development;

The implementation of the action plan is overseen by the Atlantic Strategy Group (representatives of five member states and EU institutions) which has the remit to provide policy guidance on the strategy and action plan. In addition, a support team for the Atlantic Action Plan has been created which consists of a network of National Units operating in France, Ireland, Spain, Portugal and the United Kingdom coordinated by a central office based in Brussels. The team provides guidance and proactive support for public and private organisations, research institutions and universities, institutional and private investors from the Atlantic region wishing to engage in the implementation of the Atlantic Plan. Over the last 18 months, the support team has successfully reached out to over 4500 stakeholders, gathered 109 project ideas and identified 95 funding options.

The Atlantic Strategy is now reflected in the maritime strategy of all of the Atlantic member states, the partnership agreements, ESIF operational programmes and territorial cooperation (INTERREG V). Several flagship projects have been launched through the Atlantic INTERREG programme including MARNET (marine socio-economic network) ACRUNET, MAREN2. Moreover, Horizon 2020 has allocated €70m for transatlantic cooperation with 20 projects funded after the first call in 2015, including Aquaspace, Atlantos (ocean observatory), Atlas (deep water ecosystem spatial planning). Moreover, a first transatlantic mapping survey was launched last year, undertaken by the Irish marine research vessel.

Ms Smyth underlined the many benefits of the strategy which has created a stronger focus on the maritime economy in the region and helped to push the blue economy higher up national and regional planning, including for ESIF funding. Ocean energy has a huge potential that requires mobilising the scientific, technical and commercial capacities of the whole Atlantic region, including energy inter-connection to move energy from where it is produced to where it is needed.

In closing, Ms Smyth outlined three main lessons from the Atlantic Strategy are relevant for future North Sea cooperation:

- **Build on the momentum you have in place**: the gap between the launch of the Atlantic Strategy and the Atlantic plan and then the launch of the support unit, meant that some time was lost and some stakeholders became less engaged or moved on to other projects in other areas.
- **Visibility** – don’t lose sight of what you have developed. Actions taken to maintain at the political level include a recent joint meeting with the European Parliament. The annual stakeholder platform event is hugely important in keeping a high level visibility. This year the event will be focused on the theme of entrepreneurship and the launch of the Atlantic Strategy awards.
- **You need to be creative in finding funding from a range of sources and this can be a real challenge**. The Atlantic Strategy Group is looking at this issue currently. Much has been done in embedding the strategy in ESIF operational programmes but accessing other sources of funding pose specific problems including issues around aligning objectives so that priority projects are eligible. Making shared objectives explicit is hugely important.

A second presentation summarised the results of the survey of North Sea stakeholders and of the **background paper** prepared for the workshop. Alasdair Reid began by noting that blue growth is a ‘sub-theme’ of economic and innovation strategies in all North Sea countries and in many regions. It is notably high on the political agenda in the German North-Sea regions, Denmark and Norway, with a particular focus on offshore energy and maritime (transport) industries. Offshore wind receives a lot of attention across all countries with shipping, seafood and ocean renewable energy also frequently targeted. A number of countries/regions have developed ‘roadmaps’ (e.g. blue energy, maritime industries, etc.) and these could provide a basis for North Sea wide match-making and common ‘masterplans’.

The mapping carried out for the background paper identified a diverse ‘shoal’ of 38 cluster organisations around the North Sea working in various blue growth fields:

- **These include eight clusters in each of the short-sea shipping, seafood/aquaculture and offshore renewables fields**
- **A less visible presence of clusters in blue growth ‘service sectors’** (some in tourism and water sports) and ‘pre-development’ fields (blue-biotech etc.)
- **Other cluster organisations in related fields may be relevant for blue-growth sectors**: e.g. cross-cutting engineering know-how (sub-sea electrics, corrosion technologies) or life science technologies.

There is bilateral and project based co-operation between clusters but not strategic platforms established on a more permanent or long-run basis. There is also significant activity of universities and research organisations in blue growth fields. This often occurs
within broader EU-wide partnerships (e.g. through Horizon 2020), and does not necessarily focus on North Sea challenges and opportunities.

**Figure 3: North Sea clusters**

The evidence suggests that existing transnational and inter-regional cooperation is focused on offshore wind and ocean renewable energy with seafood/aquaculture and short-sea shipping (green shipping and smart/green ports) also covered by a range of projects or initiatives. Much of the past co-operation has been focused on networking and exchange of experience with stakeholders surveyed indicating the need for a switch towards more co-investment and co-creation through demonstration actions, cluster co-operation and joint development of market opportunities as well as more collaborative R&D on targeted priorities for the North Sea ecosystem and economy.

