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**COMMISSION STAFF WORKING DOCUMENT**

**A Sustainable Blue Growth Agenda for the Baltic Sea Region**

## 1. TOWARDS A SUSTAINABLE BLUE GROWTH AGENDA FOR THE BALTIC SEA REGION

The Baltic Sea region has all the necessary elements for successful development of an innovative and sustainable maritime economy. Compared to other EU regions, it enjoys lower unemployment, higher growth rates and lower government debt ratios. It benefits from strong research and innovation activities and a tradition of close cooperation. Since this is an area with a densely populated coastline and very intense use of the sea and its ecosystems, the maritime economy can only thrive if its precious marine resources are used in a sustainable manner.

This document focuses on the Baltic Sea region's specific characteristics and strengths through which the full potential for growth and innovation of the region's maritime economies could be harnessed. It proposes a more strategic approach to the 'blue growth' delivery through a dedicated agenda based on the following pillars (elements):

- Consistent approach to innovation, increased sustainability;
- Skills and qualifications, cluster development;
- Building on existing work;
- Access to finance for maritime sectors.

The document aims at complementing the existing EU Strategy for the Baltic Sea Region (EUSBSR) by identifying areas which could be strengthened with the focus on blue growth.

### *Size of maritime economy*

A recent blue growth study of the Baltic Sea region<sup>1</sup> showed that its maritime economy includes both traditional and new sectors, ranging from shipbuilding, fishing and maritime transport to blue biotechnology, coastal tourism, renewable energy and some oil and gas installations.<sup>2</sup>

In terms of size, six maritime economic activities (MEAs) account for the highest employment and the largest gross value added (GVA) throughout the Baltic Sea region. While coastal tourism and fish for human consumption stand out in terms of their importance for the job market, short sea shipping is by far the greatest generator of GVA:

Maritime Economic Activity	Employment	GVA
Coastal tourism	127 000 jobs	€3.1 billion
Fish for human consumption (more than 70 % in fish processing and retail)	117 000 jobs	€3.8 billion
Shipbuilding	51 000 jobs	€2.0 billion

<sup>1</sup> Study on Blue growth, Maritime Policy and EU Strategy for the Baltic Sea Region, concluded in 2013.

<sup>2</sup> For the oil and gas sector there is the B3 development in Polish waters, and in Russian waters (off Kaliningrad) there is the Kravtsovskoye Oil development in the D-6 block, and some other prospects might arise in the area.

Short sea shipping	39 000 jobs	€5.7 billion
Passenger ferry services	26 000 jobs	€2.0 billion

Figure 1 below displays the absolute size of each MEA for the whole Baltic Sea region presented as a score based on GVA and employment as well as – in each bar – a breakdown by Member State. It shows that by far the largest MEAs are coastal tourism and fish for human consumption,<sup>3</sup> followed (at some distance) by short sea shipping, and shipbuilding and ship repair.

