



Study to Support the Development of Sea Basin Cooperation in the Mediterranean, Adriatic and Ionian, and Black Sea



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Task 4 Report: Black Sea - Identification of Elements for Sea Basin Cooperation

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Acronyms used:

ACCOBAMS	Agreement on the Conservation of Cetaceans of the Black Sea, Mediterranean Sea & Contiguous Atlantic Area
BG	Blue Growth
BSBLCP-SAP	Strategic Action Plan for the Black Sea Biodiversity and Landscape Conservation Protocol
BSC	Black Sea Commission or Commission on the Protection of the Black Sea Against Pollution
BSEC	Organisation for the Black Sea Economic Cooperation
BSEP	Black Sea Environment Programme
BSERP	Black Sea Ecosystem Recovery Project
BSIS	Black Sea Information System
BSRN	Black Sea Research Network
BSS	Black Sea Strategy
BST	Black Sea Trust for Regional Cooperation (the German Marshall Fund of the United States)
BSTDB	Black Sea Trade and Development Bank
BSTIP	Black Sea Trade and Investment Promotion Programme
BSUN	Black Sea Universities Network
CADSES	Central European, Adriatic, Danubian, South-Eastern European Space
CARDS	Community Assistance for Reconstruction, Development and Stabilisation (programme)
CP	Contracting Party
CSR	Corporate Social Responsibility
DABLAS	Danube and Black Sea Task Force
DG	Directorate-General
DWT	Deadweight tonnage
EAEC	Eurasian Economic Community
EaP	Eastern Partnership
EEA	European Environment Agency
EFF	European Fisheries Fund
EIB	European Investment Bank
EMBLAS	Improving environmental monitoring in the Black Sea
EMFF	European Maritime and Fisheries Fund
EMODnet	European Marine Observation and Data Network
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
ENPI-SEIS	Shared Environment Information System
EPC	Eastern Partner Countries
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
EU	European Union
EUR	Euro (€)
EUSAIR	EU Strategy for the Adriatic and Ionian Region
EUSDR	EU Strategy for the Danube Region
EUSIF	EU Structural and Investment Funds
FAO	Food and Agriculture Organisation
FLC	First Level Control
FOMLR	Fisheries and Other Marine Living Resources
GEF	Global Environment Facility
GFCM	General Fisheries Council for the Mediterranean
GVA	Gross Value Added
ICBSS	International Centre for Black Sea Studies
ICPDR	International Commission for the Protection of the Danube River
ICZM	Integrated Coastal Zone Management
IFI	International Financing Institution
IGC	Inter-Governmental Commission
IIB	International Investment Bank
IMO	International Maritime Organization

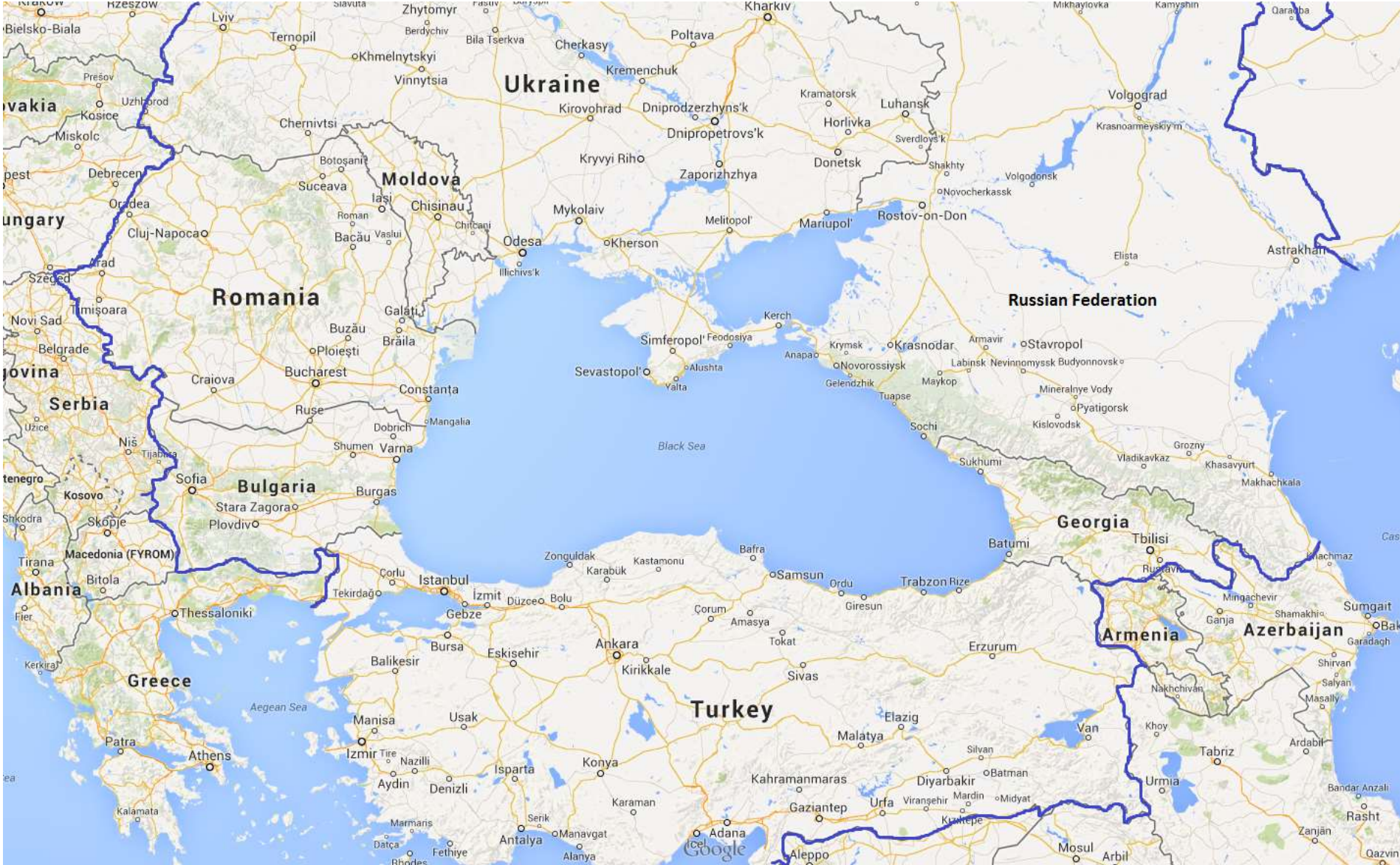
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IMP	Integrated Maritime Policy
IMP-MED	Integrated Maritime Policy – Mediterranean (project)
INOGATE	Interstate Oil and Gas Transport to Europe
INSPIRE	Infrastructure for Spatial Information in the European Community
IPA	Instrument for pre-accession
JOP	Black Sea Basin Joint Operational Programme
JRC	Joint Research Centre
MASURE	Maritime Surveillance (JRC action)
MDB	Multilateral Development Bank
MEA	Maritime Economic Activity
MESMA	Monitoring and Evaluation of Spatially Managed Marine Areas
MISIS	MSFD Guiding Improvements in the Black Sea Integrated Monitoring System
MONINFO	Monitoring and Information Systems for Reducing Oil Pollution
MoS	Motorways of the Sea
MSFD	Marine Strategy Framework Directive
MSP	Maritime Spatial Planning
NCCZ	National Committee of the Coastal Zone
NIB	Nordic Investment Bank
PABSEC	Parliamentary Assembly of the Black Sea Economic Cooperation
PETra	Black Sea Pan-European Transport Area
PMA	Pollution Monitoring and Assessment
RACMED	Regional Advisory Council for the Mediterranean
SAPARD	Special Accession Programme for Agriculture and Rural Development
SASEPOL	Common security management, maritime safety and ship pollution prevention project for the Black and Caspian Seas
SEE	South East Europe
SEIS	Shared Environment Information System
TA	Technical Assistance
TACIS	Technical Aid to the Commonwealth of Independent States
TEN-T	Trans-European Networks –Transport
TEU	Twenty-foot Equivalent Unit
TRACECA	Transport Corridor Europe-Caucasus-Asia
UNDP	United Nations Development Programme
UNEP	United Nations Environment Program

Country codes

AR	Armenia
AZ	Azerbaijan
BG	Bulgaria
GE	Georgia
MD	Moldavia
RO	Romania
RU	Russian Federation
TR	Turkey
UA	Ukraine

Map of the Black Sea Basin Area



Executive Summary

Current maritime cooperation in the Black Sea

To date cooperation between EU and other Black sea riparian countries take place largely on a bilateral basis. This is somewhat in contrast to EU initiatives in other geographic regions e.g. the Baltic, which were conceived from the very beginning in a regional — rather than bilateral — format and have been partly institutionalized. Multilateral cooperation of the Black Sea countries with the EU is largely confined to sectoral initiatives such as the Interstate Oil and Gas Transport to Europe (INOGATE), the Transport Corridor Europe-Caucasus-Asia (TRACECA), the Black Sea Pan-European Transport Area (PETrA), and the now ceased Danube-Black Sea Task Force (DABLAS). This suggests there is scope for the EU to promote deeper regional integration for the Black Sea region as a whole.

Planning framework for blue growth in the Black Sea

Based on the MEAs identified by the Country Fiche exercises in Bulgaria, Romania and Turkey to be of most promise and relevance, we have identified four main *sectoral themes* as follows:

SECTORAL THEMES	Increasing regional attractiveness <ul style="list-style-type: none"> Coastal tourism Yachting and marinas Cruise tourism 	Ensuring regional energy security <ul style="list-style-type: none"> Offshore oil and gas Offshore renewable energy
	Connecting the region <ul style="list-style-type: none"> Port and coastal/river infrastructure Inland waterway transport Ship-building and repair Short-sea shipping 	Improving the sustainable utilisation of living aquatic resources <ul style="list-style-type: none"> Marine aquaculture Fishing for human consumption

In addition to these sector-driven *thematic ‘pillars’*, the proposed Black Sea sea-basin approach has important *cross-cutting horizontal actions* that are necessary to underpin the sustainable and balanced long-term growth of maritime economic activities. Four key groups of cross-cutting *‘Horizontal Actions’* are identified as follows.

HORIZONTAL ACTIONS	Planning a blue economy <ul style="list-style-type: none"> Maritime Spatial Planning and ICZM Integrated local development Development of smart infrastructure 	Developing knowledge <ul style="list-style-type: none"> Joint data collection, monitoring and sharing Capacity-building across individuals, institutions and society Sharing maritime culture and heritage
	Supporting business growth <ul style="list-style-type: none"> Facilitating access to finance Promoting innovation through applied Research and Development Development of maritime clusters 	Enhancing the Environment <ul style="list-style-type: none"> Preserving, protecting and improving the quality of the coastal and marine environment and heritage Ecosystem monitoring Building resilience to the impacts of climate change

It is these horizontal actions that provide the focus for the proposed Black Sea policy development framework and are the main focus of the policy directions and development framework provided in this work.

Main issues where sea basin cooperation is required for blue growth

The main issues and barriers to sea basin cooperation in the Black Sea can be summarized as the following:

1. Geo-political differences in the region and the lack of real political commitment to a sea basin wide approach, especially in the light of energy security challenges.
2. Whilst there have been a large number of bilateral and regional initiatives to bolster sea basin wide cooperation, there has yet to emerge a comprehensive strategic framework for maritime economic development in the Black Sea.
3. Despite the emergence of some notable regional institutions, there is still a lack of institutional capacity and commitment to coordinated planning and development across a wide range of areas. As stated the BSC's Vision for the Black Sea in 2020 *"In fact this proliferation of organisations must be seen against a backdrop of overlapping agendas, regional rivalry and tense bilateral relations coupled with insufficient institutional capacity for undertaking major projects of regional importance"* (BSC, 2010).
4. The region's real priorities and needs are still being largely ignored by insiders and outsiders alike. Many of the countries prioritise their own institution building processes, to the exclusion of constructive and parallel region building, ultimately undermines the development of the latter and detracts from the long term benefits of the former.
5. Related to this, there is a lack of coherence between national maritime policies within the Black Sea, resulting in widely differing approaches to spatial planning, business development and environmental protection. There is a need to build upon the mostly sector-driven regional initiatives to agree harmonised sea-basin cooperation that eliminate unnecessary competition in the region and promotes joined up solutions to regional problems.
6. Maritime Spatial Planning (MSP) is currently lacking for the Black Sea basin as a whole and for the EEZs of many Black Sea coastal states. Integrated Coastal Zone Management (ICZM) is applied partially and inconsistently. This has an impact on the ability to integrate local development processes across different sectoral themes, as well as limiting the scope for smart infrastructure that can build upon the synergies between different MEAs and thus promote efficiency and joint development opportunities. In addition, a lack of maritime spatial planning can lead to potential conflicts between users and may discourage coordination and cooperation between sectors accessing common users and resources.
7. There are ineffective linkages between the academic arena and economic development via the private and public sectors. Where co-operative platforms exist for the sea basin's key MEAs, they often do not bring together all relevant parties (public, private, academic partners).
8. Major environmental gains have been made in the Black Sea since the 1980's. However these improvements are vulnerable to uncoordinated and unplanned blue growth, particularly considering the likely expansion in offshore oil and gas development.

Case studies

The five **case studies** presented in this report (see Appendix D) present interesting conclusions:

- **TRACECA:** The TRACECA model which includes the participation of all Black Sea states except Russia and the Central Asian countries has fundamentally been successful because it allows the regional countries to be the key beneficiaries of the program albeit via EU financing. It highlights regional cooperation and the potential for further such cooperation, linking west and east.
- **The Bulgaria-Turkey IPA Cross-border Cooperation Programme:** is important because it highlights a 'shared management approach' between an EU member state and a candidate country.
- **MONINFO 1 & 2:** which include the participation of all Black Sea littoral state and the BSC, and funded primarily by the EU, highlights the importance of a holistic approach, regional cooperation, and the sustainability of projects in light of slow to reform institutional structures and capacities.
- **INOGATE:** The INOGATE model includes the participation of most Black Sea states (except BU, RO, and RU) and the five Central Asian states. It is EU funded, includes the involvement of a number of DG's of the EU. Its major strengths, apart from support the energy cooperation between the EU and its Eastern partners, is its durability and its commitment to the regional approach.
- **The BS-SAP:** project includes all Black Sea littoral states and is funded by UN bodies, the World Bank, the GEF, the EU and the participating states. It demonstrates the adoption of the project as one of regional ownership, even if most of the funding came from outside the region.

The case studies illustrate the need to apply sound programme design and management practices. Without sound planning (including monitoring and evaluation), clear objectives, and performance indicators, managers may be unable to identify issues early and to rectify problems. Monitoring and evaluation are now generally required for EU funded programmes and therefore these general aspects of programme delivery do not require further elaboration.

The case studies also illustrate that inter-governmental action takes time and therefore sufficient time should be allowed for, particularly where significant changes to approach may be necessary. Linked to this, the harmonisation sought across the EU may be unrealistic and/or undesirable for all Black Sea states. Areas of common ground can be identified along with areas where partners agree to disagree.

Policy development directions

Overall objective

The Black Sea nations overcome the region's political and socio-economic divisions to commit to sea-basin level initiatives that share knowledge and expertise, and encourage the sustainable growth of maritime economic activities.

Specific objectives and related outcomes

1. **Integrated Maritime Policy (IMP) planning for a blue economy mainstreamed:** development of a blue economy needs to be underpinned by high quality and timely planning processes that are themselves based upon sound policies. Key **outcomes** supporting this objective will include:
 - Harmonised and coherent maritime policy development that underpins a sea-basin approach to resource use and economic development.
 - A harmonised and cohesive institutional and legislative framework across the sea basin that benefits from broad political commitment.
 - An increased commitment to the utilisation and development of the current institutions, including the existing country focal point networks, for integrated maritime planning at sea basin level.
 - Improved governance mechanisms at cross-border, national and local levels, operating at both vertical (e.g., local upwards) and horizontal (e.g., across and between maritime sectors).
 - Greater stakeholder involvement in integrated maritime planning to ensure inclusive growth.

- 2. Maritime business growth is nurtured and supported:** providing support to private sector business growth so that businesses achieve their maximum potential and generate sustainable economic and social benefits. Key **outcomes** supporting this objective will include:
- The existing capacity of regional financial institutions and their international networks developed to encourage lending to a wide array of nascent, emerging and growing maritime businesses.
 - Greater governmental support to business incubation to encourage new business start-ups and the commercialisation of emerging technologies.
 - Sea-basin level academic and research organisations cooperate to develop new technologies and processes that are suited to the particular conditions of the Black Sea environment.
 - Maritime clusters developed to combine energies, capacity and compatible skills in receptive locations, thus catalysing both emerging and growing business development opportunities.
- 3. Development is underpinned by increased human capacities for ‘smart’ growth:** all government and private sector stakeholders should have their knowledge and capacities developed to support sustainable blue growth. Key **outcomes** supporting this objective will include:
- Development of smart and adaptive partnerships with regional and EU ‘Triple Helix’ organisations (e.g., academia-private sector - government) to encourage bidirectional information and knowledge flows.
 - Increase the competitiveness of maritime businesses through partnership and innovation.
 - Identify and optimise the skills and capacity of individuals, organisations and society in general to capitalise on maritime opportunities as they emerge in the Black Sea basin.
 - Increasing youth employment opportunities and associated capacity development in both emerging (e.g., offshore energy) and traditional (e.g., capture fisheries) maritime industries.
- 4. Maritime development is environmentally sustainable:** the environment underpinning blue growth is **protected** and enhanced. Key **outcomes** supporting this objective will include:
- Greater engagement in sea basin level resource and environmental management bodies such as GFCM (fisheries) and BSC (combatting pollution).
 - Harmonisation of environmental management standards, and development of tools sets suitable for the particular conditions in the Black Sea.
 - Development of a culture of Corporate Social Responsibility (CSR) within maritime businesses.
 - Assess and mitigate the impacts of climate change through sea basin level coordination and cooperation.

Feasibility, approach and added value to improving sea basin cooperation in the Black Sea

Initiatives to build sea-basin cooperation in the Black Sea are not new, with hundreds of millions of euros already spent with varying degrees of success. This study echoes similar recent analyses (e.g., the BSC’s Black Sea 2020 Vision) in openly recognising the barriers and constraints to cooperation in a region riven with geo-political differences. It is therefore essential that the political commitment to sea basin level development is sought and consolidated, and this reflected in the strategic development of the region’s institutions and organisations. As confidence grows, greater regional ownership of subsequent actions will emerge.

The EU needs to take a delicate position in this development. It has the skills, knowledge and drive to support integrated maritime policy development in the Black Sea, and to transfer knowledge and capacity to the regional institutions. Thus it is proposed that the EU and regional stakeholder might agree a technical assistance programme that will provide this necessary support and capacity-building, yet ensure that the region becomes self-sufficient in the long term. Only with such regional ownership with the benefits of blue growth e.g., job creation and economic growth be truly sustainable.

0 Background and Introduction

0.1 Background

'**Blue Growth**' is an important element of the Integrated Maritime Policy (IMP), which is a cross-sectorial policy that seeks to provide a more coherent approach to maritime issues, with increased coordination between different ministries, with the public authorities and the private sector, with regions and with other countries. The EU has laid down objectives for the Baltic, Atlantic and the Adriatic and Ionian seas and set up a process to achieve them, and this process will do the same for the Black Sea basin.

Marine and maritime growth will be anchored in all Community funding instruments for 2014-2020. Maritime investment and research priorities will also be financed through the EUR 79 billion Horizon 2020 research and innovation programme. Blue Growth is a key component of this policy by addressing difficulties that hinder sustainable growth in a number of maritime sectors.

0.1.1 Sea Basin Level Cooperation in the Black Sea

The Black Sea region can be regarded as a 'strategic bridge' connecting to the Mediterranean Sea via the Marmara and Aegean Seas, and Europe with Asia to the Caspian Sea, Central Asia the Middle East and with south-east Asia and China. It is characterised by close ties and great potential, but also by diversities and rivalries. The region comprises three EU Member States (Bulgaria, Greece and Romania), one EU candidate country (Turkey), five Eastern Partner Countries (Armenia, Azerbaijan, Georgia, the Republic of Moldova and Ukraine), and the Russian Federation as a strategic partner. This study focuses on **Bulgaria, Romania and Turkey** and then the other coastal nations of **Ukraine, Russia and Georgia**, whilst recognising that Armenia and Azerbaijan are on the eastern watershed and Moldova lying inland of Ukraine to the northwest of the Black Sea (see map in preface section).

With a total surface area of 432,000 km² and a shoreline of 4,340 km, this brackish water inland sea has considerable economic importance to the EU and its neighbours. It is a major oil and gas producer / transmission area, and an important component of the EU's external energy strategy. It has a busy maritime transport network, albeit with a number of safety and efficiency issues. Coastal tourism is the third major maritime economic activity that has an expanding international clientele. It is also an important fishing region, where the majority of its stocks are trans-boundary in nature. Aquaculture is emerging as an important potential sector, especially in the Crimea peninsula.

To date there have been a number of initiatives aimed at progressing a framework for regional cooperation in the region. Adopted in 2007, the **Black Sea Synergy** (BSS) (COM (2007) 160) provides a major starting point and included a focus on an integrated approach to maritime affairs, but has had limited results to date. In 2011 the European Parliament approved a report on an '**EU Strategy for the Black Sea**' to address shortcomings of the BSS, especially in providing a strategic vision for the Black Sea and ensuring an integrated approach to its implementation. A key step in realising this strategic approach was the EU-organised 'Stakeholder Conference on Maritime Affairs and Fisheries in the Black Sea' on 30th January 2014 (see **Appendix C: Black Sea Stakeholders Conference - Summary of Presentations and Discussions**).

As part of this overall work, we have prepared country fiches for Bulgaria, Romania and Turkey, where the top six most *promising* and *relevant* maritime economic activities (MEAs) were identified for each country. The country fiches are summarised in the following pages, but the highest ranking MEAs are as follows:

Tourism	Transport	Energy	Natural resources
<ul style="list-style-type: none"> Coastal tourism Cruise tourism Yachting and marines 	<ul style="list-style-type: none"> Short-sea shipping Inland transport Port and river infrastructure Shipbuilding and ship repair 	<ul style="list-style-type: none"> Offshore oil and gas 	<ul style="list-style-type: none"> Marine aquaculture Fishing for human consumption

0.1.2 Maritime activities at country level in the Black Sea

The following country-level analyses have been synthesised from the relevant Country Fiches in Report 1.

Bulgaria

Importance of maritime economic activities: In 2010, the highest GVA (EUR 0.77 billion) was generated by **coastal tourism** with the highest employment level in the maritime area. **Short-sea shipping** takes second place by the amount of generated GVA and third place - as regards employment. **Fishing for human consumption** employs 14,660 people in the coastal area, but the GVA created by this activity is not very high. The third place, in terms of GVA, is taken by the MEA **Inland waterway transport**.

Table 1: Most promising maritime economic activities in Bulgaria

1	Coastal tourism	4	Short-sea shipping (incl. Ro-Ro)
2	Offshore oil and gas	5	Inland waterway transport
3	Fish for human consumption	6	Port and coastal/river infrastructure

Coastal tourism: Tourism has the potential to contribution to GDP, export and foreign exchange receipts. The main drivers for tourism development include well-established markets, easy access to finance, and educated staff. The main constraints are the poor quality of infrastructure, such as roads, wastewater treatment, and the lack of uniform distribution of services outside of large cities.

Offshore oil and gas: is mostly private but state regulated. The 'South Stream Project' is likely to contribute to enhanced level of employment, to local gas supply, and will generate income from transit taxes. The main drivers of future development relate to the abundance of local resources, opportunities for the application of innovative technologies, and to the development of business infrastructure.

Fishing for human consumption: is a traditional, if unstable, sector that continues to contribute to employment. The sector is expected to grow modestly due to increased demand for fish products. The fishing sector will be affected by reforms to the CFP, such as the discard ban. Finance through the EFF and the new EMFF will drive most change. Main constraints include poor management of regional fish stocks.

Short-sea shipping: is highly dependent upon oil transportation, as liquid cargos form 44% of the total amount of transported cargos. Short-sea shipping currently dominates seaborne shipping in Bulgaria, with two main ports, Varna and Bourgas included in the Pan-European Transport Corridors. The size of this MEA depends very much on future investment (mainly renewal of the aging fleet), the development of business infrastructure, and maintaining land-based transport connectivity to the ports. The future development of the transport sector is expected to be synchronous with the general economic trends in the country. This sector is well developed, but the main barriers are related to aging fleet, need for ports modernization, and low levels of national public funds for research.

Inland waterway transport: has shown a stable increasing trend over the period of 2003-2013 and shows good future growth potential. Its strategic importance is based on the Pan-European Transport Corridor VII. A modest increase in the volume of inland waterway transport is expected due to trade with Western Europe through the Danube River. Strong economic development in Germany and Austria – two major Bulgarian export destinations that use the Danube River as a transport corridor – will impact the future progress of this MEA. Integration of local development, educated staff and a relatively high level of maritime research will drive progress. The prime barrier is the access to finance and the level of public engagement. Another challenge is that navigation projects pose a potential threat to the river's ecosystem.

Port and coastal/river infrastructure: have benefited from increasing funding, esp. related to water supply, wastewater plant development, port reconstruction which offer employment and contribute to improved urban sustainability. A main driver of sustainable growth is access to finance for R&D, well-educated staff, strong degree of public engagement and increasingly integrated local development and increasing

compliance with EU water quality and waste management. Administrative barriers – the slow process of decision making and institutional rigidities are the main constraints for the development of the sector.

Romania

Importance of maritime economic activities: The maritime activities in Romania are important due to certain geostrategic and environmental strengths. Constanta port is the biggest port on the Black Sea and has been the core of maritime activities for decades. There is also an inland waterway transport route from Constanta by the Danube Canals or from Sulina, directly by the Danube to Central European countries.

Table 2: Most promising maritime economic activities in Romania

1	Inland waterway transport	4	Coastal tourism
2	Short-sea shipping (incl. Ro-Ro)	5	Shipbuilding and ship repair
3	Offshore oil and gas	6	Port and coastal/river infrastructure

Inland waterway transport: chosen due to its recent growth its diversification potential, inland waterway transport is considered to be a horizontal growth promoter with links to short-sea shipping, shipbuilding, the TEN-T network and multimodal transport. The existing infrastructure, political support and the potential of the Danube transport axis make it one of the most promising in terms of its growth potential and importance. The Danube Strategy gathers into a regional cooperation approach. Barriers to growth include the slow recovery of the economies involved in the Danube basin, low levels of public awareness of inland waterway transport opportunities and low public funding for supporting infrastructure.

Short-sea shipping: a core activity of Black Sea ports, employment in the sector has been increasing due to the extension and modernisation of port infrastructure and capacity, and the strategic importance of Constanta port. It demonstrates potential for future, and as a wider growth catalyst. The recent discovery of new gas fields in the Black Sea will strengthen the role of this MEA, increasing employment opportunities throughout the value chain. The main drivers are linked to concentration of R&D and educational infrastructure in Constanta. The main barriers are limited financing of R&D, low level of interconnectivity between road and rail, lack of a transport master plan, lack of road connections with multimodal platforms.

Offshore oil and gas: demonstrates great potential for growth and employment and contributing to energy security. It is supported by extraction technologies, research and equipment available in Romania and the EU, and by a shipbuilding sector capable of producing tankers and offshore platforms. Romania benefits from oil and gas reserves in the Black Sea, smart infrastructure, transport, storage and refining of oil and gas, as well as the availability of high quality scientific and research infrastructure. Potential barriers for growth are environmental restrictions and obligations, low levels of national public funds for research.

Coastal tourism: There is both existing and increased growth potential for a wide range of tourism activities, including ecosystem-based tourism in the Danube Delta. It will benefit from EU Structural Funds, good educational schemes, fair transport infrastructure, increasing accommodation, action plans for coastal development and good governmental support. The barriers include the low connectivity within the NUTS 2 region, difficult access to credit, environmental pressures, and low level of regional integration.

Shipbuilding and ship repair: a long-established and major MEA with good infrastructure for both maritime and river ships. Despite competition from Asia, the Romanian shipbuilding industry is improving its competitiveness by investing in green technologies and innovation to capitalise on the need for cheaper and cleaner transport from the Black Sea to Central Europe. It benefits from an excellent higher education system, experience in research, a favourable geographical position and connectivity between the Danube River and the Black Sea. The main barriers to the development are global competition, low quality of interconnectivity infrastructure and low level of public financing for research and development.

Port and coastal/river infrastructure: includes a wide range of activities, from dredging on the Danube to port development, from dykes or dams to prevent flooding or erosion to offshore projects, and to water quality and infrastructure improvements. These are essential for supporting wider economic development. It benefits from a strong research capacity, and both public and private financing. Compliance with EU

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Directives and standards on water quality and waste management has also been a primary driver. The main barriers are related to the heavy dependence on public funding, weak implementation of innovation at company level, demographic decline and workforce emigration.

*Turkey***Importance of maritime economic activities**

Maritime economic activities form a strong sector in Turkey offering 280,000 jobs and reaching a total GVA of more than 4.39 billion EUR, with four activities (coastal tourism, short-sea shipping, shipbuilding and fisheries) representing 82 % of the jobs and 74 % of the total GVA generated by the blue economy. The 6 MEAs chosen represent 72 % of the total GVA generated by the maritime economic activities of the Mediterranean coast of Turkey whereas they represent only 34 % of the Black Sea total maritime GVA. This gap is due to the fact that the largest MEA for the Black Sea is “Fishing for human consumption”, which represents 48 % of total Black Sea maritime GVA but is not in the final 6.

Table 3: Most promising maritime economic activities in Turkey

1	Coastal tourism	4	Cruise tourism
2	Marine aquaculture	5	Short-sea shipping
3	Shipbuilding and ship repair	6	Yachting and marinas

Coastal Tourism: is by far the largest maritime economic activity in Turkey, providing 125,000 jobs. However the vast majority of these are on the Mediterranean coasts and in Istanbul. Coastal tourism remains under-developed in the Black Sea. Turkey’s coastal tourism offers low prices, valuable natural and cultural resources and international airports in the coastal area. The international credibility of the Black Sea coast is low and needs to be increased.

Marine aquaculture: has been one of the fastest growing activities in the last years and is considered as having a great future potential. However the Aegean coastline houses more than 96 % of Turkish farming of sea bass and sea bream, while the Black Sea farms primarily produce trout, but on a much lower scale. The main barriers are the absence of diversification of species, insufficient environmental monitoring of fish farms and low capacity of producing value added products. Major drivers are the high capacity of hatcheries and the support policy of the government.

Shipbuilding and ship repair: Turkey is ranked as the 5th in the world with 71 active shipyards (13 are in the Black Sea, i.e. 18 %) while a further 52 shipyards are under construction (17 are in the Black Sea, i.e. 33 %). In recent years the emerging Black Sea region has increasingly attracted shipyard investments, the main drives being the sector’s capacity (for shipbuilding as well as for repair and recycling) and the increasing alignment with international rules. The main barrier is the lack of references in some growing segments of the market (LPG and LNG carriers, offshore platforms).

Cruise tourism: this relatively new industry is almost non-existent in the Black Sea. Barriers to a sustainable growth include the lack of coordination between ports, the absence of know-how to develop their cruise potential, especially in the Black Sea. However coordination is beginning with the set-up of the Turkish Cruise Platform, tool which could be a major driver of sustainable growth.

Short-sea shipping: at 30.3 million DWT, the Turkish fleet is at the 13th rank in the world and has increased by 244 % in terms of tonnage in the last 10 years. The number of containers handled in Turkish ports has increased by 189% in the same period. Turkey’s strategic position at the intersection of East-West and North-South international transport corridors is probably the best asset for growth. Major barriers are the insufficient infrastructure and the slowdown of investments following the world financial crisis.

Yachting and marinas: Marina activity mainly centres on the Aegean Sea; there is no marina on the Black Sea coast. The main drivers are the competitive labour force, the technical expertise in yacht building and the government-supported projects. The concentration of the marina activity in the Aegean Sea and the Sea of Marmara is probably the main barrier to future growth.

0.1.2.1 Other Black Sea Coastal Countries

Overview: most economies of the Black Sea region are rather small, especially compared to the EU: the Armenian, Azerbaijani and Georgian economies are less than 1 per cent that of the EU. Even the Russian GDP — by far the largest in the region — corresponds to just 13 % of EU GDP. The Russian economy clearly dominates within the region, as it accounts for more than half of the Black Sea region's GDP, followed by Turkey (20 %) and Ukraine (9 %). The presently rather low level of regional integration amongst Black Sea countries can be attributed to their economic heterogeneity as well as to political issues (Astrov & Havlik, 2008). Formally, economic cooperation between the countries of the region is carried out within the framework of the Black Sea Economic Cooperation (BSEC – see Section 2.2.1 for more information). However, in spite of the existence of BSEC, in reality multilateral cooperation in the Black Sea region is overshadowed by the relations between these countries and the EU.

Ukraine (UA): Ukraine lies to the north of the Black Sea, bordering Moldova to the west and the Russian Federation to the East. It has a coastline of around 2,782 km (inc. the Crimean peninsula). Ukraine has a population of around 44.5 million, with just over one million people in the Black Sea port of Odessa. Ukraine has a special role and is of strategic importance for the economic and energy security of Europe. It provides a very important land access to the East, and serves as a primary energy corridor connecting Russian oil and gas with Europe. In April 2010, Ukraine negotiated a price discount on Russian gas imports in exchange for extending Russia's lease on its naval base in Crimea. Crimea's 1 600 km long coastline shows good prospects for marine aquaculture (Dr Oksana Vialova, presentation to the Black Sea Stakeholders Conference, January 2014). The Black Sea coast is a popular summer destination, with numerous resorts and historical attractions. A poor investment climate and weak public finances has limited investment, and there is a need for more private investment to unlock potential sources of economic growth in energy, infrastructure, transportation and agriculture (BSEF, 2013).

Russian Federation (RU): Russia is the largest economy in the region. It borders Ukraine to the west and Georgia to the south. The Russian Black Sea coastline of 421 km includes the east coast of the enclosed Sea of Azov as well as the north-east coast, down to the Georgian border across from Sochi. With a total population of 142 million, Russians have a relatively high GDP per capita of €13,500. Russia is the world's leading oil producer, the second-largest producer of natural gas and holds the world's largest natural gas reserves and the eighth-largest crude oil reserves, although these are mainly outside of the Black Sea region. Although Russia maintains naval ports on the Black Sea for strategic reasons, it is less dependent upon this sea area for maritime transport as it has a wide number of alternative land and sea routes for trade with the EU and elsewhere. This said, the Black Sea coast is an important tourism destination for Russians, with Sochi being Russia's largest resort city, sprawling 145 km along the coast and the unofficial summer capital of the country.

Georgia (GE): Georgia lies to the east of the Black Sea, between Russia and Turkey. It has a short Black Sea coastline of 310 km, including the port cities of Batumi and Poti and the newly developed deep sea port of Anaklia. With a total population of 4.5 million, Georgia's economy is based mainly around agriculture, mining and a small industrial sector. It has minor oil and gas reserves and imports nearly all of its supplies. Georgia's transport network (sea, road and rail) is considered the heart of the supply chain.

Moldova (MD): Moldova lies to the NE of Romania and west of Ukraine. It is essentially land-locked, but a large part of the country lies between the Dniester and the Prut rivers. The western border of Moldova is formed by the Prut river, which joins the Danube before flowing into the Black Sea. Moldova has access to the Danube for only about 480 m and Giurgiulești is the only Moldovan port on the Danube. In the east, the Dniester is the main river, flowing through the country from north to south, receiving the waters of Răut, Bâc, Ichel, Botna, and Lalpug flows into one of the Danube tributaries, while Cogâlnic flows into the Black Sea. Moldova has a population of around 3.6 million and one of the lowest GDP figures per capita in Europe of €2,600. Moldova imports all of its supplies of petroleum, coal, and natural gas, largely from Russia. Both agriculture (especially wine making) and tourism are important economic sectors, but neither is coastal in nature but depend upon the riverine and floodplain geography.

0.2 Purpose of this study

This report provides an output of the project '**Study to support the development of sea basin cooperation in the Mediterranean, the Adriatic and Ionian, and the Black Sea**' (MARE/2012/07). Specifically, this report provides the output for Task 4 to the '**Identification of elements for sea-basin level cooperation in the Black Sea**'.

The **objective** of this particular task was to identify the possible content and added value of maritime cooperation for the Black Sea basin through the identification of the main maritime actors and issues who would benefit from a sea-basin approach. This will build upon the consensus and achievements of the Black Sea Synergy and the subsequent European Parliament strategic approach, culminating in providing programming and output collation of the Black Sea Stakeholder Conference in January 2014 (see Appendix C: Black Sea Stakeholders Conference - Summary of Presentations and Discussions).

The ultimate **output** of this task will be the preparation of a framework to move towards coherent maritime sea basin cooperation and in time, an Action Plan, for the Black Sea basin. This sea basin strategic framework defines viable actions and joint initiatives addressing challenges and opportunities with a cross-border dimension that can be solved only by common engagement. It should utilise existing resources, legislation and structures to foster cross-border partnerships and prioritise objectives around which local, regional and national actors can be mobilised to turn the priorities of the Europe 2020 Strategy into targeted actions.

The key elements of this strategic framework have been embedded in a background paper that was presented at the Black Sea stakeholder conference in January 2014 (see **Appendix B: Background Paper for the Stakeholders Conference**).

1 Methodology, and limits to our analysis and solutions adopted

This task has been completed through the implementation of five sub-tasks as follows:

- **Mapping existing initiatives and projects with a maritime dimension with a specific focus on Blue Growth and related initiatives** (sub-task 4.1)
- **Identification and analysis of the main issues where sea-basin cooperation is needed** (sub-task 4.2)
- **Policy development directions to fulfil the sustainable growth potentials in the Black Sea** (sub-task 4.3)
- **Recommendations on feasibility, content, added value and methodology to follow for sea basin cooperation on blue growth in the Black Sea** (sub-task 4.4)
- **Preparation of a background paper for the Black Sea Stakeholder Conference**, held in Bucharest on 30 January 2014 (sub-task 4.5).

This report provides four main sections (Section 2 to 5), corresponding to the first four of these five sub-tasks (the fifth sub-task – the Preparation of a background paper for the Black Sea Stakeholder Conference – is provided in Appendix B). **Section 2** (the mapping of existing initiatives and projects with a maritime dimension) provides the reader with an understanding of the nature of sea basin cooperation to date. It is then followed by **Section 3** (Identification and analysis of the main issues in the Black Sea) that firstly provides an analytical framework for assessing the main required actions common to all sectors (based on the Section 3 analyses) and then identifies and assesses these issues in more detail. **Section 4** goes on to recommend the policy directions required to address the issues identified in the previous section. The final **Section 5** is designed to ‘standalone’ feasibility study that draws together the analyses and recommendations from the previous sections to provide the basis for a sea basin approach to facilitating blue growth in the Black Sea. As such it is necessarily repetitious, but is intended to summarise both the needs analyses and our recommendations in one discrete section.

The *geographic scope* of this task focuses on the two EU nations of **Bulgaria** (BG) and **Romania** (RO) on the western side of the Black Sea and EU candidate state of **Turkey** (TR) to the south. However it also includes some investigation into trans-boundary, relevant initiatives from the non-EU riparian nations of **Ukraine** (UA), the **Russian Federation** (RU) and **Georgia** (GE) to the north and east in order to ensure a basin-wide approach. The study will also recognise the relevance of the hinterland nation of **Moldova** (MD), as it borders Romania and is closely connected to the Black Sea. **Armenia** (AR) and **Azerbaijan** (AZ) are also connected to the Black Sea via inland waterways, but are not considered primary areas in this study.

Section 3 (Mapping existing initiatives and projects with a maritime dimension with a specific focus on Blue Growth and related initiatives): the starting point has been to use the Country Fiches from Report 1 (Analysis of blue growth needs and potential per country) to focus attention on the most relevant important and developing maritime industries in Bulgaria, Romania and Turkey. A summary is presented in Section 1. This approach allows us to ensure that our search and mapping of existing cooperation initiatives in maritime growth development is targeted and relevant. Following this analysis and categorisation, the next stage was been to identify the relevant initiatives and programmes on blue growth and IMP-related issues over the past 25 years (since 1991). This has been conducted through a combination of desk study and in-country interviews, as well as with information provided by the European Commission.

It is important to note that this is not an exhaustive list of initiatives in the Black Sea, but is intended to capture the main sea-basin level initiatives, as well as those national initiatives by Bulgaria, Romania and Turkey. It should also be noted that only initiatives with a maritime dimension (inc. inland waterways connecting to the Black Sea) have been included. Although the list of initiatives have been cross-checked by the country specialists in BG, RO and TR, it is likely that there will be a bias towards EU funded initiatives (due to their prominent coverage, mostly in English, on the internet), although every effort has been made to ensure we have covered the entire sea basin.

REPORT 3 - Report: Black Sea - Identification of Elements for Sea Basin Cooperation

The individual initiatives have been characterised by identifying key attributes on an Excel spreadsheet that has then been used to provide a semi-quantitative analysis (see below for methodological comments).