**The three break-out group** discussions were harvested and reported back using a common framework. The figure below summarises the harvested results of the discussions, including three priority themes for future strategic transnational cooperation in the North Sea area.
## Prioritising transnational cooperation in Blue Growth value chains

### Five key lessons from past and current cooperation

- **Break down ‘silos’** between regions, sectors, stakeholders – implying need to mobilise ‘quadruple helix’ and work at improving multi-level governance. This can include exploring new ways of linking up stakeholders (social media, crowd-funding/sourcing, etc.)
- **Enhance business involvement and active engagement through demonstration actions**, etc.
- **There is not necessarily a need for a strategy but there has to be political commitment for strategic cooperation on a number of clear urgent issues.**
- **Strategic co-operation should be driven by bottom up needs and this requires that Blue Growth is high enough on national and regional policy agendas**
- **Lack of an integrated approach with fragmented funding from various programmes implies the need for an organised support at sea basin level (e.g. Atlantic Support team).**

<table>
<thead>
<tr>
<th>Drivers of blue growth in the North Sea area</th>
<th>Barriers to strategic transnational cooperation</th>
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<tbody>
<tr>
<td>• Combined know-how on Blue growth sufficient to address common needs (e.g. vessels for the future)</td>
<td>• Vested interests and competition in blue growth fields</td>
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<tr>
<td>• Better regulation (e.g. related to environment, energy, climate chain etc.) as a driver of new value chains</td>
<td>• Non-alignment of national policy ‘systems’ &amp; frameworks</td>
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<tr>
<td>• Cluster cooperation can structure value chains &amp; foster business matchmaking, etc.</td>
<td>• Lack of a common vision on ‘urgent issues’</td>
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<tr>
<td>• High value added sectors with international potential, for instance creating a ‘North Sea maritime quality brand’</td>
<td>• Slow or uneven implementation of maritime related legislation</td>
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<td>• Difficulties in combining funding from various sources</td>
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### Priority themes for future transnational cooperation

- **Naturally ‘derived’ products from the sea**
  - Securing the long-term potential of the North Sea as a source of nutrition and health benefits
- **Clean maritime operations (shipping, ports, etc.)**
  - Maintaining the competitive position of North Sea maritime sector by minimising the environmental costs to industry and society.
- **Skills & technologies with multi-use applications for Blue Growth value chains**
  - Exploiting the potential for applying new methods (e.g. big data applications), land-sea technology and economic ‘cross-overs’ and renewing the skills base of the blue economy.
Session 2: Designing and developing transnational cooperation platforms for Blue Growth

Building on the priority selection process conducted in day 1, the second session of the workshop aimed to further develop ideas on promoting strategic cooperation for each priority theme. The participants discussed how to develop a cooperation platform on Blue Growth which is of added value to all actors and benefits one or more blue growth value chains. The discussion also addressed how to mobilise businesses to be involved in or lead transnational cooperation.

The session began with two background presentations, the first presenting the experience of a region in its effort to optimise sustainable blue growth value; the second providing key findings from research on how maritime value chains and industries transform over time and create value.

Richard Korteland, Vice-Mayor of Drechtsteden and representing the Dutch Network Maritime Top Region, outlined a vision of how ‘cross-overs and ecosystems’ are keys to the future blue economy. The Drechtsteden region has a population of some 300,000 inhabitants in the middle of the Dutch delta area with the island of Dordrecht delimited by the rivers Rhine and Maas. The unique natural environment, the densely populated and industrialised habitat and the combination of maritime (shipping, ports, inland waterways) and ‘land-based’ industries and know-how provide an interesting example of challenges faced by coastal regions.

The region is seeking to create new ‘ecosystems’ that combine the expertise of various land-sea sectors such as composite technologies from the aerospace industry being applied in the maritime sector. Mr Korteland underlined that the development of such “cross-over” opportunities requires the mobilisation of all stakeholders and political leadership as often businesses do not see initially the relevance of such cross-sectoral platforms. Another key element in the approach is not to only focus on theoretical ideas but to develop large-scale tests or demonstration actions. The Drechtsteden region has developed a number of ‘fieldlabs’, which are industry led demonstration centres. In terms of finance, the Dutch regional development board is the main supplier of risk capital and the region is promoting a shift toward revolving investment funds. The public authorities should be alert to law and regulations that hinder or promote new business models relevant for the blue economy.