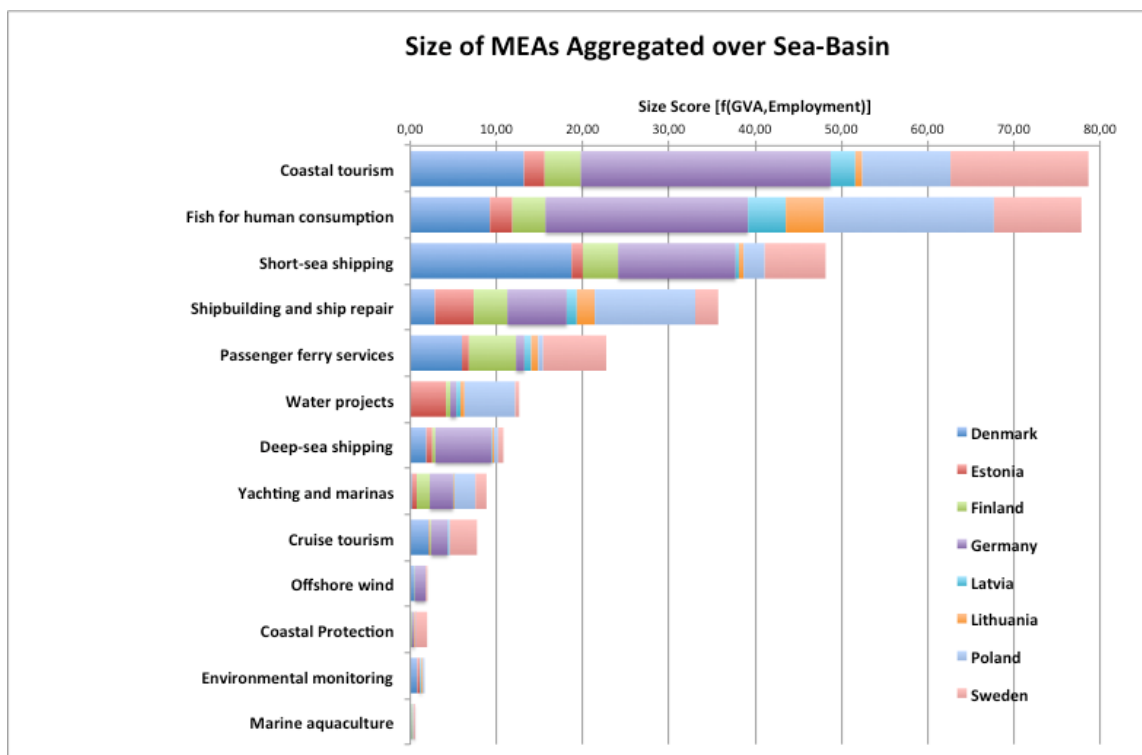


Figure 1: Size of maritime economic activities aggregated over sea basin

<sup>3</sup> Namely, fish processing and retail.

### Recent growth rates

Recent growth rates based on Eurostat data for the period 2008-2010 are above the EU average: offshore wind farming<sup>4</sup> has increased in the region by 20%, cruise tourism by 11% and marine aquaculture by 13%.<sup>5</sup>

Despite a severe recession, a number of maritime economic activities at the sea basin level achieved quite substantial growth rates. Figure 2 displays the recent growth of each MEA, putting these growth scores in relation to the actual size of the MEA.

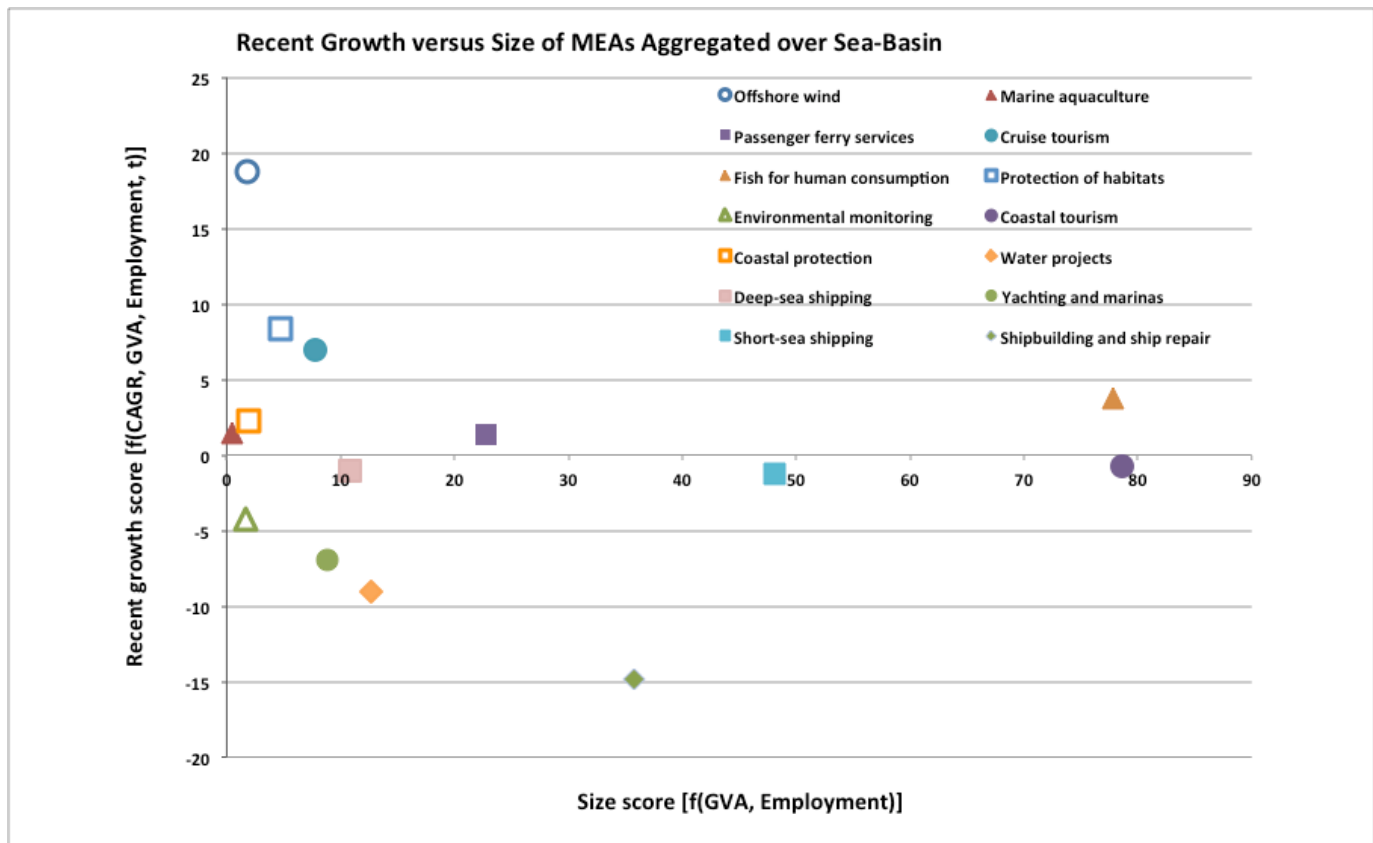


Figure 2: Recent growth versus size of maritime economic activities aggregated over sea basin