This database includes the following information for each initiative:

- **Project title and start** / finish dates;
- Whether it is **national, or regional** (involving more than one country) in nature and what country(ies) are involved;
- The broad **sectoral category** of the initiative (e.g., general development, energy, environment, fisheries, tourism, and transport);
- The **MEA(s) covered** by the initiative (using 27 of the MEAs used in the Country Fiches);
- **Funding** source(s) and levels;
- The **beneficiary type** (classified based on whether interventions primarily benefit local administrations, development agencies, public agencies, private companies, NGOs, Producer Organisations, and academic institutions); and
- The **intervention type** (classified based on whether interventions focus on data collection, strategy development, cooperation/networking, business support, research and development, infrastructure development, and capacity-building).

It is important to recognise that the attribute assignment process was subjective and based upon the information available to the consultant, which in itself was variable. However the data was considered robust enough to perform a cluster analysis to broadly map the different attributes of these initiatives.

The results are presented with some analysis on the nature of the initiatives and their cohesion with the Black Sea Synergy and the subsequent European Parliament strategic approach, as well as the Member State maritime policy directions indicated from Task 2. It should be noted that some initiatives support multiple MEAs (e.g., food fisheries, feed fisheries and aquaculture) and even intervention types (e.g., strategy development and cooperation / networking).

The final part of this task has been to map these initiatives using the results of the classification and subsequent analysis to show the relationships between the different initiatives.

The five **case studies** (see Appendix D) were chosen to represent the main areas of maritime economic activity across the Black Sea. Of these five, four were predominantly EU funded (as reflects reality), with one funded by World Bank / UNDP / UNEP / GEF, as well as the EU. The exercise was useful and gave a real insight into the nature, successes and in some cases the failures of some of the largest programmes to have been conducted in the Black Sea in recent years.

Given the evolution in the EU's thinking on IMP since the original Terms of Reference (ToR) were written, this report provides a general framework for developing improved sea-basin cooperation in the Black Sea. Framed around the individual Horizontal Actions, the ultimate goal will be to improve the performance of maritime activities in terms of blue growth and job creation. This is not a time-bound strategy or roadmap and the overall timeframe is quite short to reflect the Europe 2020 Growth strategy horizon.

2 Mapping of existing initiatives and programmes

2.1 Key initiatives and programmes demonstrating the degree of existing maritime cooperation at sea basin level

Based on the desk review an Excel database of maritime-related programmes and cross-border initiatives (hereafter termed 'initiative') in the Black Sea has been prepared. This database includes the following information for each initiative:

- **Project title and start / finish dates;**
- Whether it is **national, or regional** (involving more than one country) in nature and what country(ies) are involved;
- The broad **sectoral category** of the initiative (e.g., general development, energy, environment, fisheries, tourism, and transport);
- The **MEA(s) covered** by the initiative (using 27 of the MEAs used in the Country Fiches);
- **Funding** source(s) and levels;
- The **beneficiary type** (classified based on whether interventions primarily benefit local administrations, development agencies, public agencies, private companies, NGOs, Producer Organisations, and academic institutions); and
- The **intervention type** (classified based on whether interventions focus on data collection, strategy development, cooperation/networking, business support, research and development, infrastructure development, and capacity-building).

The database has allowed for subsequent analysis based upon these attributes. The initiatives that have been identified are listed in the table overleaf.

2.2 Mapping of existing initiatives and projects with a maritime dimension in the Black Sea

2.2.1 Key sea-basin level institutions in the Black Sea

In preparation for the mapping exercise, it is worth identifying the key institutions that operate across the entire Black Sea relevant to Blue Growth.

Black Sea Commission (BSC): The *Commission on the Protection of the Black Sea Against Pollution* (the Black Sea Commission or BSC) via its Permanent Secretariat is the intergovernmental body established in implementation of the *Convention on the Protection of the Black Sea Against Pollution* (the 'Bucharest Convention', signed in 1992), its Protocols and the Strategic Action Plan (SAP) for the Environmental Protection and Rehabilitation of the Black Sea (latest version adopted in 2009).

The Permanent Commission is situated in Istanbul and is composed of all riparian Black Sea countries (BG, RO, UA, RU, GE and TR). There are seven BSC Regional Advisory Groups which provide their expertise and information support to the Commission and Secretariat on following sectors: (a) pollution monitoring and assessment (PMA); (b) control of pollution from land based sources (LBS); (c) development of common methodologies for integrated coastal zone management (ICZM); (d) environmental safety aspects of shipping (ESAS); (e) conservation of biological diversity (CBD); (f) environmental aspects of the management of fisheries and other marine living resources (FOMLR); and (g) information and data exchange (IDE). Within the institutional framework co-ordinated by BSC, seven Black Sea Regional Activity Centres (RAC) have been established on basis of existing national organizations.

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Table 4: List of maritime-related projects in the Black Sea

Initiative title	Type	Period		Countries included							1° funding source	Sectoral category	
		Start	Finish	RO	BG	TR	GE	MD	UA	RU			
Bi-lateral MoUs (DG Energy)	Agreement	2005	n/a									n/a	Energy
Black Sea Trust for Regional Cooperation	Financing	n/a	n/a	✓	✓	✓	✓	✓	✓	✓	✓	GMF	Development
Energy Security Platform	Network	n/a	n/a				✓	✓	✓			n/a	Energy
The Energy Community	Network	2008	n/a					✓	✓			EU Other	Energy
Master plan for Protection and Rehabilitation of Coastal Areas	Plan	n/a	n/a	✓								n/a	Development
Tourism Development Master Plan 2007 -2026	Plan	2007	2026	✓								n/a	Tourism
Black Sea Joint Operational Programme (JOP)	Programme	2007	2013	✓	✓	✓	✓	✓	✓			EU ENPI	Development
Black Sea Trade & Investment Promotion Programme (BSTIP)	Programme	2007	n/a	✓	✓	✓	✓	✓	✓	✓		UNDP	Development
The South East Europe (SEE) Programme	Programme	2007	2013	✓	✓			✓				EU ERDF	Development
Interstate Oil and Gas Transport to Europe (INOGATE)	Programme	2004	n/a	✓	✓		✓	✓	✓			EU ENPI	Energy
Black Sea Environmental Programme 1 & 2	Programme	1993	1998	✓	✓	✓	✓	✓	✓	✓		GEF and col	Environment
The Cooperative Marine Science Programme for the Black Sea	Programme	1991	n/a	✓	✓	✓	✓	✓	✓	✓		IOC	Fisheries
Bulgaria-Turkey IPA Cross-border Cooperation Programme	Programme	2007	2013		✓	✓						EU-IPA	Tourism
Intermodal Transport Strategy 2020	Programme	n/a	2020	✓								n/a	Transport
Romania - Bulgaria Trans-border Cooperation Programme	Programme	2007	2013	✓	✓							EU ERDF	Transport
Transport Corridor Europe-Caucasus-Asia (TRACECA)	Programme	1993	n/a	✓	✓	✓	✓	✓	✓			EU Other	Transport
PlanCoast (INTERREG IIIB NP CADSES Project)	Project	2006	2008	✓	✓					✓		EU Various	Development
Southern Gas Corridor	Project	n/a	n/a			✓	✓					n/a	Energy
Environmental Protection of International River Basins	Project	2012	2016				✓	✓	✓			EU Other	Environment
Improving environmental monitoring in the Black Sea	Project	2013	2016				✓		✓		✓	EU ENPI	Environment
MSFD Guiding Improvements In The Black Sea Integrated Monitoring System (MISIS)	Project	2012	2016	✓	✓	✓						EU Other	Environment
Policy-Orientated Marine Environmental Research in the	Project	2012	2016	✓	✓		✓				✓	EU Other	Environment
Protection of areas along Black Sea coast and strengthening of	Project	1998	2018									EU EIB	Environment
Shared Environment Information System (ENPI-SEIS)	Project	2010	2014				✓	✓	✓		✓	EU ENPI	Environment
Black Sea Fish	Project	n/a	n/a									FAO	Fisheries
Coordinating research to support the ecosystem approach to fisheries & management advice in the Mediterranean & Black Seas (CREAM)	Project	2011	2014	✓	✓	✓	✓	✓	✓	✓	✓	EU FP7	Fisheries
Upgrade Black Sea SCENE Upgrade Black Sea SCENE	Project	2009	2011	✓	✓	✓	✓	✓	✓	✓	✓	EU FP7	Fisheries
Test project for cooperation in the field of integrated	Project	2012	2014	✓	✓							EU DG Marc	Surveillance
Adriatic-Danube-Black Sea Multimodal Platform (ADB) Under	Project	2012	2014	✓	✓					✓		EU EDRF	Transport
Green Intermodal Freight Transport (GIFT) Under SEE	Project	2012	2014	✓	✓	✓						EU EDRF	Transport
Harmonised Inland Harbour Navigation Transport (through	Project	2012	2014	✓	✓						✓	EU EDRF	Transport
Monitoring and Information Systems for Reducing Oil	Project	2009	2012	✓	✓	✓						EU Other	Transport
Danube Strategy	Strategy	n/a	n/a	✓	✓							n/a	Development
LeaderSHIP2020 Strategy	Strategy	2014	2020	✓	✓							n/a	Development
National Sustainable Development Strategy 2013, 2020, 2030	Strategy	2013	2030	✓								n/a	Development
The Strategic Concept of Spatial Development – Romania 2030	Strategy	2013	2030	✓								n/a	Development
Energy Strategy of Republic of Bulgaria till year 2020	Strategy	n/a	2020		✓							n/a	Energy
Romania Energetic Strategy 2007-2020	Strategy	2007	2020	✓								n/a	Energy
Strategic Action Plan for the Environmental Protection and	Strategy	2009	n/a	✓	✓	✓	✓		✓	✓	✓	UNDP & EC	Environment
National Strategic Plan for Fisheries	Strategy	2007	2013	✓								EU EFF	Fisheries
National strategic plan for Fisheries and Aquaculture 2007-	Strategy	2007	2013	✓								EU EFF	Fisheries
National Strategy for Sustainable development of Tourism	Strategy	2009	2013		✓							n/a	Tourism
National Strategy for a Sustainable Transport 2000-13, 2020-30	Strategy	2007	2013	✓								n/a	Transport
Strategy for development of transportation system to 2020	Strategy	n/a	2020	✓								n/a	Transport

County codes: RO Romania, BG Bulgaria, TR Turkey, GE Georgia, MD Moldova, UA Ukraine, RU Russia

The BSC cooperates with other intergovernmental organizations involved in marine pollution affairs at the global and regional level, including the United Nations Environment Program (UNEP), International Maritime Organization (IMO), Global Environmental Facility (GEF), International Commission for the Protection of the Danube River (ICPDR), Agreement on the Conservation of Cetaceans of the Black Sea, Mediterranean Sea and Contiguous Atlantic Area (ACCOBAMS), Organization of the Black Sea Economic Cooperation (BSEC), European Environment Agency (EEA), different institutions of the European Union (EU) and some other organizations.

Organisation for the Black Sea Economic Cooperation (BSEC): 1992 also saw the signing of the Summit Declaration and the Bosphorus Statement that gave rise to BSEC. The twelve Member States include all the riparian nations, as well as Albania, Armenia, Azerbaijan, Greece, Moldova, Montenegro and Serbia. 11 other EU member states are either observers or Sectoral Dialogue partners of the BSEC. The Permanent Secretariat is also based in Istanbul. BSEC has a number of affiliated organisations including:

- Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC)
- Black Sea Economic Cooperation Organization (BSEC) Business Council
- Black Sea Trade and Development Bank (BSTDB)
- International Centre for Black Sea Studies (ICBSS)
- BSEC Coordination Centre for the Exchange of Statistical Data and Economic Information

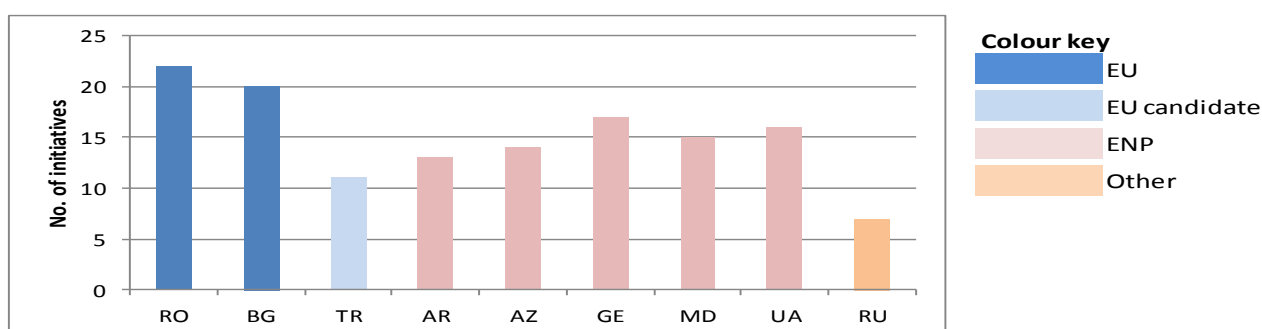
BSEC is an important development partner for the EU in the Black Sea, both in terms of its sea basin level constitution as well as the EU's synergy with BSEC's current major development focus on common areas such as transport, tourism and environmental protection.

General Fisheries Council for the Mediterranean (GFCM): the GFCM was first established in 1952 and consists of 23 member countries along with the EU (inc. Including BG, RO, GR, and TR). As a FAO Regional Fisheries Management Body (RFMO), the GFCM coordinates efforts by governments to effectively manage fisheries at regional level following the FAO Code of Conduct for Responsible Fisheries. The GFCM has the authority to adopt binding recommendations for fisheries conservation and management in its Convention Area and plays a critical role in fisheries governance in the Region. Based at its headquarters in Rome, it operates by means of its four committees, namely the *Scientific Advisory Committee (SAC)*, the *Committee on Aquaculture (CAQ)*, the *Compliance Committee (CoC)*, the *Committee of Administration and Finance (CAF)* and their respective subsidiaries.

2.2.2 Clustering of international cooperation

Of the 40 initiatives examined, the two EU countries (BG and RO) were most frequently involved in these initiatives, participating in around half of all the initiatives covered (see figure below). In contrast Turkey was only involved in around one-third. The five Eastern Partner Countries generally participated in over a third of all initiatives, with the two largest and the two riparian nations (GE and UA) having participated in at least 40 % of the initiatives. The Russian Federation has had the lowest level of participation, being involved in less than 20 % of initiatives.

Figure 1: Number of initiatives by country



Source: consultants' analysis

This initial geographic analysis is broad-scale - a further analytical level of geographical focus will be provided in the following thematic sub-sections.

Of the initiatives examined, the majority (40 %) were **projects** e.g., time-bound, budgeted implementation initiatives with a narrow set of immediate objectives. Nearly a quarter were **strategies**, which usually lacked any financial allocations but were set over a specific timeframe. Just over 20 % were **programmes** e.g., time-bound project frameworks with an overall budget but usually depending upon the further identification of projects for their actual implementation.

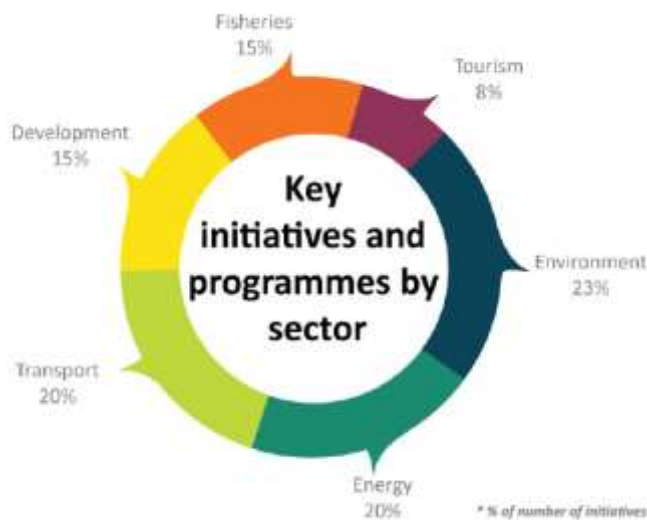
2.2.3 Sectoral focus

The major sectoral focus of the initiatives has been on the **environment** (23 % of all initiatives). This reflects a strong historical concern over the environmental health of the Black Sea and the resultant impacts on fisheries, coastal tourism and biodiversity in general. The baseline information for many of these initiatives was the Black Sea Environmental Programme (Phases 1 and 2). Largely financed by the Global Environment Facility (GEF) phase 1 took place from 1993 - 1996 with a second phase between 1997 and 1998. It was part of a much wider environmental management programme for the Black Sea. All six riparian nations (RO, BG, TR, UA, GE and RU) participated through a system of thematic Working Parties based upon six regional "Activity Centres", each hosted by one of the participating nations. Whilst the older environmental programmes were strongly fisheries and water quality focused, the more recent environmental projects have increasingly focused on inland waterway management, flood defences and habitat restoration. See Case Study #5 in Appendix D.

Other environment focused projects include 'Improving environmental monitoring in the Black Sea' (EMBLAS), on the setting up of a 'Shared Environment Information System (ENPI-SEIS)' and the MISIS project – 'MSFD Guiding Improvements in the Black Sea Integrated Monitoring System'.

Energy and **transport** are also both key areas, representing 20 % each of the initiatives examined. In terms of energy, these tend to be typified by strategic development initiatives rather than time-bound programmes or projects. The majority were initiated in the early 2000's and tended to involve a wide range of geographical partners in the region (e.g., the so-called Baku Initiative). In recent years both Bulgaria and Romania have initiated long-term energy strategies up to 2020, reflecting their coherence with EU planning horizons. **Transport** initiatives have followed a similar timeframe, with key initiatives such as the Transport Corridor Europe-Caucasus-Asia (TRACECA) Programme that commenced in 1993, and various national transport strategies for Bulgaria and Romania up to 2020.

Figure 2: Sectoral focus on previous and current initiatives in the Black Sea Region



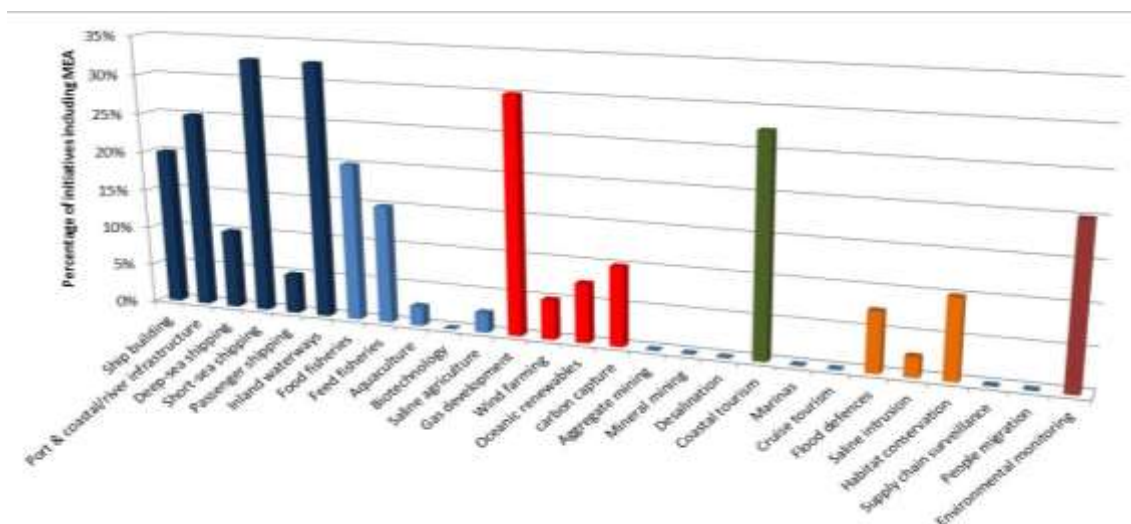
Source: consultants' analysis

Romania, and to a lesser extent Bulgaria, also have, or have had, a number of **general development** projects with maritime components, accounting for 15 % of all the initiatives assessed. These tend to be long-term (looking as far ahead as 2030), with a cross-sectoral focus on inland and sea transport and associated infrastructure development, gas field development and coastal tourism. **Fisheries** initiatives also account of 15 % of the initiatives reviewed, and generally involved all the Black Sea nations including, rather surprisingly, the non-riparian nations (MD, AR and AZ). In most cases these were short-term (e.g., <5 year) initiatives focusing on capture fisheries rather than aquaculture. **Tourism** only accounted for 8 % of the initiatives examined. These tended to be focused mainly in the west of the Black Sea (e.g., BG, RO and TR) and were thus not at a sea-basin level like the majority of the other initiatives described above.

2.2.4 Marine Economic Activities addressed

When the initiatives are analysed in terms of the MEA(s) on which they focused, nearly half are related to shipping and maritime transport. Both short-sea shipping and inland waterways account for a third of MEA focus of all initiatives examined, demonstrating how important these are to both the riparian and hinterland states around the Black Sea. They are particularly important to Romania, Bulgaria and Ukraine, which all depend upon major rivers such as the Danube for inland transportation, as well as Georgia¹. Supporting MEAs, such as 'port and coastal/river infrastructure' and ship building are also important.

Figure 3: MEAs addressed by past and current initiatives in the Black Sea



Source: consultants' analysis

Energy-related projects are also important, with a particular focus on carbon-based fuels such as **gas** and oil, rather than **renewables**. 30 % of initiatives relate to gas field development, whilst a smaller percentage (23 %) focus on more sustainable forms of energy i.e. **wind farming, renewables**, etc. Many of the initiatives historically involved the Eastern Partner Countries, although both Bulgaria and Romania have fast growing gas exploitation sectors, and the level of sea-basin cooperation in this area is likely to grow rapidly from the current strategy alignment to active *in situ* operation. Carbon capture was included in 10 % of initiatives, reflecting the dependence upon carbon-based energy sources.

Fisheries-based initiatives represent around 14 % of sector level activities in the Black Sea initiatives. The majority (20 %) of these are related to **capture fisheries** for human consumption (food fisheries), although 15 % also focus on the important **feed fisheries** for sprat and anchovy. In comparison to the Mediterranean, there has been relatively little focus on **aquaculture** development in the Black Sea, although there is recognised to be considerable potential, especially with the development of recirculation techniques.

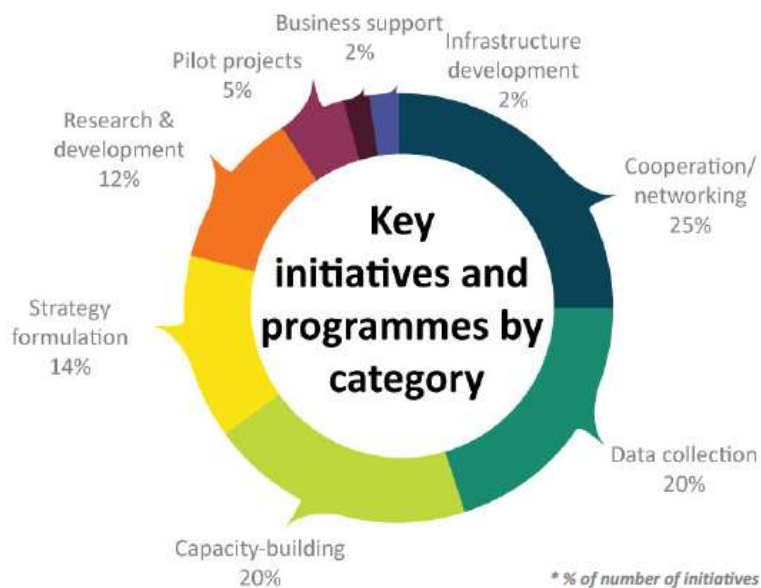
Other key MEAs include **coastal tourism** (28 % of initiatives) and **environmental monitoring** (20 % of initiatives).

¹ In Nov 2013 Georgia agreed to complement EU transport and environmental objectives in Georgian legislation.

2.2.5 Intervention focus

The largest proportion (38 %) of maritime development initiatives in the Black Sea have been, or are, focused on developing **sea-basin cooperation and networking**, especially in the broad areas of transport network development, fisheries, energy development and habitat protection.

Figure 4: Focus of intervention in the Black Sea



Source: consultants' analysis

Data collection has also been an important intervention area (20 %), mainly involved in environmental monitoring at a wide sea-basin level, although cross-border cooperation in data collection in fisheries is also notable. **Capacity-building initiatives** are also similarly represented (30 %), again with a strong environmental focus, with an increasing number of transport sector projects involved.

Strategy development (14 % of initiatives) is also significant, especially in the energy and transport areas, and generally involves a wide number of national partners from around the Black Sea. **Research and Development** (R&D, 12 %) also tends to be basin-wide, focusing in particular on marine environment and fisheries research. The remaining intervention areas, **pilot projects**, **business support**, and **infrastructure development**, are involved in less than 5 % of initiatives. These tend to be at individual national level, with less emphasis on sea-basin cooperation.

2.2.6 Beneficiary types

Overwhelmingly (39 % of initiatives), the main beneficiary organisations of initiatives are **public sector agencies**, usually operating at central level. Where such organisations are involved, there is no obvious pattern across different sectors, although tourism appears to be poorly represented, especially compared to transport, energy, environment and fisheries. **Academic institutions** – particularly those involved in research and development, are the next largest category, being involved in nearly a quarter of all initiatives. **Local government administrative departments** are also reasonably well represented (17 %), mainly in environment and transport - they are less involved in centrally-run sectors such as fisheries and energy. There is little involvement of **trade organisations** (4 % of initiatives), **private companies** (2 %) and **NGOs** (2 %) in these initiatives, which possibly reflects the nature of the funding programmes and their eligibility rules which generally target public sector/non-profit institutions. One good example of such an initiative however is the Black Sea Basin Joint Operational Programme 2007-2013 (Black Sea JOP), a programme to implement the EU's European Neighbourhood and Partnership Instrument (ENPI) Cross-border Cooperation Programme contributing to "a stronger and sustainable economic and social development of the regions of the Black Sea Basin".

Figure 5: Beneficiary types for maritime interventions in the Black Sea



Source: consultants' analysis

2.3 Current sources of financing blue growth initiatives in the Black Sea

This section provides some information about the funding sources for the initiatives in the database and presented above. Unlike the analysis above, a quantitative assessment is less possible because:

- Many of the initiatives are in fact Ministerial declarations (e.g. Baku Initiative), EU Communications (e.g. Southern Gas Corridor), or strategies or policy documents (e.g. the **Romanian National Sustainable Development Strategy 2013, 2020, 2030**) that are not costed, but instead refer loosely to sources of funding intended, e.g. EU funds, without providing specific suggestions of which funds, or of how much full implementation of the strategies would cost.
- Some of the trans-national level initiatives (e.g. the **South East Europe Transnational Cooperation Programme**), include countries and activities (e.g. non maritime blue-growth) that are not within the scope of this assignment, so even if total funds are identified, attributing funds to maritime/blue growth initiatives in the countries which form the scope of this assignment is impossible.

Notwithstanding the above comments, analysis of funding levels that are reported and assessment of the funding sources, provides for some interesting findings and conclusions.

For initiatives for which funding amounts have been identified, the amounts provided vary enormously from initiatives of less than EUR 1 million, to some of more than EUR 100 million. There appears no clear link between the total funding and the number of countries covered, or between particular sectors/MEAs e.g. environment, fisheries, energy, etc.) as the recipient of greater funding levels than others. There does however appear to be a link between the length of the initiative and the total funds provided, as would be expected, with longer-term initiatives being the recipient of greater levels of funds.

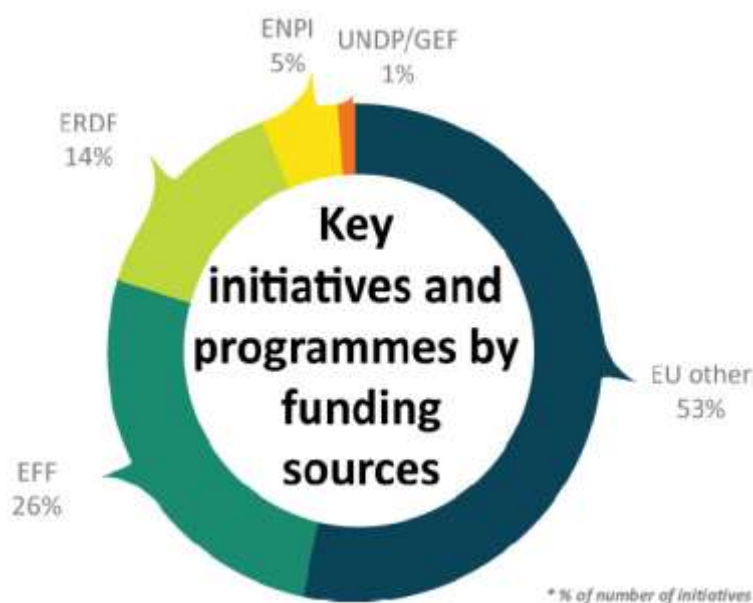
The lack of funding specified, or deemed necessary for some initiatives, is an indication of the potential for regionally-based initiatives to make improvements in regional and sectoral management and performance, just from the benefits flowing from clear specification of strategies (i.e. specified objectives, strategies to support the objectives, specific activities and outputs in support of the strategies and intended outcomes), and the use of approaches in such strategies to regional cooperation and networking. As evident from the text in the documentation relating to such initiatives, such approaches can be expected to generate added-value in particular cases without the necessary need for additional funding levels. This is an important finding for future development of Black Sea basin cooperation as part of this project.

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In other cases, where strategies do make it clear that funding will be required, it is often the case that such initiatives make it clear that multiple funding sources are going to be necessary for implementation. Again, this is a potentially important finding for future development of the Black Sea level cooperation framework being supported by this project. At this point it is worth mentioning the now ceased **DABLAS Task Force**. The main function of the DABLAS process was to encourage a more strategic focus to the use of available financing, and to ensure co-ordinated action between all financial instruments operating in the region. It sought to bring cohesion to the process of financing of technical assistance and investments, by (i) identifying priority objectives common to the region as a whole, (ii) encouraging a more strategic focus to the use of available financing, and (iii) ensuring co-ordinated action between all financial instruments operating in the region. The use of multiple funding sources is appropriate and possible, because of the many different objectives which individual initiatives may support, meaning that initiatives can in turn meet the requirements of many different funding sources.

Likewise the different focus of initiatives in terms of the nature of the activities means that multiple sources of funding may currently be available. If initiatives include research and innovation elements for example, then EU funds can be accessed from: the **7th Research framework programme**²; the **Competitiveness and Innovation Framework Programme**³; and various Structural Funds for cohesion policy. The three main funds under which research and innovation activities can be supported are the: **European Regional Development Fund (ERDF)**; the **Cohesion Fund**; the **European Social Fund (ESF)**. From 2014-2020 Common Strategic Framework Funds (CSF)⁴ the reformed cohesion policy, will make available up to EUR 366.8 billion. It will be the EU's principle investment tool for delivering the Europe 2020 goals: creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion. This will be helped through targeting the ERDF at key priorities such as support for small and medium-sized enterprises where the objective is to double support from EUR 70 to 140 billion over the 7 years.

Figure 6: Indicative proportion of major MDB funding in the Black Sea



Source: consultants' analysis

² 7th Framework Programme for Research, Technological Development and Demonstration Activities (EU FP7) lasts from 2007 until 2013 and has a total budget of over €50 billion. It will be replaced by Horizon 2020 (2014 – 2020) with a budget of EUR 80 billion.

³ The Competitiveness and Innovation Framework Programme (CIP) aims to encourage the competitiveness of European enterprises. CIP will last from 2007 until 2013 and has a total budget of over €3.6 billion.

⁴ European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF)

Likewise, some initiatives focussing on specific sectors or countries have access to very specific funding sources. For example the database on initiatives identifies the National Strategic Plans for Fisheries (i.e. country operational programmes) possible under the **European Fisheries Fund (EFF)** for the EU Member States of Bulgaria and Romania. These plans are costed at EUR 106 and EUR 349 million respectively. The **European Maritime Fisheries Fund** for 2014 onwards can also be expected to provide considerable funds to both countries. Likewise, the **Instrument for Pre-Accession (IPA)** is identified as a funding source for some blue-growth initiatives involving Turkey. **European Neighbourhood and Partnership Instrument (ENPI)** funding to partnership countries is reported to be EUR 2 500 million for the period 2010-2013, and a number of the initiatives have the ENPI as a major source of funding (e.g. the **Interstate Oil and Gas Transport to Europe (INOGATE) Programme**, the **Transport Corridor Europe-Caucasus-Asia (TRACECA)** programme, the **Improving environmental monitoring in the Black Sea (EMBLAS)**, and the **Shared Environment Information System (ENPI-SEIS)**). Until the end of 2006, the INOGATE and TRACECA Programmes for example were funded under the EU's Technical Aid to the Commonwealth of Independent States (TACIS) Programme. As of 2007, these programmes have been funded under the ENPI. The funding of previous and current initiatives have largely come from major EU programmes such as TACIS and ENPI – as TACIS ended in 2006 and ENPI in 2013. The new **European Neighbourhood Instrument (ENI)** replaces the ENPI with a total budget of some EUR 15,5 billion to 16 partner countries to the East and South of the EU's borders for the 2014-2020 period

What is clear both from the above discussion and the database itself, is that EU funds are by far and away the most important source of funding for the initiatives included in the database of key initiatives. Over the past seven years the EU has invested nearly EUR 140 million in the Black Sea basin under the Black Sea Synergy, on top of another EUR 800 million in regional and bilateral initiatives geared towards the Black Sea countries. This is interesting given that only two of the Black Sea countries are EU Member States, and demonstrates the important role of EU funds for candidate countries (i.e. Turkey), Eastern Partner Countries (AR, AZ, GE, MD and UA), and the Russian Federation as a strategic partner. It may also however be reflective of an under-representation in the database of programmes not involving EU funds.

There are a number of different International Financial Institutions (IFIs) involved in the Black Sea. Apart from the main multi-lateral development banks (MDBs) such as the **European Investment Bank (EIB)** and **European Bank for Reconstruction and Development (EBRD)**, there are sub-regional MDBs involved such as the **Black Sea Trade and Development Bank (BSTDB)** that operates under BSEC (see Section 2.2.1). The **Nordic Investment Bank (NIB)** has also established a loan agreement with the BSTDB to finance projects of mutual interest in the Black Sea region. The BSTDB also cooperates with other interstate banks such as the **International Investment Bank (IIB)**. The database also identifies the use of a number of other sources of funding, such as from UNDP (**Improving environmental monitoring in the Black Sea (EMBLAS)**) and the **Black Sea Trade and Investment Promotion Programme (BSTIP)**, and the **Global Environmental Facility (GEF)**, which for specific initiatives may be important, or indeed the major funding source.

There are also a number of **major private capital investment entities** (private banks, hedge funds, other lenders) operating in the area. In particular, the larger MDBs such as the BSTDB work with selected financial institutions as intermediaries⁵ in its countries of operation where such delegation of responsibility assists the Bank in servicing a market segment more efficiently or effectively than the Bank might be able to do directly. This operates in four main areas e.g., (a) trade finance; (b) SMEs finance; (c) program lending (e.g. credit lines, other forms of debt); and (d) equity participation. Hedge funds have been used to invest in Black Sea holiday residences (e.g., the **Black Sea Property Fund**), agriculture (e.g., **Black Sea Agriculture**) and port commodity terminals (e.g., **Louis Dreyfus Commodities**).

⁵ See full list of BSTDB's financial intermediaries at http://www.bstdb.org/publications/Financial_Intermediaries.pdf

Of course for many EU funding sources, it is a requirement for co-financing from beneficiary countries. So for example, in the case of the National Strategic Plans for Fisheries for Bulgaria and Romania mentioned above, EFF funds provide for 75% of total funding requirements, with the balancing 25% needing to be provided by the Member State. Likewise, under the Black Sea basin programme (**ENPI Cross Border Cooperation**), while the ENPI instrument drawing on external and internal funds will finance the programme, and the participation of Turkey will be financed from the IPA instrument, the participating countries will co-finance projects with a minimum of 10% of the EU contribution.

The requirement for country contributions is also a characteristic of other donor funds which have been used in the region such as GEF as noted above. For example the Black Sea Environment Programme was funded with USD 9.3 million funding from the **Global Environmental Facility** (GEF), and collateral funding from the EU, Netherlands, France, Austria, Canada and Japan for a total programme cost of USD32 million over 1992-2006. It can also be presumed that countries involved had to make country contributions as such contributions are a GEF requirement.

It should also be recognised that non-EU and non-donor funds are also important in some cases. For example the **Romania Energy Strategy for 2007-2020** considers the use of country operational programmes and potentially innovative funding mechanisms such as the auctioning of emissions allowances. The EIB, the European Union's long-term credit institution, is lending EUR 25 million to finance the initiative 'Protection of areas along Black Sea coast and strengthening of sections of Danube river bank'. The 20 year loan to the Republic of Bulgaria will help finance some thirty schemes to repair damages caused by landslides on the Black Sea coastline and to prevent further landslides as well as measures to halt erosion on the Danube river bank, with additional EU financing also being used.

In conclusion therefore, the above text has highlighted that:

- Not all initiatives need to use funds to have positive impacts, where improved planning and cooperation can result in benefits;
- Funding amounts for specific initiatives vary enormously from under EUR 1 million to more than EUR 100 million;
- Many initiatives require multiple uses of funding sources, and are able to access different funds because of their focus in terms of activities and countries included;
- EU funds are found to be by far the most important for the initiatives considered, but other donor funds are also accessed and have been used;
- Private sector investment banks and private sector mechanisms may be important sources of funding from some initiatives;
- Longer-term initiatives typically have greater funding requirements as would be expected, and may require creativity in access different funding sources over time i.e. changes in funders to ensure continuance of specific activities/programmes, as specific funding sources come to a close; and

All key sectors and MEAs are the beneficiaries of significant funding levels for the different initiatives examined.

2.4 Conclusions

Around forty maritime-related initiatives from nine countries around the Black Sea (RO, BG, TR, AR, AZ, GE, MD, UA and RU) were examined to determine the level of existing maritime cooperation at sea basin level, as well as their sources of funding. Romania and Bulgaria were the most active of the nine countries, both participating in over half the initiatives examined. The five Eastern Partner Countries generally participated in over a third of all initiatives, with GE and UA being particularly active. The Russian Federation has had the lowest level of participation, being involved in less than a quarter of initiatives.

The major sectoral focus of the initiatives has been on the environment (around a quarter of all initiatives). This reflects a strong historical concern over the environmental health of the Black Sea and the resultant impacts on fisheries, coastal tourism and biodiversity. Energy and maritime transport were also main sectoral foci of the initiatives, although many of the energy-related initiatives were sectoral strategies rather than time-bound development initiatives. Coastal tourism is only a very limited focus area of sea basin level planning, and is usually supported at national rather than trans-boundary level. There was a strong correlation between those MEAs that are already addressed by sea basin level initiatives and those MEAs prioritised for the two EU countries and Turkey. In particular short-sea shipping, inland waterways and gas development have been the focus of most previous initiatives and remain top priority MEAs for the future. Only marine aquaculture and cruise tourism (both prioritised only by Turkey) are not covered by current initiatives in the Black Sea.

Historically the development of cross-border cooperation and of networking has been the major emphasis of major interventions, and this remains so. Data collection, especially for environmental monitoring purposes, has also been an important activity, but has declined over recent years as national and regional capacities in this field have been established. However it is important to note that none of the initiatives in the Black Sea to date have focused on Integrated Maritime Policy (IMP) development.

The funding of previous and current initiatives have largely come from major EU programmes such as TACIS, but have become more diverse and innovative in recent years. There has been a realisation that whilst many of these programmes may not have had immediate financial benefits, it is likely that they have stimulated long-term economic growth through greater cooperation and capacity building.

Past initiatives have been mainly focused on public sector agencies and academic institutions, with only a low level of direct interactions with businesses and trade organisations. It is suggested that future blue growth in the Black Sea should be driven through greater public-private partnership as well as improving 'business to business' linkages. This could both stimulate the development of more efficient supply chains, but could also allow greater sea level basin cooperation in industries that have historically developed more through national than cross-border cooperation e.g. coastal tourism, ship-building and repair, and recreational maritime development such as marinas.

In summary cooperation between EU and other Black sea riparian countries take place largely on a bilateral or sub-regional basis. This is somewhat in contrast to EU initiatives in other geographic regions e.g. the Baltic, which were conceived from the very beginning in regional — rather than bilateral — format and have been partly institutionalized. Multilateral cooperation of the Black Sea countries with the EU therefore tends to be largely confined to sectoral initiatives such as the Interstate Oil and Gas Transport to Europe (INOGATE), the Transport Corridor Europe-Caucasus-Asia (TRACECA), the Black Sea Pan-European Transport Area (PETrA), and the now ceased Danube-Black Sea Environmental Task Force (DABLAS). This suggests there is scope for the EU to promote deeper sea-basin level integration for the Black Sea region as a whole.

3 Identification and analysis of the main issues in the Black Sea

3.1 Development Framework for Blue Growth in the Black Sea Basin

The recent but expanding experience in the strategic planning for blue growth in European water bodies has shown the need for a *developmental framework* that allows the structuring and focusing of integrated maritime policy (IMP) actions. This study examined the IMP framework provided for the Adriatic and Ionian Seas in the EU's Communication COM(2012)713 (subsequently updated in a discussion paper on a new EU Strategy for the Adriatic and Ionian Region (EUSAIR) in August 2013), and examined the implications and lessons for elaborating a Black Sea basin development framework.