Mr Korteland underlined that his region welcomes the opportunity to share facilities and experience and learn from past cooperation to develop more strategic cooperation in the North Sea. To this end, he called for a reinforcement of ‘open source’ approaches that ensure that knowledge and data is shared as well as a stronger focus on joint commercialisation of innovation. There are a number of areas where it would be beneficial to build ecosystems and cooperation platforms around the North Sea. Regional governments can play a role as brokers to help put together the right partners and through financial instruments reduce the investment risk for transnational projects.

Thomas Roslyng Olesen, Assistant Professor at Copenhagen Business School’s Maritime Business in Society Platform, drew on research into the changing business models and cooperation platforms in the Danish maritime value chains to explore the potential for industry led transnational cooperation. Mr Olsen began by underlining that in recent decades the Danish maritime sector has witnessed a shift away from manufacturing and
standardised services towards the higher value added part of the value chain (see Figure 5). Much of the manufacturing has moved ‘offshore’ (to lower cost countries) and this has led to a consolidation and a more complex structure of business groups (also in part due to foreign investment and changing ownership). From one perspective, this can be considered to have weakened the Danish maritime cluster.

Figure 5: value chains and globalisation

On the other hand, as illustrated by the changing structure and business models of a number of the main Danish maritime players in the 1980s and 1990s, entrepreneurship has driven change over time towards new more specialised and higher value added activities. This has notably led to traditional maritime companies looking cross-sectorally for knowledge sharing and to opportunities in related technologies in different sectors (e.g. a marine boiler company which is now involved in solar technologies). The evolution of the Danish maritime cluster underlines the opportunities that can arise from cross-sectoral or multi-use technologies. Broadening such trends to the North Sea level would suggest that there are significant opportunities for cooperation in developing new business models or shifting to higher value activities in existing maritime sectors or land-sea cross-overs.

In terms of the type of public support that could facilitate such business led cooperation, Mr Olsen suggested that the problem solving potential of collaboration increases with the diversity of knowledge of the partners, again underlining the potential gains from North Sea cooperation. He also argued that past research suggests that there are gains to be made from cross-sectoral collaboration. However, there is a need to be aware of the barriers to private businesses engaging in longer-term strategic cooperation including the problem...
related to different norms and information or managerial gaps. There is a need for intermediaries or brokers who support search and match-making and help access funding.

Following the presentations, the participants divided into three groups to discuss the selected priority themes. Each group was asked to discuss:

- what are the specific barriers or opportunities that can be tackled by transnational cooperation or investment; and/or what complementary know-how or technologies exist that could be combined to boost Blue Growth potential in the North Sea area?
- What are the best methods to mobilise business to become involved in or lead strategic transnational cooperation in Blue Growth (e.g. role of cluster organisations as brokers, mobilising major companies located in several regions to encourage involvement of supplier firms, etc.)?
- How can strategic cooperation be best accelerated? (e.g. large-scale demonstration actions, developing strategic road-maps, public-private platforms on cross-cutting technologies relevant to several blue growth sectors)?

At the end of the session, the groups worked to reach a consensus on a number of priority actions that could be taken forward to establish strategic cooperation. As for the first session, the harvesters for each break-out group compiled the findings in a common poster structure. The conclusions of each group are summarised in the following figures.