### Most promising sectors

Furthermore, based on qualitative and quantitative analysis, the blue growth study<sup>6</sup> identified short sea shipping, coastal and cruise tourism, offshore wind, shipbuilding, aquaculture and blue biotechnologies as the most promising sectors of the Baltic Sea region's maritime economy. They share a common characteristic in that their most successful actors are highly innovative, compete on European or world markets, have sustainability high on their agenda and already generate or will in the future generate a significant number of jobs.

<sup>4</sup> Most of the installed and forecast capacity is in Denmark, Germany and Sweden; Poland has also started to develop this sector.

<sup>5</sup> Over the period 2008-2010, Source: Study on Blue growth, Maritime Policy and EU Strategy for the Baltic Sea Region.

<sup>6</sup> Idem.

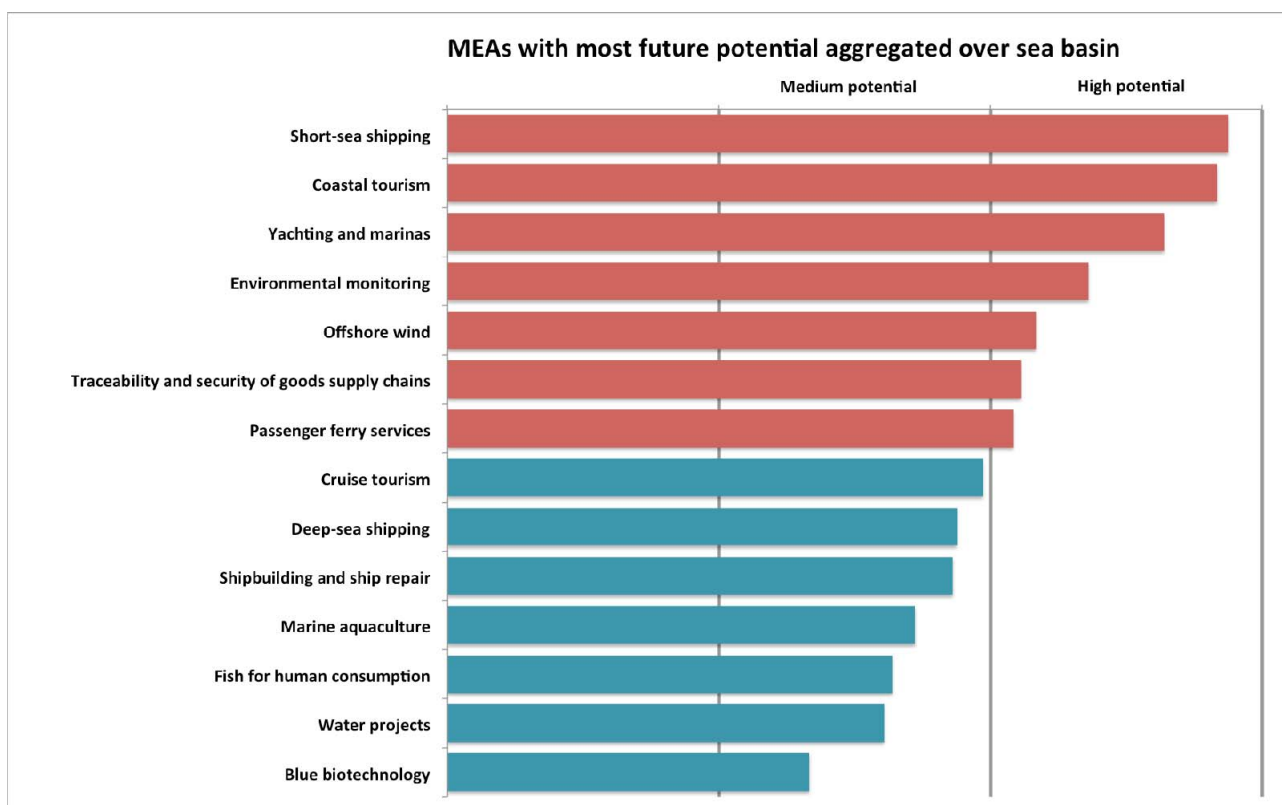


Figure 3: Maritime economic activities with most future potential aggregated over sea basin

## 2. CONSISTENT APPROACH TO INNOVATION, INCREASED SUSTAINABILITY

Activities such as fisheries, aquaculture and coastal tourism are highly dependent on a healthy environment and clean water. The Baltic Sea is the youngest sea on the planet, almost enclosed, experiencing near-arctic conditions and being one of the world’s largest brackish waters. It supports unique ecosystems, faces very specific eutrophication challenges and is particularly vulnerable to algal blooms and hazardous substances. It is one of the busiest seas in the world for shipping, especially oil transport,<sup>7</sup> as well as for coastal tourism and offshore wind projects.