Based on the MEAs identified by the Country Fiche exercises in Bulgaria, Romania and Turkey to be of most promise and relevance, we have identified four main *sectoral themes* (aka pillars) as follows:

Table 5: Sectoral Themes and the most promising and relevant MEAs in the Black Sea Basin

<p>Increasing regional attractiveness</p> <ul style="list-style-type: none"> • Coastal tourism • Yachting and marinas • Cruise tourism 	<p>Ensuring regional energy security</p> <ul style="list-style-type: none"> • Offshore oil and gas • Offshore renewable energy⁶
<p>Connecting the region</p> <ul style="list-style-type: none"> • Port and coastal/river infrastructure • Inland waterway transport • Ship-building and repair • Short-sea shipping 	<p>Improving the sustainable utilisation of living aquatic resources</p> <ul style="list-style-type: none"> • Marine aquaculture • Fishing for human consumption

In addition to these sector-driven *thematic 'pillars'*, the proposed Black Sea sea-basin cooperation approach has important *cross-cutting horizontal actions* that are necessary to underpin the sustainable and balanced long-term growth of maritime economic activities. Four key groups of cross-cutting '*Horizontal Actions*' are identified (each with set of specific actions), both on the basis of previous experience (e.g., in the Adriatic and Ionian Seas, and the Baltic), as well as the analysis of past and existing maritime development initiatives in the Black Sea. These cross-cutting horizontal actions also reflect the nature of the support planned in the Black Sea 'Strategic Action Plan' (see last case study in Appendix D).

Table 6: Cross-cutting 'Horizontal Actions' required for IMP in the Black Sea Basin

<p>Planning a blue economy</p> <ul style="list-style-type: none"> • Maritime Spatial Planning and ICZM • Integrated local development • Development of smart infrastructure 	<p>Developing knowledge</p> <ul style="list-style-type: none"> • Joint data collection, monitoring and sharing • Capacity-building across individuals, institutions and society • Sharing maritime culture and heritage
<p>Supporting business growth</p> <ul style="list-style-type: none"> • Facilitating access to finance • Promoting innovation through applied Research and Development • Development of maritime clusters 	<p>Enhancing the Environment</p> <ul style="list-style-type: none"> • Preserving, protecting and improving the quality of the coastal and marine environment and heritage • Ecosystem monitoring • Building resilience to the impacts of climate change

It is these horizontal actions that provide the focus for the proposed Black Sea policy development framework and are the main focus of the discussions –and policy development directions - provided in the text below.

⁶ Offshore renewable energy was not a priority MEA in BG, RO or TR, but given the demand for domestic energy production by Ukraine, Georgia and Moldova, it has been included in this sectoral theme.

3.2 Identification and Prioritisation of the Main Issues

Aim

Improved and sustainable economic and social prosperity of the Black Sea coastal states, by improving its attractiveness, competitiveness and connectivity while at the same time preserving the environment and ensuring healthy and balanced marine and coastal ecosystems.

Objective

The objective is to enhance collaboration and co-operation in four priority sectoral themes and four cross-cutting horizontal actions across the Black Sea basin. Below we expand on the main challenges in the sea basin associated with each horizontal action and identify where the EU can add value. This cross-sectoral approach has been chosen to emphasise the commonality of issues that affect sea basin cooperation.

Table 8 to 11 below show the extent to which existing/recent programmes included in the database developed as part of this assignment, relate to the four horizontal actions, as well as the four sectoral themes.

3.2.1 Planning a blue economy

Problem statement: Planning a blue economy

Maritime Spatial Planning (MSP) is currently lacking for the Black Sea basin as a whole and for the EEZs of many Black Sea coastal states. Integrated Coastal Zone Management (ICZM) is applied partially and inconsistently. This has an impact on the ability to integrate local development processes across different sectoral themes, as well as limiting the scope for smart infrastructure that can build upon the synergies between different MEAs and thus promote efficiency and joint development opportunities. In addition, a lack of maritime spatial planning can lead to potential conflicts between users and may discourage coordination and cooperation between sectors accessing common users and resources.

For example, Romania is starting to take its first steps in MSP by mapping sea use, which is essential for highlighting the density of use and different spatial demand. Although Romania has a coastal law in place, maritime spatial planning is totally missing. It does not yet have a legal or regulatory framework to allow either maritime spatial planning or the relevant institutions to deal with maritime spatial planning procedures⁷. The National Committee of the Coastal Zone (NCCZ), one of the very few dedicated ICZM units in the Black Sea region, does not have the capacity or resources to enable the engagement of appropriate technical experts or to commission the work required to make progress.

PlanCoast (an INTERREG IIIB CADSES project, see <http://www.plancoast.eu/>) concluded that the most important lesson learned from the non-implementation of the ICZM Strategy for the Black Sea is to include and harmonise the ICZM action plan with the updated version of the overall Black Sea Strategic Action Plan. As a general rule, local planning issues are often best dealt with at a local administrative level. Issues affecting the EEZ are best delegated to national or international authorities. Responsibilities for MSP should be assigned accordingly. The regional level plays a key role in that it often brings together cross-sectoral agencies to take the lead in implementation (PlanCoast, 2008).

The current draft Directive of the European Parliament and Council “Establishing a Framework for Maritime Spatial Planning and Integrated Coastal Management” requires that Member States establish and implement Maritime Spatial Plans (MSP) and Integrated Coastal Zone Management (ICZM) Strategies. These maritime spatial plans and integrated coastal management strategies facilitate coexistence and prevent conflicts between competing sector activities in marine waters and coastal zones. Such plans and strategies would contribute to the efficient and sustainable development of MEAs in the Black Sea.

⁷ A handbook for integrated maritime spatial planning – RO (<http://ec.europa.eu/ourcoast/print.cfm?articleID=307>)

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The proposal contains minimum requirements for the plans and the strategies, and makes the inclusion of the cross-border dimension and cooperation with third countries compulsory. The Directive is also aimed at facilitating the coherent and sustainable implementation of, inter alia, the Marine Strategy Framework Directive, the Renewable Energy Directive, the Motorways of the Sea initiative, the Bird and Habitat Directives and the Common Fisheries Policy.

Linked to the lack of regional and local development planning, is the lack of smart infrastructure across the region (intra-regional cables, interconnectors and pipelines that would support energy and ICT development in all coastal states). As noted by the BSEC Energy Working Group, *“Interconnection of electric power systems encompassing all the member states is a striking project under progress guided by the Ministers of Energy of the Member States. The objective is to bring about a rational and more effective production and utilization of electric power in the region.”*

Level of co-operation: Planning a blue economy

Based on the database of around 45 initiatives around the Black Sea developed during this assignment, around 40 per cent include a sub-theme related to the action ‘planning a blue economy’. The majority of these (27%) have a *maritime spatial planning* element, but few are related to *integrated local development* or the development of *smart infrastructure* (4% and 16% respectively). It is interesting to note that the majority of these are related to transport initiatives, as well as offshore oil and gas development. Both tourism and sustainable fisheries showed relatively few initiatives focused on planning for a blue economy, especially at a sea basin level. With fisheries this may change with the introduction of the new European Maritime and Fisheries Fund (EMFF), as this provides a new focus on both maritime spatial planning, as well as the integration of fisheries into local development that was lacking in the out-going EFF. The lack of a coordinated planning focus on yachting, marinas and cruise tourism shows a considerable gap in this area.

See **Table 7: Past and current initiatives with 'Plan a blue economy' sub-themes** for more details.

Specific challenges and objectives: Planning a blue economy

Challenges and objectives in planning a blue economy are:

- Establish a regional co-ordinating body (or identify a current body that may be in a position to adopt that role – e.g. a BSEC working group or the BSC Advisory Group on ICZM methodologies);
- Improve the effectiveness of cross-border consultations on offshore development plans and projects;
- Develop transnational plans for offshore infrastructure corridors;
- Maritime data: harmonisation of existing data sets, gap analysis and supporting the collation of additional maritime data to inform planning;
- Identification of smart infrastructure requirements and barriers to development across the Black Sea;
- Use and strengthen cross-border co-ordinating bodies;
- Sharing of best practice and experiences from other sea basins (e.g. Baltic, North Sea); and
- Engagement of key Black sea maritime growth areas such as marina development and cruise tourism in sea basin level planning initiatives.

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Table 7: Past and current initiatives with 'Plan a blue economy' sub-themes

Initiative title	Plan a blue economy			Increasing regional attractiveness			Connecting the region				Ensuring energy		Sustainable fisheries	
	Maritime Spatial Planning	Integrated local development	Smart infrastructure	Coastal tourism	Yachting & marinas	Cruise tourism	Water projects	Inland waterway transport	Ship-building	Short-sea shipping	Offshore oil & gas	Renewable energy	Marine aquaculture	Capture fisheries
Adriatic-Danube-Black Sea Multimodal Platform (ADB) Under SEE			✓				✓	✓	✓	✓				
Danube Strategy	✓	✓		✓			✓	✓	✓	✓				
Energy Security Platform	✓													
Energy Strategy of Republic of Bulgaria till year 2020	✓													
Green Intermodal Freight Transport (GIFT) Under SEE	✓		✓				✓	✓	✓	✓	✓			
Intermodal Transport Strategy 2020			✓											
Interstate Oil and Gas Transport to Europe (INOGATE) Programme	✓		✓											
Master plan for Protection and Rehabilitation of Coastal Areas	✓			✓			✓	✓	✓	✓				
Monitoring and Information Systems for Reducing Oil Pollution (MONIFO 1 & 2)			✓											
National Strategy for a Sustainable Transport 2007-2013, 2020, 2030		✓		✓			✓	✓	✓	✓				
PlanCoast (INTERREG IIIB NP CADSES Project)	✓													
Policy-Orientated Marine Environmental Research in the Southern European Seas	✓													
Romania Energetic Strategy 2007-2020			✓								✓			
SAP for the Environmental Protection & Rehabilitation of the Black Sea	✓			✓					✓	✓	✓			✓
Test project for cooperation in the field of integrated Maritime Surveillance			✓											✓
The Energy Community	✓											✓		
The Strategic Concept of Spatial Development – Romania 2030	✓			✓			✓	✓	✓	✓	✓			
TRACEA Project 1: Logistics Processes and Motorways of the Seas	✓						✓	✓	✓	✓				

Table 8: Past and current initiatives with 'supporting business growth' sub-themes

Initiative title	Supporting business growth			Increasing regional attractiveness			Connecting the region				Ensuring energy security		Sustainable fisheries	
	Access to finance	Innovation and R&D	Maritime cluster development	Coastal tourism	Yachting & marinas	Cruise tourism	Water projects	Inland waterway transport	Ship-building	Short-sea shipping	Offshore oil & gas	Renewable energy	Marine aquaculture	Capture fisheries
Adriatic-Danube-Black Sea Multimodal Platform (ADB)	✓						✓	✓	✓	✓				
Black Sea Environmental Programme 1 & 2	✓													✓
Black Sea Fish	✓													✓
Black Sea Trade & Investment Promotion Programme (BSTIP)	✓			✓								✓		✓
Black Sea Trust for Regional Cooperation	✓													✓
Coordinating research to support the ecosystem approach to fisheries		✓												✓
LeaderSHIP2020 Strategy	✓	✓												
Guiding Improvements In The Black Sea Integrated Monitoring System	✓													
Policy-Orientated Marine Environmental Research		✓												
TRACEA Project 1: Logistics Processes and Motorways of the Seas			✓				✓	✓	✓	✓				
TRACEA Project 2: Maritime Safety and Security II	✓							✓	✓	✓				

Study to support the development of sea-basin cooperation in the Mediterranean, Adriatic and Ionian, and Black Sea

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Table 9: Past and current initiatives with 'Developing knowledge' sub-themes

Initiative title	Developing knowledge			Increasing regional attractiveness			Connecting the region				Ensuring energy security		Sustainable fisheries	
	Data collection & sharing	Capacity-building	Sharing culture & heritage	Coastal tourism	Yachting & marinas	Cruise tourism	Water projects	Inland waterway transport	Ship-building	Short-sea shipping	Offshore oil & gas	Renewable energy	Marine aquaculture	Capture fisheries
Black Sea Basin Programme (ENPI CBC)			✓	✓				✓						✓
Black Sea Environmental Programme 1 & 2	✓													✓
Black Sea Fish	✓													✓
Black Sea Trade & Investment Promotion Programme (BSTIP)			✓	✓							✓			✓
Black Sea Trust for Regional Cooperation			✓											
Bulgaria-Turkey IPA Cross-border cooperation programme			✓	✓										
Coordinating research to support the ecosystem approach to fisheries	✓	✓												✓
Environmental Protection of International River Basins (EPIRB)	✓							✓						
Harmonised Inland Harbour Navigation Transport (HINT)		✓					✓	✓	✓	✓				
Improving environmental monitoring in the Black Sea (EMBLAS)	✓													
Interstate Oil and Gas Transport to Europe (INOGATE) Programme										✓				
Monitoring & Information Systems for Reducing Oil Pollution (MONIFO)	✓	✓												
Guiding Improvements In The Black Sea Integrated Monitoring System	✓													
National Strategic Plan for Fisheries		✓												✓
National Strategy for Sustainable development of Tourism (BG)		✓	✓	✓										
National Sustainable Development Strategy 2013, 2020, 2030			✓	✓			✓	✓	✓	✓				
Romania Energetic Strategy 2007-2020		✓								✓				
Shared Environment Information System (ENPI-SEIS)	✓													
Test project for cooperation in integrated Maritime Surveillance	✓													✓
The Strategic Concept of Spatial Development – Romania 2030			✓	✓			✓	✓	✓	✓				
Tourism Development Master Plan 2007 -2026			✓	✓			✓	✓	✓	✓				
TRACEA Project 2: Maritime Safety and Security II		✓						✓	✓	✓				
TRACEA Project 3: Transport Dialogue and Networks Interoperability II	✓							✓	✓	✓				
Upgrade Black Sea SCENE Upgrade Black Sea SCENE	✓													✓

Table 10: Past and current initiatives with 'Enhancing the environment' sub-themes

Initiative title	Enhancing the environment		Increasing regional attractiveness			Connecting the region				Ensuring energy security		Sustainable fisheries	
	Environmental improvement	Ecosystem monitoring	Coastal tourism	Yachting & marinas	Cruise tourism	Water projects	Inland waterway transport	Ship-building	Short-sea shipping	Offshore oil & gas	Renewable energy	Marine aquaculture	Capture fisheries
Black Sea Basin Programme (ENPI CBC)	✓		✓				✓						✓
Black Sea Environmental Programme 1 & 2	✓	✓					✓						✓
Environmental Protection of International River Basins (EPIRB)	✓	✓					✓						
Improving environmental monitoring in the Black Sea (EMBLAS)		✓											
Master plan for Protection and Rehabilitation of Coastal Areas	✓		✓			✓	✓	✓	✓	✓			
Monitoring and Information Systems for Reducing Oil Pollution (MONIFO)		✓								✓			
Guiding Improvements In The Black Sea Integrated Monitoring System		✓											
National Strategic Plan for Fisheries	✓												✓
National strategic plan for Fisheries and Aquaculture 2007-2013	✓											✓	✓
National Strategy for Sustainable development of Tourism (BG)			✓										
National Sustainable Development Strategy 2013, 2020, 2030	✓		✓			✓	✓	✓	✓	✓			
Policy-Orientated Marine Environmental Research (PERSEUS)	✓	✓											
Protection of areas along Black Sea coast and strengthening of Danube	✓						✓						
Shared Environment Information System (ENPI-SEIS)		✓											
SAP for the Environmental Protection and Rehabilitation of the Black Sea	✓		✓					✓	✓	✓			✓
TRACEA Project 2: Maritime Safety and Security II		✓					✓	✓	✓				
Cooperative Marine Science Programme for the Black Sea (CoMSBlack)		✓											

EU involvement: Planning a blue economy

The EU can add value by:

- **Sharing experiences** – The EU has developed guidelines on MSP and is exploring experiences and best practice through a series of MSP workshops. This accumulated knowledge should be disseminated to Black Sea partners to raise awareness and explore how the Black Sea basin can benefit. Given the political geography of the Black Sea region with the presence of primarily non-EU member states, it might be wise to make use of partners of non-EU member states from the Adriatic Ionian region and the Mediterranean to spread the message in the Black Sea region;
- **Maintaining political commitment** – Having recognised the need for marine planning and having observed the benefit of cross-border collaboration, the EU is in an ideal position to share knowledge and to support the retention of ‘planning for a blue economy’ on the region’s political agenda. The need for political commitment of a regional approach is key. The limited political commitment to the objectives of the BSS and the regional support can have a negative impact on the EU’s message and ambition to plan a blue economy in the Black Sea region;
- **Influencing regional stakeholders** – The EU has the capacity to influence the decision making capacity of regional stakeholders such as the BSEC and its related bodies. For example, the EU’s status as an observer of the BSEC combined with the presence of 3 EU member states as full member states and 11 other EU member states as either observers or sectoral dialogue partners implies the right to intervene and participate at all levels of BSEC meeting (from ministerial, meetings of Senior Officials and Working Groups). The impact of a concerted, cohesive, and clear EU presence should not be discounted;
- **Funding** – ensuring appropriate engagement by the necessary stakeholders in MSP requires financial resources. In particular, with the new EU financial framework 2014 – 2020, there are real opportunities for the EU nations to utilise EU Structural and Investment Funds (EUSIF) to meet Europe 2020 Strategic objectives, including improved coordination of maritime policy initiatives. One good example is the use of EMFF funding to ensure that fisheries-related activities are better integrated into local development;
- **Organisation and governance** – as an identified problem in some coastal states is the institutional structure and capacity to progress MSP and cross-border initiatives to develop smart infrastructure, the EU has the oversight to propose and manage organisational arrangements, while being careful to ensure that ownership of the outcomes of the process do not rest with the EU, but extend to all participating Black Sea coastal states; and
- **Measuring progress** – lessons learned from macro-regional strategies show that for programme success, measuring progress is essential. With this experience and access to evaluation and monitoring capacities, the EU could be in a position to provide these services. This would also be a requirement of the EU financial regulation, if initiatives use EU funding.

Recommended policy development areas: Planning a Blue Economy

Maritime Spatial Planning: the EU has developed guidelines on MSP and is exploring experiences and best practice through a series of MSP workshops. Currently a draft Directive proposes that Member States establish and implement Maritime Spatial Plans (MSP) and Integrated Coastal Zone Management (ICZM) Strategies. This accumulated knowledge should be disseminated to Black Sea partners to raise awareness and explore how the Black Sea basin can benefit. The EU should develop and maintain a *political commitment* to Black Sea MSP supported through *funding, organisation and governance*. The objective is to overcome the institutional barriers to cross-border initiatives through oversight, while ensuring ownership of the process rests with the Black Sea coastal states. Lessons learned from macro-regional strategies show that for programme success, *measuring progress* is essential.

Integrated local development: although coastal planners are used to ensuring the integration of local development planning across different activities, there are still regular failures in this regard. With the addition of the maritime space dimension, and the need to integrate local development with neighbouring areas on both land and sea, considerable new thinking need to be undertaken to ensure integration is deep set and forward-thinking.

Policy needs in this regard might include:

- Ensuring communities and key stakeholder representatives have a sufficient capacity and opportunity to contribute to local development planning; and
- Provision of stable financial resources to support innovative and objective planning, esp. via EU Structural and Investment Funds. EU financial support should pass the test of subsidiarity, which means that it should clearly show that it will provide additional benefits.
- Development of stronger institutional coordinating mechanisms, especially between national and local authority levels.
- Development and support of a showcase initiative in one of the Black Sea countries which brings together most, if not all, the requisite policy actions.

Development of smart infrastructure: the development of smart e.g., connected, integrated and adaptive infrastructure, has been shown to be a key driver for exploitation, transport, storage and refining of oil and gas, as well as the availability of high quality scientific and research infrastructure in a variety of maritime areas. Key policy needs might include:

- Linking of maritime spatial planning and infrastructure development strategic planning. This is required at sea-basin, national and local levels, especially in supporting energy and ICT development;
- Exchange of information to drive innovation in smart infrastructure development; and
- Enhancing the institutional capacity to identify and champion strategic smart infrastructure needs and their subsequent development.

3.2.2 Supporting business growth

Problem statement: Supporting business growth

Sustainable and safe land and sea-borne connections are fundamental to strengthen social and commercial links within and out with the Black Sea region, and are critical to preserve the vitality of remote communities.

Several Black Sea coastal and landlocked countries depend heavily on the ports of the Black Sea basin for their exports and imports. The competitiveness of those ports depends, amongst other things, on their capacity to enhance interoperability of transport modes by integrating sea-borne, inland water-borne and land transport, including TEN-T (Trans-European Networks –Transport), and to adapt towards resource efficient and environmentally-friendly management models.

The shipping industry is a key driver for wider economic development across the sea basin. However, the sector requires improved interconnectivity with road and rail and port modernization. These strategic investments, along with transnational strategic planning should increase private sector confidence to encourage investment in an ageing fleet. Rigorous implementation of the EU and international rules will eventually contribute to the development of quality shipping, resulting in a level playing field, encourage mobility, and progressively prepare candidate and potential candidate countries for accession to the EU. The establishment of a culture of compliance with existing EU and international rules should be pursued.

According to the Country Fiches, tourism in the Black Sea is under-developed across the sea basin as a whole compared to neighbouring sea basin areas such as the Aegean. There is a low level of knowledge and appreciation of Black Sea coastal areas and underdeveloped transport connections to facilitate tourism growth. This also has implications for the development of associated economic activities such as the development of yachting and marinas, as well as cruise tourism.

Level of co-operation: Supporting business growth

Less than a quarter of current and past initiatives appear to have a significant 'business growth' agenda. In particular, initiatives encouraging *innovation and R&D* were very limited in number (3 of 45) and only one initiative covered *maritime cluster* development. In contrast, most of the initiatives operating in this horizontal area were focused on proving *access to finance*. Many of these were non-sectoral in nature e.g., the Black Sea Trust for Regional Cooperation. *Capture fisheries* and *transport*-related initiatives featured most frequently at a thematic level. It is particularly noticeable that again tourism related MEAs, as well as *marine aquaculture*, were largely absent from initiatives supporting business growth. This suggests that these areas may be missing real opportunities to combine business skills and experience from around the sea basin (as well as expertise from outside the Black Sea).

In addition to the above, at a sea basin level the present Plan of Action of BSEC Working Group on trade and economic development (hereinafter – Working Group) defines main goals, objectives and measures for the development of trade and economic cooperation in the Black Sea region for 2013-2015 years. The main objectives of the Working Group are as follows:

- to explore the possibilities of trade facilitation among the BSEC Member States and provide the Governments with suggestions on practical steps of its implementation;
- to set up an information exchange mechanism on trade and economic issues among the BSEC Member States; and
- to promote investment cooperation in the Black Sea region.

See **Table 8: Past and current initiatives with 'Supporting business growth'** sub-themes for more details.

Specific challenges and objectives: Supporting business growth

Challenges and objectives in supporting business growth are:

- Developing a transnational approach to sector strategies, linking national strategies and identifying areas of mutual benefit;
- Reducing bi-lateral conflict through multi-lateral engagement;
- Assisting interregional collaborative processes among private, research and public sector (also in connection with smart cities development), aimed at exploiting research results, develop technological and innovative capacities and create and exploit knowledge;
- Stimulating the development of viable maritime clusters and research networks, as well as the formulation of research strategies to develop blue bio-technologies and spur innovation in transport, shipbuilding, blue energy, capture fisheries and aquaculture; and
- Developing and diversifying tourism products through awareness campaigns, and strategic transport infrastructure development (linking airports to key tourism sites). Sensitive development of ecosystem-based tourism in certain areas should be based on the 'unspoilt' nature of the region.

EU involvement: Supporting business growth

The EU can add value by:

- **Energy Community Ring:** the Energy Community Gas Ring⁸ seeks to increase cooperation on energy infrastructure projects taking into account cross-sectoral aspects (environment, transport, maritime affairs). Lessons learned from this project can be fed in to support implementation of the South Stream project (a pipeline to connect the Russian city of Anapa and the Bulgarian city Varna through the Black Sea and to transport natural gas further to Greece, Italy and Austria) and other transnational smart infrastructure projects.

⁸http://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/GAS/Regional_Market/Gas_Ring_Concept
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- **Renewable Energy:** explore the barriers to the adoption of renewable energy in the Black Sea states as part of EU renewable energy targets. Link the relevant Black Sea forums with European Technology Platforms (ETPs) on Renewable Energy⁹.
- **Connectivity:** disseminate the transport and communications knowledge developed under EU programmes such as the South East Europe Programme and the Central European Initiative¹⁰ (e.g. RAIL4SEE, SEETEC, etc.).
- **Tourism:** promote both the recent EU Communication on A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism (COM(2014) 86) and the Agenda for Sustainable and Competitive Tourism (Com (2007) 621) on a transnational basis by strengthening trans-national cooperation with regard to sustainable tourism, and stimulating competitiveness of the tourism industry by means of an enhanced focus on the diversification of sustainable thematic tourism products. Assist joint development and marketing strategies to develop tourism in general and prioritise subsectors (ecosystem-based tourism, cruise tourism, sailing). Transport infrastructure development to support tourism growth.
- **Thinking outside the box:** The EU could influence regional business related groups and financial institutions to begin add a blue economy for the Black Sea dimension to their activities. These include two BSEC related bodies – the BSEC Business Council and the Black Sea Trade and Development Bank or other fora such as the influential Union of Black Sea and Caspian Business. The same could apply to assisting Business Schools at regional universities to focus on case studies of relevance to sea basin cooperation in the Black Sea.

Recommended policy directions – Supporting business growth

Facilitating access to finance: with Europe steadily recovering from the recent financial recession, public finance available for investments into maritime ventures is both scarce and often limited to established, low risk developments. This can restrict the ability to raise funds for new and innovative activities, especially in emerging maritime areas such as marine aquaculture, offshore wind power and marina development. Therefore it is necessary to include policy approaches that both frees up public finance for blue growth, as well as allows the development of more flexible financial mechanisms that might be used to foster investments in more innovative activities. Key policy needs might include:

- Encouraging the inclusion of private sector enterprises in strategic development. Oversight by the EU will enable appropriate engagement, i.e. the private sector knowledge to help identify strategic investment needs without corruption and ensuring fair competition.
- Facilitation at a sea basin level of public – private partnerships that have demonstrable added value across different sectoral areas. In particular, consideration of government support to major tourism projects that have the potential to stimulate further local development.
- Promotion of other proven but diverse financial mechanisms that can be used to encourage innovation, provide incubation facilities for businesses emerging from the R&D stage.
- Consideration for novel financial instruments of the funding of major offshore infrastructure projects such as wind and other marine power generation.
- Promoting the ability of sectors and cross-sector alliances to prepare strategic development plans that enable better corporate business planning and demonstrate a lower risk to financiers.

Promoting innovation through applied Research and Development: the analysis of the most promising and relevant MEAs from the Country Fiches suggests that there is likely to be a considerable diversification from traditional activities to relatively novel MEAs such as marine aquaculture, yacht and cruise tourism, as well as smart infrastructure development. This suggests that innovative solutions to development barriers particular to the Black Sea basin will need to be developed, and will thus require a greatly enhanced ability to conduct applied research and development.

⁹ http://ec.europa.eu/energy/renewables/platforms_en.htm

¹⁰ <http://www.cei.int/content/eu-projects-0>

Key policy needs might include:

- Encouraging multi-stakeholder platforms to link public, private and academic partners in when addressing specific sectoral opportunities;
- Better integration of existing research groupings such as BSUN initiatives with public and private sector development plans to ensure collaborative research is driven by identified needs; and
- Development of funding mechanisms that are specifically adapted to support R&D, business incubation as they transition to commercial roll-out as well as higher-risk and longer term research.

Development of maritime clusters: are groupings of larger industries, smaller suppliers and educational establishments that reinforce each other through their close proximity. The better communication, and potential cost savings/efficiencies, brought about by geographical proximity mean that educational courses and research can meet the needs of local industry and suppliers can understand the market and predict future trends. Although in their infancy in the Black Sea (there is a marine cluster in Varna), they could show considerable promise across a range of different maritime areas (e.g., seafood, port-related tourism, R&D, etc.) in the sea basin. Key policy needs might include:

- Better recognition amongst planners of the benefits of clustering in terms of increased competitiveness, ability to promote maritime sectors, and the improved coordination;
- Different sectoral interests given the means to collectively explore the synergies, benefits and barriers to cluster development in the Black Sea basin;
- Development of maritime clusters outside of the traditional heavy and light industrial areas (such as ship-building and port development) e.g., in coastal tourism, fisheries and aquaculture, reflecting the specific needs of local stakeholders and the nature of the local environment; and
- Cluster development encouraging transparent governance mechanisms and a strong balance between cluster organisations and cluster associations.
- Development of funding mechanisms that allow cluster members to demonstrate reduced risk through joint actions and thus attract increased start-up and project pre-financing .

3.2.3 Developing knowledge

Problem statement: Developing knowledge

The level of higher educational capacity across the Black Sea region is identified as a strength by both interviewed stakeholders and the Country Fiches. The problem in terms of Blue Growth is the ineffective linkages between the academic arena and economic development via the private and public sectors. Where co-operative platforms exist for the sea basin's key MEAs, they often do not bring together all relevant parties (public, private, academic partners). Improved mechanisms are required for the funding, commissioning and dissemination of research based on identified needs.

Level of co-operation: Developing knowledge

Over half the initiatives examined included sub-themes included in the 'Developing knowledge' horizontal action. Of these, almost half involved facilitating the *collection, analysis and sharing of data*, mostly in the marine environmental area. Around a third each of these initiatives included the '*capacity-building*' and '*sharing culture and heritage*' specific action areas.

Most of the MEAs under the '*Connecting the region*' sectoral theme were represented in these sea basin initiatives, suggesting a relatively high level of integration between *short-sea shipping, inland waterways* (especially the Danube) and allied economic activities such as *ship-building and port development*. *Capture fisheries* is also well represented, mainly in terms of data collection and sharing, but also for some capacity-building initiatives, most commonly in ecosystem-based fisheries management. There are a small number of initiatives involving offshore *oil and gas*, but only two of these focus on capacity-building. This suggests there is potential to expand cooperation in building the capacity of institutions involved in energy development and their ability to plan for energy security as sea basin level.

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In contrast, and echoing the earlier horizontal action areas, whilst *coastal tourism development* is well represented (mainly through the '*sharing culture and heritage*' horizontal specific action area), both *yachting and tourism* and *cruise tourism* do not seem to be included in any initiatives to 'develop knowledge', although it is possible that this has been included, in part, in the coastal tourism-related initiatives. There has been no cross-border initiatives aimed at developing knowledge within *marine aquaculture* in the Black Sea. Whilst it might be appropriate that individual countries and private sector actors are relied upon for commercial development, it is suggested that there is a need for greater cooperation in basin-wide issues such as new species development, Harmful Algal Bloom (HAB) monitoring, and in addressing other common issues.

On a more positive note, the Black Sea Universities Network (BSUN) has been initiated as an inter-university cooperation framework for the Black Sea Economic Cooperation Organization. Key relevant cooperation topics include 'Sustainable Development', 'Networking on Innovation and Knowledge Transfer' as well as 'Energy security and renewable energy sources'. A number of other initiatives aimed at developing knowledge in the Black Sea region have emerged with research and/or policy prescriptions though their sustainability has been problematic at best.

See **Table 9: Past and current initiatives with 'Developing knowledge' sub-themes** for more details.

Specific challenges and objectives: Developing knowledge

Challenges and objectives in developing knowledge are:

- Supporting BSRN and BSUN initiatives to foster collaborative research links across the Black Sea;
- Establishing Black Sea technological platforms for collaboration amongst the scientific community, public authorities and maritime industries on areas such as shipping and marine equipment;
- Establishing Black Sea technological platforms for collaboration amongst the scientific community, public authorities and seafood industries and operators in the area of aquaculture (e.g. to develop new fish feed formulations and test their environmental effects; to study new species for farming, with a greater potential for processing into value-added products; to promote selective breeding).
- Performing regular stock assessment for mixed fisheries in the Black Sea within a precautionary and ecosystem approach to fisheries management (state of stocks, fishing pressure levels, catch/discards composition, habitat mapping, genetics, tagging, etc.), in close cooperation with existing initiatives, as well as with the Regional Advisory Council for the Mediterranean (RACMED);
- Increasing the academic and professional mobility and the level of qualification of the workforce, including taking into account transparency and frameworks of qualifications (notably with regard to candidate and potential candidate countries).

EU involvement: Developing knowledge

The EU can add value through:

- **Collaboration:** Facilitate connections between regional initiatives such as the BSUN and the European research community including the European Community Universities Association.
- **Sharing knowledge:** share knowledge and best practise across the sea-basin through internet fora, meetings and workshops, and the publication of information and best practise guidelines.
- **Monitoring:** Enhancement and dissemination of existing data collection activities such as EU Joint Research Council's MASURE on maritime traffic, oil pollution, port security etc.
- **Funding:** Support research platforms involving public, private and academic partners. The EU can also exchange ideas and coordinate priorities with other funders in the region (e.g., the Black Sea Trust for Regional Cooperation)
- **Regional fisheries management:** Develop a specific Black Sea work programme in the GFCM.
- **Outreach:** Research communication (e.g. improved web-based dissemination & translation).
- **Youth:** Foster a youth dimension to encourage knowledge development in this area through the targeted use of the Erasmus + program and the support of workshops, symposia, etc.

Recommended policy directions –Developing knowledge

Joint data collection, monitoring and sharing: a number of data platforms and monitoring programmes already exist for the Black Sea. Support for the expansion and integration of the most appropriate existing data platforms e.g., the EU EMODnet is needed to inform planning and economic development initiatives (especially for offshore operators and other similar practitioners) along with MSFD commitments and improvements to the environmental management of the Black Sea.

Capacity-building across individuals, organisations/institutions and society: with the fast pace of development in the Black Sea region, capacity development will continue to be a key requirement, and will be need at a number of different levels e.g., to address individual skills, organisational/institutional development, as well capacity at a broader the societal level. Key policy needs might include:

- Developing mechanisms to identify current and emerging capacity gaps, and to develop associated training and other forms of capacity-development approaches to bridge these.
- Utilising the approach adopted by the BSC and its Regional Activity Centres, identify and develop regional centres of excellence for different disciplines that can be used to disseminate innovative ideas and good practise to other parts of the sea basin.
- Utilise experience and expertise from outside the Black Sea e.g., the Baltic and Mediterranean to demonstrate the potential for new opportunities. For instance, it would be appropriate to further disseminate the transport and communications knowledge developed under EU programmes such as the South East Europe Programme and the Central European Initiative¹¹ (e.g. RAIL4SEE, SEETEC, etc.). Explore the mutual needs and potential linkages in national transport strategies.
- Promote sea basin opportunities for young persons to reduce the regional ‘brain drain’.

Sharing maritime culture and heritage: one key aspect of developing knowledge is the sharing of the cultural characteristics of different areas around the sea basin. Whilst it is important that individual areas retain their unique and characteristic nature and values, it is necessary to build up a sea-basin level knowledge of the different aspects of the coastal communities, natural environment and cultural heritage to demonstrate the blend that makes up the sea basin as a whole. For some emerging MEAs, such as yacht cruising, ship-based cruise tourism and other itinerant activities, there is a need for the development of a wider ‘Black Sea’ coastal brand to demonstrate the diversity that exists in the sea basin.

3.2.4 Enhancing the environment

Problem statement: Enhancing the environment

Due to its enclosed nature, urbanisation and industrialisation of coastal areas and increasing pressure on its natural resources, the Black Sea underwent substantial degradation over the last century. There have been considerable efforts at both regional and national levels to curb pollution inputs, address eutrophication and improve natural resource management. However, as recognised by BSEC¹², these improvements “*are still in the early stages, are unstable and still far from the strategic target: that is to bring the conditions of the environment back to those that were observed in the 1960s. With any additional pressure, they can revert and the environment of the Black Sea would be endangered*”. The environment is an area that has more sea basin level collaboration than the other themes described above, as evidenced by the various conventions and protocols agreed between Black Sea coastal states. There remains insufficient co-ordination at a sea basin level critical for ecosystem-based management.

Bulgaria is developing a marine strategy as part of its adoption of the MSFD. This will characterize the Bulgarian EEZ in terms of good environmental status via a number of defined indicators. Romania is also starting this process through the extension of the Danube Delta river basin management. Much of the data required to inform the MSFD (e.g. commercial fish stocks, hydrology) can be appropriately gathered at a sea basin level, which creates the opportunity for cost-savings and information sharing.

¹¹ <http://www.cei.int/content/eu-projects-0>

¹² See <http://www.blacksea-commission.org/environment.asp>

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The major Black Sea pollution concerns relate to oil spills, heavy metals, sewage, litter and the ship-borne introduction of exotic species. The trans-boundary nature of these pollution risks indicate that monitoring and management actions would benefit from coordination across the Black Sea basin. Tackling these issues will enhance the environment, but also encourage the development of MEAs that are directly dependent on a healthy environment: fisheries, aquaculture and tourism. It will also enhance ecosystem services supporting the wider Black Sea communities (assimilation of nutrients, etc.). In addition there is the wider concern of how climate change will impact the Black Sea ecosystem, which is not yet well understood.

Level of co-operation: Enhancing the environment

Just over a third of all the initiatives examined within the Black Sea basin were aimed at *enhancing the environment*. Nearly two-thirds of these had the specific action of *'environmental improvement'* whilst around half involved *'ecosystem monitoring'*. There was also a relatively even focus across the four different sectoral themes, although *coastal tourism, inland waterway transport, offshore oil and gas* and *capture fisheries* were the primary MEAs included.

Again cooperation was lacking in this area for *yachting and marinas* and *cruise tourism*. Given the dependence of both on good environmental conditions and a well-functioning marine ecosystem, this is a gap. However it should be noted that the Black Sea Ports Administrations Union¹³, running under the auspices of BSEC, co-organized an event in 2012 on cruise tourism in the Black Sea¹⁴. A Memorandum of Understanding for the creation and promotion of the new destination 'Black Sea Cruises' between the ports of Bourgas, Odessa, Istanbul, Batumi and Sevastopol and the cruise operator 'Royal Caribbean Corporation' was signed and measures towards its practical implementation taken (e.g. in 2013 the new Marine Station at Port Burgas in Bulgaria was opened). As noted in the country fiches, these MEAs (yachting, marines and cruise tourism) are considered under-developed to date and show considerable promise for the future.

See **Table 10: Past and current initiatives with 'Enhancing the environment' sub-themes**

Specific challenges and objectives: Enhancing the environment

Challenges and objectives in enhancing the environment area:

- Balancing economic development, particularly in the oil and gas sector but in many other sectors as well, with environmental enhancement. Developing stringent and consistent environmental policies to encourage responsible development and use such private sector developments to contribute to environmental management and monitoring.
- Assessing progress against the actions emerging from the joint ministerial declaration on combating climate change. Identifying barriers to progress and where increased co-operation and collaboration can facilitate progress.

EU involvement: Enhancing the environment

The EU can add value through:

- Advocating harmonization of environmental management standards such as EIA requirements;
- Progressing transnational actions as proposed in the declaration on combating climate change;
- Assisting with international co-operation on data collection to inform maritime spatial planning, environmental protection and MSFD implementation in Member States. For example, continuity of data collection under the Black Sea Scene project, which developed a Common Data Index of numerous environmental parameters across the Black Sea¹⁵;

¹³ <http://baspabsc.org/novosti>

¹⁴ See <http://blacksea-cruises.com/summit/>

¹⁵ http://www.blackseascene.net/v_cdi_v3/browse_Step.asp

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- Expansion of tools developed under the EU-funded project Monitoring and Information Systems for Reducing Oil Pollution (MONINFO) implemented by the Black Sea Commission 2009 – 2011 to support other information needs (such as fisheries, coastal zone management, pollution monitoring, land-based pollution information, biodiversity etc...);
- Assistance to adapt fishery methods and gears to the new obligations deriving from the Common Fishery Policy reform; and
- Facilitating sea basin-level discussions on fisheries management (in association with GFCM).

Recommended policy directions –Enhancing the Environment

Preserving, protecting and improving the quality of the coastal and marine environment and heritage: an intact, functional and attractive environment underpins long-term blue growth on a number of levels. Capture fisheries, aquaculture, coastal tourism and a number of other activities all depend upon good sea water quality, whilst others, such as short-sea shipping and inland waterway transport depend upon a stable hydrology. This is well understood, and there has been considerable attention to improving the quality of the Black Sea's coastal and marine environment over the past few decades. However it is essential that this area is included in sea basin cooperation and key policy needs might include:

- Addressing the barriers to the adoption of renewable energy in the Black Sea states as part of EU renewable energy targets and link the relevant Black Sea forums with European Technology Platforms (ETPs) on Renewable Energy;
- Supporting the development of common standards for project-specific environmental impact assessments (EIAs) and strategic environmental assessments (SEAs) and improving the capacity for their scrutiny and use in planning control; and
- Further developing the use of national and trans-boundary maritime spatial planning for environmental conservation, including greater use of coastal and marine protected areas and restricted use zones.
- Environmental safety of offshore operations (maybe the conclusion of a Protocol among BS countries, like is the case in the Mediterranean and the Caspian Sea?).

Ecosystem monitoring: as with environmental protection, ecosystem monitoring has developed strongly at sea basin level over the past decades e.g., the European Data and Observation Network (EMODNET). However it is also essential to be included in sea basin cooperation and key policy needs might include:

- Development of inter-operable, common standards, inc for waste water treatment, bathing water quality, marine litter reduction and the implementation of the IMO (MARPOL) protocols related to air pollution from ships (NO_x and SO_x),
- Development of cost-effective data collection that utilises an optimal mixture of remote sensing, dedicated data collection and routine data collection by stakeholders e.g., the fishing, shipping and tourism industries; and
- Provision of equitable access to data and analysis.