**Figure 6: Clean maritime operations**

<table>
<thead>
<tr>
<th>Theme: Clean maritime operations (shipping, ports, etc.)</th>
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<tbody>
<tr>
<td><strong>Basis for strategic cooperation</strong></td>
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<tr>
<td>- The North Sea region has unique strengths in multi-purpose and specialised vessels (e.g. dredging, offshore supply, etc.) and alternative-fuel technologies and hybrid vessels</td>
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<td>- Weaknesses include skills transferability between countries and sectors and the overall attractiveness of the sector (although there is a positive trend in some countries)</td>
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<tr>
<td>- There is a need/opportunity to position the North Sea region as a driver of standards in multi-purpose/specialised vessels and in professional qualifications (IMO).</td>
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<thead>
<tr>
<th>A common vision</th>
<th>Mobilise business in transnational cooperation</th>
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<tbody>
<tr>
<td>Optimising green economic growth in the North Sea maritime sector</td>
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<tr>
<td>- Focus on profitability - actions that reduce costs to business</td>
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<tr>
<td>- Use the network of well-functioning cluster organisations</td>
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<tr>
<td>- Prioritise one or two challenges and avoid fragmented approaches – ensure early business engagement.</td>
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<tr>
<th>Priority actions to promote strategic cooperation</th>
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<tr>
<td>- There is a need for a more detailed mapping of expertise and know-how to identify all relevant clusters, university and training expertise, key companies, etc.</td>
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<td>- Ensure that the theme is given a political priority (e.g. similar to recent North Sea energy agreement) at North Sea level</td>
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<tr>
<td>- Engagement actions with industry – ‘roadshow’ at industry conferences rather than organising policy forum and trying to attract some companies</td>
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**Theme: Natural derived products from the sea**

**Basis for strategic cooperation**
- A number of inter-linked value chains exist that draw on different natural resources (fish, shellfish, seaweed, etc.).
- Further research and innovation can support the exploitation of new natural products (food, healthcare, etc.) for future generations.
- A more detailed mapping would help identify the basis for kick-starting strategic cooperation on natural products – this should cover scientific know-how, cluster specialisation, etc. and be cross-sectoral/technological.

**A common vision**
Create a better future value chain of natural derived products from the North Sea.

**Mobilise business in transnational cooperation**
- Create a better organised ecosystem by developing more interdisciplinary networks and by helping clusters to internationalise.
- Identify ‘innovation hubs’ that can provide services to North Sea companies active in natural products.

**Priority actions to promote strategic cooperation**
- Political level: Agree on strategic synergies that require a transnational approach in order to fully exploit the potential in this area. This could be done by developing a stakeholder forum, e.g. building on the North Sea Commission network, involving regional authorities, etc. and could draw on smart specialisation strategies in place in the regions.
- Operational level: launch cross-cutting working groups to develop stronger linkages between clusters and important businesses in the North-Sea region. Identify and showcase success stories and launch match-making events.

**Theme: Skills & technologies with multi-use applications for Blue Growth value chains**

**Basis for strategic cooperation**
- Strengths include a strong public sector supporting investments and many strong clusters in diverse fields.
- A number of success stories of entrepreneurship and new business models and successful cross-overs exist, these need to be promoted and replicated.
- Weaknesses include lack of common know-how, access to maritime and environmental data, insufficient cluster co-operations and tendency to engage in ‘project shopping’.

**A common vision**
To maximise the entrepreneurial potential in the blue economy to better our region in the global economy.

**Mobilise business in transnational cooperation**
- Internship programme (ERASMUS type) for young employees in blue growth sectors.
- Summer schools for businesses in blue growth topics (e.g. see University of Ghent example).
- Develop a knowledge and innovation community type model for triple helix cooperation in blue growth for the North Sea.
Priority actions to promote strategic cooperation

- Target cooperation on solutions to urgent problems than combine expertise from multi-sectors, etc. – such as (micro-) plastics in the marine ecosystem.
- Adopt a common approach to marine ecosystem planning – requires political agreement
- More systematic use of platforms to gather (crowd-sourcing) and launch ideas and disruptive processes – North Sea innovation festival?
- Develop first an inventory of all existing facilities as a basis for co-investment in joint ‘field labs’ or scalable infrastructures and test facilities.
- Optimise land/sea value chains via university-business cooperation, e.g. big data for drilling.

Session 3: Mobilising funding for strategic cooperation flagship actions

Building on the first two sessions, the third break out session 3 examined available options to mobilise public-private funding for strategic Blue Growth cooperation and, particularly, how to attract private investors to invest through investment platforms. The discussion also addressed whether there are regulatory or legal obstacles to strategic cooperation. The expected outcome was an agreement on 2-3 priority flagship cooperation actions.

The session was opened by a presentation from François Gaudet, Loan Officer, New Products and Special Transactions Department, European Investment Bank. Mr Gaudet presented the experience of the development of a first Investment Platform on Green Shipping. The Green Shipping Guarantee (GSG) programme is a first example of the development of a sector focussed pan-European financing platform in the blue growth field. It grew out of the need for the shipping sector to meet new sulphur emission and future ballast water treatment regulations. Initially the EIB engaged with stakeholders in four countries (France, the Netherlands, Sweden and Finland) to identify market gaps and financing barriers in order to develop the new financial instrument. The main aim is to reduce the credit risk of the loans to the shipping industry. However, as Mr Gaudet stressed, it is a targeted instrument seeking to encourage investment in greener technologies and not an instrument that can solve industry fundamentals.