According to a study produced by the Boston Consulting Group for WWF and based on analysis of three industries (tourism, agriculture and fishing), failing to restore the Baltic Sea to good ecological health will further impair not only the Baltic Sea environment, but also its ability by 2030 to add an additional 550 000 jobs and 32 billion euro in annual value.<sup>8</sup> The challenge, therefore, is to encourage economic development, building on innovation potential, whilst ensuring long-term sustainability.

### 2.1. The need to move from research to innovation

Sectors such as blue biotechnology and aquaculture are relatively small and require a much stronger link between research and market.

<sup>7</sup> Source HELCOM: An average of 2000 ships are at sea each day, including 200 tankers carrying oil or other potentially harmful products. It is estimated that the transportation of goods by sea will double by 2017 in the Baltic region. General cargo and container traffic is expected to triple and oil transportation may increase by 40%.

<sup>8</sup> Study produced by the Boston Consulting Group for WWF.

Today, **aquaculture** in the Baltic Sea region remains relatively limited and is predominantly focused on freshwater species. However, the volumes produced at sea have been increasing, significantly in Denmark and Sweden. Since 2008, Danish marine aquaculture has seen a sevenfold increase in produced volumes.

Scientific research and pilot projects offer good prospects for the evolution of aquaculture systems. With the right regulatory incentives and initiatives to improve water quality,<sup>9</sup> the outlook for this sector in the region is promising.

Although its potential is recognised as significant, the **blue biotechnology** sector is far from mature and its development will be highly dependent on a more strategic approach to this sector across the Baltic Sea region. Some steps have already been taken: Denmark has developed a national blue biotech strategy and blue biotechnology clusters in the German Länder of Schleswig-Holstein and Mecklenburg-Vorpommern cover research institutions as well as the private sector. Nevertheless, more effort is needed across the region, including the development of appropriate funding structures and research networks, as well as clusters.

In January 2014, the European Commission adopted a Communication proposing a way forward for the development and industrial implementation of **marine renewable energy** production.<sup>10</sup> In addition to the expertise in wind farming, where the Baltic Sea represents 16% of the offshore wind capacity installed in European waters (793 MW), with over 90% of the world's offshore turbine market being dominated by Vestas Wind Systems and Siemens Wind Power, the region has expertise and further potential for **technology development** for marine renewable energy, namely wave energy, as well as technologies for the oil and gas sector.

The opening up of the Arctic route, growth in offshore wind energy as well as cruise tourism and yachting and the general drive for efficiency not only call for specialised ships but also related equipment and components through smart specialisation and technologically sophisticated niche markets.

Furthermore, a steady increase in demand for fish and fish products, in particular from the Russian market, has sustained the continued growth of the **fish processing sector**, the second most important sector in terms of employment and GVA in the Baltic maritime economy. In order to maintain this competitive position, technological and product innovation remain paramount.

To address these challenges the Member States could consider the development of a **pan-Baltic masterplan approach** to sustainable innovative marine and maritime technology. The plan may help to target more effectively funding from a wide range of existing national and European funding instruments, e.g. national research programmes, Structural Funds, Horizon 2020, BONUS.

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<sup>9</sup> e.g. shellfish aquaculture as nutrient filters.

<sup>10</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Blue Energy Action needed to deliver on the potential of ocean energy in European seas and oceans by 2020 and beyond' (COM/2014/08 final).

## 2.2. Sustainability – a driver of growth

As discussed and agreed at the 2013 Baltic Sea Conference on ‘Blue growth, Sustainability and Water industries’,<sup>11</sup> growth and a healthy marine environment should not be seen as competing objectives. Safeguarding our marine and coastal ecosystems is crucial to ensuring long-term sustainable economic growth. The two can be directly interlinked, as in the case of shipping, coastal tourism or aquaculture.<sup>12</sup>

With the Baltic Sea having been designated as a Particularly Sensitive Sea Area and as a Sulphur Emission Control Area (SECA) in 2007, there will be increased **sustainability of shipping**. The Commission is working with the Member States to avoid delays in the introduction of the NOx requirements for the designation of the Baltic as a NOx Emission Control Area. It will have positive effects on human health and the environment and will provide a competitive advantage for companies that have already chosen to invest in the necessary technology.

Whilst the new environmental and safety regulations are seen as the biggest challenge facing the shipping sector and entail additional costs for shipping operators, they will at the same time create business opportunities and be an important driver of blue growth.

Recent developments in LNG-fuelled shipping, as well as zero-emission ships, have the potential to set standards for sustainable short sea shipping, resulting in reduced emissions and a very positive impact on shipping economics.<sup>13</sup> Further development of ship equipment and optimisation of operations and port infrastructures, notably with regard to waste reception and treatment facilities, LNG refuelling facilities and shoreside electricity installations, will help the transport sector to grow and stay competitive.<sup>14</sup> Member States around the Baltic should consider the creation of an LNG ship refuelling network without delay.