Building resilience to climate change: the semi-isolated Black Sea is highly susceptible to climate driven environmental changes. The Black Sea is under a process of warming up both in the surface as well as in the deep layers, sea level is rising slowly but constantly. There are visible changes in the Black Sea ecosystems and the relatively low-lying nature of much of the Black Sea coast places considerable areas at risk of increased flooding. Mitigation to combat climate change issues such as the increase in invasive species and the creation of Marine Protected Area to protect vulnerable species and habitats requires trans-boundary cooperation. Climate change policy areas to be included in sea basin cooperation could include the following:

- Building resilience by acting upon the Joint Ministerial Statement on Combating Climate Change;
- Promoting innovation and green entrepreneurship in climate change adaptation measures.

4 Recommendations to fulfil the Blue Growth Potential of the Black Sea

4.1 Policy Development Directions

Using the outputs from the case studies (see Appendix D) and the country analyses, a series of policy development directions are proposed below that could help to fulfil the sustainable growth potential in the blue economy and its integration with wider maritime policy in the Black Sea. The policy development directions are structured so that each policy recommendation is specified in the form of four **policy goals**, each based on one of the horizontal areas discussed earlier:

- **Policy Goal 1:** Development of a blue economy underpinned by high quality and timely planning for blue growth, based on i) appropriate stakeholder participation and ii) recognised best practice in planning methodologies.
- **Policy Goal 2:** Private sector business growth is supported so that all businesses achieve their maximum potential and generate sustainable economic and social benefits.
- **Policy Goal 3:** All government and private sector stakeholders should have their knowledge and capacities developed to support sustainable blue growth
- **Policy Goal 4:** The environment underpinning blue growth is protected and enhanced

For each policy goal a description is provided of its applicability and scope, along with a consideration of the possible implementation approaches. For each policy goal we also provide a short indication of its potential impacts if achieved. For the purpose of this iteration of the report, a framework is provided in tabular form, so as to demonstrate the logic and approach to this section.

When considering these policy development directions, it is important to bear in mind the following:

The political geography of the Black Sea region with the presence of EU (BU, RO, GR), candidate (TR), Eastern Partner Countries (GE, MD, AZ, AR, UA) and strategic partner (RU) countries. Unlike the Adriatic Ionian Region which is made up of EU member states and countries with a European perspective, the Black Sea region is heterogeneous. The current (March 2014) geo-political situation in the Ukraine demonstrates this uncertain and divided situation.

Also relevant is the fact that the **EU has a changeable relationship with the Black Sea region**. Between first defining the region in a 1997 EU Communication and the Black Sea Synergy with its regional approach, ten years had elapsed in which a culture of national and regional ownerships of the process of regional cooperation had developed as well as the *status quo* management of the region by the RU and TR. Therefore, the fundamental question is what would make the initiative for sea basin cooperation in the Black Sea region and its blue growth more sustainable than the aforementioned sectoral partnerships? Undoubtedly, it has the ability to bridge and encompass all three of these sector-based approaches: the environmental, transport and energy dimensions have been identified as key horizontal and vertical components of this report.

Two EU added values are essential to this new effort. The first is **political commitment**. The second is the need to stress **synergies with existing local, regional, and international initiatives and institutions** that are active in the region like the BSEC, the BSC, the GEF, UNDP, UNEP, BSTDB, EIB and EBRD.

Maintaining political commitment or sustaining it implies **sharing knowledge** and **making the planning for a blue economy** a key component of the political agenda of the region on the premise of enhanced regional cooperation.

Addressing the complicated cast of regional actors implies finding the right mechanisms to work with existing regional initiatives that might not be malleable to change and forward movement.

The **EU's selling points** are many including its aim of **raising the GVA of Europe's blue economy** and **providing added employment** in the maritime areas and hinterlands of the sea basin. Also relevant is the coherence of the approach, which has tourism infrastructure, energy security, and regional transport-related connectivity integrated within an IMP framework that includes the planning of a blue economy, the development of knowledge, business growth and input, and is environmentally friendly.

The appropriate model of governance for sea basin cooperation is crucial in the Black Sea regional context. The five **case studies** presented in this report (see Appendix D) present interesting conclusions:

- **TRACECA:** The TRACECA model which includes the participation of all Black Sea states except Russia and the Central Asian countries has fundamentally been successful because it allows the regional countries to be the key beneficiaries of the program albeit with the EU financing. It highlights regional cooperation and the potential for more, especially in the eastern part of the Black Sea.
- **The Bulgaria-Turkey IPA Cross-border Cooperation Programme:** is important because it highlights a 'shared management approach' between an EU member state and a candidate country.
- **MONINFO 1 & 2:** which include the participation of all Black Sea littoral state and the BSC, and funded primarily by the EU, highlight the importance of a holistic approach, regional cooperation, and the sustainability of projects in light of slow to reform institutional structures and capacities.
- **INOGATE:** The INOGATE model includes the participation of most Black Sea states (except BU, RO, and RU) and the five Central Asian states. It is EU-funded, includes the involvement of Directorates General of the European Commission. Its major strengths apart from support the energy cooperation between the EU and its Eastern partners is its durability and its commitment to the regional approach.
- **The BS-SAP:** project includes all Black Sea littoral states and is funded by UN bodies, the World Bank, the GEF, the EU and the participating states. It demonstrates the adoption of the project as one of regional ownership even if most of the funding comes from outside the region.

These case studies suggest that the proper model of governance is one where **regional ownership** has to be developed if they are to meet their objectives even if the EU with its funding instruments and technical expertise is involved in all of them. The presence of regional activity centres or technical secretariats in states of the region help instil the regional ownership that is necessary to make any policy designed outside the region effective.

Thus, **in the context of the development of sea basin cooperation in the Black Sea, the EU needs to develop the approach, but then facilitate and oversee a process led by regional partners. Capacity building, education schemes, smart partnerships, sharing knowledge, focussing on youth involvement should be key components of this approach.**

The **four policy goals** detailed below reflect the multi sectoral and multimodal approach necessary for cohesive sea basin cooperation that would achieve the Blue growth objectives of sustainability, environmentally conscious, employment and growth strategy for sea basin cooperation in the Black Sea.

Other aspects could include **showcasing projects by various local and regional stakeholders** from both public and private sectors that would reflect the potential outcomes and benefits of a blue economy. One way to go could be the **promotion of targeted R&D programs at selected regional universities** identified on the basis on their potential of their requisite expertise, be it the areas of tourism, energy, maritime infrastructure, and/or marine resources.

Also there is a need to re-establish effective links between the business community and the public sector. Apart from the thinking outside box input on page 32, the EU could seek to make **Corporate Social Responsibility** a key component of its approach. The EU communication on CSR of October 2011 encompasses many of the business-related criteria for its sea basin cooperation approach (COM 2011 (681) final) which could induce business to take a bigger role.

Table 11: Policy recommendation framework

Policy Goal	Applicability and Scope	Potential implementation approaches	Potential impacts
<p>Policy Goal 1: Development of a blue economy underpinned by high quality and timely planning for blue growth, based on i) appropriate stakeholder participation and ii) recognised best practice in planning methodologies.</p>	<ul style="list-style-type: none"> a) Maritime Spatial Planning and ICZM b) Integrated local development c) Development of smart infrastructure 	<p>Planning a blue economy is in some instances hindered by institutional structures and capacities in coastal nations, indicating that institutional analysis should inform what approaches are adopted.</p> <p>Planning must be based on a clearly articulated framework and process of stakeholder participation. It is likely that the planning process will need to be facilitated by some form of regional technical/coordination secretariat to ensure the timely participation of stakeholder views into the planning process.</p> <p>Country focal points, working under guidance from the regional technical/coordination secretariat and reporting to it, would be identified/nominated and used to gather and facilitate (through meetings and workshops at the national level) the elaboration of local and national views on priorities, activities and interventions from different sectors and stakeholders in both government and the private sector. These country focal points, along with a small number of government officials from key relevant Ministries, could then meet at regular periods (e.g. yearly), and based on facilitation of yearly 'blue growth planning meetings' agree on future activities based on the agreed coordination framework/structure, as well as report on progress in outputs and outcomes since the previous meeting.</p>	<p>Given the multi-sectoral, multiple stakeholders, and different geo-political scales of interest (e.g. regional, national, and local), ensuring a coherent framework for blue growth based on coordinated planning across all sectors, stakeholders and levels, will ensure that there is consistency in approaches, coherence between different interventions, and avoidance of duplication. Good planning in this manner can help to ensure value for money, and generate the maximum level of impacts from scarce resources. The clear use of indicators to measure progress will ensure continued buy-in and support for cooperation at the regional level, as well serving to leverage additional funds based on good performance.</p>

Policy Goal	Applicability and Scope	Potential implementation approaches	Potential impacts
<p>Policy Goal 2: Private sector business growth is supported so that all businesses achieve their maximum potential and generate sustainable economic and social benefits.</p>	<ul style="list-style-type: none"> a) Facilitating access to finance b) Promoting innovation through applied Research and Development c) Development of maritime clusters 	<p>Sustainable business growth can be achieved through a number of different approaches. Value chain analysis can be a useful lens to examine performance in particular businesses to identify critical weaknesses in value addition, and ways to upgrade value chains. It can also be used to consider the factors external to the value chains e.g. government policies and institutions, infrastructure, etc., which may be hindering economic growth and which need rectifying.</p> <p>As well as interventions/actions conducted by businesses and government based on such analysis and business sector advice, business growth can be supported through donor and government interventions aimed at incubating and supporting small businesses. Such interventions might involve support for clustering of businesses in particular locations so as to generate economies of scale in service provision, recognised association of businesses with particular areas thereby increasing their visibility in the market place. Government support could also be provided in terms of provision of 'brown field' sites (e.g., existing industrial sites with potential for re-development) within cluster areas, support for promotional activities, etc.</p> <p>Training and capacity building in business leaders can enhance skills for sustainable business growth, and can be ensured/implemented through workshops, site visits, and exchange of information on best practices and methodologies to ensure replication of successful approaches.</p> <p>Regional networking can also serve to establish possible new business linkages, and potentially to establishing 'mentoring' of some business leaders by other business leaders with a proven track record of success. Financing for business growth is often a key factor constraining business development, so implementation of this policy goal can be facilitated through assisting businesses access finance in a way that is best structured for their needs and at affordable costs. Such finance may come from private sector investments funds, banks, etc., and could be facilitated through investment forums aimed at putting together businesses with lenders, and at leveraging funds for business sector growth.</p>	<p>Sustainable business sector growth will have impacts on gross value added contributions to Gross Domestic Product (GDP) in all countries. Within countries it can be expected to make important economic contributions in specific areas/regions which may in some cases otherwise have few dynamic economic activities, thereby contributing to regional cohesion and attractiveness. But economic growth will also have important social impacts in terms of job creation in the businesses concerned. And all economic activities in particular businesses can be expected to have upstream (e.g. supply/input businesses) and downstream (e.g. marketing, processing) impacts in both economic and social terms. Long term economic growth can also make contributions to the quality of social impacts/employment, through providing resources for improved safety, funds for skills development leading to job mobility etc.</p>

Policy Goal	Applicability and Scope	Potential implementation approaches	Potential impacts
<p>Policy Goal 3: All government and private sector stakeholders should have their knowledge and capacities developed to support sustainable blue growth</p>	<p>a) Joint data collection, monitoring and sharing</p> <p>b) Capacity-building across individuals, institutions and society</p> <p>c) Sharing maritime culture and heritage</p>	<p>Implementation of this goal must be carefully based on need. This means assessing existing knowledge and capacities, considering those against key knowledge/capacity needs, and then developing and implementation knowledge and capacity developments based on appropriate implementation mechanisms. Initiatives must take a holistic/systemic view of the context in which individuals operate. Knowledge and capacity development is a process, whereby individual development becomes embedded in a sustainable shift in performance and collective behaviour. With regards to implementation, some important principles underpinning implementation may be that:</p> <ul style="list-style-type: none"> • Capacity development initiatives must be participatory in design, implementation and monitoring. Initiatives must build on core-capacities and be a two-way process of knowledge transfer • Initiatives must provide for flexible and suitable learning pathways • Approaches must take cognisance of the overall societal/political context in which initiatives operate • Initiatives may be integrated based on regional/geographical, intra-sectoral, inter-sectoral, and vertical linkages • Appropriate incentives must be built into capacity development initiatives • Those delivering capacity development may themselves require capacity development for effective delivery <p>There are a wide range of possible delivery mechanisms that can be used for knowledge and capacity development, and which can be usefully categorised into face-to-face mechanisms and remote mechanisms. Face-to-face mechanisms may include: classroom-based training, seminars, conferences and workshops, research programmes, exchange programmes, demonstration trials, on-the-job training. Remote mechanisms include budget/programme support, publications, manuals/training material, radio, mentoring, distance-based training/learning, and mechanisms based on information and communication technology (ICT). It is likely that a mixed use of mechanisms may be appropriate, and that mechanisms may need to be delivered through partnerships of service providers.</p>	<p>The impacts of this goal, if achieved, can be transformative in terms of the self-worth and capacities of individuals, and thereby of institutions, whole sectors, and the overall environment in which blue growth will take place. Such knowledge and capacity development will underpin improvements in economic, social and environmental performance, and ensure long term sustainable change.</p> <p>It must be recognised that achieving this goal is a long-term, and on-going process, with potential impacts in terms of knowledge, skills, capacities, attitudes, and experience leading to structural change and improvement in capacities.</p>

Policy Goal	Applicability and Scope	Potential implementation approaches	Potential impacts
<p>Policy Goal 4: The environment underpinning blue growth is protected and enhanced</p>	<p>a) Preserving, protecting and improving the quality of the coastal and marine environment and heritage</p> <p>b) Ecosystem monitoring</p> <p>c) Building resilience to the impacts of climate change</p>	<p>The Black Sea Commission (BSC) is a clear candidate to lead on the delivery of environmental policy goals, which are consistent with the BS Strategic Action Plan (2009).</p> <p>The principles contained within the BS SAP should be supported and enhanced, including the principle of Anticipatory Action. Strategic Environmental Assessment (SEA) and effective Environmental Impact Assessment (EIA) should be mandatory steps in the respective planning and delivery of maritime developments in the Black Sea basin to preserve and protect the marine environment and heritage. The EU can facilitate this within programmes and by encouraging the adoption of good practice and capacity building in partner countries.</p> <p>Ecosystem monitoring should be linked to the development of Ecosystem Quality Objectives (EQOs) as proposed in the BS SAP. Here too, the EU can facilitate the implementation of EQOs through sharing the experiences of Water Framework Directive and Marine Strategy Framework Directive.</p> <p>Building resilience to climate change should be tackled at a sea basin level by mainstreaming climate change within other policies¹⁶. It should also be addressed through developing adaptation strategies with partner countries. This should not be seen as an attempt to curb development as the adoption of green technologies creates economic opportunities. The experiences from Europe 2020 will be useful in this regard.</p> <p>Utilise the MSFD and the BS Action Plan (under the Bucharest Convention) as key reference frameworks for environmental management.</p>	<p>Environmental sustainability is the basic underpinning for sustainable economic and social improvements from blue growth. This policy goal if implemented will therefore serve to ensure sustainable improvements not just in the environment, but also in economic and social impacts. Conversely, a failure to give adequate weight to this policy goal could undermine the whole basis for sustainable blue growth in the Black Sea.</p>

¹⁶ see http://ec.europa.eu/clima/policies/brief/mainstreaming/index_en.htm

4.2 Conclusions

The policy development recommendations have been derived from a combination of desk review of past and current maritime-related initiatives in the Black Sea, meetings with key stakeholders in RO, BG & TK and various case studies on the successes – and failures of major past projects in the region. These findings have been supported by a review of the discussions held on the Black Sea Stakeholders Conference.

The **case studies** (see **Appendix D**) were a useful insight into how large Blue Growth-related programmes have operated in the Black Sea basin in the past. They have allowed us to validate a number of the policy elements, in particular the need to apply sound programme design and management practices. Without sound planning, clear objectives, and performance indicators, managers may be unable to identify issues early and to rectify problems. Monitoring and evaluation are now generally required for EU funded programmes and therefore these general aspects of programme delivery do not require further elaboration.

The case studies also illustrate that inter-governmental action takes time and therefore sufficient time should be allowed for, particularly where significant changes to approach may be necessary. Linked to this, the harmonisation sought across the EU may be unrealistic and/or undesirable for all Black Sea states. Areas of common ground can be identified along with areas where partners agree to disagree. More specifically for the Black Sea, the mix of EU, candidate, Eastern Partner Countries and strategic partners creates many challenges. The overall impact of MONINFO was reduced due to the lack of response from some partners. Although wide participation of Black Sea states is desirable, as TRACECA illustrates, individual projects need not include all partners. Overall delivery should not be prevented or stymied because not all partners participate or contribute fully. This flexibility needs to be factored into programme design, alongside monitoring and evaluation that enables work programmes to be regularly reviewed and amended if necessary.

For the **policy goals**, the horizontal actions encourage approaches that are applicable to all key MEAs. MSP is by its nature multi-sectoral and is expected to encompass all the MEAs identified as well as appropriate consideration for the environment and societal elements to result in sustainable development. MSP is more advanced in other European sea basins and the EU has adopted a useful facilitation role between the coastal states involved to address cross-boundary issues and provide examples of good practice.

Value-chain analysis, benchmarking and business-to-business advice can support maritime business growth in association with donor and government interventions aimed at incubating and supporting small businesses. This might involve developing maritime clusters to generate economies of scale in service provision, and a critical mass of expertise and businesses for particular MEAs, thereby increasing their visibility in the market place. Harmonisation of national legislation regarding trade, food safety and other barriers to regional business development is required, with relevant EU legislation providing benchmarks where appropriate. Initiatives must take a holistic/systemic view of the context in which individuals operate. Knowledge and capacity development is a process, whereby individual development becomes embedded in a sustainable shift in performance and collective behaviour.

To further the aim of sustainable development it is proposed that Strategic Environmental Assessments be undertaken on the programmes planned. It is also a suggested policy that ecosystem monitoring be co-ordinate at a regional level to share costs, the knowledge gained and inform climate change mitigation. There is a need to further link expensive environmental data collection with information required for policy-making. As stated by the European Commission at the conclusion of the 'Preserving the Marine Environment of the Black Sea' panel of the Black Sea Stakeholders Conference in January, environmental management and data collection efforts need to be coordinated, with common data collection and sharing methodologies.

In general, these policy recommendations confirm the need to achieve better synergies between national programmes, and the bilateral, trilateral and Cross-Border Cooperation programmes to reduce duplication and better use available resources.

5 Feasibility for a Sea Basin Approach to facilitating Blue Growth in the Black Sea

5.1 Needs Analysis

Within the Black Sea basin, three key general needs based on the political and practical realities of the region should be recognised in achieving specific Blue Growth policy and programme goals:

1. **Flexibility of Approach:** more specifically, the mix of mix of EU, candidate, Eastern Partner Countries and strategic partners creates many challenges. This point raises the specific need for *flexibility in approach*, recognising that not all potential partners share the same desired outcomes, legal and administrative structure, or willingness to participate. Politically across the Black Sea states, the drive for harmonisation sought across the EU is unrealistic, or may be even undesirable. Flexibility needs to be factored into programme design, alongside monitoring and evaluation that enables work programmes to be regularly reviewed and amended if necessary.
2. **Realistic Time-Scales:** the case studies illustrate that building institutional capacity, partnerships and actions across borders in the sea-basin takes time, with considerable variations in *capacity and readiness to participate*, generally leading to longer time scales. Sufficient time should therefore be allowed for, particularly where significant changes to approach may be necessary.
3. **The on-going need for funding:** ensuring appropriate engagement by the stakeholders in initiatives requires financial resources, the case studies illustrate that funding *from the EU has played* a key role in achieving progress. Support for research platforms involving public, private and academic partners.

Policy approaches are required that both free up public finance for blue growth, as well as allowing the development of more flexible financial mechanisms that might be *used to foster investments* in more innovative activities. Maritime clusters require funding mechanisms to reduce risk through joint actions and thus attract increased start-up and project pre-financing.

Specific Needs

In determining more specific needs, the horizontal actions provide a framework applicable to all key MEAs.

Marine spatial plans and integrated coastal zone management strategies

- A core problem is the lack of ability to integrate development processes. Potential conflicts between users may discourage coordination and cooperation between sectors accessing common resources. In order to develop synergies and to overcome potential conflicts highlights there is a key need for marine spatial plans and integrated coastal zone management strategies.

Improved coordination

- The region currently lacks a coordinating body for MSP or comprehensive mechanisms for cross-border consultations on offshore developments, plans and projects.
- There is a continued need for sea basin-level discussions on fisheries management (in association with GFCM).

Data and monitoring

- There is an on-going need for harmonisation of existing data sets, gap analyses and support for the collation of additional maritime data to inform MSP.
- The enhancement and dissemination of existing data collection activities such as EU Joint Research Council's MASURE on maritime traffic, oil pollution, port security etc. is needed.
- Specifically in the fisheries sector there is a need for regular stock assessment for mixed fisheries within a precautionary and ecosystem approach to fisheries management.

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- Much of the data required to inform the MSFDs required for Member States can be appropriately gathered at a sea basin level.
- The major Black Sea pollution concerns of oil spills, heavy metals, sewage, litter and the ship-borne introduction of exotic species are trans-boundary in nature of these pollution risks indicate that monitoring and management actions would benefit from coordination across the Black Sea basin.
- Ecosystem monitoring requires inter-operable, common standards, cost-effective data collection and the provision of equitable access to data and analysis.'

Collaboration and the sharing of best practice

- Useful lessons can be shared with other sea and sub-sea basins such as the Baltic, Mediterranean and North Sea on areas such as the development of strategies, MSP and ICZM, or on regional programme collaboration and the development of maritime clusters. Utilise experience and expertise from outside the Black Sea on lessons learned under EU programmes.
- There is a need to facilitate connections between the region and the EU research community.

Linkages between the research, government and economic development – the Triple Helix

- Linkages between the academic arena and economic development via the private and public sectors are generally ineffective. Improved mechanisms are required for the funding, commissioning and dissemination of research based on identified needs.
- 'Triple Helix' technological platforms for collaboration amongst the scientific community, public authorities and maritime industries are needed in key MEAs.
- Innovative solutions to development barriers particular to the Black Sea basin will need to be developed, requiring enhanced ability to conduct applied research and development.
- Promoting innovation and green entrepreneurship in climate change adaptation measures.

Building capacity

- Capacity building will continue to be a key need, and at different levels; to address individual skills, organisational and institutional development, as well as at a broader the societal level. Increased academic and professional mobility and increased levels of workforce qualification will be required.

Maritime Clusters

- Currently in their infancy in the region, maritime clusters have potential to increase competitiveness, to promote maritime sectors, and the improved coordination.
- Both maritime clusters and research networks are required to develop blue bio-technologies and spur innovation in transport, shipbuilding, blue energy, capture fisheries and aquaculture

Connectivity

- Sustainable and safe land and sea-borne connections are fundamental to strengthen social and commercial links within and out with the Black Sea region.
- The competitiveness of ports depends on the interoperability of transport modes and the integration of sea-borne, inland water-borne and land transport, including TEN-T (Trans-European Networks –Transport), and the adaption of resource efficient and environmentally-friendly management models.

Environmental enhancement

- The environment is an area that has more sea basin level collaboration than any other theme, however there remains insufficient co-ordination at a sea basin level critical for ecosystem-based management.
- There is need for further action on the harmonization of environmental management standards and to progress transnational actions to build resilience to climate change.

5.2 Objectives and expected outcomes

Overall objective

The Black Sea countries overcome the region's political and socio-economic divisions and differences to commit to sea-basin level initiatives that share knowledge and expertise, and encourage the sustainable growth of maritime economic activities.

Specific objectives

Four specific objectives are foreseen:

- 1. Objective 1: Integrated Maritime Policy (IMP) planning for a blue economy is mainstreamed:** development of a blue economy needs to be underpinned by high quality and timely planning processes that are themselves based upon sound policies.
- 2. Objective 2: Maritime business growth is nurtured and supported:** providing support to private sector business growth so that businesses achieve their maximum potential and generate sustainable economic and social benefits.
- 3. Objective 3: Development is underpinned by increased human capacities for 'smart' growth:** all government and private sector stakeholders should have their knowledge and capacities developed to support sustainable blue growth.
- 4. Objective 4: Maritime development is environmentally sustainable:** the environment underpinning blue growth is protected and enhanced.

5.3 Approach to achieving the outcomes and objectives

Objective 1: Integrated maritime policy and planning for a blue economy is mainstreamed

Past experience demonstrates the importance of coordinated planning between potentially competing sectors, both at national and regional levels. The key **objective** is therefore to ensure that blue growth is underpinned by high quality and timely planning processes that are themselves based upon sound policies.

The main **outcomes** from realising this objective are:

- Harmonised and coherent maritime policy development that underpins a sea-basin approach to resource use and economic development;
- A harmonised and cohesive institutional and legislative framework across the sea basin that benefits from broad political commitment;
- An increased commitment to the utilisation and development of the current institutions, including the existing country focal point networks, for integrated maritime planning at sea basin level;
- Improved governance mechanisms at cross-border, national and local levels, operating at both vertical (e.g., local upwards) and horizontal (e.g., across and between maritime sectors);
- Greater stakeholder involvement in integrated maritime planning to ensure inclusive growth.

The **key approaches** to reaching these proposed objectives are as follows:

A. Harmonised and coherent maritime policy development

- Although individual riparian states are likely to have their own policies for general and sector-specific maritime planning, greater harmonisation through agreeing sea basin level policy goals and objectives is required.
- Both during the process of policy alignment and subsequent policy implementation e.g., via county and sea-basin level strategies and plans, there is a need for regular regional coordination meetings to harmonise and develop planning, and to integrate lessons from experience to date.

B. Harmonised and cohesive governance structures and legislative framework

- Allied to the policy alignment process advocated above, there is a need to harmonise governance structures and supportive legislative frameworks. This will both assist remove major inconsistencies between national legislation¹⁷ and fill significant gaps that might exist, especially over trans-boundary and common resource management issues. This can be addressed through a combination of technical assistance to support relevant analyses as well as longer-term capacity-building. Such TA can also provide appropriate technical analyses, as well as studies and meetings (e.g., focus groups, regional meetings and conferences). Ideal outcomes might include binding international agreements reflected by changes to national legislation.

C. Increased commitment to the utilisation and development of the current institutions to develop 'regional ownership'

- There is a need to further consolidate and formalise national and more importantly, sea basin focal points with a recognised responsibility for IMP and associated maritime governance in the Black Sea. This is essential for applying the necessary political commitment to this approach.

D. Greater stakeholder involvement in integrated maritime planning

- Public stakeholders are legitimate leaders in IMP policy development, but relevant private stakeholders should be permitted to participate at all stages. This implies the need for greater transparency in maritime planning, as well as the development of formal consultation mechanisms.
- Non-public sector stakeholders should be enabled to participate actively and intelligently in IMP formulation and implementation.

Objective 2: Maritime business growth is nurtured and supported

Providing support to private sector business growth so that businesses achieve their maximum potential and generate sustainable economic and social benefits. Key **outcomes** supporting this objective will include:

- The existing capacity of regional financial institutions and their international networks developed to encourage lending to a wide array of nascent, emerging and growing maritime businesses;
- Greater governmental support to business incubation to encourage new business start-ups and the commercialisation of emerging technologies;
- Sea-basin level academic and research organisations cooperate to develop new technologies and processes that are suited to the particular conditions of the Black Sea environment;
- Maritime clusters developed to combine energies, capacity and compatible skills in receptive locations, thus catalysing both emerging and growing business development opportunities.

The **key approaches** to reaching these proposed objectives are as follows:

A. The existing capacity of regional financial institutions and their international networks developed

- Training and demonstration to potential lending institutions in the financial/economic viability of possible new business activities, or expansion of existing ones. This may be critical where those in lending institutions are wary of lending to particular sectors either because the sectors are emerging and have little track record, or where those in lending institutions have little technical knowledge of the sectors involved and need educating. Approaches used could include site visits to existing businesses, preparation and explanation of business/investment plans, and general educational activities about potential for blue sectoral growth and the supportive policy environment for such growth. The acceptability of potential lending requirements proposed by financial institutions to businesses can also be discussed with financial institutions, to educate them about what is likely to be feasible for the businesses concerned.

¹⁷ EU legislation created strong IMP integration frameworks through various legal instruments such as the INSPIRE directive, and (mainly environmental) regulations such as framework directives (water, marine strategy)

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- Promotion of innovative partnerships for lending. Experience has shown that there are many different funding sources available to businesses (e.g. EU funding streams, private banking sources, etc.), and that successful business development may require access to multiple sources of funding. This poses potential challenges where different funding institutions have different requirements for lending. Such funding sources must be informed about each other's roles and requirements for funding, so that each funding source is happy to be part of lending package to businesses. For example different aspects of a businesses' growth may be suitable for funding by one institution or more institutions. This implies that coordination meetings, the establishment of lending for and possibly developing guidelines could assist this process.
- Investment forums may be an approach used to foster collaboration and understanding between lending institutions, and a vehicle to achieve the increased inter-institutional linkages, as well as successful way to ensure access by businesses to lending institutions.

B. Greater governmental support to business incubation

- Appropriate policies and legislation. Government policies and legislation have a fundamental and crucial impact on the value chain in which businesses operate. Policies and legislation can therefore either support business incubation and development, and the commercialisation of new technologies in support of such development, or it can hinder it. Policies and legislation should therefore be reviewed and if necessary amended to better support value-addition by emerging and expanding businesses. Examples might include the bureaucracy associated with establishing new businesses and reporting to government, policies related to labour market flexibility, taxation levels for businesses of different sizes, import and export legislation and associated requirements, etc.
- Financial support. Financial support in the form of targeted grants may be appropriate for new businesses and emerging technologies, especially where such technologies have the potential for replication, and/or demonstrate the potential for environmental improvements. Government may also support businesses financially by methods and approaches related to taxes and duties as implied above e.g. tax breaks, duty concessions, etc.

C. Sea-basin level academic and research organisations cooperate

- Academic and research programmes focus on technological developments. Research and technology plays a critical role underpinning commercial developments. Relevant institutions in the region need to be encouraged to work together, and if necessary be funded to do so, so as to develop high-tech developments. This cooperation, and the research involve, must focus on technology with the most potential for commercialisation, and on technology suitable with wide applicability for the Black Sea as whole i.e. benefitting more than one country. This may involve adaptation/modification of existing available technology to meet the specific needs of the Black Sea region, and/or the development of brand new technologies. It will be critical for businesses to have input into research agendas to ensure that the areas of research, and the potential results, are useful for them and not just of interest to researchers.
- Research is appropriately disseminated and linked to policy. The results of research and academic development must be fed to businesses and governments in a timely manner. This is critical so that businesses can pick up on and use the research completed, and so that government can act accordingly in the policy environment to support businesses where research may inform policy change. Mechanisms will therefore need to be established to ensure dissemination of results. Specific mechanisms may include 'science fairs' with wide participation by businesses and relevant government institutions.

D. Maritime clusters developed

- Government support to clusters. Linked to point B above, is the need for government support in clustering of maritime activities. Such clustering may take the form of inter-linked businesses, or of similar businesses so as to create nodes/centres of excellence. Clusters of this nature have huge potential for the sharing of best practice and capacity developments, as well as for the generation of business linkages (e.g. vertical integration) and economic benefits e.g. by sharing certain costs, by reducing costs of suppliers with orders shared across businesses, with reduced unit transportation costs to market, etc. Government approaches can be support such clustering through appropriate policies such as land zoning, provision of brown-field sites (i.e. with basic ground work completed and with services installed, leaving businesses to invest in building, etc.), investment incentives, etc.
- Demonstration of clustering impacts. Both governments and businesses can be encouraged to support maritime clustering by fully understanding the benefits they can potentially create (as inferred briefly above). Approaches to fostering such understanding could include study tours to successful clusters, and the establishment of linkages with businesses/governments involved with other existing clusters.

Objective 3: Growth is unpinned by increased human capacities for 'smart' growth

All government and private sector stakeholders should have their knowledge and capacities developed to support sustainable blue growth. Key **outcomes** supporting this objective will include:

- Development of smart and adaptive partnerships with regional and EU 'Triple Helix' organisations (e.g., academia-private sector-government) to encourage multi-directional information and knowledge flows;
- Increase the competitiveness of maritime businesses through partnership and innovation;
- Identify and optimise the skills and capacity of individuals, organisations and society in general to capitalise on maritime opportunities as they emerge in the Black Sea basin.
- Increasing youth employment opportunities and associated capacity development in both emerging (e.g., offshore energy) and traditional (e.g., capture fisheries) maritime industries.

The **key approaches** to reaching these proposed objectives are as follows:

A. Development of smart and adaptive partnerships

- Assessment of partnership requirements and capacity. For partnerships of this nature to be successful (e.g. of academia - private sector - government), a good understanding must first be obtained as to what different organisations a) can bring to such partnerships, and b) what they want to see achieved by such partnerships. Only through such understanding can partnerships of this nature be created that are sustainable and can bring about meaningful impacts. This will require consultation with potential partners, and a 'mapping' of their capacities and requirements/objectives, so as to identify the most suitable groupings of partners i.e. which types of organisations, and which ones specifically, are most suited to working together. The Black Sea NGO Forum demonstrates the potential for collaborative efforts to boost civil society partnerships.
- Identification of partnership activities. Related to the point above, is that for partnerships to be successful and sustainable, a clear idea must be obtained as to the nature of appropriate partnership activities so as to be able to identify partnership activities and programmes with the most potential. This will require a full feasibility study of potential partnerships, with itemisation of likely costs/benefits of a range of partnerships, and their modalities for functioning, before a partnership programme can be implemented.

B. Increase the competitiveness of maritime businesses

- Value chain analysis. Value chain analysis provides an excellent 'lens' through which to examine business performance, so as to identify critical issues constraining value-addition and business competitiveness. Indeed such analysis, includes as a key component, benchmarking of sector or business competitiveness against competitors in the market place. The value chain analysis approach examines factors both within the supply chain and under the control of businesses concerned (e.g. productivity, operating costs, etc.), as well as things outside the value chain but impacting on it (e.g. policies, legislation, infrastructure, transport costs). Analysis can identify entry-points for improvements in business performance, through upgrading and improving value-chain performance. In many instances this may involve doing the same thing but better, but in others it may involve business evolution to move into new value chains using core competencies. Value chain analysis as an approach can also be used to identify partnerships which can bring about increased business performance.
- Investment appraisals and feasibility studies. Such studies (typically conducted through technical assistance provided to businesses), provides the fundamental basis for deciding how and whether businesses can improve performance by making investments. As implied earlier, they can also be critical as an output to be taken to lending institutions in the bid by businesses to obtain necessary finance.
- Linking business and research. As highlighted in a previous outcome (Sea-basin level academic and research organisations cooperate) it is critical for research and business to be appropriately linked so that the results of research can be fed to businesses for resulting innovation and increased competitiveness, and for research to be informed by business needs (rather than by what researchers might find interesting to research).

C. Identify and optimise the skills and capacity of individuals, organisations and society

- Identification of capacity development needs. This represents the first step in bringing about capacity improvements, which in turn can underpin maritime sector growth and developments. Assessments must therefore be made as to issues such as: what are the key problems, and which aspects of capacity development are most needed to solve these problems?; what is it realistic to expect can be achieved through capacity development initiatives?; are capacity needs to be addressed at individual, institutional/organisational, and/or sectoral levels? what the likely timescale and budgets involved? What the current benchmarks of knowledge, attitude, skills, and ability?
- Assessment of appropriate delivery mechanisms for skills and capacity development. The approach to capacity development must carefully assesses the best way to delivery such change. Different delivery mechanisms may be suited to different requirements and existing capacities and require a wide range of different service providers. Mechanisms may include both 'face to face' types of training (e.g. classroom type training, workshops/seminars, exchange programmes, study tours/visits, mentoring, demonstration trials, on the job training), and 'remote' training and capacity development (such as budget support, publications, manuals/guidelines, distance based learning, ICT, etc.).
- The final step, or approach to building capacity, would then be to obtain finance for, and implement a specific programme aimed at building skills and capacities.
- Increase youth employment opportunities and associated capacity development. A special approach will focus on developing youth employment opportunities. This is critical due to the high levels of youth unemployment in many countries, and the difficulties for some industries is seeking and retaining employees. Special focus will therefore be placed on the ability of the young to contribute to economic growth, and the best ways of ensuring that they do (through the steps outlined above). This may require specific capacity development in new economic activities, or in existing ones.

Objective 4: Maritime development is environmentally sustainable

A healthy and robust natural environment is essential for productive fisheries, thriving coastal tourism and reducing natural vulnerability from climate and other man-induced change. A key **objective** is therefore that the environment underpinning blue growth is protected and enhanced.

The main **outcomes** from realising this objective are:

- Greater engagement in sea basin level resource and environmental management bodies such as GFCM (fisheries) and BSC (combatting pollution)
- Harmonisation of environmental management standards, and development of tools sets suitable for the particular conditions in the Black Sea.
- Development of a culture of Corporate Social Responsibility (CSR) within maritime businesses
- Assess and mitigate the impacts of climate change through sea basin level cooperation

The **key approaches** to reaching these proposed objectives are as follows:

A. Sea-basin level management of shared waters and resources

- Based on existing work, such as the 2007 BSEP trans-boundary diagnostic analysis and the resulting current Black Sea Strategic Action Plan (BS-SAP 2009), further efforts need to be made to identify (i) the basin-wide actions required, (ii) the allocation of tasks to participating institutions and (iii) funding needs for shared management responsibilities.
- Allied to the above is a need to further consolidate and formalise national and more importantly, sea basin focal points with a recognised responsibility for different elements of water and living marine resources in the Black Sea. This is essential for applying the necessary political commitment to this approach.
- Funding is a key element, with a further commitment to a DABLAS-type approach for co-operation between IFIs (both from within and outside the region), donors and beneficiaries with regard to the protection of water and water-related ecosystems in the Black Sea basin.

B. Harmonisation of environmental policies, management approaches and tools

- Whilst recognising the right for individual national environmental policies, there is a need to ensure that these all adhere to a set of common, sea basin-wide principles e.g., as established by BSEP.
- The EU has developed an impressive armoury of approaches and tools for environmental management. These include marine spatial planning (MSP), integrated coastal zone management (ICZM), strategic environmental assessment (SEA) and corporate social responsibility (CSR). There is a need to further refine these so that they fit the Black Sea environment and then to build the awareness, willingness and capacity for their implementation within the sea basin countries.

C. Building of individual, corporate and societal responsibility for sustainable development

- Despite previous efforts, environmental awareness is still limited in many levels of society in the Black Sea basin. Addressing this will require a variety of approaches, including environmental education and awareness building in schools and building awareness in individuals and SMEs in MEAs such as fisheries, coastal tourism and short-sea shipping.
- For larger companies, there is a particular need to instil CSR in corporate culture. This is particularly important as offshore energy development and associated port development accelerates in the Black Sea. Thus mechanisms to mainstream CSR into higher risk sectors are much needed.

D. Combating and adapting to climate change

- Whilst not exclusively a Black Sea issue, climate change is acknowledged to exacerbate more local, trans-boundary problems and thus needs to be addressed at a sea basin level. This includes increasing our knowledge of anthropogenic environmental change through monitoring and improving the ability to both forecast climate-change related impacts and developing plans to reduce coastal vulnerability to these.

5.4 Next steps to improve sea basin cooperation in the Black Sea

The approaches advocated in the previous section are designed to be implemented over the short-term e.g., up to 2020 (see Box 1 overleaf). Whilst it is recognised that none are radically new, and many have been undertaken with various degrees of success in the past, there is an opportunity for the EU to contribute to ensuring sustainable blue growth in the Black Sea through providing the tools and capacity to undertake these approaches. With the recent experience and lessons learned from sea basin initiatives in the Baltic, Atlantic and Mediterranean Seas, the EU can draw upon a growing knowledge, proven processes and practical tools to support integrated maritime planning in the Black Sea basin.

One approach is for the EU to prepare, with the full participation of key Black Sea planning institutions, a technical assistance programme to tailor their IMP development and implementation experience to suit the needs of the Black Sea and then to transfer this through partnership development, capacity-building and targeted interventions. IMP is the starting point, and its implementation should provide the policy conditions for improved blue growth e.g., via an improve business environment and more functional and cooperating institutions and partnerships.

As recognised by Romania in a speech to the recent Black Sea Stakeholder's Conference (see Appendix C), a project-orientated approach can "*substantially tap into the region's potential for development*". This could take the IMP-MED Project design (see Box 1 below for IMP-Mediterranean objectives) as a starting point and develop this into a tailored programme for the Black Sea. This process would have to take into account the major challenges in the two regions e.g., the complex geo-political situation, as well as the lessons learned and capacity built up from previous initiatives in the region.

Box 1: IMP-MED

The overall objective of the IMP-MED project is to contribute to improved maritime governance in the Mediterranean region. Within this, four key objectives are foreseen for the project :

1. Raising awareness in all the Partner Countries of the maritime assets of the Mediterranean and of the corresponding potential benefit of an integrated approach to policy design and implementation, in particular in terms of sustainable maritime growth and jobs, environmental sustainability and a safer and more secure maritime space.
2. Promoting the elaboration of national maritime policies, with widened governance and explicit objectives in all maritime sectors of interest to the Partner Countries.
3. Building on existing co-operation processes and initiatives both at regional and sub-regional level, strengthening the links with other programmes and actions at the Mediterranean regional and sub-regional levels and seeking support from political processes in the Mediterranean.
4. Raising awareness of existing EU and regional funding possibilities for meeting the objectives of IMP, notably in the fields of cooperation, fisheries, maritime surveillance, coastal development and marine and maritime research.