The development of the platform took several years and the initial model proposed had to be adjusted as commercial lenders were not willing to adopt a portfolio and risk mutualisation approach. Hence, the option of providing a guarantee for senior and subordinate obligations with a high rate of guarantee for the green components of retrofitting operations was finally adopted. The overall funding approach by the EFSI investment committee and the EIB in June 2016 is for a 750 million guarantee programme (to support total investment of around €3 billion) with the initial pilot run in the four countries mentioned above.

In closing, Mr Gaudet underlined that guarantee or investment platforms require a certain scale of ‘bankable projects’ and that their development takes time to ensure that the instrument is tailored to the market needs of the targeted sector. In theory, such an instrument could be applicable for blue growth priorities in the North Sea but this would require further in-depth analysis before developing a proposal.
Following the presentation, the participants split into the three thematic breakout groups, with discussions structured around three key questions:

- To what extent do existing funding programmes provide complementary forms of support at different points of Blue Growth value chains? Are there funding gaps (for specific types of actions) or issues in combining mainstream funds that undermine the potential for Blue Growth strategic cooperation?
- Is there a need for new instruments (e.g. equity type financing or guarantee agreements via the EIB or EIF), investment platforms (to gather projects below the €25 million threshold for funding through the European Fund for Strategic Investment), etc.?
- How important are regulatory or legislative barriers in driving or impeding value chain development? Is there a need for stakeholder structures at transnational level to align regulatory frameworks and foster Blue Growth partnerships?

The results of the discussions are summarised in the figure below.

**Figure 9: summary of session 3 - future flagship actions**

<table>
<thead>
<tr>
<th>Theme: short sea shipping/aquaculture &amp; food/blue biotechnology/other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Identifying funding needs</strong></td>
</tr>
<tr>
<td>- Additional scoping work is required to identify funding needs at different points in blue growth value chains</td>
</tr>
<tr>
<td>- Alignment of funding programmes priorities with strategic cooperation priorities agreed by North Sea countries</td>
</tr>
<tr>
<td>- Combine strategic investments made from a longer-run perspective with easier access to commercial or equity investments for the three blue growth priority areas – potentially some form of investment platform.</td>
</tr>
<tr>
<td>- Dedicated research and innovation programme targeted at multi-use technologies for blue growth in the North Sea (drawing on experience of Bonus Programme in Baltic Sea)</td>
</tr>
<tr>
<td><strong>What sort of financial instruments are required to support future transnational cooperation?</strong></td>
</tr>
<tr>
<td>- Many instruments already exist and a first step is to map what is available and how the financial means could be mobilised to support North Sea strategic cooperation</td>
</tr>
<tr>
<td>- Develop an online portal to provide North Sea blue growth stakeholders with a one-stop shop to help access financial support for their activities.</td>
</tr>
<tr>
<td><strong>What supporting actions are needed to foster strategic cooperation?</strong></td>
</tr>
<tr>
<td>- Create a North Sea Cooperation Support team (modelled on Atlantic example)</td>
</tr>
<tr>
<td>- Form a pilot group for each priority theme to further develop the ideas generated during the workshop.</td>
</tr>
<tr>
<td>- Extend and deepen mapping of know-how, expertise, clusters, pivotal companies, funders, testbeds, R&amp;I infrastructures, etc.</td>
</tr>
<tr>
<td><strong>Possible flagship actions</strong></td>
</tr>
<tr>
<td>- setting up a transnational partnership between clusters, businesses, universities and other knowledge and education providers for blue growth, modelled on the existing European 'Knowledge and Innovation Communities';</td>
</tr>
<tr>
<td>- pooling funding in a Joint Programming Instrument to invest in transnational blue growth innovation projects;</td>
</tr>
<tr>
<td>- including a blue growth priority axis and blue growth flagship operations within the INTERREG North Sea programme;</td>
</tr>
</tbody>
</table>
setting up a cross-border financial instrument to support blue growth demonstration projects in the North Sea;
creating a competition for innovative cross-over solutions for blue growth targeting, in particular, young people; and
setting up a scheme to place young graduates as innovation assistants in blue economy SMEs.