**Clean water solutions** on board ships — spearheaded by the cruise sector — as well as on shore can be crucial contributors to the long-term sustainability of the Baltic maritime economy whilst providing significant business opportunities. They should go hand in hand with appropriate development of port reception facilities.

## 2.3. Cooperation and partnerships

**Cooperation and partnerships** are central to innovation in maritime sectors. Member States in the Baltic Sea region already benefit from the dedicated smart specialisation platform established by the European Commission to facilitate exchange of best practice, provide advice to policymakers and help them concentrate their resources on those fields in which they have a comparative advantage.

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<sup>11</sup> Organised by the European Commission and Baltic Development Forum, in close cooperation with the Danish HELCOM presidency and the Clean Shipping priority area of the EUSBSR, in Copenhagen on 3 October 2013.

<sup>12</sup> Environmental concerns, such as eutrophication, may have adverse impacts on these sectors. The cruise sector’s drive for environmental sustainability, which is fuelled not only by regulation but also by commercial interests, has been a strong driver of water management systems on board ships, as well as recycling. This is not yet mirrored on the land side, where the installation of waste reception facilities is considered by the users to be not fully adequate, e.g. for the reception of sewage from passenger ships.

<sup>13</sup> After the Swedish port of Trelleborg started to require ships to use ultra-low sulphur fuel, emissions dropped by 40%. Shoreside electricity is being used for ferry operations in ports such as Trelleborg and Lübeck. Currently, fuel costs account for 60% of ships’ operating costs; the price of LNG can be considerably lower than that of marine diesel, provided the necessary infrastructure is available; thus, adopting the use of new and cleaner fuels may have a very positive impact on shipping economics.

<sup>14</sup> Including through support of the TEN-T fund and the coming Connecting Europe Facility (CEF).

**Cruise tourism**, as one of the fastest-growing sectors in the Baltic Sea region, is already an excellent example of sea-basin-wide cooperation, which could be further enhanced by expanding the network of attractive cruise destinations. Although **the maritime and coastal tourism sector**<sup>15</sup> is highly competitive, efforts to strengthen the associated advantages of closer cooperation should be increased, in particular with regard to promoting the region as a whole and to addressing seasonality issues.

The Commission has adopted a European strategy for more growth and jobs in coastal and maritime tourism<sup>16</sup> that proposes a range of initiatives and actions to boost this promising sector and encourage innovative approaches. To tackle the tourism-related challenges, building on existing efforts, the Baltic Sea region's Member States could consider developing a comprehensive strategy for coastal and maritime tourism, including a platform of authorities and tourism operators.

The overall state of **Baltic fish stocks** is encouraging. There is growing collaboration between EU administrations and between fishing sectors and their national administrations, in particular in the context of the BALTFISH project.

Further development of this sector depends on effective implementation of the reformed Common Fisheries Policy (CFP<sup>17</sup>), in particular to ensure the exploitation of all fisheries resources at levels of maximum sustainable yield and effectively eradicating discards. Enhanced dialogue and partnership between the fishing sector and the scientific world will help to identify and develop increasingly sustainable fishing technologies and practices.

### 3. SKILLS AND QUALIFICATIONS, CLUSTER DEVELOPMENT

In order for the maritime economy to reach its potential, it needs people with the right skills and qualifications. This applies particularly to new industries, such as blue biotechnologies and offshore wind energy. At the same time, the promotion of skills and maritime careers is also crucial for established sectors with a good potential for growth, such as maritime transport and coastal tourism, where one of the problems identified is the lack of suitable skills and competences, as well as an ageing workforce.

Whilst efforts are being made to strengthen frameworks for qualifications such as networking of maritime academies, these approaches need to be expanded to areas such as renewable energy, offshore technologies and tourism, and must build on successful networks of clusters, linking research and academia with innovative operators.

The Baltic Sea region is particularly successful in developing **maritime clusters** that create a link between science and research. The maritime clusters in northern Germany, the Copenhagen-Malmö area and in Finland are best practice examples for cluster development and contribute research and innovation, as well as training and education. This could be further shared with other countries around the Baltic, including cooperation between maritime clusters.

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<sup>15</sup> Coastal tourism is a mature and well-developed sector in the Baltic Sea region and a major provider of employment (more than 306 000 jobs in 2011). In Finland the number of visitors increased by 26% between 2008 and 2012. In Germany, employment in coastal tourism grew by 11% annually between 2008 and 2010.

<sup>16</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism' (COM(2014) 86 final).