See http://www.imp-med.eu/En/home_4_index for more details

It is envisaged that any EU TA programme could have three major phases:

1. **Needs analysis and TA programme design:** building on this research and other initiatives e.g., the 2009 BS-SAP, the first step will be to conduct a needs analysis to develop programme goals and objectives and then to build a suitable TA programme to achieve these. With the programme likely to be completed by 2020 (see Box overleaf), it is important that the goals and objectives area realistic, targeted and above all agreed by key regional stakeholders. The outputs of this first stage will be a robust programme design with an appropriate technical assistance strategy that has the necessary political commitment to succeed. This first stage could also see awareness-building workshops at national and regional level that would feed back to the TA design and start building programme ownership amongst participating countries.

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2. **Key inputs and assistance:** once the programme has started, TA could be concentrated over the first two years, and more intermittently thereafter (see 3), depending upon the administrative capacity and willingness of the recipient countries. Over this initial period, the main activities are likely to include IMP review and alignment, analysing and developing improved sea basin level governance frameworks and the establishment of ‘smart’ partnerships with key organisations and institutions within and outwith the region. Above all, this first period will focus on institutional awareness building and gathering of political commitment to sea basin-level cooperation and coordination for maritime development.

3. **Continued support and mentoring:** this final stage of the programme would see a stepping back to a capacity-building, occasional technical support with on-going mentoring approach. This would capitalise upon the partnerships established earlier on in the programme and work plans and activities agreed with key project partners and stakeholders. Towards the end of the programme it is important to have a major evaluation process to set the scene for post-programme support.

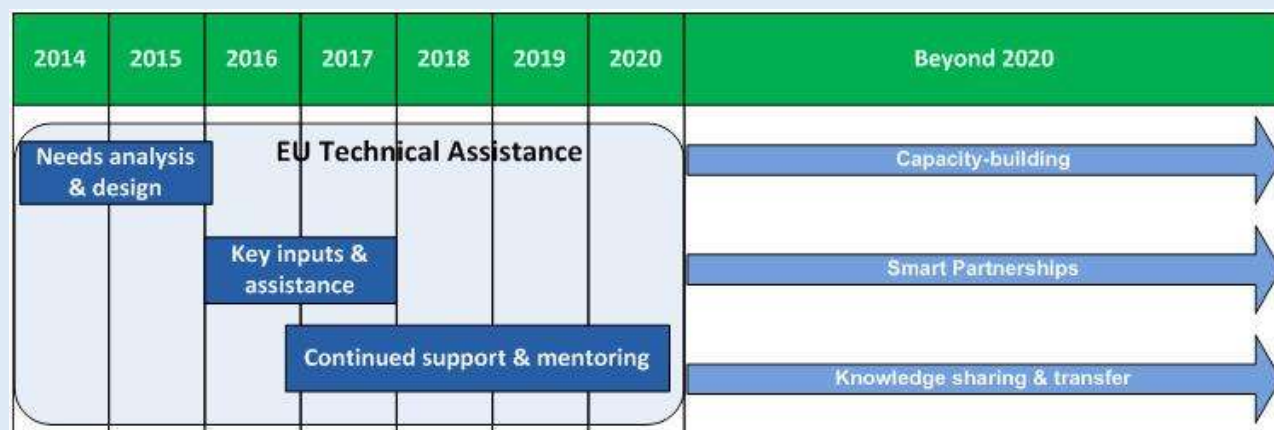
The project would be open to all administrations interested in developing IMP approaches. This will depend upon level of interest and potential cooperation shown during the first programme design phase. It is also important to restate that whilst the programme will be based on developing IMP, it will also look at IMP implementation and practical approaches to encouraging blue growth through coordinated effort at a sea basin level.

Following completion of the TA programme, further support could be provided, depending upon the programme evaluation results. By this stage established partnerships should be fully functioning and self-sustaining, but will allow EU support to be channelled to the further planning levels, both in the public and private sectors. With Europe and the Black Sea recovering from the 2008 economic crisis, accelerating growth is likely to result in the emergence of new maritime industries - this is likely to result in new technical and managerial challenges that may well benefit from EU assistance, especially in the areas of energy, transport and allied land-side industries.

It is important to recognise that the Black Sea and the Danube Basin are strongly inter-linked in terms of geography and environment, political structure, physical and economic connectivity. This should be recognised by the geographic scope of any TA programme.

Box 2: Time horizons for developing a sea basin approach to improved cooperation in the Black Sea

The objectives proposed by this document are recognised to be ambitious and necessarily long-term. This said, the subsequent approaches are deliberately shorter-term, and are intended to be aligned with the EU’s ten year growth strategy (2011 – 2020) under Europe the 2020 Strategy. It is therefore proposed that EU support to improved IMP cooperation in the Black Sea is concentrated over the period up to 2020, after which the EU steps back. From this point on, the EU needs to take the back seat to shape and direct the process and its coherence from there. Capacity building, education schemes, smart partnerships and sharing knowledge will be key on-going activities.



5.5 Added value of improved sea basin cooperation in the Black Sea

In 2013 the European Commission published a report “...concerning the added value of macro-regional strategies” COM(2013) 468 final, Brussels, 27.6.2013. This has useful lessons for sea-basin level cooperation, and indeed that report was based largely on the experience of two macro-regional strategies: the EU Strategy for the Baltic Sea Region (EUSBSR), adopted in 2009 and the EU Strategy for the Danube Region (EUSDR), adopted in June 2011.

The **key added values** arising from this report are used in assessing the added value of improved sea-basin cooperation in the Black Sea to the coastal countries involved.

It would be naïve to ignore the significant geo-political differences between the Black Sea and those sea, sub-sea, or river basins that are the subject of existing or potential strategies in appraising the potential added-value. Most notably, the predominance in the Black Sea, both in terms of scale and political influence, of non-EU states compared to the Baltic. EU member states for example account for just 13% of the Black Sea coastline. Turkey as a candidate state accounts for a further 38%. More significantly however, the Black Sea is the current fault line between the European Union and the Eurasian Union (EAU), plus the conflict points within the region. The direct transferability of the existing models to the Black Sea is therefore questionable.

These factors do not necessarily detract in themselves from potential added value; conversely, the development of deeper cooperation could be used to encourage a wider political cohesion and dialogue, and to identify shared values and initiatives. It would be critical to develop such a structure in a neutral political space and for deeper cooperation to be seen to add equal value to the non-EU partners. As has been pointed out, many of the countries prioritise their own institution building processes, to the exclusion of constructive region building, ultimately undermining the development of the latter and detracting from the long-term benefits of the former. The cooperation process could draw attention to the need for, and value of, a region-building initiative.

Using **COM(2013) 468** as a framework, the following key areas in which an improved cooperation in the Black Sea could add value are therefore:

1. Facilitating networking and joint initiatives

In achieving this in such a sensitive political environment, the *process* of deepening and improving cooperation through existing or new networks and identifying potential joint initiatives would in itself add value in strengthening sea basin level cooperation in the Black Sea. Joint initiatives are seen to have added value in key trans-boundary areas of common concern, including; environmental issues, connectivity and research networks. Much of this can be considered within the wider field of Integrated Maritime Policy, ICZM and Marine Spatial Planning. The establishment of working understanding with the Black Sea Commission would be critical to this as the Black Sea lags behind other regional seas in developing common approaches on these issues.

2. Facilitating political decisions at the collective level

Subject to a collective agreement to improve cooperation and the terms of reference, the achievement of this added value would be subject to the terms of engagement by all parties and the perceived added-value by both EU and non-EU partners.

3. Improving national and regional policy development through:

- a. Aligning national and regional approaches with EU policy, e.g. improved connectivity through TEN-T and TEN-E, and civil protection policy such as shipping accidents and flooding.
- b. Acting as an impetus for mobilising different EU, regional and national policies, for example integrating EU concerns into non-EU national policy.

4. Improving Value for Money

It is in this area that deeper cooperation, combined with a strategic approach, could add the most significant tangible benefits. The EU has been a critical lever in securing the participation of actors both within the EU, Candidate and in neighbouring countries. Aligning them within a single funding strategy could both increase their effectiveness and their multiplier effect, so long as it works seamlessly with national funding frameworks. Experience from the Baltic indicates that a strategic approach leads to a concentration on higher level priorities than the individual programmes themselves – the whole is greater than the sum of the parts. The potential for EU funding is seen as one of the strongest arguments in attracting support for a strategic approach and, in turn, engaging partners in its preparation, and in promoting cooperation between regional, national and local levels to plan together and align funding.

5. Greater integration and coordination

It is a given that successful cooperation under a single initiative should improve the plethora of existing cooperation mechanisms, it would be subject to the acceptance of a widened EU's role in the region. Unlike the Baltic, there is no evidence that the cooperation at the macro level would enhance cooperation between authorities *within* countries. It could however be used to enhance or revive cooperation with other supra-national and regional bodies (e.g. Black Sea Commission). At a different level, the experience in the Baltic demonstrates the interdependence of different maritime economic activities upon each other e.g., coastal tourism with the availability of good quality passenger ferry service transport connections – therefore greater sectoral policy integration will pay dividends to coastal businesses.

6. Promoting balanced regional development

Tackling regional disparities and promoting territorial cohesion are seen as benefits of macro-regional strategies. Given the nature of the Black Sea it seems unlikely improved cooperation could significantly impact on these areas beyond the EU or Candidate boundaries other than indirectly through, for example, the improvements to connectivity leading to significant improvement in port region's economies.

In short, potentially there is potentially considerable added-value to the countries involved of improved cooperation in the Black Sea region. However, the transferability of existing macro-regional models is questionable. Successful cooperation in the Black Sea would be one that is driven by the *realpolitik* of the region, rather than a standard EU-wide template.

5.6 Conclusions

5.6.1 Needs analysis for maritime cooperation in the Black Sea

Within the context of the Black Sea basin, there are three key **general needs** to achieving specific Blue Growth policy and programme goals, based on the political and practical realities of the region: the need for (i) **flexibility of approach**, (ii) **realistic time scales**, and (iii) on-going **EU funding support**. In determining more **specific needs**, the horizontal actions provide a framework applicable to all key MEA initiatives.

- **Marine spatial plans and integrated coastal zone management strategies:** a core problem is the lack of ability to integrate development processes.
- **Improved coordination:** the lack of a coordinating body for MSP or comprehensive mechanisms for cross-border consultations on offshore developments, plans and projects and the continued need for sea basin-level discussions on fisheries management.
- **Data and monitoring:** ongoing need for targeted data collection and harmonisation, the enhancement and dissemination of existing data collection activities, regular assessment of shared fish stocks, and the monitoring of the increasing risks from oil and other damaging pollution.
- **Collaboration and the sharing of best practice:** applying IMP, MSP and ICZM knowledge models from other sea and sub-sea basins in the EU, and the need to facilitate connections between the region and the EU research community.
- **Linkages between the research, government and economic development:** need for improved mechanisms for the funding, commissioning and dissemination of research based on identified needs, technological platforms for collaboration amongst the scientific community, public authorities and maritime industries, and innovative to emerging problems.
- **Building capacity:** capacity building at different levels to address individual skills, organisational and institutional development, as well as at a broader the societal level.
- **Maritime Clusters:** have potential to increase competitiveness, to promote maritime sectors, and the improved coordination.
- **Connectivity:** sustainable and safe land and sea-borne connections are fundamental to strengthen social and commercial links within and out with the Black Sea region.
- **Environmental enhancement:** there is still insufficient co-ordination at a sea basin level critical for ecosystem-based management and building resilience to climate change.

5.6.2 Objectives and expected outcomes of sea-basin level cooperation

Overall objective: The Black Sea nations overcome the region's political and socio-economic divisions and differences to commit to sea-basin level initiatives that share knowledge and expertise, and encourage the sustainable growth of maritime economic activities.

Specific objectives:

1. **Integrated Maritime Policy (IMP) planning for a blue economy is mainstreamed:** development of a blue economy needs to be underpinned by high quality and timely planning processes that are themselves based upon sound policies.
2. **Nurturing and supporting maritime business growth:** providing support to private sector business growth so that businesses achieve their maximum potential and generate sustainable economic and social benefits.
3. **Development is underpinned by increased human capacities for 'smart' growth:** all government and private sector stakeholders should have their knowledge and capacities developed to support sustainable blue growth.
4. **Maritime development is environmentally sustainable:** the environment underpinning blue growth is protected and enhanced.

5.6.3 Approach and Next Steps

The main **approaches** over the four main policy areas can be summarised as follows:

1. **Harmonisation of policies, legislation and monitoring mechanisms** to provide a common regional framework for national actions. This can be achieved through technical analyses, as well as studies and meetings (e.g., focus groups, regional meetings and conferences)
2. **Developing regional ownership** through building the capacity, functionality and political commitment to regional institutions and organisations
3. **Greater stakeholder involvement** in policy development, planning and evaluation
4. **Improved capacity** of regional financial institutions and the international financial network
5. **Greater government support to business incubation** through more supportive policies and targeted financial support
6. **Increased cooperation** between sea basin level academic and research institutions to address common problems.
7. **Development of maritime clusters** to share best practise, integrate the value chain and reduce the cost of doing business.
8. **Develop smart and adaptive partnerships** with organisations within and out with the region
9. **Increase the competitiveness of maritime businesses**, through utilising such tools as value chain analysis, investment appraisals, cost-benefits studies and linking business and research.
10. Identify and **optimise the skills and capacity** of individuals, organisations and society
11. **Management of shared waters and marine resources at sea basin level**, building upon the BS-SAP and strengthening ties with regional managers such as GFCM.
12. **Harmonisation of environmental policies**, management approaches and tools, including marine spatial planning for national, cross-border and shared water areas.
13. **Building of individual, corporate and societal responsibility** for sustainable development
14. Combating and adapting to **climate change** to reduce the vulnerability of maritime businesses and their dependent communities.

The approaches advocated above are designed to be implemented over the short-term e.g., up to 2020. Whilst it is recognised that none are radically new, and many have been undertaken with various degrees of success in the past, there is an opportunity for the EU to contribute to ensuring sustainable blue growth in the Black Sea through providing the tools and capacity to undertake these approaches. With the recent experience and lessons learned from sea basin initiatives in the Baltic, Atlantic and Mediterranean Seas, the EU can draw upon a growing knowledge, proven processes and practical tools to support integrated maritime planning in the Black Sea basin.

A **technical assistance programme** is proposed to adapt the EU's now considerable IMP experience to suit the needs of the Black Sea and then to transfer this through partnership development, capacity-building and targeted interventions. This programme would have an initial '**needs analysis and TA programme design**' phase, which would then be followed by a concentrated period of **technical assistance**, including IMP review and alignment, analysing and developing improved sea basin level governance frameworks and the establishment of 'smart' partnerships with key organisations and institutions within and outwith the region. Above all, this first period will focus on institutional awareness building and gathering of political commitment to sea basin-level cooperation and coordination for maritime development. This intensive phase would see a step back to a **capacity-building, intermittent technical support on on-going mentoring approach**. This would capitalise upon the partnerships established earlier on in the programme and work plans and activities agreed with key project partners and stakeholders. Following completion of the TA programme, further support can be agreed where appropriate.

Appendix A: References and people met

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B. People Met

Country	Name	Position	Organisation
Bulgaria	Anna Natova	Director, Directorate on EU, International Relations & Projects	Maritime Administration of Bulgaria
	Ilze Atanasova	Chair of the Board	Association of Business Clusters
	Nikola Hristov	Member of the board	
	Georgi Shipkovenski	Secretary General	Varna Tourism Chamber
	Todor Nikolov	Member of the Chamber	Varna Tourism Company Ltd
	Evgueni Spassov	Chief expert, Tourism Policy Directorate	Ministry of Economy & Energy
Romania	Marisanda Piriianu	Director, Water and Fisheries Policies and Strategies Department	Ministry of Environment and Climate Changes
	Bogdan Badea	Director, Dept. of European Affairs	Ministry of Foreign Affairs
	Luana Leovanu	Desk Officer	
	Simion Nicolaev	Director	National Institute for Marine Research and Development
	Tanya Zaharia	Science Director	
	Florin Spataru	President	ANCONAV, Romanian Shipbuilders Association
	Raluca Danila	Head of the Investments & European Projects Department	Maritime Danube Ports Administration
	Silviu Meterna	Commercial Manager	
	Madalina Dumitru		Ministry of Transport

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Country	Name	Position	Organisation
Turkey	Turgay TÜRKYILMAZ	Director General for Fisheries	Ministry of Food, Agriculture and Livestock, DG of Fisheries and Aquaculture
	Atilla ÖZDEMİR	Ass. Director General for Aquaculture	
	Emre DİNÇER	Head of International Maritime Relations	Ministry of Transport, Maritime Affairs and Communications
	Şakir ÖZÇOBAN	Head of Planning and Statistics	
	İlyas KARABIYIK	Maritime Expert	
	Zafer TEKBAŞ	Maritime Expert	
	Bülent SÖNMEZ	Maritime Expert	
	Melik Çağrı KÜÇÜKYILDIZ	Maritime Expert	
	Hüseyin ERTAN	Assistant Secretary General	
	Engin KÖKNEL	Director, International Relations	Turkish Chamber of Shipping

Study to support the development of sea-basin cooperation in the Mediterranean, Adriatic and Ionian, and Black Sea

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Appendix B: Background Paper for the Stakeholders Conference

Presented at the Sustainable Development of the Blue Economy of the Black Sea, 30 January 2014, Bucharest, Romania



BACKGROUND PAPER
FOR THE STAKEHOLDERS
CONFERENCE

SUSTAINABLE DEVELOPMENT OF THE
BLUE ECONOMY OF THE BLACK SEA
30 JANUARY 2014, BUCHAREST, ROMANIA

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Disclaimer: *This paper reflects the opinions and findings of the consultants and in no way reflects or includes the views of the European Union and its Member States, of any of the European Union institutions, or of any other country or body referred to in the paper.*

1. Introduction

The European Union is striving to unleash the potential of Europe's oceans, seas, and coasts to benefit the economy of both the EU and its neighbourhood, while at the same time safeguarding biodiversity and protecting the marine environment. A comprehensive overview of the marine and maritime economy in Europe has demonstrated that its potential is significant, provided appropriate investments are made and research conducted.

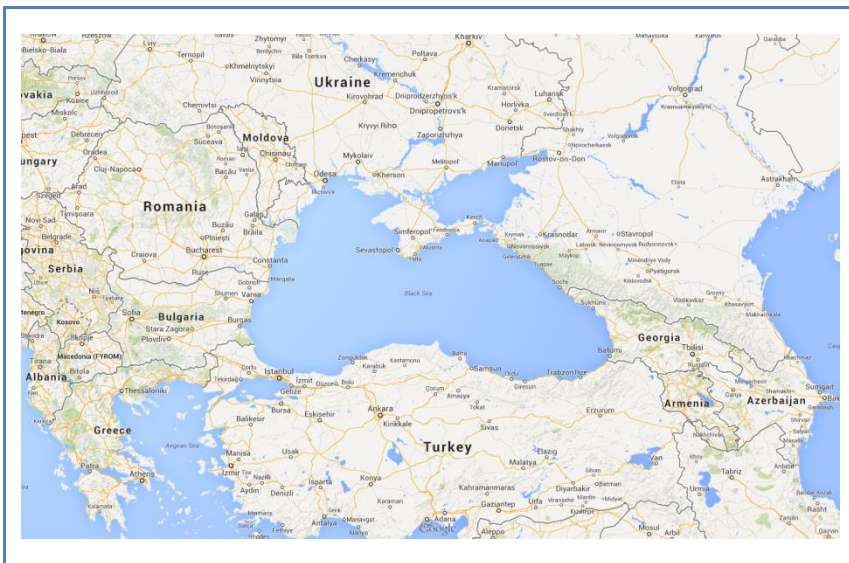
Since 2007, the EU has fostered an **Integrated Maritime Policy (IMP)**, which aims to increase coordination between the maritime sectors and to provide a more coherent approach to cross-cutting issues such as marine data and knowledge, integrated maritime spatial planning and maritime surveillance. Since 2012, the IMP has focused on **Blue Growth**, which aims to support sustainable growth in the marine and maritime economy, including in the Black Sea.

This paper briefly highlights the state of play in the most important marine and maritime economic sectors in the littoral states and addresses the challenges and possible perspectives of a broader basin-wide cooperation between the countries surrounding the Black Sea.

2. Background

The Black Sea basin can be regarded as a strategic bridge connecting Europe with the Caspian Sea area, Central Asia, and the Middle East, and further with Southeast Asia and China. It is characterised by close national ties, but also by diversities and rivalries. It comprises three EU Member States (Bulgaria, Greece, and Romania), one EU candidate country (Turkey), five European Neighbourhood Policy (ENP) partners (Armenia, Azerbaijan, Georgia, the Republic of Moldova (hereinafter Moldova), and Ukraine), as well as the Russian Federation (hereinafter Russia) as a strategic partner for the EU. Of these, six countries (Bulgaria, Romania, Ukraine, Russia, Georgia, and Turkey) are riparian countries, with Armenia and Azerbaijan on the eastern watershed and Moldova lying inland of Ukraine to the northwest of the Black Sea.

FIGURE 1. MAP OF THE BLACK SEA BASIN



The Black Sea coastal-zone population numbers nearly 39 million, and Turkey and Ukraine have the longest coasts, 1,700 and 1,756 km, respectively. With a total surface area of 436,400 km² and a shoreline of 4,869 km, this brackish-water inland sea is of considerable economic importance to the EU and its neighbours.

Most economies in the Black Sea basin are smaller than those in the EU. In 2012, the Georgian and Moldovan economies (measured as GDP at purchasing power parity-PPP) were EUR 19.167 million and EUR 8.772 million, i.e. each is less than 1% of the EU-28 GDP average.

The region is an expanding market and, traditionally, a major energy production and transmission area, where some countries, such as Russia, possess vast energy resources, while most other countries are in need of them. It is also an important component of the EU's external energy strategy. It is believed that offshore oil and gas has the potential to become a major conventional energy resource in the economies of some of the littoral states, such as Bulgaria, Romania, and Turkey. It has a busy maritime transport network, albeit with several safety and efficiency issues. Coastal tourism is the third major marine and maritime economic sector with an expanding international clientele. It is also an important fishing region, where most stocks are transboundary in nature, and with an emerging aquaculture sector.

Due to its enclosed nature, urbanisation and industrialisation of coastal areas and increasing human pressure on its natural resources, the Black Sea has undergone substantial degradation over the last century. As a result, there have been considerable efforts at both regional and national levels to curb pollution, address eutrophication and improve natural resource management. In addition, there is the wider concern of how climate change will impact the Black Sea ecosystem. Tackling these issues will enhance the environment and facilitate the development of those maritime activities that are dependent on a healthy environment, such as fisheries, aquaculture and tourism.

The Black Sea littoral states are structurally very heterogeneous, which presents a multitude of opportunities, but also challenges. The sea is the site of different economic activities. Among them, coastal tourism, short-sea shipping, inland waterway transport, fisheries, as well as exploration and exploitation of oil and natural gas are of considerable importance. Water projects, which include the construction and dredging of waterways, harbour and river works, and the creation of marinas, are also important for many countries.

A brief overview of the blue economies in the littoral countries highlights the following features¹:

Bulgaria's coastline is 414 km long and represents 8,5% of the total Black Sea coastline. Bulgaria's coastal regions are responsible for ca. 13% of the nation's gross value added (GVA). GDP in 2012 constituted EUR 37 billion, a 4,8% decrease over 2011. **Coastal tourism** is a fast growing sector, encompassing ca. 80% of the total tourism sector and ca. 10,5% of the total national GVA. The sector offers significant potential for future development. **Short-sea shipping** of goods depends greatly on oil transportation, while future growth depends on fleet renewal and on the development of infrastructure including **inland waterway transport**. The Danube River is the only domestic inland waterway, linking the Black Sea to the North Sea. Transport services are expected to grow further. **Water projects** are vital to waterway maintenance, especially on the Danube River, and for improved access to maritime ports in the Black Sea. Another important marine and maritime sector is the **fisheries sector**, but it faces significant challenges due to the need to further improve cooperation at the Black Sea level for the sustainable management of stocks. Since 2011, efforts to tackle these issues have been made under the GFCM umbrella. Until now, **marine aquaculture** has remained underdeveloped. The farming of sturgeon and mussel dominates the industry.

The Black Sea coastline of **Georgia** has a total length of 322 km, which is 6,6% of the entire Black Sea coastline. In 2012, GDP reached EUR 11,4 billion, a 9% increase over the previous year. There are several seaports along Georgia's Black Sea coast, the largest and busiest being the Port of Batumi. Chartered **passenger ferry services** link Georgia with Ukraine and Turkey. Georgia may also play an important role in the **short-sea shipping** sector adding to coastal employment opportunities. Services, where **tourism** is one of the fastest growing sectors, have the potential to increase their contribution to Georgia's economy. In 2012, the number of foreign tourists reached 4.430.000, a 3,5-fold increase over 2008. Traditional economic sectors on the coast include **fisheries** and **aquaculture**. The main species caught are European anchovy, sprat, whiting, mullet, red mullet, turbot, sea snail, and dogfish. Recently, total fish production has declined to ca. 3.000 tonnes caught by 360 fishing vessels.

Moldova's GDP in 2012 constituted EUR 5,3 billion, a 3,4% increase over 2011. The Moldovan economy recovered from the recession last year, with increases in industrial and agricultural output and inward remittances. The **tourism** sector has been growing for the past several years. In 2012, the number of overnight stays amounted to 1,46 million, a 4% improvement since 2010. Moldova is one of the smallest countries of the Danube River basin and one of the partners in the EU Danube Strategy. It has access to the Black Sea through the Danube Delta. Giurgiulești is the only Moldovan port on the Danube. Only small seagoing vessels can dock at the port, which, since 2007, has also hosted an oil terminal. **Shipping** on the lower Prut and Dniester rivers, Moldova's largest rivers, plays a modest role in the country's economy.

Romania's coastline is 256 km long and is entirely on the Black Sea representing 5,3% of the total Black Sea coastline. Romania's coastal regions are responsible for ca. EUR 5,5 billion of gross value added and for roughly 5% (470.000 people) of total national employment. In 2012, GDP constituted EUR 140 billion, a 1,5% increase over the previous year. The Romanian **shipbuilding** industry has a long tradition and, although affected by the economic crisis, is

¹Data for Bulgaria, Romania, and Turkey are based on the ongoing "Study to support the development of sea-basin cooperation in the Mediterranean, Adriatic and Ionian, and the Black Sea", while data for Georgia, Moldova, Russia and Ukraine are based on the World Bank, national statistical institutions, sectoral ministries and other relevant sources (port authorities, tourism agencies, etc.).

now improving its competitiveness by investing in green technologies and innovation capacity. Construction is devoted mainly to commercial transport vessels. **Short-sea shipping** is the fastest growing maritime activity in Romania and is concentrated in the Port of Constanța. The recent discovery of new gas fields on the Romanian continental shelf of the Black Sea has the potential to strengthen this sector's role and that of **offshore oil and gas**, which is already the third-largest employer in the coastal economy. **Inland waterway transport**, a sector defined by the Black Sea and the Danube River, plays an important role in the national economy because of its size and positive contribution as a result of activities such as the construction of intermodal transport infrastructure. **Coastal tourism** is also an important economic activity because of the potential stemming from Romania's natural and cultural resources.

The Black Sea coastline of **Russia** has a total length of 421 km representing 8,6% of the total Black Sea coastline. In 2012, GDP reached EUR 1,5 trillion, a ca. 6% increase over 2011. Russia has extensive natural resources, particularly oil and natural gas. The country is the world's leading natural gas exporter and second largest **gas** producer, as well as the largest **oil** exporter and producer. Container cargos, using well-developed cargo terminals, are the major transport segment in the **short-sea shipping sector**. The Novorossiysk Commercial Sea Port Modernisation Programme foresees development of the port's marine infrastructure, including dredging, and construction of new cargo terminals. **Inland waterways** in the European part of the country form a network of channels connecting the basins of major rivers. Russia plans to construct **shipbuilding and ship-repair** facilities on the Black Sea coast. Russia has a long tradition in **fisheries** based mainly on catches of European anchovy, which constitute ca. 65% of the country's total catches in the basin. The cities of Anapa, Gelendjik, and Sochi on the Caucasian coast of the Black Sea are famous destinations for **coastal tourism**.

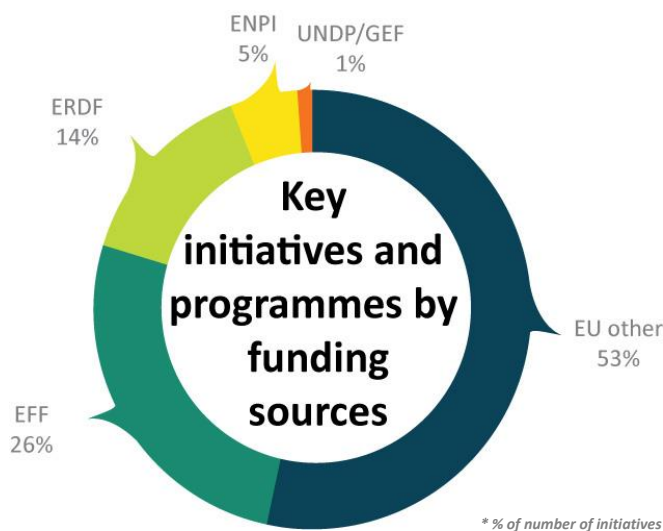
Turkey's total coastline is 8.333 km, of which 20% or 1.700 km are on the Black Sea (34,9% of the total Black Sea coastline) and 80% on the Mediterranean Sea (Marmara sea, Aegean sea and the East Mediterranean). In 2012, GDP reached EUR 572 billion, a 1,7% increase over the previous year. Maritime economic activities support ca. 280.000 jobs and reach a total GVA of more than EUR 4,4 billion. **Coastal tourism** is one of the most promising economic sectors of Turkey's blue economy. **Cruise tourism** in the Black Sea, like coastal tourism, is noted for its potential. The **shipbuilding and ship-repair** sector is concentrated in the Mediterranean Sea basin (82% of total GVA) and focuses on chemical tankers, mega-yachts, and offshore infrastructure, while **short-sea shipping** is important because of Turkey's strategic position at the intersection of the East–West and North–South international transport corridors. **Marine aquaculture** has been one of the fastest growing activities in Turkey. Currently, this sector produces more than 88.000 tons (with a planned increase to 600.000 tons by 2023) and has a 25% market share of the seabass and seabream trade in Europe. More than 96% of the production is located on the Aegean coast; however, it is underdeveloped in the Black Sea area. Here, nine sea-cage farms operate with a production volume of just 8.500 tons.

The total length of **Ukraine's** Black Sea coastline is 1.756 km (or 36,1% of the total Black Sea coastline). Ukraine's GDP in 2012 amounted to ca. EUR 128 billion, a 7,9% increase over the previous year. The **shipping** sector in Ukraine makes a significant contribution to the country's economy. The country has 18 deep-sea merchant ports and 11 merchant river ports. The biggest sea ports, Odessa, Illichevsk, and Yuzhny, take a 60% share of the total cargo turnover through Ukrainian seaports. Odessa offers regular **passenger ferries** to Istanbul (TR), Varna (BG), and Haifa (IL). Intermodal sea–railway transport is well developed, connecting Illichevsk (UA) to Varna (BG) and to Batumi (GE). The port of Illichevsk has received a loan from the European Bank for Reconstruction and Development (EBRD) to develop port infrastructure, including the reconstruction of berths, and the execution of dredging works. **Tourism** in Ukraine plays an important role in the national economy. Yalta, Odessa, Sevastopol, and Kerch are among the main tourist centres on the Black Sea. **Fisheries** is another well represented marine sector in Ukraine. The main species caught are European anchovy, sprat, mullet, flatfish, mussel, sea snail, and dogfish.

3. A brief review of the most relevant cooperation initiatives

Several current initiatives, programmes, and projects with a marine and a maritime dimension were analysed with a special focus on Blue Growth and integrated Maritime Policy (IMP)-related measures. Approximately 40 maritime-related initiatives from countries around the Black Sea were examined to determine the extent of existing maritime cooperation at the sea-basin level.²

3.1 Sources of funding for Blue Growth initiatives



The different objectives within an initiative raise the possibility that multiple sources of funding may be available. If initiatives include research and innovation, for example, then EU funds can be accessed from the Seventh Framework Programme for Research and Technological Development (FP7), the **Competitiveness and Innovation Framework Programme**, and various structural funds. FP7 (and FP6) have funded efforts to consolidate the potential of Black Sea countries and to establish stronger links with the scientific community. Horizon 2020

(the successor of FP7) programmes will most probably feature regional cooperation for research and innovation aimed at supporting a policy dialogue and enhancing cooperation in several areas. ERA-NET integrates participating Black Sea countries in the European Research Area by linking research activities within existing national bilateral and regional RTD programmes.

In EU Member States structural funds support the development and structural adjustment of regional economies to strengthen competitiveness and innovation. These are the **European Regional Development Fund (ERDF)**, the **Cohesion Fund (CF)**, and the **European Social Fund (ESF)**. Some initiatives have access to specific funding sources such as the **European Fisheries Fund (EFF)** and (from 2014) the **European Maritime and Fisheries Fund (EMFF)**. The **Instrument for Pre-accession (IPA)** is a funding source for some blue-growth initiatives involving Turkey.

Several EU initiatives are implemented using the **European Neighbourhood and Partnership Instrument (ENPI)**: the **Black Sea Cross Border Cooperation Programme**, the **INterstate Oil and GAs Transport to Europe (INOGATE) Programme**, the **TRANsport Corridor Europe-Caucasus-Asia (TRACECA) Programme**, and projects on **Improving environmental monitoring in the Black Sea (EMBLAS)**, on the setting up of a **Shared Environment Information System (ENPI-SEIS)** and the **MISIS** project – MSFD Guiding Improvements in the Black Sea Integrated Monitoring System. The **Black Sea Cross-Border Cooperation Programme** and the **South East Europe (SEE) Territorial Cooperation programme** are good examples of initiatives with many funding sources, including the ERDF, national public funds, IPA funds for candidate or potential candidate countries, and ENPI funds for European Neighbourhood Policy partner countries.

²The analysis has been based on the ongoing “Study to support the development of sea-basin cooperation in the Mediterranean, Adriatic and Ionian, and the Black Sea”, carried out by COGEA SRL (Italy) in consortium with AND International (France), CETMAR (Spain), DEIGRA (Italy), EUROFISH International Organisation (Denmark), AZTI (Spain) and POSEIDON (UK).

The analysis of the initiatives reveals that different EU funds are by far the most important source of funding for candidate countries (i.e. Turkey), European Neighbourhood Policy partners (Armenia, Azerbaijan, Georgia, Moldova, and Ukraine), but to a lesser extent for the strategic partner of the EU (Russia).

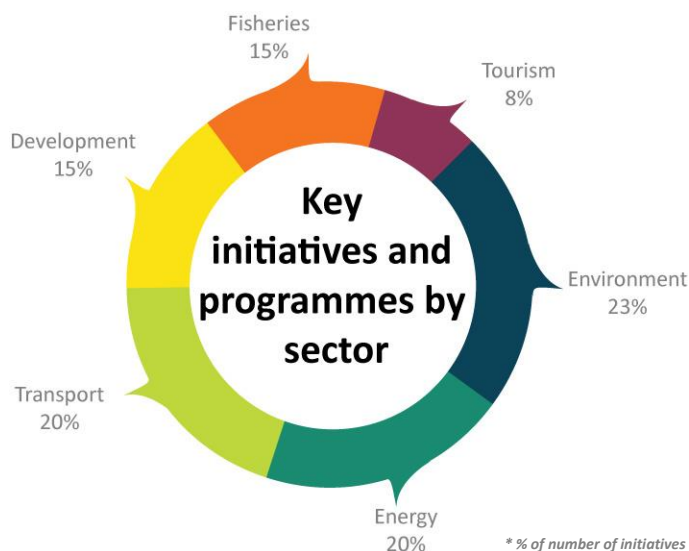
However, there are also several different international financial institutions involved in the Black Sea region. Apart from the **European Investment Bank (EIB)** and the **European Bank for Reconstruction and Development (EBRD)**, the **Black Sea Trade and Development Bank (BSTDB)** operates under the Black Sea Economic Cooperation (BSEC). The **Nordic Investment Bank (NIB)** has also established a loan agreement with the BSTDB to finance projects of mutual interest in the Black Sea region. The BSTDB also cooperates with other interstate banks such as the **International Investment Bank (IIB)**. The **EBRD** has contributed to the Black Sea Energy Transmission System and has made equity investments in support of the energy sector. It is also interested in developing the hydrocarbon potential of the Black Sea region and modernising thermal power facilities to reduce the industry's carbon footprint.

Other bodies, such as **UNDP** and the **Black Sea Trade and Investment Promotion Programme (BSTIP)**, are also important funding sources, as is the **Global Environmental Facility (GEF)** for specific initiatives.

There are also several major private capital investment entities (private banks, hedge funds, other lenders) operating in the area. The larger banks work with selected financial institutions as intermediaries in different countries, where such delegation of responsibility assists the bank in servicing a market segment more efficiently or effectively than the bank might be able to directly. This cooperation between investment entities and local financial institutions operates in four main areas, (a) trade finance, (b) SMEs finance, (c) programme lending (e.g. credit lines), and (d) equity participation. Hedge funds have been used to invest in Black Sea holiday residences (e.g. the **Black Sea Property Fund**), and port commodity terminals (e.g. **Louis Dreyfus Commodities**).

3.2 The scope of key initiatives

This section briefly highlights key cooperation initiatives in the Black Sea region, focusing on sectors, categories of initiatives, and the beneficiaries of those initiatives.

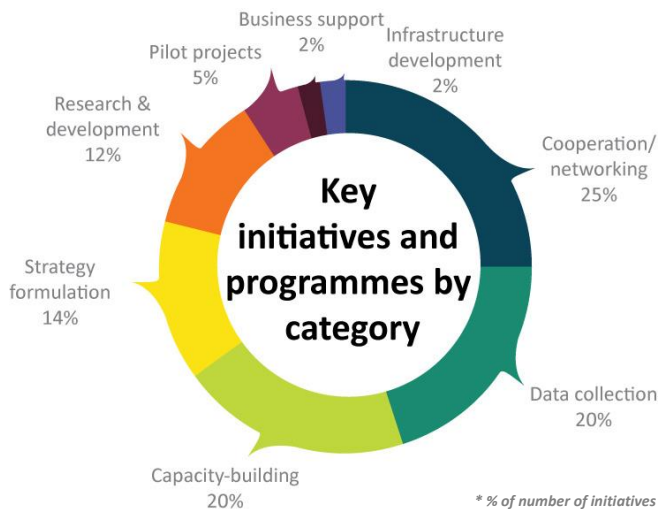


Cooperation initiatives often have a strong **environmental** focus reflecting a strong historical concern about the environmental health of the Black Sea. Whereas older environmental programmes focused strongly on fisheries and water quality, more recent environmental projects have continued to work on water quality and have increasingly concentrated on inland waterway management, flood defences, habitat restoration, shared environmental information systems, and disaster risk reduction. Among the completed projects, the MONINFO project on Monitoring and Information Systems for Reducing Oil Pollution can

be seen as a model of good cooperation between all the littoral states, which joined efforts and worked together to reduce/eliminate oil pollution in the Black Sea.

The **transport** initiative, TRAnsport Corridor Europe–Caucasus–Asia (TRACECA) Programme, which began in 1993, contributes to transport cooperation in the Black Sea region. The TRACECA Project - Transport Dialogue and Networks Interoperability II, which started in January 2013, aims to facilitate regional cooperation in the field of transport and promote effective dialogue among the partner countries and the EU.

Romania, and to a lesser extent Bulgaria, also has or has had several **general development** projects with maritime components. These tend to be long term (looking as far ahead as 2030), with a cross-sectoral focus on inland and marine transport and associated infrastructure development, gas field development, and coastal tourism.

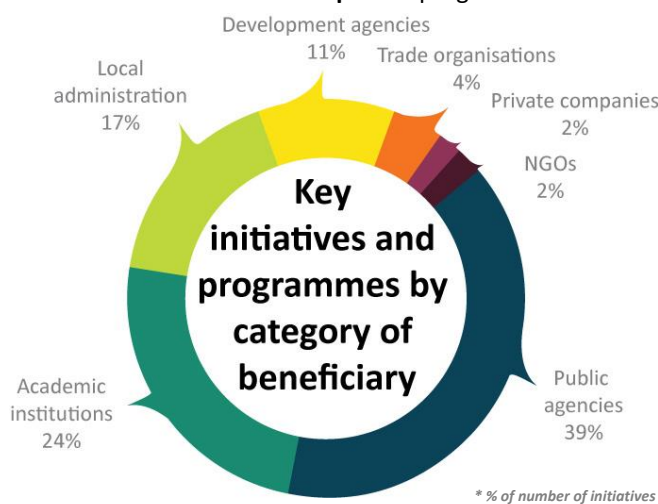


Fisheries initiatives generally involve all Black Sea countries including, rather surprisingly, the non-riparian countries (Moldova, Armenia, and Azerbaijan). In most cases, these are short-term (i.e. less than 5-year) initiatives focusing on capture fisheries rather than aquaculture. **Tourism** initiatives are mainly national rather than sea-basin projects. Among the completed projects in the tourism sector, the Bulgaria-Turkey IPA Cross-border Cooperation Programme can be mentioned as a good example. Most of the few maritime development initiatives in the Black Sea have been, or

are, focused on developing **sea-basin cooperation and networking**, especially in the areas of transport network development, fisheries, energy development, and habitat protection.