Conclusions and way forward

On behalf of the CPMR, the North Sea Commission President, Kerstin Brunnström highlighted some conclusions she drew from the event. She began by underlining that the event was very much in line with the objectives of the North Sea Commission’s recently revised strategy document NSR2020\(^5\). The NSR 2020 is designed to ensure that the strength and competitiveness of the North Sea Region is maintained, and the region further develops as a sustainable and attractive region which is an engine for growth in Europe. Thus, the objective of the strategy is to focus on transnational issues, where there is added value in working collaboratively. Ms Brunnström also drew the attention of the participants to the recent ’LEGOLAND declaration’\(^6\) which calls on the EU Member States and Norway, together with the European Parliament and the European Commission, to the take necessary steps to formalise a cooperation platform for the countries and regions around the North Sea.

In summing up, Kerstin Brunnström, listed a number of needs that had been identified during the workshop, she stressed:

- the need for a clear Political will and direction, using the North Sea Region 2020 Strategy as an example
- the need for compilation of knowledge and data about the sea and the marine environment and to make it available for stakeholders.
- the need for mapping of support structures, both physical such as test beds, and immaterial such as possibilities of training and education in e.g. entrepreneurship.
- the need for matchmaking, for support to find partners, within or outside the sector, within (or rather outside) the region and nation.
- the need for success stories, results from cooperation that show the benefits, that it is worth while participating in projects. These success stories should reach out and attract new stakeholders, so they have to be well exposed and much talked about.
- And to have these flagships, there is a need for good projects, that are at the same time necessary and innovative and crossing borders, drawing on the NorthSEE-project, a multisectoral, multinational project on Maritime Spatial Planning as an example. Maritime Spatial Planning, is only one of several areas central to strategic cooperation.
- there is a need for less bureaucracy and an easier way to combine funding for especially SMEs, to be able to hang on to transnational and trans-sectoral cooperation.

Kerstin Brunnström noted that the workshop participants had suggested that the CPMR NSC could provide support to future strategic cooperation by building on the existing bottom-up stakeholder network. However, she noted that current resources limit what can be done

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and suggested that the Atlantic model with a support structure for facilitating projects and cooperation provides a good example of a coordination mechanism for the North Sea.

On behalf of the European Commission, Claus Schultze thanked the CPMR and the European Parliament for their initiative and support for the Participatory Action. He informed participants that a workshop report will be presented to the European Parliament’s Seas, Rivers, Islands and Coastal Areas Intergroup for further discussion on the way forward. The outcomes will feed into policy thinking on what type of initiatives should be funded under existing programmes and what sort of new instruments are required.

Mr Schultze also thanked all the participants for their contribution to what had been a day and a half of intense, highly interactive and rewarding discussions. He concluded that the key recommendation is the need to re-energise North Sea cooperation for blue growth by focusing on a limited number of joint strategic priorities and market opportunities, which should be used to structure future cooperation and move from focus on individual, disconnected projects to a focus on process and a portfolio-type of interconnected, strategic projects to drive new blue growth forward in specific opportunity areas in a structured way. He noted that the delegates had identified three such priority topics:

- naturally ‘derived’ products (marine food and products from marine resources);
- clean maritime operations (shipping, ports, etc.); and
- innovative cross-sector solutions with multi-use applications.

The workshops discussions had also highlighted the need to encourage public private partnerships with an emphasis on cooperation across clusters and sectors, as a way to better exploit the innovation potential of the blue economy and to renew its skills base.

The discussions on how to take North Sea cooperation on blue growth forward generated several creative ideas and recommendations, as mentioned under the flagship actions.

In closing, Claus Schultze, underlined that he hoped the participants would build on the ideas generated and view them as an opportunity to further develop jointly ideas for strategic cooperation actions that could go forward to the Blue Tech call or seek support under other available funding streams.
Further information:

Conference web site including presentations and background paper:
http://thehague.maritimecooperation.eu

Directorate-General for Maritime Affairs and Fisheries:

Conference of Peripheral and Maritime Regions North Sea Commission
http://www.northseacommission.info/

European Parliament Seas, Rivers, Islands and Coastal Areas Intergroup:
http://searica.eu/en/

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Report prepared by:
Regional Economic & Innovation Dynamics Consulting SPRL
Avenue Maurice Maeterlinck 12
B-1348 Louvain-la-Neuve, Belgium
Email : alasdair.reid@skynet.be