<sup>17</sup> [http://ec.europa.eu/fisheries/reform/index\\_en.htm](http://ec.europa.eu/fisheries/reform/index_en.htm)



## 4. BUILDING ON EXISTING WORK

### 4.1. Providing a framework for blue growth through supporting and enabling activities: Planning, surveillance and marine monitoring

Coastal protection, environmental monitoring and surveillance are economic activities in their own right and they are essential for well-functioning coastal and marine ecosystems.<sup>18</sup> The study on blue growth in the Baltic Sea concluded that growth in the future within this sector is expected to be mainly driven by the private sector, followed by research and public monitoring due to a growing demand for marine data and analysis products to support infrastructure projects (e.g. offshore wind) and to reduce uncertainty in planning and investments. These activities at sea and in coastal areas are also prime targets for public-private partnership.

The development of marine research infrastructures collecting and managing data on the sustainable development of sea-related activities as well as for the protection of the environment should be emphasised. This is even more essential as many innovators in the area are SMEs that are struggling to gain a foothold in new markets and must rely on optimal research and knowledge frameworks to support their activities. However, they are costly to build and to operate. It is therefore crucial to encourage their coordinated development and utilisation at regional seas' level, be it for protection of the marine environment, law enforcement or deployment of economic activities at sea.

### 4.2. More blue growth focus in the EUSBSR

The EUSBSR<sup>19</sup> has been the EU framework for regional action in the Baltic Sea area for the past five years and its recently revised action plan has a significant maritime component. About 32 % of all actions have a direct maritime aspect<sup>20</sup> and 47 % of all 174 flagship projects listed in the 2013 EUSBSR action plan are currently of a highly or partly maritime nature.

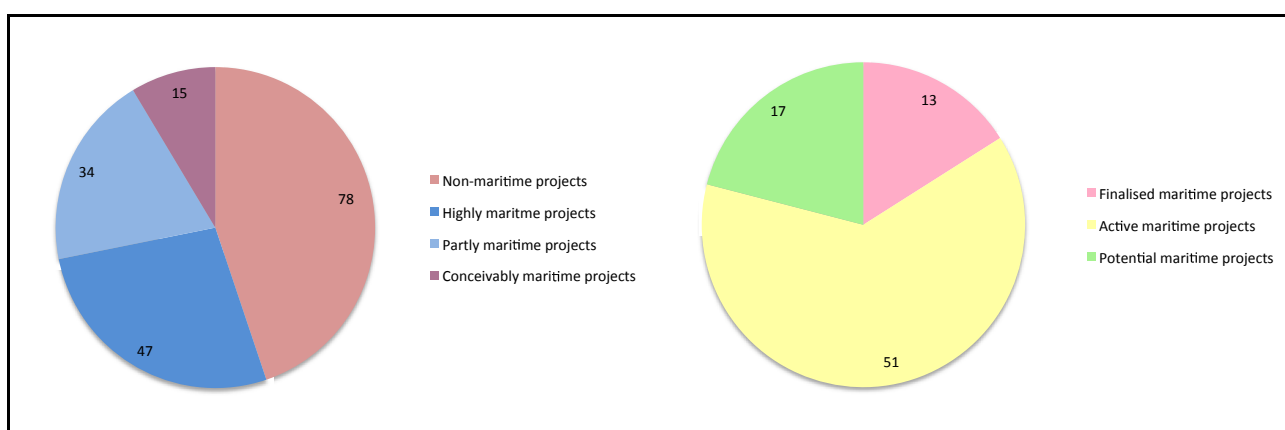


Figure 4 left: Flagship projects and their maritime aspect; right: Implementation status of flagship projects

<sup>18</sup> Scientific evidence produced by BONUS and also R&D projects carried out under the auspices of the various HELCOM working groups (e.g. HABITAT, MONAS, GEAR).

<sup>19</sup> COM(2009) 248 final, SEC(2009) 712.

<sup>20</sup> This number increases to more than 50% when actions do not explicitly refer to maritime issues, but feature at least one partly or highly maritime flagship project.

The Council of the European Union<sup>21</sup> is in favour of linking even more closely the EUSBSR and maritime policy. The work launched under the EUSBSR offers a good basis for further development of initiatives in areas such as shipping, surveillance and data sharing, preservation of the marine environment, climate change and fisheries management. Furthermore, the Clean Ship and Submariner projects under the EUSBSR demonstrate the potential for developing forward-looking blue growth initiatives.

Almost all priority areas (PAs) and/or horizontal actions (HAs) have some kind of maritime angle. However, the distribution of maritime flagship projects across the strategic objectives is unbalanced. There are far fewer actions in the PAs associated with the aim to 'Increase prosperity' than those of 'Save the Sea'. Quite a lot of actions are linked, at least indirectly, to blue growth issues but may not feature a flagship project or it may be that no targets/indicators related to this blue growth action have been set. This highlights the point that, on the one hand, preservation of the marine environment is a huge priority and thus blue growth has to have a specific sustainability focus and, on the other hand, the blue growth focus would have to be introduced in some areas which are not maritime per se.

A survey among EUSBSR stakeholders (PA coordinators and HA leaders as well as national contact points) confirmed a need to strengthen the blue growth focus of the EUSBSR and identified the following ways to do so: raise awareness through blue growth success stories, make blue growth a cross-cutting issue for maritime orientated PAs/HAs, and establish a dedicated blue growth support facility.