Data collection focuses mainly on environmental monitoring at the sea-basin level, while **research and development** programmes tend to concentrate on marine environment and fisheries research. Aligned with the

Europe 2020 growth and job creation strategy the ERA-NET scheme is an important support for different research activities. The remaining intervention areas, **pilot projects**, **business support**, and **infrastructure development** tend to be national programmes, with less emphasis on sea-basin cooperation.



Overwhelmingly, the organisations that benefit most from these initiatives are national **public sector** institutions/organisations. Where such organisations are involved, there is no

obvious pattern across different sectors, although tourism appears to be poorly represented. **Local administrations** are also reasonably well represented, mainly in the environment and transport sector. They are less involved in centrally run sectors such as fisheries and energy. There is little involvement of **trade organisations**, **private companies**, or **NGOs** in these initiatives, which possibly reflects the nature of the funding programmes and their eligibility rules, which generally target public sector/non-profit institutions.

4. Areas of cooperation for achieving Blue Growth

Several intergovernmental organisations operate in the Black Sea region – the **Black Sea Commission (BSC)**, **Black Sea Economic Cooperation (BSEC)**, **Danube Commission (DC)**, and the **General Fisheries Commission for the Mediterranean (GFCM)** – to support economic development in diverse maritime sectors, including transport, energy security, sustainable fisheries, and environmental protection. The **Balkan and Black Sea Regional Commission (BBSRC)** under the umbrella of the Conference of Peripheral Maritime Regions of Europe (CPMR) aims to encourage dialogue and cooperation between regions and strengthen interregional cooperation. It seeks also to develop joint projects in sectors such as transport, the environment and economic development.

The cooperation between SMEs in the region is promoted by the **International Network for SMEs (INSME)** and the **Black Sea Trade and Investment Promotion Programme (BSTIP)**. Organisations that support better governance, effective civic sectors, independent and professional media development, and provide assistance include the **Black Sea Trust for Regional Cooperation** – the **German Marshall Fund** and the **Black Sea NGO Forum**, which brings together approximately 170 representatives from civil society organisations from the Black Sea region.

4.1 Coastal tourism

Currently, coastal tourism is a significant economic sector in terms of tourist flows and income generated, among other maritime activities, in Bulgaria, Turkey and Romania. The Crimean peninsula, the regions around Sochi and Batumi are also well established tourist destinations, however, compared to neighbouring sea-basin areas such as the Aegean and the Mediterranean it is less developed. The Black Sea could be an attractive destination for tourists from all over the world, however, this potential has not yet been fully developed, because of limited resources, insufficient transport infrastructure, inadequate tourist facilities, and poor quality of services.

4.2 Energy

Currently, the Black Sea is not a major oil and gas production region; however, unexploited oil and gas reserves within Romanian, Georgian, Bulgarian and Turkish waters might be substantial. The Black Sea is a significant oil and gas transportation channel linking the Caspian region and Central Asia with the EU. Today, the sector is characterised by the proliferation of pipelines and oil terminals in the Black Sea and increased offshore activities for exploration and exploitation of hydrocarbons.

Apart from existing bilateral agreements, such as those between Russia and Bulgaria, or Russia and Turkey, cooperation in the field of energy is also related to the *Baku process*, which acknowledges the role of the **INterstate Oil and GAs to Europe (INOGATE)**. The transport of crude and refined products affects the development of the maritime transport sector in the region. The main ports in the Black Sea, Novorossiysk, Poti, Bourgas, and Varna, include oil terminals, of which more are planned in the riparian countries, despite the environmental consequences including increased risk of accidental spills and threats to marine biodiversity.

4.3 Environmental protection

Owing to natural factors, the diversity of fauna in the Black Sea is less than that in the Mediterranean. Specific features of the Black Sea make it vulnerable to disturbances to its environment and ecosystems. Eutrophication, pollution, and irresponsible fishing have resulted in an overall decline in biological resources, in the diversity of species and landscapes, and in the aesthetic and recreational values of the Black Sea, thereby bringing its ecosystems to the brink of collapse.

Oil spills, heavy metals, sewage, litter, and the ship-borne introduction of exotic species are the major causes of environmental degradation in the Black Sea. The transboundary nature of different environment pollution risks emphasise that coordination across the Black Sea basin would improve monitoring and management. There are visible changes in the Black Sea ecosystems, and the relatively low-lying nature of much of the Black Sea coast places large areas at risk of increased flooding. Mitigation to combat climate-change issues such as the increase in invasive species and the creation of marine protected areas to protect vulnerable species and habitats requires transboundary cooperation. There is a need to further sea-basin cooperation to support coastal/marine ecosystem conservation and marine protected areas management. This would facilitate coexistence and prevent conflicts between competing economic activities in marine waters and coastal areas.

Tackling these issues will enhance the environment, but also encourage the development of marine and maritime economic activities that depend directly on a healthy environment: fisheries, aquaculture, and tourism. It will also enhance ecosystem services for the benefit of the wider Black Sea community. National efforts and cross-border cooperation should play a major role in these endeavours.

The Commission on the Protection of the Black Sea Against Pollution (the Black Sea Commission) was established to implement the Convention on the Protection of the Black Sea Against Pollution. The Contracting Parties to the Convention are Bulgaria, Georgia, Romania, Russia, Turkey, and Ukraine. The EU wishes to become a Contracting party, thus bringing its institutional role in line with its substantial contribution towards environmental protection in the Black Sea region. Among the main functions of the Commission is the promotion of scientific and technical research. The work programme of the Commission includes implementation of the Black Sea Strategic Action Plan (2009), coordination with national and regional projects/activities, and with international financing agencies.

An intact, functional, and attractive environment has the potential to underpin long-term Blue Growth on several levels. Capture fisheries, aquaculture, coastal tourism, and several other activities all depend on good seawater quality, whereas others, such as short-sea shipping and inland waterway transport depend on stable hydrology. The sustainable and balanced long-term growth of marine and maritime economic activities also requires integrated coastal zone management. It is essential that this area is included in a policy framework. Key requirements are:

- Further developing the use of national and transboundary maritime spatial planning and coastal zone management for environmental conservation, including greater use of coastal and marine protected areas and restricted use zones;
- Further focus on correct implementation of commitments undertaken under the Bucharest Convention;
- The need to urgently address issues such as environmental impacts of shipping and of oil and gas related activities (exploration, exploitation, transport), where effective regional coordination is an essential component of any solution;
- Developing renewable energy in the Black Sea littoral states as part of global renewable energy targets and linking the relevant Black Sea forums with European Technology Platforms (ETPs) on Renewable Energy, with due consideration of environmental aspects;
- Supporting the development of common standards for project-specific environmental impact assessments (EIAs) and strategic environmental assessments (SEAs), and improving the capacity for their scrutiny and use in planning.

As with environmental protection, ecosystem monitoring has developed strongly at the sea-basin level over the past decades. However, it is also essential to be included in any policy framework. Key requirements are the:

- Development of interoperable, common standards;
- Development of cost-effective data collection that utilises an optimal mix of remote sensing, dedicated data collection, and routine data collection by stakeholders, e.g. the fishing, shipping, and tourism industries;
- Provision of equitable access to data and analysis.

The semi-isolated Black Sea is highly susceptible to climate-driven environmental changes. The Black Sea is warming, both at the surface and at deeper layers; the sea level is rising slowly but constantly. Climate-change policy areas to be included in any policy framework could include the following:

- Building resilience to climate change, specifically identifying barriers to progress and where increased co-operation and collaboration can be facilitated;
- Promoting innovation and green entrepreneurship in climate change mitigation and adaptation measures.

4.4 Fisheries

In the Black Sea region, there are only a few commercially important species, e.g. the small pelagics, anchovy, sprat, and horse mackerel; demersal fish species are subject to stricter regulations aimed at restoring depleted stocks, but they (e.g. turbot) are often the target of poaching. Bottom trawling and rapana dredging are among the most destructive fishing practices in the region.

Overfishing remains the most significant threat to Black Sea marine living resources. A drop of more than 40% in landings during the past five years may be the result of significant changes in the structure and function of the marine ecosystem, but equally may be the result of a high fishing effort. Climate changes resulting in abnormalities in water mass stratification, circulation, and temperature have driven changes in fish behaviour (mainly anchovy, sprat, and dogfish) in certain areas and have led to the complete extinction of certain species in some fishing areas (e.g. sprat, dogfish, and whiting in Georgian waters). There is also a massive agglomeration of jellyfish.

The **General Fisheries Commission for the Mediterranean** aims to promote the development, conservation, rational management, and optimal utilisation of living marine resources, as well as the sustainable development of aquaculture in the Mediterranean, Black Sea, and connecting waters. The GFCM adopts binding recommendations for fishery conservation and management in its convention area and thus plays a crucial role in fishery governance in the region. The EU actively participates in GFCM work, where it represents Bulgaria and Romania on the strength of its exclusive competence in fisheries management matters. The GFCM also executes cooperation projects at subregional and regional level.

A Memorandum of Understanding between the Black Sea Commission and GFCM has been signed to ensure mutual involvement in promoting an ecosystem-based approach for the conservation of the marine environment and sustainable use of living marine resources. It also urgently addresses the problem of IUU fishing. A roadmap to combat IUU fishing has been drawn up and shows the willingness of different regional organisations to collaborate on both environmental and fisheries issues.

4.5 Transport

The development of a transport network has been identified as a priority for the Black Sea to stimulate economic relations in the region. The construction of ports, railroads, highways, and other facilities should be accelerated to expedite the flow of passengers and goods. The Black Sea lies between two of five major transnational axes in the European neighbourhood: the Central Axis including the northern Black Sea (linking Central Europe to Ukraine) and the

South–Eastern Axis including the southern Black Sea (linking the Balkans, Turkey, Caucasus, and the Caspian region). Drawing on these existing processes, three regional priorities can be identified in the field of transport:

- *Infrastructure*: future investments should be consistent with the projects identified for the Central and South–Eastern Axes and the Eastern Partnership Transport Network, which links Moldova, Ukraine, Georgia, Armenia, Azerbaijan, and Belarus to the EU’s Trans-European Transport Network;
- *Interoperability*: approximation of standards; lowering of non-physical barriers to transport (notably on safety of transport modes);
- *Intermodality*: facilitation of transfers from one mode of transport to another (road–rail–sea).

The environmental impact of maritime transport on the ecosystems of the Black Sea and the Danube River is addressed by the **Black Sea Commission**. The Commission works to strengthen interregional cooperation and develop joint projects in such sectors as transport, environment, and economic development. EU projects, such as MONINFO and TRACECA dealing with maritime safety and security also include measures to prevent pollution from shipping.

Partner organisations in the maritime transport sector are the:

- **BSEC Transport Working Group** promotes bilateral shipping agreements, based on the principle of free and fair competition and facilitates transport links between the Baltic Sea, the centre of Russia, and the Azov and Black seas;
- **Black and Azov Seas Ports Association (BASPA)** focuses on intermodal transportation between the Black Sea and the Baltic Sea regions;
- **Association of International Road Transporters (BSEC-URTA)** promotes the development of and the reduction and elimination of barriers to road transport;
- **Black Sea Region Association of Shipbuilders and Ship Repairers (BRASS)**. Countries in the region are converting defense shipbuilding facilities to civilian ones, cooperating on technology transfer, and coordinating measures to prevent the emergence of overcapacity in the shipbuilding industry.

4.6 Cooperation between SMEs in the region to support business growth

The **International Network for SMEs (INSME)** is a multistakeholder network to stimulate innovation and technology transfer to SMEs. INSME is a catalyst for North–South and South–South cooperation that encourages partnerships with other international initiatives to avoid overlapping activities and to maximise the flow of information. The **Black Sea Trade and Investment Promotion Programme** works directly with SMEs and their associations in the region to organise networking, matchmaking, and other events.

The cooperation between SMEs in the region needs to be placed in the overall context of supporting business growth. With Europe yet to fully recover from the recent financial recession, public finance for investment in maritime ventures is both scarce and often limited to low-risk developments. This can restrict the ability to raise funds for new and innovative activities, both in established and emerging maritime sectors, such as shipbuilding, development of port infrastructure, marine aquaculture, offshore wind energy, and marina development. Therefore, it may be necessary to include policy approaches that both free up public finance for Blue Growth, as well as allow the development of more flexible financial mechanisms that could foster investments in more innovative activities. Key requirements are:

- Considering novel financial instruments for the funding of major offshore infrastructure projects such as wind and other marine power generation;
- Developing the capacity of the region’s financial institutions and encouraging greater collaboration with the key international financial institutions (IFIs) operating in the Black Sea basin;

- Promoting diverse financial mechanisms that can be used to encourage innovation and to provide incubation facilities for businesses emerging from the R&D stage;
- Promoting the ability of sector-specific and cross-sectoral alliances to prepare strategic development plans that permit better business planning and reduce risk;
- Encouraging the inclusion of the private sector in strategic development;
- Encouraging multi-stakeholder platforms to link public, private, and academic partners when addressing specific sectoral opportunities;
- Giving different sectoral interests the means to collectively explore the synergies, benefits, and barriers to cluster development in the Black Sea basin.

4.7 Data information and knowledge

The lack of reliable marine and maritime data is a key challenge for all sea basins and in particular for the Black Sea. Continued efforts to build capacity and to harmonise data collection and collation is therefore essential. The level of higher educational capacity across the Black Sea basin has been identified as a strength. The problem for Blue Growth is the ineffective linkages between the academic arena and the private and public sectors. With the fast pace of development in the Black Sea basin, capacity development in maritime skills will continue to be a key requirement, and will be needed at several different levels (e.g. to address individual skills, organisational/institutional development, as well capacity at a broader societal level). Key requirements are:

- Reducing the technical and institutional barriers to integrated marine data collection and harmonisation;
- Developing mechanisms to identify current and emerging capacity gaps in blue skill areas, and to develop associated training and other forms of capacity development to bridge these;
- Utilising the approach adopted by the Black Sea Commission and its regional activity centres to identify and develop regional centres of excellence for different disciplines that can be used to disseminate innovative ideas and good practice;
- Promoting sea-basin opportunities for young persons to reduce the regional brain drain in maritime skills and experience.

One key aspect of developing knowledge is the sharing of cultural characteristics of different areas around the sea basin. Although it is important that individual areas retain their unique and characteristic nature and values, it is necessary to build up a sea-basin-level knowledge of the different aspects of coastal communities, natural environment, and cultural heritage to demonstrate the blend that makes up the sea basin as a whole.

4.8 Perspectives on and challenges to Black Sea basin cooperation

Within the Black Sea basin, one of the chief challenges has been the limited cooperation between countries, despite the need for coordinated action at the sea-basin level.

Cooperation between non-EU countries and EU Member States operates largely on a bilateral basis in contrast to EU initiatives in other geographical regions, e.g. the Baltic. In the Black Sea area, sea-basin cooperation is inhibited to some extent by bilateral issues among countries.

The European Union has already made major efforts to stimulate regional cooperation through the Black Sea Synergy, adopted in 2007, but has had limited results to date. The EU also supports the various cooperation areas of the BSEC. It is a major source of funding in the Black Sea. Currently, multilateral cooperation between the Black Sea countries and the EU is largely confined to programmes such as the Black Sea Basin Cross-Border Cooperation programme, FP6, FP7, Horizon 2020, and sectoral initiatives, such as the INterstate Oil and GAs to Europe (INOGATE), the TRANsport Corridor Europe-Caucasus-Central Asia (TRACECA), and the Black Sea Pan-European Transport Area (PETrA). This suggests that there is scope for the EU to promote deeper sea-basin cooperation for the Black Sea region as a whole.

Besides, greater involvement of local and regional authorities, academia, and civil society would certainly strengthen sea-basin cooperation, build trust and confidence in the region, and reflect positively on the investment climate, thus improving the overall competitiveness of the region. Good governance, education, science, and technology also require region-wide efforts to be continued.

Past initiatives have focused mainly on public sector agencies and academic institutions, while direct interaction with businesses and trade organisations has been limited. It has been suggested that future cooperation within the Black Sea basin should increasingly be driven by public-private partnerships as well as by improving business-to-business linkages. This could both stimulate the development of more efficient supply chains and allow greater sea-basin cooperation in sectors that have historically developed more through national efforts than cross-border cooperation, e.g. coastal tourism, shipbuilding and repair, and the development of recreational maritime facilities such as marinas.

Currently, maritime spatial planning does not exist in the Black Sea basin as a whole nor in the EEZs of many Black Sea coastal states. Integrated coastal-zone management is applied partially and inconsistently. This affects the ability to integrate local development processes across different sectors. Key requirements are the:

- Development of stronger institutional coordinating mechanisms, especially between national and local authorities;
- Provision of stable financial resources to support innovative, transparent, and robust local development, through EU Structural and Investment Funds well as from other sources available in the region;
- Linking of maritime spatial planning and infrastructure development strategic planning;
- Exchange of information to drive innovation in smart infrastructure development.

The uncertain security environment and difficult socio-economic conditions as well as the negative effects of the financial and economic crisis are the major challenges to be addressed in the region as a whole. Different issues of common interest, such as biodiversity conservation, environmental protection, and integrated coastal-zone management, must be given increased attention with a view to cultivating a shared feeling of responsibility. Programmes linking economic, social, and environmental issues need to be rapidly conceived and implemented. Maritime spatial planning and integrated coastal-zone management practices, for example, are still only in the inception phase in the region.

Existing bilateral and sectoral partnerships can address the immediate opportunities and challenges in the individual countries, while ambitious multilateral coordinated actions with a cross-sectoral perspective are needed to address strategic issues, and create a shared vision of development in the region.

Sustainable development of the blue economy of the Black Sea

Enhancing marine and maritime cooperation

Bucharest, Romania, 30 January 2014

Summary of Presentations and Discussions

OPENING SESSION

Moderation

Mr Titus CORLĂȚEAN

Minister for Foreign Affairs of Romania

Speakers

Ms Rovana PLUMB, Minister of Environment and Climate Change, Romania

Ms Maria DAMANAKI, EU Commissioner for Maritime Affairs and Fisheries

Mr Iulian GROZA, Deputy Minister for Foreign Affairs and European Integration, Republic of Moldova

Mr Shalva AMIREJIBI, Ministry of Environment Protection, Georgia

Mr Manuel DONESCU, Deputy Minister of the Ministry of Transport, Romania

Mr Aleksander FILIPOV, Ambassador of the Republic of Bulgaria in Romania

Opening remarks

Mr Titus CORLĂȚEAN, Minister for Foreign Affairs of Romania, opened the conference on *Sustainable development of the blue economy of the Black Sea: Enhancing marine and maritime cooperation*.

Speaker: Ms Rovana PLUMB

Minister of Environment and Climate Change, Romania

Ms Rovana PLUMB, Minister of Environment and Climate Change of Romania, welcomed the participants as well as the representatives of the European Commission (EC) and Commissioner Ms Maria Damanaki and transmitted a message in the name of H.E. Mr Victor PONTA, Prime Minister of Romania.

Ms PLUMB referred to the political involvement of the countries neighbouring the Black Sea (BS) to contribute to a common interest programme and to capitalise the potential of the BS for the benefit of the citizens. In this regard, she pointed out blue growth constitutes an opportunity of concrete incentives for economic growth and jobs in the region as well as a coherent approach with respect to the initiatives of the EC. At the same time it is attesting the benefits of a solid partnership and a flexible cooperation, especially in the area of maritime affairs.

It is important to identify complementary areas between the policy of the European Union (EU) and its instruments and the regional mechanisms already in place. In this sense it is essential to develop a pragmatic partnership between the EU and the Organisation of the Black Sea Economic Cooperation (BSEC), which among others deals with questions related to environmental protection, maritime science and technologies, education, tourism, culture and business environment.

Ms PLUMB welcomed the start of this partnership programme and pointed at the efforts already made under the energy¹ and also the transport² partnerships in order to strengthen the corridor between the EU and the Caspian and Asian markets.

Ms PLUMB also referred to the Romania-Bulgaria Trans-Border Cooperation Programme (2007–2013) co-financed by the European Regional Development Fund (ERDF) which, among others, has the aim to improve the Danube and BS mobility as well as the access to transport infrastructure.

Besides, the project Danube – Black Sea Connection of European and Asian Economy (DABSEA)³ focuses on improving the capacity of players and support alternative routes to connect the BS and the Danube, also as a contribution to decreasing pollution caused by other means of transport.

Also research activities are implemented with regard to the sustainable use of maritime resources or the monitoring and rehabilitation of the environmental quality in rivers, deltas and seas, as for example a project that is going to be implemented in the Danube delta at Murighiol⁴. This is an initiative that integrates education, research and development goals in the area of the BS. The focus is on the creation of an *international advanced studies centre*, enabling to identify the most effective ways to stimulate cooperation in the framework of new sectoral programmes that are mutually beneficial. In this regard, it is important to establish contacts between all stakeholders and interested players such as local institutes, research institutes, universities, producers associations, environmental organisations, port associations or NGOs.

Ms Plumb closed her address by underlining that the Prime Minister of Romania is convinced that the outcomes of today's discussions will be of use for all participating countries.

¹ Interstate Oil and Gas Transport to Europe (INOGATE) Programme

² TRANsport Corridor Europe-Caucasus-Asia (TRACECA) Programme

³ <http://dabsea.ro/en>

⁴ Uzlina-Murighiol Research Centre of the Danube Delta Biosphere Reserve

Mr Titus CORLĂȚEAN (Chair) took the floor by saying that it is a privilege to host the present conference initiated by Commissioner Damanaki. He stressed that Romania is very dedicated to boosting cooperation in the BS area and thanked Ms Damanaki for her personal commitment.

Mr CORLĂȚEAN noted that all riparian states' representatives are present at the conference and presented the key note speakers. He described this event as an excellent opportunity to reach common objectives and invited to take advantage of this meeting for drafting new projects. After this, he gave the floor to Commissioner Ms Damanaki.

Key note addresses

Keynote Speaker: Ms Maria DAMANAKI

European Commissioner for Maritime Affairs and Fisheries

Speech available at http://europa.eu/rapid/press-release_SPEECH-14-82_en.htm

Keynote Speaker: Mr Titus CORLĂȚEAN

Minister for Foreign Affairs of Romania

Minister **Titus CORLĂȚEAN** took the floor and stated that Romania has acknowledged the need for a strong regional cooperation as well as for coherent policies dedicated to the neighbourhood. The speaker highlighted that the progress with regard to the Black Sea Strategy has been uneven while the potential of the BSEC or other initiatives remains unfulfilled.

The Black Sea Basin Joint Operational Programme (2007–2013) has proven that there is a huge demand for cooperation projects, however, its funding is limited; therefore, a more vigorous and pragmatic approach is needed.

The present conference aims at stimulating the work together. In order to move forward, it is important to identify together areas of complementarity between European policies and instruments on one hand and already existing cooperation mechanisms on the other. The speaker invited to consider the BS as a space of conversions for specific objectives and interests rather than a port border dividing the states. As economic growth goes hand in hand with competitiveness and investments, it is in the best interest to promote a more integrated approach of maritime affairs. In this regard, the blue economy is seen as a great opportunity to raise growth and employment to the benefit of all people on the shores of the BS.

Mr CORLĂȚEAN observed that a considerable proportion of interests lay on marine and maritime affairs, ranging from fisheries management, coastal tourism, protection of the marine environment, navigation and safety to seabed mining, off-shore energy, transport and maritime security. In this context, stakeholders are asked to identify precise objectives and

concrete expectations in a cooperative environment, while the EU could play an important role in supporting these joint efforts.

Both Romania and EC support the consolidation of regional cooperation at the BS in order to achieve an improved coherence of EU initiatives by way of cooperation formats benefiting the entire region. Romania is favouring a substantial cooperation EU-BSEC in a pragmatic and flexible manner, which could allow BSEC to become a solid partner of the EU.

Romania strongly supports and welcomes the initialling of the EU's association agreements with Georgia and the Republic of Moldova during the Eastern Partnership Summit in Vilnius in November 2013. The signing and ratification of these agreements will enhance the EU-BSEC interaction to the benefit of the entire region.

Having both the Hellenic Republic holding the EU Presidency and the Republic of Bulgaria holding the BSEC chairmanship in the first semester of 2014, there is the chance to streamline efforts in order to achieve concrete results in the BSEC-EU interaction. In this regard, this conference offers the opportunity to voice the BSEC views on a multitude of sectors encompassing maritime transport and related infrastructure, protection of the environment, maritime economy and tourism.

Mr CORLĂȚEAN underlined that a coherent EU approach for the BS basin is needed in order to reap all the potential benefits. Romania will continue supporting the streamlining of interactions between internal and external EU policies and instruments relevant for the BS region, thus the Black Sea Synergy, EU Strategy for the Danube Region and the Integrated Maritime Policy (IMP). Geographically and thematically the Danube and the BS regions are strongly interlinked and form a continuum. Therefore, an integrated EU approach would be beneficial for both regions, based on synergies of EU instruments and organisations in the region. Romania will support this goal, including in its capacity of host of the management authority of the Black Sea Basin Cross-Border Cooperation Programme for the period 2014–2020. The expected outcome of these initiatives is an increased capacity of non-EU partners to access EU funding instruments relevant for sea basin cooperation, be they dedicated to research and development (R&D) or to cross-border cooperation. In this context, he looked forward to the conference in Greece end of May on EU neighbourhood and BS cooperation, research and innovation in the marine and maritime domain.

Mr CORLĂȚEAN highlighted the blue economy as an opportunity for growth. As said by the Commissioner, a project-oriented method can substantially contribute to tapping the region's potential for development. Littoral states should continue working together and initiate new projects within the priority fields. Romania supports the direct and comprehensive dialogue of the states in the region among themselves and with the European institutions, and is grateful to the EC for the offer to set up a dedicated project of technical support on maritime integration in the BS.

The speaker welcomed the dialogue between states during the conference and asked for a further involvement of stakeholders in a pragmatic and bottom-up approach. He concluded by saying that Romania is ready to cooperate with all partners interested in the development of the BS region, contributing with its resources and experience to this key political project. It is now our responsibility to advance a sustainable use of the sea to the benefit of the generations to come. A combination of political will and coherent action will offer the

possibility to fulfil the remarkable potential of this region, being a major contribution to its stability and security as well as to the property of our citizens.

Keynote Speaker: Mr Iulian GROZA

Deputy Minister for Foreign Affairs and European Integration of the Republic of Moldova

Deputy Minister **Iulian GROZA** thanked the Minister of Foreign Affairs of Romania and the EC for organising this important conference which will strengthen the dialogue between the interested parties within the BS area in marine and maritime topics.

Although the cooperation in the BS area has a long lasting history, there is still a large potential for its further deepening. The speaker expressed his confidence that today's discussions will provide an opportunity to clarify the framework and political support under the BS synergy.

The idea of the blue economy has gradually been gaining acceptance among the states of the BS area, driven by the consciousness that the seas are a treasure which shall be boosted to the benefit of the people through a strategy of sustainable development.

The BS basin has a great potential for development of the sectors related to the blue economy such as maritime transport, coastal tourism or blue energy. All these sectors could become very successful if the synergies between industries, research and maritime clusters are promoted, which will lead to the development of a cross-sector maritime cooperation, having in mind the objective of development and growth, attracting regional funds and investments.

The Republic of Moldova pays particular attention to the development of new opportunities for the Giurgiulesti International Free Port (GIFP), which is located on the maritime segment of the Danube River. The exploitation of this port gives a good opportunity for developing the multi-modal transport sector, while benefiting from its location on an international trade and transport route such as the Rhine-Main-Danube waterway corridor which connects Moldova with the BS.

Mr Groza finalised his address by saying that in the forthcoming period all efforts should target projects and activities aiming at increasing the competitiveness of the region, promoting the culture of knowledge, safety and human welfare. This aim is reachable, provided that a regional partnership is to put in place, to which the Republic of Moldova is ready to make its modest contribution.

Keynote Speaker: Mr Shalva AMIREJIBI

Deputy Minister of Environment Protection and Natural Resources of Georgia

Deputy Minister **Shalva AMIREJIBI** stated his gratitude to the EC and to the Government of Romania for hosting the present conference and expressed his pleasure to be there to

discuss the sustainable development of the blue economy in the BS to enhance the marine and maritime cooperation.

Transport is of high relevance for the country's economy and constitutes the heart of its supply chain. Areas without good transport connections do not grow or prosper. In this regard, Georgia is not an exemption: Its BS ports, the well-developed railway system as well as the east-west highway clearly demonstrate the important contribution that transport makes to the national economy. According to the speaker, the sustainable development of the blue economy in the BS region is directly linked with the reduction of barriers for international trade thanks to regional cooperation, implementation of infrastructure projects, capacity building among transport employees and enhancing transport safety, security and environmental protection.

Georgia actively works for the development of the maritime sector. Particular attention is paid to the improvement of maritime and port policy, to the didactical supervision of vessels registered in Georgia and to issues related to seafarers training and certification. Georgia also strives to enhance the development of port infrastructure. In this regard, the construction of a new deep sea port in Anaklia is of strategic importance and shall result in significant increase in cargo turnover in the territory of Georgia. Currently, work is underway for the elaboration of specific mechanisms and measures for the realisation of this project.

Mr AMIREJIBI underlined that, in terms of regional cooperation, Georgia has been an active participant of the EU TRACECA⁵ programme. The aim is to ensure that the outcomes of the implemented projects contribute to the competitiveness and attractiveness, facilitate further trade liberalisation and remove barriers along the whole corridor. Moreover, Georgia is an active member of the BSEC which plays a significant role in establishing sustainable and safe transport systems.

In November 2013, the association agreement between Georgia and the EU was initialled. The document defines obligations for Georgia to complement the transport and environmental directives and regulations in Georgian legislation. This association agreement shall serve as a comprehensive legal basis for the achievement of a safe and environmental friendly transport system in Georgia. The implemented reforms will enhance the sustainable development of the blue economy in Georgia as well as in the BS region. In this regard, it is essential to receive EU support through technical assistance, twinning programmes, etc.

All BS countries share the goal of creating a technically and economically integrated maritime transport system, thus, with the highest safety and environmental requirements while embracing the social concerns. Mr AMIREJIBI concluded by saying that such meeting shall give new incentives to the BS countries for coordinated cooperation in maritime and marine transport routes.

⁵ TRACECA: Transport Corridor Europe-Caucasus-Asia

Keynote Speaker: Mr Manuel DONESCU

Deputy Minister of Transport of Romania

Deputy Minister **Manuel DONESCU** spoke on behalf of Ms Ramona MĂNESCU, Minister for Transport of Romania. Mr DONESCU first congratulated in the name of the Minister the main organisers of this event, the EC and the Romanian Ministry for Foreign Affairs.

The BS region has been given the opportunity to present its operation and common objectives with a view to better defining its identity. In doing so, the BS region will stabilise its role in an extended European and international context. During the present conference, the aim is to promote an active dialogue between all regional stakeholders to facilitate a constructive engagement in the region.

By participating in this event, the history and the multiple prolific activities undergone so far in the BS region are acknowledged. Together, the premises for future positive actions can be created; these will allow capitalising the resources and potential of the BS region. The common interest is to actively combine all efforts and transform the BS region into an area of true security, democracy and prosperity.

For Romania the BS is not just the immediate geographic neighbourhood, but a region of high priority due to its key geostrategic position. The ambition lays in boosting cooperation in the fields of common interest and advance new cooperation project among the riparian states without prejudices to existing cooperation formats. The objective for Romania is to develop concrete projects in order to increase the economic benefits and social opportunities and to ensure a sustainable economic development and a strong confidence.

Mr DONESCU referred to Romania's active participation at the BSEC in order to implement the transport projects, such as the development of the Motorways of the Sea (MoS) – project connecting the BS ports – or the permanent technical secretariat to be held from May 2015 to April 2017 by the national company Maritime Ports Administration of Constanța. Besides, Romania will hold for the 3rd time the presidency of the BSEC transport working group between July 2015 and June 2017.

In order to ensure the connection to and from the BS region, the Danube River is needed. Romania is developing several projects for ensuring the safe and reliable navigation conditions, e.g. together with Bulgaria. Besides, it is also coordinating together with Austria the priority area of inland waterways within the EU Strategy for the Danube Region launched in 2010. The speaker referred to the Declaration on effective waterway infrastructure maintenance on the Danube and its navigable tributaries signed in Luxemburg in June 2012 where the Ministers of Transport from the Danube region took the engagement to ensure the proper maintenance of the Danube River.

The Ministry of Transport is currently finalising the general transport master plan that includes a strategy for the development of the transport sector in Romania which takes into account the maritime policy agenda and identifies a set of key priorities for naval investment. Mr DONESCU concluded by saying that opening new cooperation initiatives and reinforcing the existing ones will boost regional stability and development in the wider BS region and

expressed his belief that this event may create the premises for concrete partnerships among BS countries.

Keynote Speaker: Mr Aleksander FILIPOV

Ambassador of the Republic of Bulgaria in Romania

Ambassador **Aleksander FILIPOV** presented a message in the name of the Minister of Foreign Affairs of Bulgaria. Mr FILIPOV expressed his pleasure to attend the conference and have the opportunity to discuss the blue economy and the ways to stimulate it in the BS region. This motion has many aspects which require a comprehensive approach and the active involvement of all stakeholders.

The BS region has its own characteristics and challenges and is a region of particular importance in terms of geopolitics, economy, infrastructure, communications, energy supply and security. The accession of Bulgaria and Romania to the EU has provided direct access of the Union to the BS. The growing interest of the EU in the region has resulted in launching two important initiatives: The Black Sea Synergy and the Eastern Partnership. Bulgaria, as new EU MS and a BS country, is an active participant in both of them. Furthermore, Bulgaria is member and current Chairman-in-office of BSEC. Every effort will be done to achieve a better synergy between the different actors in the BS area, taking also into consideration that the three countries from the region that are EU MS, Bulgaria, Romania and Greece, are presiding respectively BSEC, the South-East European Cooperation Process (SEECP) and the Council of the EU.

The creation of synergies between BSEC and other formats of EU wide and regional organisations will be one of the goals of the Bulgarian Chairmanship. A good coordination between BSEC and EU is an essential condition for EU Presidency and the EC, which have included the IMP high on their agendas.

Another important priority during the Bulgarian Chairmanship is the encouragement of cooperation between the BS and the Danube regions as well as between the BS and the Adriatic and Ionian region within the framework of EU macro-regional strategies. Besides, efforts will be put to further promote interaction in the areas of transport, youth and sports, health care, information and communication technologies, agriculture, combatting crime as well as encouragement of closer cooperation among the business communities from all countries of the BS. This will be achieved among others by organising business forums and by promoting incentives to stimulate SMEs and their interactions at a regional level.

Mr FILIPOV highlighted that all priorities are achievable through joint efforts and that a result-oriented approach will deliver tangible results for common problems, not only in the BS region but also in Europe. Blue growth is a chance to sustainably exploit the BS and has a huge potential to foster innovation as well as to create sustainable jobs. The speaker concluded by saying that the next stakeholder conference on maritime cooperation in the BS will be organised by Bulgaria next year.

After this contribution, **Mr CORLĂȚEAN (Chair)** expressed his satisfaction for the open and constructive ideas stated so far. The views expressed by the key note speakers have confirmed the common commitment to enhance the regional dialogue and to boost cooperation in marine and maritime affairs in the BS area. He closed the session by saying that the following debates of the stakeholders will hopefully be the starting point for future projects in the various areas proposed by the agenda of the conference. Finally, he thanked again the European Commissioner, the various delegations representing all riparian states of the BS region as well as the Secretary General of BSEC for attending the conference.

PANEL 1: Partnership in the Region to Foster Maritime Cooperation

Moderation

Prof Dr Dimitrios TRIANTAPHYLLOU

Kadir Has University Istanbul

Panelists:

Ambassador Dr Victor TVIRCUN, Secretary General of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS)

Dr Valeria ABAZA, Pollution Monitoring & Assessment Officer, Permanent Secretariat of the Commission on the Protection of the Black Sea Against Pollution (BSC)

Ambassador David KERESLIDZE, Director General of the International Centre for Black Sea Studies (ICBSS)

Ms Olivia BACIU, President of the Black Sea NGO Forum/Romanian NDGO Platform (FOND)

The moderator, **Prof Dr Dimitrios TRIANTAPHYLLOU** from the Kadir Has University in Istanbul, opened Panel 1 which, according to the speaker, is meant to be a sort of an overview policy panel. He focused on some of the concepts previously raised by the European Commission such as clusters, sustainability, stakeholders as well as the fact of giving the BS region the right of initiative. According to the moderator, these would be some of the discussion topics that are expected in this panel. Afterwards, he presented all the panelists, describing them as a varied group of stakeholders representing the major regional organisations, the think tank and the research community, as well as the NGO community.

Speaker: Ambassador Dr Victor TVIRCUN

Secretary General of the Permanent International Secretariat of BSEC

Ambassador Dr Victor TVIRCUN highlighted the very good opportunity posed by this event to exchange views and perspectives on the BS region and to increase synergies regarding different questions and fields of activity.

The speaker then turned his attention to the principle of sustainable development within the BS region aiming at ensuring the rational balance between economic growth, social responsibility and environmental protection. In this regard, he welcomed the initiative of the EC and the Minister of Foreign Affairs of Romania to organise this event.

Maritime cooperation relates to different areas. Since its inception, the BSEC has paid special attention to cooperation in transport, focusing on how to utilise effectively the inter-region capacity and the growing transit potential of the BS region. BSEC has developed several regional projects which are mutually complementary. One of them is the project

Motorways of the Sea (MoS) aiming at strengthening the maritime links among the ports of the BS member states. This action includes the upgrading of port facilities, the identification of projects of common interest, securing free and fair competition in international shipping, facilitation of access to all modes of transport and enhancement of maritime security and safety. Another issue of consideration within the working group on transport is the elaboration of a regional integrated maritime policy in the fields of maritime transport, ports, shipbuilding and ship repairing in the BSEC region.

Recently, the Russian Federation and the Ukraine made a proposal for extending the activities of BSEC to include also the development of multimodal transport. These initiatives are expected to broaden the maritime cooperation by including different modes of transport and by creating horizontal synergies.

Tourism is another important issue stipulated as a priority in the economic agenda. BSEC member states are investing their efforts in elaborating a regional tourism management programme that prioritises the efficient use of resources in the region. Ensuring sustainable tourism development by adopting green growth strategies will enable an economic growth while preserving natural and cultural heritage. Maritime and multicultural tourism cooperation is a permanent item on the agenda of the working group of cooperation in tourism.

Last year, during the International Tourism Forum in Kiev, there were many proposals to extend the cooperation in the field of tourism in the BS region. A very close contact was established between BSEC and the World Tourism Organisation (UNWTO), which are in the process of signing a Memorandum of Understanding (MoU). In fact, last December the status of partner to the BSEC was accepted for the UNWTO. Furthermore, the discussion on tourism has been put on the agenda of the next working group's meeting in Yalta at the end of February.

Climate change and environmental protection have been defined by the BSEC member states from the outset as priority fields of cooperation in the BS area. Today, they constitute key factors for a sustainable economic development of the countries in the region. In recent meetings, the working group on environment protection focused on the elaboration of a BSEC climate change adaptation strategy, which is also relevant for maritime cooperation.

Ambassador TVIRCUN highlighted that strengthening the BSEC-EU relationship is also a priority for BSEC. He observed that the dialogue between the two organisations has gained a new dynamic and stressed that BSEC endeavours to give a practical content to this cooperation. BSEC is also in the process of enhancing its capacity for implementing projects through regular sittings of the project management unit and the Secretariat. In addition, BSEC member states are trying to implement the economic agenda adopted in the summit of June 2012, but they are not doing this alone, they are also working with other observers' countries, organisations and sectoral partners. Besides, they have also started to increase the cooperation not only with institutions but also with NGOs, with academic spheres as well as with the business community.

Speaker: Dr Valeria ABAZA

Pollution Monitoring & Assessment Officer of the Permanent Secretariat of the Commission on the Protection of the Black Sea Against Pollution (BSC)

Dr Valeria ABAZA – in reaction to a respective question of the chairman – mentioned that a collaboration has been established with BSEC, particularly with its group of environmental protection. However, she observed that it is easier for BSC to collaborate with scientists since a specific platform has been set up for this purpose: there are specific conferences which are organised every 2 years. For example, last year in October, a scientific conference was organised in Constanța, Romania, on various fields of marine environmental protection of the BS.

BSC has also established cooperation with NGOs on different aspects of environmental protection of the BS. Besides, MoU have been signed with different international organisations on different aspects of environmental protection, but not only. For example, MoUs have also been signed with the General Fisheries Commission for the Mediterranean (GFCM), the International Commission for the Protection of the Danube River (ICPDR) or also the International Maritime Organization (IMO).

After this, Prof Dr TRIANTAPHYLLOU raised the topic of business groups and research clusters and, in this context, he asked Dr ABAZA how these groups could be involved into the process in order to promote the blue economy and the sustainable development in the BS region.

Dr ABAZA suggested that common projects would be beneficial, having as partners the scientific institutions on one hand and for example small enterprises or also business organisations on the other, so that a common ground for action can be found. According to the speaker, scientific research is essential for developing any kind of business in the area. However, in her opinion, environmental protection is being left aside. Being a semi-enclosed basin, the BS is a very sensitive area so if the riparian states do not act very carefully, environmental problems could arise.

At this point, **Ambassador TVIRCUN** took the floor and said that the BSEC working group on education is preparing an international conference, to be held most probably in October this year, where they will combine academic field and business. The objective of this conference titled “Professional education and economic needs in the Black Sea region” will be to connect the business community and academic and educational sphere.

After this contribution, the moderator turned to **Ambassador David KERESLIDZE**, Director General of the International Centre for Black Sea Studies (ICBSS), and described this institution as the think tank of BSEC. He highlighted that ICBSS has been trying to strengthen the research community and enhance the regional dimension as well as promoting the cooperation between EU and BSEC.

Speaker: Ambassador David KERESLIDZE

Director General of the International Centre for Black Sea Studies (ICBSS)

Ambassador **David KERESLIDZE** explained that the ICBSS is a body related to BSEC that deals with research and academic matters. It works also on maritime issues, although not exclusively, and has a wide experience in this field, including related sectors like tourism, energy, environment, etc. which are on both the BSEC and ICBSS agendas. The ICBSS' primary strategy is moving to a green BS, introducing the concepts of sustainable development, green innovation and governance. Besides, an initiative has been launched for the creation of an innovative web geographic information system (GIS) observatory network for the environment and sustainable development of the BS area. Moreover, they have been involved in several projects related also to other topics, for example with the Hellenic Development Fund, with which they have collaborated in a research project on renewable energy resources⁶. ICBSS has also finalised 2 projects in science and technology within an international cooperation network of central-Asian countries.

Ambassador KERESLIDZE underlined that maritime questions are very complex but that the ICBSS has the experience in research and innovation to contribute to the idea and to the common platform on maritime issues.

Prof Dr TRIANTAPHYLLOU (Chair) then turned to **Ms Olivia BACIU**, President of the Black Sea NGO Forum/Romanian NDGO Platform (FOND), by highlighting that this speaker represents the NGO community as she has been leading the BS NGO Forum as overarching organisation for the NGOs of the region across a variety of fields of interest. The moderator addressed the question whether the integrated approach in maritime cooperation is a topic that is discussed in the NGOs community and how this could be brought into the activities of these organisations. Besides, he also asked if the cooperation with NGOs is already taking place and how this could be enhanced.

Speaker: Ms Olivia BACIU

President of the Black Sea NGO Forum/Romanian NDGO Platform (FOND)

Ms BACIU took the floor by explaining that the Romanian NDGO Platform founded in a common effort the Black Sea NGO Forum back in 2008 in collaboration with different civil society organisations from the BS extended region, with the support of the Romanian Foreign Affairs Ministry, the Representation of the EC in Romania and the Black Sea Trust for Regional Cooperation. The forum is now in its 6th edition and constitutes a unique platform and a vehicle where different stakeholders, representatives from the government, intergovernmental organisation and the civil society have a say, can expose their views and exchange experiences.

⁶ "Green Cluster of Knowledge Institutions of the Black Sea: A Roadmap on Renewable Energy Sources and Energy Efficiency for Research and Academic Institutions"

An impact study was carried out last year reaching more than 900 persons representing organisations from the BS. One of the concrete results of the forum was the creation of the “Child Pact”, a “Regional Coalition for Child Protection in the Wider Black Sea Area”⁷ which is acknowledged by the NGO Forum. A further important result was the creation of a “Youth Network” in 9 countries, now being led by the Republic of Moldova. These initiatives show that platforms do exist and are used as meaningful vehicles for change.

Getting back to the moderator’s question on the integrated sea basin maritime policy, Ms BACIU admitted that this particular policy has not been part of the Forum’s agenda in the past 6 years, although the issue has been discussed with the stakeholders with the aim of finding solutions. As lesson learnt, the speaker concluded that there is work to do in the future in order to have the civil society better understanding what this policy means, also in terms of engaging the civil society’s networks and platforms in order to feedback and translate this policy. The speaker underlined that there is place for improvement and that the policy will be considered in the next edition of the Black Sea NGO Forum. She also stressed that there is definitely potential, being the Forum a unique platform in the region for stakeholders to discuss in a motivating and challenging environment and come up with solutions that can e.g. translate into policies.

After Ms BACIU’s speech, **Prof Dr TRIANTAPHYLLOU (Chair)** highlighted that the panellists, as regional stakeholders, have in common that the notion of ownership is present, which is in line with the EU approach. Furthermore, he underlined the element of the bottom-up approach, as opposed to the top-down approach, for example when NGOs take the lead in discussing issues and have thus an impact on policy.

The moderator then turned again to **Ambassador TVIRCUN** referring to the top-down approach that characterises BSEC and asked how BSEC can work together with the research community and the NGOs. According to Prof Dr TRIANTAPHYLLOU, this is not only a question of bringing them together but, above all, of getting them to have an influence and an impact on policies. The moderator stressed again the bottom-up approach as a crucial aspect and, considering the relevance given to BSEC in this conference, he asked whether this institution has to adapt, possibly reinvent itself, in order to respond to this need.

Ambassador TVIRCUN replied by affirming that BSEC is not an organisation that is isolated from society or non-governmental structures. For example, during the working groups and particularly during other events provided by BSEC, there is the possibility to submit initiatives and proposals. Last year, for example, at least 8 non-governmental structures came to BSEC and presented their proposals and ideas and most of them were accepted.

Besides, ICBSS has started to collaborate in the topic of child protection with the support of BSEC. Recently, when the Republic of Bulgaria, as chair in office of BSEC, adopted the calendar of events, it also presented the priorities for the present chairmanship. These included the new priorities of sports and youth, including child protection as one of the goals of these activities. The speaker stressed that the links to the NGOs are very important to BSEC. For example, this institution is trying to be attractive for the business community, e.g. by being useful to SMEs, also through the Business Council, a BSEC related non-

⁷ <http://www.childpact.org/>

governmental body that works for the improvement of the business and environment throughout the BS region.

After this contribution, **Prof Dr TRIANTAPHYLLOU** concluded the first session by saying that the spotlight is now on the region and on how to react to make this strategy successful.

PANEL 2: Blue Growth: The Integrated Maritime Policy

Speaker: Ms Monique PARIAT

Director, Mediterranean and Black Sea, DG
Maritime Affairs and Fisheries (DG MARE),
European Commission

Title: Integrated Maritime Policy (IMP) & Blue
Growth



Ms Monique PARIAT opened the session by saying that the purpose of her presentation is to explain better what is behind the Blue Growth agenda.

The Blue Growth communication adopted in September 2012 is actually an update of the Integrated Maritime Policy (IMP) strategy which had been presented some years before. It steps on the results of a study⁸ published in the same year and reflects the needs of a changing economy in line with the objectives of the EU 2020 Strategy⁹, calling for a sustainable growth and more jobs in the sectors of the maritime "blue" economy. Thus, Blue Growth is the maritime strand of the Strategy 2020. This strategy consists of 3 components:

1. **Targeted effort towards specific activities (focus areas)** identified as being the most promising sectors for growth development: Coastal tourism, aquaculture, blue energy, blue biotechnology, marine minerals mining. This does not mean that the more traditional blue sectors are neglected, but that in these areas more activities will be done.
2. **Cross-cutting tools** which are specific policy integrated measures across sectors: Maritime Spatial Planning (MSP), Marine Knowledge 2020 initiative¹⁰ and maritime surveillance.
3. **Sea-basin strategies**

Other aspects that are crucial for a sustainable growth in the blue economy are the development of the appropriate skills, the marine and maritime research and the access to finance.

Ms PARIAT continued by outlining the blue growth **focus areas** or sectors in question:

Coastal and maritime tourism: It is probably the sector that offers most opportunities and, for the time being, also the largest one in terms of people employed and GDP share. With

⁸ Blue Growth Study - Scenarios and drivers for Sustainable Growth from the Oceans, Seas and Coasts - <https://webgate.ec.europa.eu/maritimeforum/content/2946>

⁹ EUROPE 2020 – A strategy for smart, sustainable and inclusive growth. Communication from the Commission, Brussels, 3.3.2010. COM(2010) 2020 final

¹⁰ Green Paper: Marine Knowledge 2020 - from seabed mapping to ocean forecasting. COM(2012) 473 final

more than 2,36 million people employed, coastal and maritime tourism represent 1,1% of the total EU employment. About 51% of the bed capacities in hotels across Europe are concentrated in regions with a sea border, thus highly contributing to the economy of these regions.

The EC is about to adopt by mid February 2014 a Communication¹¹ targeted on the coastal and maritime tourism. The idea behind is that the strategy needs to be developed and prioritised in order to provide the EU with complementary tools to foster a smarter, more sustainable and inclusive coastal and maritime tourism in Europe. This will be achieved by identifying a series of recommendations and actions to be taken at EU level involving all stakeholders of the sector. It is a bottom-up initiative to be developed by the different communities involved in coastal and maritime tourism.

By way of clarification, Ms PARIAT explained that coastal tourism covers beach-based tourism and recreational activities as well as non-beach-related land-based tourism in the coastal area, e.g. swimming, surfing, sunbathing, etc. On the others side, maritime tourism covers tourism that is largely water-based rather than land-based but includes the operation of land-site facilities, manufacturing of equipment and services necessary for this segment, e.g. boating, yachting, cruising, nautical sports, etc.

Blue energy: This is another promising sector. A Communication¹² has been adopted in January 2014 that recognises the potential of ocean energy and outlines a plan of action that shall help the sector to develop and meet the long term needs.

The speaker clarified that blue or ocean energy refers mainly to electricity generated from wave and tidal power, but also includes other techniques such as salinity gradient or thermal energy conversion. It covers all technologies to harvest the renewable energy of the seas and oceans other than off-shore wind.

The Communication proposes to set up an Ocean Energy Forum where all players gather together around the table to join forces. It is a place where governments, industry, finance representatives and stakeholders of all kinds are able to meet and work together to discuss this strategic framework for the development of ocean energy sources, focusing on technological development, licencing arrangements, access to finance and also the environmental impact. By the end of 2016, this shall result in a strategic roadmap for the sector, setting out clear targets for the industrial development of the sector as well as a time frame for their achievement.

Marine aquaculture: This is also a very important segment for job creation in the EU, responsible for 80.000 jobs related to marine and maritime aquaculture. This sector can benefit from important financing under the European Maritime and Fisheries Fund (EMFF). For this purpose, the EC has produced strategic guidelines that are relevant for the different sea basins and, in particular, for the BS. On the basis of these guidelines, which present common priorities and general objectives at EU level, the EC and the EU MS will collaborate

¹¹ 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. Brussels, 20.2.2014. COM(2014) 86 final.

¹² 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. Brussels, 20.1.2014. COM(2014) 8 final.

to increase the sector's production and competitiveness. All MS are asked to set up multiannual plans to promote aquaculture in a sustainable way, which will provide the framework for the financial support through the EMFF. It aims at identifying a mix of measures, e.g. administrative simplification, spatial planning, market organisation, diversification, better labelling and information in order to have the market forces unlock the potential of the EU aquaculture sector.

The other targeted areas are more forward-looking and less developed areas than the previous ones. These are the so-called blue biotechnology and the sea-bed mining:

Blue technology (marine biotechnology) is a sector that is expected to grow due to the increasing demand for biotech products such as pharmaceuticals and cosmetics, food, feed and chemicals, biofuels and plastics. The current employment is relatively low, with a gross added value of about 0,8 billion euros but, being the demand for biotechnology products on the rise, the expected growth of the sector will offer high-skilled employment – especially if groundbreaking drugs can be developed from marine organisms – as well as significant down-stream opportunities.

Concerning **sea-bed mining**, a cutting-edge sector for the exploitation of marine mineral resources, a need for better understanding all its potential impacts has been identified. Between 2000 and 2010, this sector has seen an annual increase of about 15% in the price of many non-energy raw materials, mainly as a result of consumer demands in emerging economies. By 2020, 5% of the world's minerals, including cobalt, copper and zinc, could come from the ocean floors; this could rise up to 10% by 2030. The global annual turnover from marine mineral mining is expected to grow from virtually nothing up to 5 billion euros in the next 10 years and up to 10 billion euros by 2030.

DG MARE is commissioning a study and launching a public consultation on this subject. Furthermore, 2 EU funded research projects will cover this area in the next year; the results will help to develop further actions in this field. The speaker stressed that this is the preliminary phase of examining what is the real potential in this area.

Ms PARIAT continued by outlining the **cross-cutting tools** for achieving blue growth:

For **Maritime Spatial Planning / MSP**, the EC proposes a grant for the development of MSP in the BS for Bulgaria and Romania together in 2014. The call will be launched this year provided that the Work programme for 2014 is in place and adopted. More generally, the EC is also preparing a framework directive on MSP and integrated coastal management; the proposal¹³ was adopted by the EC in march 2013, is currently being discussed by the European Parliament (EP) and the Council of Ministers and it is expected to be adopted in the coming months.

Concerning the **integrated maritime surveillance** the EC is working on developing a common information sharing environment, where maritime surveillance systems could be interconnected in order to exchange data in this field and provide more timely and complete maritime awareness pictures of the seas. This is an area where the BS can be further

¹³ Proposal for a Directive of the European Parliament and of the Council establishing a framework for maritime spatial planning and integrated coastal management. Brussels, 12.3.2013. COM(2013) 133 final 2013/0074(COD)

involved, having already an important activity in terms of maritime surveillance and coastal guards' functions going on in this basin.

With regard to **marine knowledge**, the purpose is to improve the access to information about the sea and to develop a wider knowledge about it. This is based on an accumulation of data submitted on a voluntary basis on different aspects, e.g. on water quality, chemistry, biology, bathymetry, etc. These data are available free of charge on the EU platform called EMODNet¹⁴. The deliverables for the BS are an enhanced cooperation among stakeholders, primarily research institutes and academies and engineers, and the development of a basic digital map of the sea-bed of the BS by 2015 and on a high resolution by 2017.

Ms PARIAT then turned her attention to regional cooperation by observing that different initiatives have developed across Europe and even beyond Europe, involving all countries of a sea basin, and referred to the **strategies** and/or respective maritime action plans that have been elaborated for the Baltic, the Atlantic, the Adriatic and Ionian seas as well as the Arctic. In this regard, the speaker underlined that the strategies have been developed in order to ensure the most appropriate mix of measures to promote sustainable growth, taking into account local climate, oceanographic, economic, cultural and social factors. Besides, in the context of a study on the maritime clusters in the BS, a focus group meeting will be organised in Varna in close cooperation with proactive local stakeholders representing the various maritime angles with a view to developing maritime clusters.

Afterwards, Ms PARIAT presented the various funding opportunities for IMP for the programming period 2014 – 2020. Besides the EMFF, the speaker pointed also at the European Structural and Investment Funds (ESI funds) that will all contribute to the Europe 2020 Strategy for growth and jobs. The different funds, for which specific measures are targeted in the various policy areas, can be activated under partnership contracts or agreements that the EC signs with all MS. These programmes are not only targeted to EU countries, but there also funding possibilities that can be activated by non-EU countries. For example, there is the European Territorial Cooperation (ETC) which has mainly two dimensions, the cross-border and trans-national cooperation. During the past programming period, only the cross-border component was activated, however, it will be renewed during the period 2014 – 2020 so the speaker encouraged to make a better use of this fund.

On a wider scope, there is the European Neighbourhood Instrument (ENI) which provides funding for countries neighbouring the EU, in particular, in the eastern side of Europe. This instrument supports the Black Sea Cross-Border Cooperation programmes which are open to Moldova, Ukraine, Russia and Georgia. Besides, there is an environmental cooperation in the framework of the Black Sea Synergy as well. Also other areas are funded by the ENI, such as the higher education programme and the support to the civil society, which were already promoted during the 2007 – 2013 period through the European Neighbourhood and Partnership Instrument (ENPI) and will continue to be funded also in the future.

Ms PARIAT also referred to Horizon 2020, the EU Framework Programme for Research and Innovation, which, with a budget of 79 billion euros, is the largest funding programme in the world in this category. The programme is open for the rest of the world and is targeted at

¹⁴ European Marine Observation and Data Network
(http://ec.europa.eu/maritimeaffairs/policy/marine_knowledge_2020)

actions for cooperation with specific region including the BS. In fact, there is an open call for proposals, targeting the Black Sea region and amounting to EUR 1,5 million and all the Black Sea countries are strongly encouraged to apply.

Horizon 2020 will also provide support for cooperation in blue growth and marine and maritime research and innovation. Blue growth has been identified as a priority area for the period 2014 – 2015 under the focus of competitive low carbon energy, mobility for growth and waste. Thus, Horizon 2020 provides a lot of possibilities that can be activated.

Finally, the speaker reiterated that these funding possibilities are open for everyone at EU level and that the participation of all countries bordering the BS, including all active stakeholders, is desired in order to boost growth and jobs creation in the Black Sea.

PANEL 3: Promoting Cooperation on Fisheries Management as well as Sustainable Sea Food Production and Consumption

Moderation

Mr Fabrizio DONATELLA, Head of Unit, Conservation and Control in the Mediterranean and the Black Sea, DG Maritime Affairs and Fisheries (DG MARE), European Commission

Panelists

Mr Shalva AMIREJIBI, Ministry of Environment Protection, Georgia

Ms Oksana VIALOVA, Executive Director of Cluster “Products of the Sea”, Sevastopol, Ukraine

Prof Bayram ÖZTÜRK, Faculty for Fisheries, University of Istanbul, Turkey

Mr Abdellah SROUR, Executive Secretary, General Fisheries Commission for the Mediterranean (GFCM)

Mr Fabrizio DONATELLA, Head of the Unit Conservation and Control in the Mediterranean and the Black Sea of DG MARE, started the third panel by highlighting the wide variety of speakers around the table and looking forward to an interactive debate, after which he introduced every member of the panel.

Speaker: Mr Shalva AMIREJIBI

Deputy Minister of Environment Protection and Natural Resources of Georgia

Deputy Minister **Shalva AMIREJIBI** took the floor by outlining the competencies of his Ministry, which is in charge of biodiversity and fisheries matters in the BS. As part of its tasks, it issues licences for fishing and deals with scientific matters like monitoring of the biodiversity of the BS coast of Georgia or performing stock assessments. In this regard, the speaker underlined that the consensus in issues like stock assessment is very important and that Georgia seeks for cooperation with other BS countries on a scientific level, but also on a managerial and institutional level. Mr AMIREJIBI remarked that Georgia is open for all kinds of cooperation in this field, which he deems very important, but at the same time he stressed that a proper platform is needed for that purpose which is accepted by all countries of the BS. The speaker looked forward to the discussions and asked to analyse the options and choose the most effective one that is acceptable for everybody.

Speaker: Dr Oksana VIALOVA

Executive Director of the Cluster “Products of the Sea”, Sevastopol, Ukraine

Title: New approaches to a sustainable development of fishery, aquaculture and scientific researches



After this contribution, the moderator gave the floor to **Dr Oksana VIALOVA**, Executive Director of the Cluster “Products of the Sea” of Sevastopol, Ukraine, who started by saying that she represents the business environment for fisheries and aquaculture in Ukraine.

Ms VIALOVA presented some figures on the structure and size of the fisheries and aquaculture sector in the country in order to show the importance of these segments in the BS. Ukraine has never had any fishing activity in the ocean but only in internal waters and seas. In this regard, the speaker underlined on the importance of analysing how to increase the fish stocks in the BS. Furthermore, she focused on the consumption of fish and explained that there has been a decline in the consumption per capita in the last years. There might be a possible connection to the Ukrainian food security level but also to the situation of the wild stocks. Looking at the balance of imports and exports for fish and seafood, 80 to 90% of the products come from imports.


Ms VIALOVA focused on Crimea, a large peninsula in the south of Ukraine of about 1.600 km coastline, which is a quite good region for the culture of different seafood species in the coastal area. There are not only good climatic and hydrological conditions, but also good professionals and innovative technologies are available as well as good biological research institutes (e.g. the Institute of Biology of the Southern Seas NASU). Among others, technologies for seafood processing e.g. of mussels, algae, etc. and for the creation of pharmaceuticals and cosmetics are available. According to the speaker, the requirements for the development of aquaculture are thus given in Ukraine. Apart from this, there is also the possibility to train professionals who want to put in place marine farms or get involved in aquaculture.

The cluster “Products of the Sea” was created in 2010 and is formed by partners from the authorities, the business and the science sectors. The cluster is trying to unify the researches, but primarily an exchange of information is needed so that the science can put technologies into production. The industry is always seeking to improve these technologies and therefore it needs science.

The cluster “Products of the Sea” is trying to show the main directions of a sustainable and integrated development of fishery and aquaculture in the BS region. In this context, investments and financial support from the EU will be necessary in order to enhance cooperation in fisheries research and transfer of technology and innovation among BS countries. Apart from this, Ms VIALOVA outlined the various areas where the cluster is active, among others, in research for new aquaculture species, environmental security concerning farming sites and establishment of special areas for aquaculture, training,

tourism, biotechnologies and development of new technologies for the production of marine biofuels as well.

Finally, Ms VIALOVA referred to the research vessels and particularly to the ship “Professor Vodyanitskiy” acquired in 2010 for scientific purposes in the BS.

<p>Speaker: Prof Bayram ÖZTÜRK</p> <p>Faculty for Fisheries, University of Istanbul, Turkey / Head of the Turkish Marine Research Foundation</p> <p>Title: IUU Fishing and Some Proposals for the Black Sea</p>	
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Prof Bayram ÖZTÜRK focused his presentation on Illegal, Unreported and Unregulated (IUU) fishing activities. He described IUU fishing as the single major obstacle to fisheries regulation, while “illegal” means in contravention of a legal regime, “unreported” refers either to not reported or mis-reported and “unregulated” means that is performed by vessels without a nationality or flying a flag of convenience. Numerous international organisations are dealing with IUU issues, among others the Food and Agriculture Organization (FAO), the United Nations Environment Programme (UNEP) but also the United Nations Office on Drugs and Crime (UNODC), Interpol, the EU and Regional Fishery Bodies (RFBs).

In the Mediterranean, including the Black Sea, half of the stocks are depleted¹⁵, for Turkish waters 6 species are endangered and in most of the area of the BS undersized fish are caught.

A workshop on IUU issues was organised last year with the help of the BSC and GFCM with the objective of better understanding how the BS is developing in terms of IUU, ways to tackle this problem and how to put in place the concept of zero tolerance for illegal activities in the BS. Furthermore, in order to achieve sustainable fisheries, ways to regulate fisheries in the BS according to the different stakeholders, i.e. according to national, EU or other rules, but mainly GFCM, were discussed.

IUU fishing is reported for all BS countries for 15 species, starting from anchovy to baby clams, whereas turbot is the most important target fish. The speaker observed that the stocks of this species have been depleted dramatically, however, a stock enhancement project has been set up for this fish.

Prof ÖZTÜRK then turned his attention to the fishing fleet of the BS countries, focusing mainly on the Turkish vessels. Being a very competitive fleet and with a strong history, the Turkish fleet catches approximately 200.000 tonnes of fish by year, which the speaker describes as a heavy fishing pressure.

¹⁵ FAO Review of the state of world marine fishery resources. FAO Fisheries and Aquaculture Technical Paper No. 569. Rome, FAO. 2011. 334 pp. (P. Barros)

Focusing on bycatch as a result of IUU fishing – be it with active or ghost nets – the main species caught are cetaceans: harbour porpoises, bottlenose dolphins and sometimes even common dolphins. Also sharks, which are highly commercial species, constitute an important part of IUU bycatch.

The speaker referred to the efforts done so far to tackle this problem by the 6 countries of the BS, which are meeting every year and trying to cooperate in order to minimise the illegal fishing activities. However, heavy dangerous and illegal activities do unfortunately still happen in the basin. As main social reasons, Prof ÖZTÜRK cited the lack of transparency in catches and landings, high economic profits, political uncertainties and conflicts in some areas, lack of environmental consciousness, weak NGO involvement and low salaries of fishermen. Besides, there are also technical reasons as the weak implementation of the AIS (Automatic Identification Systems) regulation¹⁶, a weak Monitoring, Control and Surveillance (MCS) system, weak capacity and low number of patrol boats and unexperienced staff. Thus, also capacity building is needed to solve the problem.

Prof ÖZTÜRK presented the various key players and observed that GFCM is ranked first followed by the EU due to the fact that the latter represents less than 20% of the coastline of the BS while GFCM represents more than 45%. However, he emphasised the need for cooperation among all organisations and stakeholders in this issue. After this, the speaker proposed a road map for the mitigation of IUU fishing in the BS basin outlining various aspects to be considered. First of all, a clear and transparent information system is needed as well as standardisation for fishing gears. Besides, turbot stocks should be clearly assessed with a solid methodology.

Also sturgeon poaching, which has become common in some areas, should be stopped, so all necessary precautions should be taken for that scope. Moreover, the MCS system should be developed to reduce illegal activities.

A relevant role is played by fisheries associations and cooperatives as well, which should do more for the mitigation of and the zero tolerance against IUU activities among their own member fishermen. Besides, the current weak implementation of national rules, laws and regulations for fishing should be tackled.

The speaker also pointed at the scientific work and stressed the importance of having studies on IUU fishing as well as on the lack of records on bycatch and ghost fishing. He also underlined the need for coordination among states and particularly for concerted actions in the BS. Furthermore, an estimation of the revenues generated by IUU products together with the analysis of social and economic impacts of IUU fishing would be of high relevance.

With regard to GFCM, Prof ÖZTÜRK highlighted the importance of monitoring IUU fishing in the region and of establishing a list of vessels presumably carrying out IUU activities particularly for the BS. He also welcomed the recommendation issued on Turbot stocks for the BS¹⁷ and proposed the creation of a GFCM permanent working group for IUU fishing. The speaker also underlined the importance of outreach work, dissemination and public



¹⁶ International Convention for the Safety of Life at Sea (SOLAS), Chapter V, Regulation 19.2 - Carriage requirements for shipborne navigational systems and equipment

¹⁷ Rec. GFCM/37/2013/2 on the establishment of a set of minimum standards for bottom-set gillnet fisheries for turbot and conservation of cetaceans in the Black Sea.

awareness on IUU issues with regard to fishermen and other stakeholders and outlined the materials (posters, brochures, videos) prepared for that purpose in the various languages.

Afterwards, the speaker referred to existing regulations on IUU matters at EU¹⁸ and GFCM¹⁹ level and asked the EU, Turkey and all other stakeholders to help and promote GFCM membership, having in the BS 3 riparian states, Ukraine, Russia and Georgia, that are not members of GFCM. However, he saluted that the Russian Federation had recently become member of the Mediterranean Science Commission (CIESM).

Finally, Prof ÖZTÜRK presented the tagging programme that has been recently launched by the Turkish Marine Research Foundation (TUDAV) for bonito from the Mediterranean to the BS and described this as an important action having this shared stock been depleted to a large extent.

Speaker: Mr Abdellah SROUR	
Executive Secretary, General Fisheries Commission for the Mediterranean (GFCM)	
Title: The GFCM and the Black Sea	

Mr Abdellah SROUR, took the floor as last speaker of the panel and focused his presentation on the GFCM' activities and achievements.

GFCM was founded in 1949 according to the provisions of Article XIV of the FAO constitution and has been endowed with the competence on the Black Sea, Mediterranean Sea and connecting waters. It is formed by 24 members, three of them, Bulgaria, Romania and Turkey are BS riparian states, 19 Mediterranean countries plus Japan and the EU and has an open membership.

GFCM disposes of an autonomous budget and has also the power to adopt recommendations which are binding on members.

There have been three amendments of the GFCM agreement so far. In this regard, Mr SROUR highlighted the amendment of 1997 which allowed the Council to be transformed in a Commission and to establish a Secretariat as well as an autonomous budget. He also mentioned that, presently, a further amendment is being finalised which has the aim to modernise the organisation, to face the new generation of challenges and, in particular, to promote the sub-regional work of the organisation as well as the inter-institutional cooperation and to enhance compliance and decision making. Concerning the sub-regional

¹⁸ Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations (EEC) No 2847/93, (EC) No 1936/2001 and (EC) No 601/2004 and repealing Regulations (EC) No 1093/94 and (EC) No 1447/1999.

¹⁹ Rec. GFCM/2006/4 on the establishment of a list of vessels presumed to have carried out illegal, unreported and unregulated fishing activities in the GFCM area.

approach, GFCM has set up a specific ad-hoc working group for the BS in order to start consolidating this direction.

Afterwards, Mr SROUR presented the GFCM organigram and explained that the Commission, as supreme body, is constituted by the authorities of its 24 members who meet once a year. The Commission is steered by a Bureau, while the Secretariat aims at managing the activities and the policy of the organisation. The functioning of GFCM is organised in order to face the multidisciplinary of work. In this sense, four technical committees have been established:

The Scientific Advisory Committee (SAC) works mainly on fisheries issues and has the purpose of producing technical elements and advice for fisheries management. Furthermore, SAC is organised in thematic sub-groups dealing with stock assessment, statistics and information, economics and social sciences and marine environment and ecosystems. The Committee on Aquaculture (CAQ) is formed by thematic sub-groups as well which cover the areas of marketing, sustainability, site selection and carrying capacity and information systems (in form of a database). Besides, there are also two transversal working groups: One is the *Ad hoc* Working Group on the Black Sea (WGBS) which was established 2 years ago and constitutes a bridge between SAC and CAQ, being in charge of the activities carried out in the BS. The other is the GFCM/ICCAT Working Group on Large Pelagic Species in the Mediterranean. Apart from this, there is the Compliance Committee (CoC), in charge of the enforcement and implementation of rules and recommendations, as well as the Committee on Administration and Finance (CAF).

Mr SROUR highlighted the active cooperation existing with the FAO Regional Projects as well as with other international organisations like the BSC, Eurofish, Accobams²⁰ or UnepMAP²¹ with regard to the Barcelona Convention.

GFCM shares the overarching goals of FAO with regard to food security and poverty alleviation. Within this frame, the Commission promotes scientific research on fisheries, ecosystems, habitats and aquaculture, supports management and decision making through the collection and maintenance of data and underpins MCS efforts to fight against IUU activities. Moreover, it offers a common platform for institutions, stakeholders and the civil society and is also responsible for adopting recommendation with regard to management plans, control of fishing effort and capacity and reduction of bycatch among others. In this context the speaker highlighted the management plan that is being prepared for turbot in the BS following the recommendation²² issued last year. The speaker also referred to the various meetings that are being organised on stock assessment in the BS in addition to those held the WGBS and remarked that these meetings are open to members and non-members as well as for all concerned experts.

Finally, focusing on cooperation in fisheries and aquaculture in the BS, Mr SROUR observed that there is a fragmented legal framework in the six riparian states and suggested that a more consolidated institutional cooperation would be needed. He also noted that the situation

²⁰ Agreement on the Conservation of Cetaceans in the Black Sea Mediterranean Sea and Contiguous Atlantic Area

²¹ United Nations Environment Programme – Mediterranean Action Plan for the Barcelona Convention

²² Rec. GFCM/37/2013/2 on the establishment of a set of minimum standards for bottom-set gillnet fisheries for turbot and conservation of cetaceans in the Black Sea.

in the BS is complicated since the 1990s due to a habitat deterioration, the overexploitation of stocks and also illegal activities. In this sense, the BS Synergy constitutes an opportunity to revert this trend.

By way of conclusion, the moderator, **Mr DONATELLA**, took the floor and emphasised the need for integration of the different activities and initiatives that are taking place at national, regional and sub-regional level. In this respect, he highlighted the importance of finding the correct platform in order to be able to enhance cooperation. He also referred to aquaculture as well as to IUU fishing, which should be further taken into consideration, and underlined that this event is the cornerstone of the next actions to be taken in the BS. Besides, the moderator mentioned also GFCM as a tool and a platform for this strategy and brought up the question whether there are also other platforms that could be used.

Finally, Mr DONATELLA closed the panel by saying that this had been only the start of the discussions and looked forward to go more into details and practical elements for cooperation in a next step.

PANEL 4: Preserving the Marine Environment of the Black Sea

Moderation

Ms Carmen FALKENBERG-AMBROSIO, Head of Section, Regional Programmes Neighbourhood East, DG Development and Cooperation – EuropeAid, European Commission

Ms FALKENBERG-AMBROSIO welcomed back the participants and introduced the panalists

Panelists

Prof Marusya LUYBCHEVA, S&D, Member of the European Parliament, Bulgaria

Mr Nicola DI PIETRANTONIO, Project Manager, Regional Programmes Neighbourhood East Mediterranean and Black Sea, DG Development and Cooperation - EuropeAid, European Commission

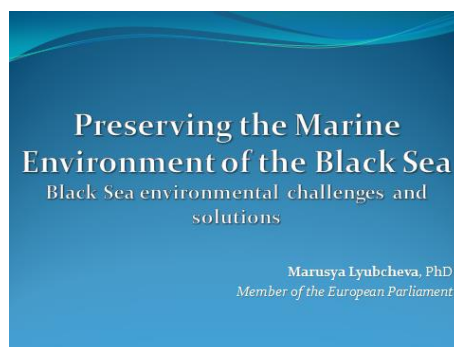
Mr Andrzej JANUSZEWSKI, Desk Officer for Ukraine and Central Asia, International, Regional & Bilateral Relations, DG Environment, European Commission

Mr Gheorghe CONSTANTIN, Ministry of the Environment, Department of Water, Forests und Fishery, Romania, and Black Sea Commission Country Representative

Speaker: Prof Marusya LUYBCHEVA

S&D, Member of the European Parliament,
Bulgaria

Title: Preserving the Marine Environment of the Black Sea. Black Sea environmental challenges and solutions



Prof Marusya LUYBCHEVA started by pointing out that, on policy making level, today there is a variety of diverse activities that cause a variety of interlinked problems in different areas. These different areas are not enough integrated with a unified framework for environmental interventions. That needs to be changed.

Environmental interventions should be based on identifying needs and problems, and on identifying capacities and development potentials of the whole BS region.

Environmental policy making for the BS is diversified between national measures and international convention, measures on regional level and civil society activities, with different priorities. At present, these measures lack a common strategic approach.

As a result, we have a huge number of project which are dealing with problems of the BS environment (this is the good news), but which are uncoordinated, partial, non-systematic and split up by regions.

Nevertheless, as Prof LUYBCHEVA pointed out, there are good projects with very good results, e.g. those dealing with monitoring. Monitoring is very important, as it allows to identify the problems, the reasons behind them and the stakeholders which can be involved in solving the problems.

Environmental projects should be based on the prioritisation of targets and should be implemented under the framework of cohesion, integration, coordination and unification of efforts. Therefore, supporting preparatory actions of the EU Commission and using EU's experience is of high importance. Projects for the greening of the BS should be initiated and environmental targets for the period until 2020 should be developed.

Prof LUYBCHEVA also emphasised the need for establishing a BS risk assessment centre as a concrete project.

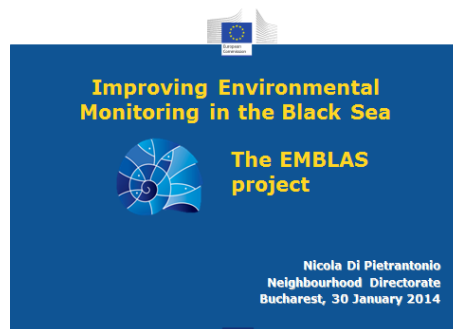
She closed by stating that all expect good results for the BS region, for the environment and for the economy. But if one wants to make use of the programmes of the EU and create blue growth, one has to think about the green industry and about the coordination, integration and involvement of all BS countries in all programmes.

Ms Carmen FALKENBERG-AMBROSIO (Chair) thanked Prof LUYBCHEVA for the overview. She mentioned that the BS is one of the most vulnerable regional seas of the world. Nutrient enrichment, pollution, loss of biodiversity, and coastal degradation have been identified as the major issues affecting the environmental state of the BS. All these problems are interlinked, and one reason is poorly coordinated coastal development.

Speaker: Mr Nicola DI PIETRANTONIO

Project Manager, Regional Programmes
Neighbourhood East Mediterranean and
Black Sea, DG Development and
Cooperation - EuropeAid, European
Commission

Title: Improving Environmental Monitoring in the
Black Sea: The EMBLAS project



Mr Nicola DI PIETRANTONIO started by pointing at the institutional weaknesses which limit the efficiency and efficacy of monitoring pollution in the BS. As a result of such weaknesses, recent attempts to develop national programmes of water monitoring along the lines of Water Framework Directive (WFD), Marine Strategy Framework Directive (MSFD) or Integrated Water Resources Management (IWRM) requirements have not been achieving the expected results.

Particular problems in this context are:

- a limited use of the data which are collected through marine monitoring for policy making, which are related to a limited link between research and policy making
- a lack of full coordination between countries
- national legislations sometimes lack provisions on contents and implementing of monitoring, including a definition of responsibilities
- quality assurance and quality control requirements are often not fully defined
- a poor quality of monitoring data
- a lack of harmonised terminology
- the biological component (besides the physical and the chemical components), i.e. the assessment of living resources, is sometimes neglected in monitoring programmes. One reason is the costs of such operations: monitoring vessels etc. are expensive.
- monitoring of the open seas is often neglected as compared to coastal waters.

These are the reasons for the existence of the project EMBLAS (Improving Environmental Monitoring in the Black Sea).

Overall Objective of the project is to set up initiatives that will help to improve the protection of the Black Sea environment. The project focuses on the two specific objectives:

- to improve partner countries' ability to perform marine environmental monitoring along the MSFD principles
- to improve availability and quality of data.

Basic facts:

- Two phases: a preparatory phase (2013-14) + large scale project (2014-2017)
- Budget: EUR 3.7 million (EU contribution = EUR 3.1 million)
- Beneficiary countries: Georgia, Russian Federation, Ukraine
- Implementing partners: UNDP-led consortium with 14 organisations
- Partnership approach with all relevant stakeholders.

Expected outcomes are:

1. Increased capacities of the relevant national authorities to carry out marine environmental monitoring in the Black Sea along MSFD principles
2. Quality assurance and control procedures in laboratories systematically implemented
3. BS Water Quality Database (BSIS) further developed and data products in support of informed decision-making in Black Sea environmental protection provided
4. Public awareness about the need of high quality marine environmental data increased.

During the present preparatory phase, there are two core activities:

1. reviewing what is in the countries
2. assessment of needs of laboratories (equipment, procedures, training, etc.)

Planned activities for the rest of the project time until 2017 are:

- Development and implementation of cost-effective and harmonised programmes for marine environmental monitoring in accordance with reporting obligations under multilateral environmental agreements and MSFD
- Elaboration and implementation of training programmes
- Preparation of a methodology and implementation of joint field surveys (with staff from the three countries on one vessel, jointly applying methodologies and standards)
- Develop and operate the web-based Black Sea Water Quality Database
- Dissemination of knowledge and best practices, public awareness and visibility of the project.

Speaker: Mr Andrzej JANUSZEWSKI

Desk Officer for Ukraine and Central Asia,
International, Regional & Bilateral
Relations, DG Environment, European
Commission

**Title: Marine Strategy Framework Directive
Guiding Improvements in the Black Sea
Integrated Monitoring System (MISIS)**



Mr Andrzej JANUSZEWSKI introduced a complementary project, but with different participating countries, called **Marine Strategy Framework Directive Guiding Improvements in the Black Sea Integrated Monitoring System (MISIS)**.

Participating countries in MISIS are Romania, Bulgaria and Turkey, so that EMBLAS and MISIS together cover the whole Black Sea. Both projects are collaborating.

The project is coordinated by the National Institute for Marine Research and Development "Grigore Antipa", Constanța, Romania and involves various institutions from the participating countries. It started in March 2012 with a two year phase (plus 4 month extension).

Overall goal is to support efforts to protect and restore the environmental quality and sustainability of the Black Sea. Specific objectives are:

- To improve availability and quality of chemical and biological data to provide for integrated assessments of the Black Sea state of environment, including pressures and impacts (in line with Annex I and III of the MSFD) ;
- To increase number and size of protected areas in the Black Sea as well as to increase their degree of protection;
- To enhance stakeholders participation and public awareness on environmental issues.

Achievements of MISIS to date include:

- a number of reports, in particular, a “Black Sea Diagnostic Report II (RO, BG, TR)” on the national monitoring programmes of the participating countries, including gap and needs analysis.
- draft revised national and regional monitoring programmes;
- various technical reports, including a draft report on the state of BS transitional, coastal and marine waters taking into account MSFD requirements, an inventory of national databases, and a report on marine protected areas.

Details can be found on the website <http://www.misisproject.eu>.

Ms Carmen FALKENBERG-AMBROSIO (Chair) invites the participants to reflect the following three questions, with a view to the two projects just presented and beyond:

1. How would you ensure sustainability of monitoring that has been created and set up?
2. How do you think stakeholders can be involved in the future monitoring activities?
3. What about equitable access to data and involvement of NGOs, citizens, fishermen etc.? How can the data be used to improve the economy of the BS region as a whole?

Speaker: Mr Gheorghe CONSTANTIN

Ministry of the Environment, Department of Water, Forests und Fishery, Romania, and Black Sea Commission Country Representative

Mr Gheorghe CONSTANTIN started his contribution by stating that when debating blue growth, environment should be number one, as without protecting the environment, we will not have fishing or tourism. All activities should take care of the environment.