The focus on blue growth could be further improved through the following:

- Strengthening of the EUSBSR action plan in a number of related areas, namely Energy, Innovation, and SME PAs, as well as Sustainable development and bio-economy HAs. This could include new flagships related to offshore energy, aquaculture, blue biotechnology, maritime technologies, skills and cluster development.
- In the area of shipping, the focus could be moving from research and soft territorial cooperation towards investment support taking into account lessons learnt from numerous projects. Development of LNG infrastructure, based on the recent proposals by the Commission, is a good way forward.
- Fisheries and innovation-related PAs could be strengthened to include projects on sustainability aspects of fish processing and projects related to environmental and economic solutions as well as joint marketing schemes for Baltic aquaculture. Collaboration with the Bio-economy HA to develop a blue bio-economy value chain could be established.
- Blue biotechnology still plays only a marginal role in development strategies of the Member States and could be strengthened at sea-basin level by developing joint research capacities and creating a bridge between basic and applied blue biotechnology research. Links with other priority areas, such as Agri, SME, Health, and Internal Market, have to be established.
- Offshore wind energy and related grid development is not very visible in the EUSBSR and could gain more importance through specific targets in the Energy PA, more

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<sup>21</sup> Council Conclusions on the Review of the Strategy of 15.11.2011.

dedicated flagships and closer links with the SME and Innovation PAs and the Spatial Planning HA.

- The scope of the Tourism PA could also be widened to address issues of seasonality, cruise destinations for smaller vessels or networks of yachting and marinas. Promoting the region as a whole would help to attract tourists from beyond the Baltic Sea area. Member States could consider developing a comprehensive strategy for coastal and maritime tourism, including a platform of authorities and tourism operators.
- To address sustainability issues and to foster innovations in marine and maritime technology and links with Horizon 2020, the Member States could consider the development of a pan-Baltic masterplan approach to marine and maritime technology.
- Flagships related to exploiting the potential for co-existence of maritime uses could be further developed.
- To explore synergies between the relevant blue growth priority areas and horizontal actions, they could consider working together under the blue growth umbrella/cluster.
- The good practice of addressing blue growth issues at the annual forums of the EUSBSR should continue and could even be further reinforced.

#### 4.3. More focused approach to blue growth

The Baltic Sea region's long-standing cooperation culture has resulted in a large number of political and economic networks, all geared towards cooperation and better management of the environment and economy. Long-standing and active cooperation through HELCOM has allowed the Baltic Sea to be the first marine region to achieve the marine protected area target of the UN Convention on Biological Diversity.<sup>22</sup> On 3 October 2013 in Copenhagen, the Baltic Sea region countries confirmed their commitment to make the region a model for sustainable growth.<sup>23</sup>

**Synergies between regional pan-Baltic organisations and networks**, including a number of parliamentary forums, the Council of Baltic Sea States' expert group on maritime policy, HELCOM, the Baltic Sea States' subregional cooperation and, in the private sector, the Baltic Development Forum, Cruise Baltic and many others have the potential to significantly improve the implementation of the blue growth agenda in the Baltic Sea region. Some initiatives to initiate a dialogue between the pan-Baltic organisations addressing maritime issues during the European Maritime Day have been pursued and proved to be useful.

Another good example and an important step forward is the establishment of a 'green technology and alternative fuels' platform offering a structured dialogue in shipping between the public and private stakeholders, including the research community.

Furthermore, the Baltic Sea Conference in 2013<sup>24</sup> called for a **continuous multi-sectoral platform** for further discussion on blue growth issues and particularly the interlinkage

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<sup>22</sup> 10% of an ecological region under protection by 2012.

<sup>23</sup> <http://www.helcom.fi/Ministerial2013/ministerial-declaration>.

<sup>24</sup> Organised by European Commission and Baltic Development Forum, in close cooperation with the Danish HELCOM presidency and the Clean Shipping priority area of the EUSBSR, in Copenhagen on 3 October 2013.

between blue and green growth, focusing on the development and deployment of innovative technologies that strengthen the sustainability of maritime, coastal and offshore activities.

## 5. ACCESS TO FINANCE

Access to finance has been one of the main obstacles to the development of a maritime economy in the Baltic Sea region and elsewhere.

The proposed **European Structural Investment Funds (ESIF)**<sup>25</sup> for the 2014-2020 funding period have been designed to accommodate sea basin /macro-regional strategies and blue growth. Maritime and coastal projects can now explicitly be referenced and included in the partnership agreements and operational programmes (OPs) that are currently under preparation. This type of support comes from a dual approach: through the national maritime-related priorities and through identifying priority areas for cooperation in the context of the EUSBSR. In addition to European territorial cooperation programmes, country-specific OPs are also open to cooperation and this opportunity needs to be seized. The next programming period provides scope to combine financing from various funds to achieve the desired result.

The joint programming committee of the South Baltic Programme has agreed that the strategic objective of blue and green growth must guide future cooperation initiatives across the shores of the South Baltic for the period 2014-2020. Sustainable tourism, renewable energies and the maritime industries will be at the heart of the future Programme.<sup>26</sup>

The **European Regional Development Fund** could cover some investments in maritime research and innovation as well as maritime transport development including clean shipping. Projects in the policy areas of transport and environment infrastructure in Estonia, Latvia, Lithuania and Poland could be supported from the **Cohesion Fund**. The **European Social Fund** is of specific interest for actions related to qualifications and attractiveness of maritime careers, i.e. training and certification, labour mobility across sea-related sectors as well as between land-based and sea-based jobs. In addition to supporting sustainable fisheries, aquaculture and diversification of fisheries activities in coastal areas, the **European Maritime and Fisheries Fund** will provide support for maritime policy development, with particular focus on integrated maritime surveillance and implementation of the Marine Strategy Framework Directive through shared management.

The research funds available through **Horizon 2020** will be crucial for marine and maritime research. The programme will tackle societal challenges related to bioeconomy, environment transport, energy and cross-cutting blue growth challenges, such as sustainable exploitation of marine resources, new offshore challenges, sea-bed mining, ocean observation technologies/systems, engagement with society and ocean governance. **BONUS**<sup>27</sup> provides possibilities for new partnerships supporting blue growth, including clean shipping. The **COSME** programme aims at enhancing European tourism's competitiveness and sustainability. Environmental, nature conservation and climate change projects and those related to green economy could be funded by the **LIFE** programme.

Furthermore, **Leadership 2020** aims at boosting the shipbuilding industry through skills, more innovation, cleaning and diversification, and better access to finance. It promotes a

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<sup>25</sup> ERDF, ESF, EMFF, EARD, CF.

<sup>26</sup> The public consultations on the draft South Baltic Cooperation Programme for 2014-2020 will be launched in June 2014.

<sup>27</sup> a €100 million Joint Baltic Sea Research and Development Programme underpinned by Decision 862/2010/EU of the European Parliament and Council, jointly supported by the EU & Baltic States and implemented since October 2013.

concept of public-private partnership, addressing energy efficiency, emissions reduction and safety of shipping, to be established by industry in the context of Horizon 2020.

These opportunities must be combined with other sources of funding. The potential of funding via international institutions such as the European Investment Bank and the Nordic Investment Bank, particularly in combination with private sector and other funding sources, must be included systematically in the planning for funding relevant to blue growth.<sup>28</sup>

The combination of private and public funds in supporting projects under the EUSBSR is currently limited and must be strengthened. Furthermore, the Seed Money Facility under the EUSBSR can be used to prepare blue growth projects.

Member States, regions and managing authorities are encouraged to act immediately to ensure that blue growth is adequately reflected in operational programmes.

## **6. THE WAY FORWARD**

The Baltic Sea region's specific characteristics provide it with the opportunity to combine responses to environmental challenges, including climate change, with extraordinary assets, such as competitive and innovative research and business sectors and a strong tradition of cooperation that has been strengthened through the EUSBSR, including its maritime component.

All of these strengths can now be harnessed to deliver on a sustainable blue growth agenda for the Baltic Sea region. The key to success will lie in targeted support to maritime projects, sustainable innovation and smart specialisation in sustainable maritime technologies, the development of new skills, an effective and coordinated infrastructure supporting the development of maritime economic activities, a forward-looking approach to maritime and coastal uses taking the impacts of climate change into consideration and, crucially, improved access to financing.

It is necessary to build on Member States' commitment to regional cooperation, as well as dedicated national maritime strategies, links between these strategies<sup>29</sup> and the EUSBSR, and finally to make full use of a wide array of funding instruments under the new Multiannual Financial Framework, in particular the ESIF, Horizon 2020 as well as private funding.

The Commission is ready to facilitate the implementation of a sustainable blue growth agenda through a dedicated maritime stakeholder platform providing a forum for multi-sectoral dialogue at sea-basin level in the context of implementation of the EUSBSR. Active and well-connected stakeholder and political platforms provide the institutional underpinning.

In the course of 2014-2015, the Commission in cooperation with stakeholders will organise a series of workshops dedicated to blue growth and funding opportunities in the Baltic Sea region.

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<sup>28</sup> 2012 EIB lending in the Baltic was EUR 7.62 billion. The EIB can co-finance Member State contributions through structural funds. The BASE (Baltic Sea Environment) and CLEERE (Climate Change, Energy Efficiency and Renewable Energy) programmes of the NIB also support implementation of the EUSBSR.

<sup>29</sup> For example, the Joint Programming Initiative 'Healthy and Productive Seas and Ocean' could contribute to the development of coordinated strategies. The Joint Programming Initiative Oceans (<http://www.jpi-oceans.eu/>) involves 19 countries: Belgium, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Italy, Lithuania, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Turkey and the United Kingdom.