The speaker pointed out that from the institutional perspective, the fact that they have a convention on the protection of the BS and a commission is very positive, but that poor staffing of the Commission’s secretariat is a problem.

With reference to a statement of Commissioner Damanaki in the morning session, he emphasised that Romania supports an amendment of the BS Convention in order to allow the EU to become a member. He thinks that the involvement of the EU and the support of the EU will increase as a consequence of formal membership. Discussions on a respective amendment of the convention are in process.

The Romanian side wants to promote a Black Sea survey. The country considers it important to have such an initiative on the BS, in the form of a joint expedition, to have a snapshot in particular on the living resources.

For the EU member states, it is important to implement the MSFD in the BS. Together with their partners in the BS Commission, they try to have a common background and common objectives for the protection of the marine environment.

Mr Constantin mentioned problems such as overfishing and invasive species and called for measures against these problems. He also recalled the fact that the BS is affected from land-based sources, which result in a need to improve regional cooperation, including the hinterland countries.

The BS Commission has prepared a legally binding document on fishery, which unfortunately is not yet implemented. In this context, Mr Constantine emphasised the importance of cooperation between the BS Commission and GFCM. GFCM in his view should have a role in implementing MSFD in the BS.

In conclusion, Mr Constantine emphasised the beneficial role of the EU in the region and Romania's support for the development of the maritime policy.

Referring to the questions asked by the Chairperson, he explained:

- Sustainability: after the MISIS project will be finalised, they will continue the activity with national resources. However, for the MSFD methodology, they need sufficient capacity
- Concerning stakeholders, these are involved in some parts of monitoring.
- Romania intends to elaborate a framework for the access to the data generated. As these are public data, they should be available to all interested stakeholders.

Question and Answer session:

Ms Carmen FALKENBERG-AMBROSIO (Chair) pointed out that EU supports BS countries, but that these countries are in the “driver’s seat” and must act themselves. Only this ensures sustainability. Against this background, she invited comments from the participants to her three guiding questions.

Mr Abdellah SROUR, Executive Secretary, General Fisheries Commission for the Mediterranean (GFCM) confirmed that GFCM has an active cooperation with the BSC.

With regard to things that should be done, he mentioned an example from the aquaculture sector. GFCM has just finalised the process of establishing a multi-stakeholder platform, to interact and exchange views about the most relevant issues, such as 1) legal aspect, 2) aspects of marketing, 3) technologies and innovation in aquaculture and 4) aspects related to the environment and traceability.

Another participant referred to the issue of alien species. He endorsed the enforcement of the ballast water convention, but felt that this could not be the only solution, in view of the fact that there are already species from the Red Sea in the BS. He warned that we should be careful with the intentional introduction of foreign species for aquaculture, such as the pacific oyster (*Crassostrea gigas*). For a sustainable development of aquaculture, we should rather take native species into consideration.

Dr Adrian STANICA, Scientific Director of Romanian Institute for Marine Geology and Geocology (GeoEcoMar) stressed three things in the context of conservation and monitoring of the BS environment:

- In order to preserve something, we need to know what is here; but we are still lacking a lot of knowledge about the BS.
- Water quality and biota are absolutely important issues, but we also have to look at oceanography, dynamics of sediments etc.
- A few months ago, an early warning system for the coasts of Romania and Bulgaria became operational. This was a European initiative, created by a cross-border project funded by the EU Commission via structural funds. The system is looking in real time at the coastal security, which is also a very important issue. It is important to integrate such systems into and make them compatible with larger European systems.
- Such efforts have been started already, but should be enlarged to cover the whole BS.

Dr Oksana VIALOVA, Executive Director of Cluster “Products of the Sea”, Sevastopol, Ukraine, pointed out that they have a research vessel and a history of investigation and monitoring. She invited Ukrainian scientists to take part in such activities and mentioned that they have data from monitoring, which can be made available to other users.

Concerning aquaculture, she explained that some marine fish farmers introduced new species. Being the BS one sea for all six riparian countries, common solutions should be found for marine and freshwater aquaculture. She also mentioned that some alien species, e.g. mussel species, may be used for farming.

Mr Nicola DI PIETRANTONIO offered to share with Dr Vialova the list of Ukrainian institutions that are involved in monitoring and the EMBLAS project, in order to establish contacts.

He welcomed the willingness of her institution to share data and explained that fragmentation of data and information is a real problem. Many institutions around the BS have data on their computers, but do not share them.

It is difficult today to go with a research vessel to different national waters. It could be easier to undertake separate monitoring in territorial waters, but in order to do so, we need to speak a common language in monitoring, which means compatible methodologies. If not common standards, we at least need common principles, which should be integrated in national legislation. But legislation is outside of the scope of his project.

In many countries, monitoring is not carried out on a regular basis. To make it more sustainable, adequate financing is needed. At the moment, the state has the monopoly for monitoring, maybe private capital can be brought on board to increase the sustainability of monitoring.

Prof Marusya LUYBCHEVA emphasised that it is very important to bring together all BS countries in monitoring. There are six littoral countries and ten countries in the wider BS region. Regardless where a problem appears, it has impacts on the whole BS and all BS countries.

She knows from a project on environmental monitoring in the BS how difficult it was to prepare common methods and to agree them between all countries. But this is needed, because the BS is a very sensitive sea. As a consequence, it is also very important to have a common **centre for the assessment of risks**.

Dr Oksana VIALOVA raised the issue of the Sea of Azov. She explained that there are the same problems, that the area is huge and suffers from significant pollution. She advocated to keep also this area in mind.

Ms Carmen FALKENBERG-AMBROSIO (Chair) in conclusion of the session mentioned three main issues:

- There is a call for coordination of all the various efforts at various levels
- We would need a common methodology to look at monitoring, both in the sense of what exists now and where we would like to go
- Data-sharing and how it could be consistent and coherent with all the various things that are happening at various levels.

She concluded by saying that this was a first discussion only and that she is sure there will be more in the future.

PANEL 5: Fostering the Black Sea Economy through Cross-border Projects and Maritime Clusters

Moderation

Ms Beate GMINDER, Head of Unit, Maritime Policy in Mediterranean and Black Sea, DG Maritime Affairs and Fisheries (DG MARE), European Commission

Panelists

Mr Liviu OBOROC, Deputy Minister at the Ministry of Regional Development and Constructions of the Republic of Moldova and focal point for the Danube Strategy

Ms Iulia HERTZOG, Director of the Managing Authority of the ENPI CBC Black Sea in the Ministry of Regional Development and Public Administration, Romania

Mr Vsevolod CHENTSOV, Director, Directorate General for the European Union, Ministry of Foreign Affairs of Ukraine

Mr David JAVAKHADZE, Acting Deputy Head of the Transport Policy Department, Ministry of Economy and Sustainable Development of Georgia

Ms Tanya DIMITROVA, Policy officer, EU Neighbourhood, Middle East, Black Sea region, DG Research and Innovation, European Commission

Mr Marciel BUSTINDUY NAVAS, Sustainable Transport Specialist, European Bank for Reconstruction and Development (EBRD)

Mr Damien PÉRISSÉ, Conference of Peripheral Maritime Regions of Europe (CPMR), Belgium

Mr Nicholas EMIRZAS, BSEC PERMIS Turkey

Ms Beate GMINDER (Chair), Head of the Unit Maritime Policy in Mediterranean and Black Sea of DG MARE, European Commission, opened the last panel by pointing out that the session would be about putting in practice the theme of blue growth and about coming up with ideas on how to cooperate on blue economy in the BS region. In this regard, Ms Gminder asked the panelists to present concrete projects on how to cooperate and create networks, as well as to focus on how their organisations are contributing to the blue economy. She also invited to discuss what aspects could be improved but also what projects and initiatives are working well and could be used as an example for cooperation in other sectors. Besides, she posed the question how EU institutions, e.g. through the Integrated Maritime Policy (IMP), as well as national and regional administrations can support the efforts of stakeholders.

Speaker: Mr Liviu OBOROC

Deputy Minister at the Ministry of Regional Development and Constructions of the Republic of Moldova and focal point for the EU Strategy for the Danube Region

Deputy Minister **Liviu OBOROC** remarked that, through this event, the necessary framework is given to share opinions and to create synergies and partnerships in the region. Mr OBOROC highlighted importance of the region and its potential in terms of natural and also energy resources.

The transport cooperation programmes were among the first European programmes for which the Republic of Moldova was recipient for EU financing. Also the Black Sea Basin Joint Operational Programme 2007–2013 has constituted a good framework for creating mutual confidence between participating countries, contributing to the development of cooperation and preparing the road for the viable commitment to ambitious projects to align European standards. The promotion of projects of common interest for participating countries is intended to strengthen the identity of the region of the BS.

In the future programming period, Moldova will continue to be committed, also in the light of the achievements made during the previous period. Moldova in fact ranked third, after Romania and Bulgaria, in terms of assimilation of funds. The programme has also substantially motivated a dynamic cooperation within the regions and, in the past years, Moldova has been an active participant in the regional cooperation processes in Central and Southeast Europe as well as in the BS region, e.g. through the Eastern Partnership.

Mr OBOROC emphasised that regional cooperation is a priority in Moldova's foreign policy and the country's active involvement in these processes is directed towards achieving the general goal of integration in the EU. The projects and results already achieved show the political will of Moldova to move onto a new stage of cooperation. The involvement of European institutions and mechanisms is of major importance and constitutes a crucial opportunity for making out of the BS area a region of democracy, stability and prosperity.

After this, **Ms GMINDER (Chair)** thanked the speaker for this good overview and asked him whether he could cite any concrete experience from the Danube Strategy. Mr OBOROC replied that the Danube Strategy is a useful platform for the participating countries of the region. At a macro-regional level, the strategy follows the same objectives, thus economic growth, environmental protection, improved education, security, etc. The speaker highlighted that defining priorities where to take action and how to get more benefits from the regional cooperation are among the most important aspects of the strategy.

Speaker: Ms Iulia HERTZOG

Director of the Managing Authority of the
ENPI CBC Black Sea in the Ministry of
Regional Development and Public
Administration, Romania

Title: Cross-border cooperation in the Black Sea
Basin



Ms Iulia HERTZOG described the cross-border cooperation (CBC) initiative as a pilot programme that is being financed by the EC through the European Neighbourhood & Partnership Instrument (ENPI). During the period 2007–2013, the programme was integrated by 8 participating countries: 3 EU member states (MS) (Bulgaria, Greece and Romania), 4 partner countries (Armenia, Georgia, Moldova and Ukraine) and 1 candidate country (Turkey). Moreover, the Russian Federation and Azerbaijan are eligible to participate in the programme with own funds. The overall objective is to contribute to “a stronger and sustainable economic and social development of the regions of the Black Sea Basin”²³ and the total budget provided was 35 million Euros, out of which 28 million came from the ENPI fund and 7 million Euros from the Instrument for Pre-Accession Assistance (IPA) for Turkey. The speaker described as a step forward the fact that in the next programming period there will be only one single budget which, from the point of view of the beneficiaries, will be easier to manage.

Two calls for proposals have been issued so far within the framework of the programme, for which 368 proposals were submitted requesting more than 180 million Euros. Out of these proposals, 62 projects were finally contracted with a total value of more than 33 million Euros.

The programme is divided into 3 priorities. Under priority 1, which has the objective of supporting the economic and social development of the cross-border partnership, 26 projects have been performed. The activities covered by these projects include among others the promotion of traditional agricultural products from the BS, the development of cooperation networks for the promotion of information and communication technologies, the support of transit transportation infrastructures or the creation of networks for the promotion of innovative urban and rural planning as well as for capacity building among administrations.

Under priority 2, which is dedicated to the environmental protection and conservation, 24 projects have been selected. These aim at establishing networks for the development of methodologies and capabilities to respond to oil spills as well as of contingency plans, implementing scientific studies in the fields of monitoring, control and protection of the maritime system and of the rivers, creating databases for natural protected areas of the BS basin or establishing partnerships for innovation in waste management, among others.

Ms HERTZOG paid particular attention to priority 3, related to cultural networking and educational exchange, under which 12 projects have been selected. The activities covered

²³ <http://www.blacksea-cbc.net/>

by them rank from the promotion of cultural heritage values and the establishment of networks of cultural institutions or centres to the promotion of students' exchange, the creation of partnerships among universities, high schools and research centres and others.

Looking at the future, the speaker observed that the geographical coverage of the new European Neighbourhood Instrument – Cross-Border Cooperation (ENI CBC) Black Sea Basin Programme will be identical with the previous one. According to the Draft CBC Strategy, the strategic development will be aligned with the 3 objectives of promoting economic and social development in the regions, addressing common challenges in the areas of environment, public health and safety and security and supporting better conditions for ensuring the mobility of persons, goods and capital.

Concerning the ongoing discussions on the new strategy and its thematic objectives (TO), Ms HERTZOG noted that proposals have been made on the promotion of the social inclusion and the fight against poverty, on environmental protection and climate change adaptation and on the accessibility to the regions and development of transport and communication networks. These objectives are currently under public consultation.

The speaker also mentioned that Romania has prepared the Partnership Agreement based on which the country can apply for the funds of the EU. According to this, the development of the maritime potential, marine knowledge, the protection of the marine environment, maritime spatial planning and integrated maritime surveillance may also be addressed for joint actions.

In line with the Regulation²⁴, only 4 thematic objectives are to be selected so, according to the speaker, it is important to have a very good strategy and to correlate well with the other programmes in order to avoid overlapping and to ensure the coherence with other initiatives. Besides the proposed TO, also possible alternative TOs have been defined such as business and SME development, education, research, technology and innovation, local culture and historical heritage, support to local & regional good governance and common challenges in safety and security.

The programme's budget is not known yet, but having Romania proposed that the European Regional Development Fund (ERDF) is transferred to the external cooperation programmes (IPA/ENI), a provisional budget is anticipated for the beginning of 2014. For the next period, the programme is expected to be more efficient and with a major focus on objectives and indicators in order to maximise the impact in the region and to obtain concrete results.

From the beneficiaries, more relevant and result-oriented proposals are needed as well as high quality actions. To have a clear objective and an added value as well as visible and realistic results are very important aspects too, since the resources are very small and the budget is not expected to increase. Also a strong partnership among beneficiaries is of high relevance, thus to have a committed and effective team of partners eager to achieve the objectives and with operational and technical capacity. Moreover, an accurate planning of the activities as well as an effective management and a good communication are essential.

²⁴ Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal. Brussels, 6.10.2011. COM(2011) 611 final

Ms HERTZOG continued by describing the actions completed until now, which are, among others, the setting up of a Joint Programming Committee (JPC), the appointment of the Managing Authority and Audit Authority, the drafting of the socio-economic analysis and SWOT as well as the launch of the stakeholders consultations. Next steps include further public consultations, the submission of the Joint Operational Programme (JOP) to the EC until the end of 2014 and finally, after the negotiations and approval of the JOP, the signature of the Financing Agreement.

Speaker: Mr Vsevolod CHENTSOV

Director of the Directorate-General for the European Union in the Ministry of Foreign Affairs of Ukraine.

After this presentation, Ms Gminder gave the floor to **Mr Vsevolod CHENTSOV**, who started his speech by referring to the Cross-Border Cooperation (CBC) programmes and the gradual creation of a broader free trade and economic zone. Concerning the Eastern Partnership countries, three of them just finalised their draft association agreements. Besides, also the Russian Federation is gearing up for a new deal with the EU with an ambitious part on trade, in view of achieving a free trade zone in the future.

This new environment creates also new opportunities for cross-border cooperation, while previously, due to political differences among states, it was not possible to push forward common projects. The speaker expressed the hope that now those difficulties will be overcome and that, gradually, the tariff and non-tariff barriers in the region will be reduced in order to facilitate trade and transportation links and improve the cultural and social context. Thus, now that better conditions for cross-border and regional cooperation are given, there is the necessity to capitalise on them.

With regard to the previous CBC programmes, Mr Chentsov observed that there is the need to achieve better synergies between the national programmes and the bilateral, trilateral and Cross-Border Cooperation programmes in order to avoid duplications and better use the available resources. He also mentioned that Ukraine, being a large country with about 40% of the BS shoreline, would also be able to absorb a higher percentage of the budget available, so he expressed the hope that the threshold would be gradually adjusted. However, the main point still resides in the quality of the projects proposed.

Mr Chentsov continued by saying that, for the time being, the financial resources allocated are very limited, so there is the necessity to utilise them in a more efficient way. Nevertheless, this can also be regarded as an argument for the EC to extend the budget at a later stage.

He also highlighted the importance of having a common project among all 6 BS countries, for example in the area of transport, building on already existing capacities in order to develop inter-modal transportation by using short-sea ferry lines and train connections among the ports of the region. Moreover, a significant action would be to facilitate the trade of goods within the region and also at a broader scale, e.g. to the Caspian region, to China or up to northern Europe and the Baltics. In this regard, Mr Chentsov stressed the importance of tackling the bottlenecks that exist at the BS region's borders and of paying attention to new

technologies and advanced information exchange systems. He concluded by suggesting to focus more on multi-lateral projects while using the experience previously gained through bi-lateral actions.

After this contribution, **Ms GMINDER** took the floor and confirmed that, to her knowledge, there is no project yet where all countries of the region (6+1) are collaborating together, so she welcomed the last comment of Mr Chentsov as a very good proposal.

Speaker: Mr David JAVAKHADZE

Acting Deputy Head of the Transport Policy Department, Ministry of Economy and Sustainable Development of Georgia

Mr JAVAKHADZE presented some recent developments in the transport sector of Georgia as well as some planned activities which shall contribute to the development of the blue economy in the BS region and of maritime clusters.

An important project for the development of port infrastructure in Georgia is the construction of a new deep-sea port in Anaklia. This port is of high importance for the development of the transit potential and is expected to result in a significant increase of cargo turnover on the territory of Georgia. Moreover, the construction of the port improves the connectivity of Georgian ports with other BS ports. There are four strategic advantages of this port:

1. a suitable location
2. suitability for big vessels like panmax-type of vessels
3. one-stop solution with simple and fast procedures
4. all-year-round safe navigation.

In order to ensure safe and secure navigation and the protection of the environment, the Government of Georgia shall strive to ensure that the project is implemented in accordance with the best European practices and in compliance with the obligations of Georgia under the recently initialled association agreement.

Another important priority is the development of other BS ports. In October 2013, a MoU between the relevant Ministries of Romania and Georgia has been signed regarding the establishment of a ferry connection between the ports of Constanța (Romania) and Poti and Batumi (Georgia). Currently there are talks concerning potential private operators of the ferry line.

Particular attention is paid to environmental aspects and security and safety issues. The accession agreement envisages obligations for Georgia to implement 23 maritime transport-related EU directives and regulations. The harmonisation of Georgian legislation with EU standards shall facilitate the development of the blue economy. Georgia very much appreciates EU technical assistance in this context.

Lastly, Mr JAVAKHADZE expressed his agreement with previous speakers, who highlighted the importance of cross-border cooperation, and emphasised that this cooperation should be focused on the elimination of barriers to international trade, on enhanced safety and security and on approximation of national legislations to EU standards. Projects should be focused on all these issues because these are vital for the achievement of the competitiveness of the BS transport corridor that connects Europe to Asia. In this context, agreements like the one on Deep and Comprehensive Free Trade Area (DCFTA) recently initialled between the EU and Georgia are very important. Hence, in his view, cross-border cooperation (CBC) projects shall be focused on the effective implementation of the principles of the association agreement and DCFTA by the relevant stakeholders.

Ms Beate GMINDER (Chair) summarised that a lot is already being done in transport and transport cooperation, but that still more can be done and this should be more multi-lateral.

Speaker: Ms Tanya DIMITROVA

Policy officer, EU Neighbourhood, Middle East, Black Sea region, DG Research and Innovation, European Commission

Title: Research and Innovation in Support of Blue Growth and Blue Economy in the Black Sea



Ms DIMITROVA started by emphasising that research and innovation are of paramount importance for the development of the blue economy and for blue growth. They are essential parts of the five focus areas of the blue growth communication presented in this conference. Research and innovation are important for:

- the development of blue energy, because we have to develop green technologies to make use of the tidal energy etc.
- the development of aquaculture, e.g. the farming of new species or to go further offshore
- the exploration of mineral resources on the bottom of the BS (which is relatively unexplored)
- coastal tourism, where innovation can play an important role.
- bio-technology as a fast developing sector, with big interests of the public and private sector, which is largely based on research and development.

Research and innovation, hence, are important for the social and economic development of the BS area. They require substantial investments on the part of all stakeholders, public and private sector.

Research and innovation are also in the core of the Europe 2020 strategy. There is a programme to support the efforts for increased smart, sustainable and inclusive growth in Europe called “Horizon 2020”. This is the follow-up of the research framework programmes

(FP7). The novelty about Horizon 2020 is that innovation has been explicitly put as a very important part of the programme; research results should reach society. The programme has an overall budget of 79 million Euro for its whole period 2014 to 2020 and will be organised in bi-annual work programmes and specific calls.

According to Ms DIMITROVA, Horizon 2020 is the most open programme in the world and open to almost all sectors and all international partners. It is based on a multi-actor approach and aims to stimulate multi-disciplinary cooperation and private-public partnership. Clusters fit very well into this approach. Ms DIMITROVA therefore encouraged cluster initiatives around the BS to explore the possibilities of Horizon 2020.

Horizon 2020 is organised around major societal challenges and has targeted actions for cooperation with specific areas, including the BS. Among the societal challenges, which are the thematic areas, there is energy, agriculture, marine research etc. Another component is industrial leadership, which aims at boosting small and medium sized enterprises (SMEs). Excellent sciences is a further element.

To the participants of the conference – all the stakeholders, as the calls address public authorities, civil society, industry and research institutes, preferably in consortia that contain each of these elements – the following issues could be of concrete interest:

- There is an open call currently under blue growth focusing on unlocking the potentials of the oceans, sustainably exploiting the diversity of marine life, new offshore challenges, ocean observation technologies etc., all together about a dozen of different topics. Details can be found on the website of Horizon 2020.
- Concerning industrial leadership, there is an open call on biotechnology.
- There is a targeted Black Sea call²⁵ (about 1.5 million Euro) that aims to encourage the formation of a regional network that would include all BS states, including the surrounding countries. The call aims at enhancing the research and innovation cooperation, academia-business partnerships and at identifying bottlenecks and solutions in cooperation between European partners and partners from the BS region.

Besides providing funding for individual projects, the research programmes usually help the participants to find long-lasting cooperation partnerships and to create fora for cooperation.

All BS countries can participate in the programme, but different BS countries have a different status:

- Bulgaria and Romania as EU members can participate without any restriction
- the same applies to Moldova and Turkey (both under negotiation for association to the programme)
- Georgia, Ukraine: (Eastern Partnership Countries; according to the slide, their entities are eligible for automatic funding from the Programme)
- Russia: (industrialised country; Russian entities presently can apply for funding domestically, there are several funds in Russia that could support the participation and Ms DIMITROVA expressed here hope that this will be the case in the future as well).

²⁵ http://ec.europa.eu/information_society/newsroom/cf/mare/itemdetail.cfm?item_id=14534

Concluding her presentation, Ms DIMITROVA emphasised one more time that the programme offers excellent opportunities for the region.

Ms Beate GMINDER (Chair) summarised that this was a very clear call “here we have money, please apply for it”.

Speaker: Mr Marciel BUSTINDUY NAVAS	
Sustainable Transport Specialist, European Bank for Reconstruction and Development (EBRD)	
Title: European Bank for Reconstruction and Development: Financing the Maritime Sector in the Black Sea	

Mr BUSTINDUY NAVAS started by explaining while the previous presentations talked about funding sources, he is talking about a financing source: The EBRD is a bank, their purpose is to lend money, and they want this money to be paid back. However, EBRD is a publicly owned bank. Their shareholders require them to invest money only in specific projects, in particular in support of private sector development.

The bank is financing projects from Central Europa to Central Asia and about half of the business volume goes to the BS area. In transport, this represents about 400 million Euros per year, about 100-150 million Euros of this go to the maritime sector, for port projects, renewal of the shipping fleet, compliance with international standards etc. The bank also finances projects in other sectors, such as sustainable energy.

Mr BUSTINDUY NAVAS mentioned a number of projects the banks has recently financed or is going to finance, which include a number of port and fleet projects around the BS.

EBRD

- provides finance by lending money to the projects,
- also raises funds from donors for technical assistance to support its clients to overcome barriers in the preparation of their projects,
- in some cases, also participates in policy dialogue activities such as regional frameworks and working groups.

Mr BUSTINDUY NAVAS mentioned two examples for programmes they supported, one for capacity building concerning ballast water, another one for energy efficient technologies in the Russian shipping sector.

Summarising what EBRD can do, Mr BUSTINDUY NAVAS mentioned that they can provide finance and bring the private sector to these debates.

Speaker: Mr Damien PÉRISSÉ

Director, Conference of Peripheral
Maritime Regions (CPMR)

Title: Fostering the Black Sea economy through
cross-border projects and maritime clusters



Mr Damien PÉRISSÉ briefly summarised the structure of the Conference of Peripheral Maritime Regions (CPMR). This includes 150 regions from both, from EU and no-EU member states. CPMR is composed of sub-organisations at sea basin level. One of their regional organisations is the Balkan and Black Sea Regional Commission. Current President of this regional Commission is Dr Ayhan Ozkan, the Deputy Governor of Edirne, Turkey.

The CPMR is a member of the Organization of the Black Sea Economic Cooperation (BSEC). It has also been involved in the discussions concerning the preparation of the European Neighbourhood & Partnership Instrument (ENPI) Black Sea Programme. In this, they also benefit from the experience of other CPMR geographical commissions, e.g. from the Atlantic.

Subsequently, Mr PÉRISSÉ made a few suggestions concerning the strengthening of cooperation at the level of the BS:

- Training for greener and safer maritime transport: Since 2010 they have developed the idea for a kind of “maritime Erasmus”, an exchange between students, professors and other stakeholders from different countries involved in training in the maritime field. They got support for this from DG MOVE and DG MARE. In January 2014, the idea has materialised into a project called “Vasco da Gama”, with a duration of 2 years. The Naval Academy of Varna (Bulgaria) is involved in this project and they are very happy to have a concrete connection to the BS in this way. Other organisations from the BS could be involved at a later stage. A regional implementation of the Vasco da Gama project could be a concrete project for the BS.
- Integrated Coastal Zone Management (ICZM) and Marine Spatial Planning (MSP). In the Mediterranean Sea as in the BS, some regions are involved in projects dealing with ICZM and MSP. In the Mediterranean Sea, a number of regions gather in a kind of meta-cluster called Facecoast (www.facecoast.eu). A similar initiative could be developed at the BS.
- CPMR was interested to read in background document for this conference that fisheries landings at the BS dropped by 40% and that there are discussions about the causes for this. They think that for the regions it is important to better understand the reason for this, and would advocate a strengthening of interaction between different stakeholders and of expertise and policy talks about this. They would like to connect this specific issue of fisheries to the broader balance between traditional and emerging uses of the marine environment and maritime space.

Ms Beate GMINDER (Chair) emphasised that the three main suggestions made for future initiatives, namely

- training of seafarers
- maritime spatial planning
- strengthening of local/fisheries communities and investigations into resource use

are definitely worth to be looked at from a broader perspective.

Speaker: Mr Nikolaos EMIRZAS

Executive Manager of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS)

Mr Nikolaos EMIRZAS gave some additional information on the Organization of the Black Sea Economic Cooperation (BSEC) in order to provide a background to better understand which contributions the organisation can make to the issues that are discussed in the conference.

1. Participation: BSEC has a wide participation: 6 BS riparian states plus Moldova, plus Albania, Armenia, Azerbaijan, Greece and Serbia. BSEC projects would as the general rule imply the participation of all member states; as an exception, participation can be limited to only some member states.
2. Area of activities: BSEC has a very wide range of activities, covering several sectors.
3. Institutions: BSEC is a family of institutions. It has a Parliamentary Assembly, a Business Council, a regional development bank (Black Sea Trade and Development Bank) as well as the International Centre for Black Sea Studies. Each BSEC-related body has its own budget and modalities.

In order to describe the work of BSEC, Mr EMIRZAS made four points:

1. In 2012 the heads of state of the member states adopted the BSEC Economic Agenda; which provides the roadmap for the sectoral cooperation within BSEC for the next about 10 years. Sustainability is the predominant issue of this Economic Agenda.
2. BSEC aims to enhance interaction with other regional and international institutions. A coordination meeting for this is scheduled for March in Turkey.
3. BSEC is in the process of creating a project management unit, in order to increase the organisation's capacity to develop project proposals which are submitted by the member states in various areas of activity.
4. BSEC is following very closely all EU initiatives in the region. The organisation is very much in favour of them, including of the maritime policy for the BS.

Coming to the key question of the chair person concerning which kind of projects they can propose, the speaker explained that he is coming from a Ministry of Foreign Affairs and is mostly involved in large-scale projects. BSEC has such large projects, for instance in the field of transport the Black Sea Ring Highway project and the motorways of the sea – both

colossal projects, where BSEC does not provide the money, but the framework for coordination.

Hence, the first conclusion of Mr EMIRZAS is that an appropriate framework is important for ambitious multilateral projects, in particular for big projects. His second conclusion is that one also has to be practical and down to earth. In BSEC, they also have smaller project, which, however, in fact improve the life of the stakeholders. As an example he mentioned that one may have very modern highways around the BS, but that these are of no use if lorry drivers have to wait for one or two days at a boarder. In BSEC, they have the BSEC permit that is supposed to allow lorry drivers to go through all the BSEC countries without administrative obstacles. Up to now, only 7 BSEC countries are participating, but for lorry drivers from these countries, the project is very useful.

In conclusion, Mr EMIRZAS stated that on the one hand you have to aim high, but on the other hand, you have to listen to the practical problems of the stakeholders and if you are able to provide a framework for decision making just as BSEC does, you can say you did a good job.

Question and Answer session:

Ms Beate GMINDER (Chair) gave the floor to the audience for questions on the presentation or for other contributions.

Mr Radul KOVACHEV, Secretary General of the International Black Sea Club, introduced his organisation and its Executive Director, Mr Evgeny MAMICHEV, who also participated in the conference. He explained that the International Black Sea Club is a network of 29 cities (mainly port cities) from the 6 BS countries plus Greece and has been established in 1992.

The speaker remarked that although the BS region is socio-culturally more homogenous than the Mediterranean, they have less interaction such as cargo and passenger flows between the countries. One problem in his view is that in recent years, politicians of the area have looked to the West, but not so much to their region.

Mr KOVACHEV mentioned that his organisation has carried out two projects under the CBC programme and is interested in the Horizon 2020 programme. According to the speaker, what is needed as a result of such conferences would be simple, consistent and concise steps and projects. He welcomed the contacts that he could make in the framework of this conference and stated that the International Black Sea Club is open for cooperation.

As Mr KOVACHEV had mentioned a delay in the commencement of the new phases of the CBC programme, **Ms Iulia HERTZOG** clarified that the programming period for the new programme phase is 2014 to 2020. Presently, projects under the last programming phase can still be implemented, but while the approval of the regulation for the new phase is delayed, it is time to prepare the projects for this new phase now, to participate in consultations and give feed-back, in order to start the effective implementation as soon as all regulations and programmes are approved.

Ms Beate GMINDER (Chair) closed the panel by thanking the panellists and expressing her hope for projects with the participation of all 6 + 1 BS countries.

Way Forward & Closing Remarks

Ms Monique PARIAT, Director, Mediterranean and Black Sea, DG Maritime Affairs and Fisheries, European Commission

As conclusion from the conference, **Ms Monique PARIAT** stated that there is a need to talk to each other and a need to cooperate and exchange respective experience. In her view, the conference was a significant attempt of DG MARE to strengthen the cooperation in maritime affairs around the BS.

Ms PARIAT drew three specific conclusions from the discussions during the conference:

1. There is a need, if not for more, then certainly for well organised and efficient cooperation. Meetings like this conference can be beneficial, she said, because they take place at a technical level, which is a good starting point. The intention of DG MARE is to add value to cooperation that is already existing between the riparian states around the BS, not to replace existing cooperation mechanisms, but to find synergies and complementarities between the existing cooperation frameworks.

Ms PARIAT asked for the reason why there should be more cooperation around the BS and stated that the answer can be easily drawn from what was said during the conference. The key reason for more cooperation is the need for a joint management, first of all in view of the very worrying state of resources in the BS, but at the same time also to develop, enhance and tap the potentials of blue growth in this region. This is an interesting prospect in these times of unemployment and economic depression. Ms PARIAT expressed that there is a real chance to provide growth and jobs in all countries around the BS.

2. Cooperation in the region will fully reach its potential impact only with full commitment from all countries around BS. Over the next 7 years, the EU will invest in innovation, research, sustainable growth etc. So, funding opportunities will be available. Now is the time to think this through and to prepare for it, to work on projects at local level, find the right level for cooperation, to exchange business cards with potential partners and start the process.
3. It is clear that future actions should be built in small steps and in full consideration of what exists already and is being done. Support from all levels for projects of technical support on IMP is essential. The planned projects will be open to participation from regional, national and local authorities, particularly in the non-EU MS of the BS, to develop IMP approaches in their respective policies.

To conclude, Ms PARIAT emphasised that this conference and the very active participation have demonstrated that there is a common understanding of the need for a cooperative, collective response in key areas such as fisheries, environment and blue growth. This, in her view, is a basis for a good start to strengthen the maritime agenda at the BS in the years to come.

Thanking everybody for the active participation, the Romanian authorities, the interpreters, and her colleagues who organised the event, Ms PARIAT closed the conference with the appeal to keep in contact and to continue the efforts, to meet regularly and in a couple of years to get together and count the jobs that have been created.

Notetakers

Ms Anna Madriles Helm
Mr Suitbert Schmüdderich
Organisation: COFAD GmbH

Appendix D: Case Studies

Case Study 1: TRACECA (Transport Corridor Europe-Caucasus-Asia)	
Introduction	
Rationale:	TRACECA (Transport Corridor Europe-Caucasus-Asia) is an international transport cooperation programme between the EU and its Partner countries in Eastern Europe, South Caucasus and Central Asia. It has a permanent Secretariat in Baku, Azerbaijan. The cooperation framework (comprising both an EU-funded programme, and a political process – see more below) covers the areas of maritime transport, aviation, road, rail, transport security, and transport infrastructure. The programme (which does not fund infrastructure investments, but rather supports cooperation) is of interest because it covers multiple countries and provides a framework for cooperation. It is also of interest in relation to the proposed Black Sea development framework as it deals with the sectoral theme/MEA of transport/shipping, and incorporates horizontal actions in the form of data collection and sharing under the developing knowledge action, and also actions related to environmental enhancement.
Context:	<p>TRACECA is intended to facilitate regional cooperation in the field of transport through capacity building and training measures, as well as the development of transport forecasts and investment appraisals.</p> <p>The TRACECA route comprises the transport system of the 13 member-states of the “Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor” (MLA TRACECA): Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan.</p> <p>The TRACECA programme, which is a European Commission programme, is separate from the political process (i.e. the Agreement), in which the EU is only an observer and to which it does not contribute financially. For the last twenty years TRACECA has been receiving EU funding for technical assistance projects focused on transport safety and security, legal harmonisation initiatives, trade facilitation and institutional support, largely from ENPI funds. More recently TRACECA Investment Forums have been held (2010 and 2012) to discuss the establishment of new synergies between European and international donors to finance transport infrastructure projects in the TRACECA corridors. Thus countries, the European Commission, banks and private investors work together to put finance in place for specific projects.</p> <p>Governance of the programme is ensured through the Intergovernmental Commission TRACECA (IGC) created in 2000 to regulate the issues regarding the implementation and the application of provisions of the Basic Multilateral Agreement on International Transport for Development of the Europe - the Caucasus - Asia Corridor. The Intergovernmental Commission (IGC) works according to “Rules of Procedure” and its decisions and recommendations govern the work of the Permanent Secretariat of the IGC TRACECA located in Baku. The Permanent Secretariat maintains permanent representations in each of its member countries.</p>
Sources and information:	<p>http://www.enpi-info.eu/</p> <p>http://www.traceca-org.org/en/traceca/</p>

Analysis	
General:	<p>Over recent years, more than 80 specific projects have been completed under the programme, with 12 of them being maritime in nature (as classified by the TRACECA website), 2 dealing with aviation, 12 with rail, 16 with road, and the remaining 20+ being multimodal in nature (which may include maritime issues).</p> <p>‘Maritime’ projects completed have included (project titles provided): Ukrainian port strategy development and feasibility; Transport of Dangerous Goods along the TRACECA Corridor; Supervision and Training for the supply of navigational aid equipment; Motorways of the Sea (MoS) for the Black Sea and the Caspian Sea; Maritime Training; Improvement of maritime links between TRACECA Corridors and TEN Corridors; Feasibility Study of New Terminal Facilities in the Georgian Ports of Poti and Batumi, and their links to the Trans-European Networks; and the Development of Common Security Management System and Cooperation in the Area of Maritime Safety and Ship Pollution Prevention for the Black Sea and the Caspian Sea. In addition there is an ongoing maritime project titled ‘Maritime Safety and Security II (MSS)’.</p> <p>As these project titles imply, they focus on the maritime shipping MEA and on connecting the region, and there has been a strong emphasis in the maritime projects completed on the types of cross-cutting/horizontal actions proposed in the Black Sea development framework, and in particular on:</p> <ul style="list-style-type: none"> • ‘developing knowledge’ in the form of a) training/capacity development and b) feasibility studies, but also • ‘enhancing the environment’ (e.g. transport of dangerous goods project, pollution prevention project, and potentially the environmental issues considered within port development feasibility studies and the trainings provided). <p>Funding for individual maritime projects completed ranged between EUR 400 000, and EUR 2 200 000, with a total across all projects of around EUR 15 million, and an average project cost of just over EUR 1.5 million.</p>
Coordination:	<p>Most of the maritime projects funded under the TRACECA programme involve more than one country, and on average when summing the number of countries involved in each project, the maritime projects have an average of 2.9 countries involved. Five of the 12 projects involved only 1 country, 5 projects involved 5 countries, 1 project 3 countries, and 1 project 2 countries. There appears to be a strong focus in project activity on the countries in the east of the Black Sea region, with Romania and Bulgaria both only involved in 1 of the 12 maritime projects already completed (Improvement of maritime links between TRACECA Corridors and TEN Corridors).</p> <p>The reason for this ‘limited’ involvement of Bulgaria and Romania is that when they joined the EU in 2007 they stopped being TRACECA programme direct beneficiaries, and instead became ‘indirect beneficiaries’. This means that Bulgaria and Romania participate e.g. in project meetings, but do not receive any funding or participate in any project activities (e.g. training). Turkey is also an ‘indirect beneficiary’, as it is a candidate country. This set-up was created so that the other countries could benefit from the experience of Bulgaria, Romania and Turkey who were previously full participants in the programme when it started.</p>

Results, impact and lessons learned	<p>There is insufficient information from available project documentation which can be used to assess/demonstrate the effectiveness of these projects in terms of measurable improvements/impacts i.e. enhancement of skills/knowledge, reductions in pollution, or feasibility studies leading to port constructions. In the latter case, this is partly because the projects ended with the feasibility studies, with the countries then having to look for funding, as the construction of the ports has always been outside the scope of the project it funded, although it would have been helpful nonetheless to have some way of tracking whether feasibility studies completed finally ended up in infrastructure developments i.e. the extent to which EU funds on feasibility studies helped to bring about investments through demonstrating positive results following investment appraisals. This is not to say that such impacts have not been realised, but it has been suggested (Ministry of Transport, Maritime Affairs & Communication in Turkey, Dec. 2013) that there have been few concrete results achieved, leading to private entities withdrawing. Whatever the case, it serves to highlight the need for robust project impact/outcome evaluation. A key lesson therefore is that ex-post evaluation can highlight positive project impacts and thus engender further support for collaborative initiatives.</p> <p>It is also not clear the extent to which the TRACECA investment forums have proved effective in generating finance to fund many of the infrastructure feasibility studies that have been completed by the TRACECA programme. At the investment fora a selection of the top priority projects were presented. The fora were designed as a first meeting point between countries and potential investors, who then began discussing the financial viability of the projects, which the countries will be paying for through loans. It is not possible to determine the extent to which they were ultimately successful or not in providing the catalyst for loans as anticipated, but loans are still available, and it is too early to determine the ultimate success of the fora in proving the catalyst for loans.</p>
Policy development directions	
Planning a blue economy	<ul style="list-style-type: none"> This case study has also showed that in many cases there may insufficient attention paid to demonstrating project/programme success. Documentation the successes of actions/projects in a future Black Sea development framework, following the completion of rigorous external evaluations, is likely to be important in engendering further support for the development framework in terms of both political will and financial commitments. However, in relation to financial commitments, it is noted that the EU has several financial instruments operating in the Black Sea, and the only type of programme in which they can be merged is in the Cross-Border Cooperation programme. As TRACECA (and other programmes/projects) are not and will not be part of the Cross-Border Cooperation programme it is highly unlikely that an evaluation, however rigorous, will change this.
Supporting business growth	<ul style="list-style-type: none"> At a more programme/macro level, the investment forums completed in 2010 and 2012 have shown the potential need in the region for efforts in 'supporting business growth' through 'facilitating access to finance'.
Developing knowledge	<ul style="list-style-type: none"> The study has highlighted how little EU countries have benefitted from TRACECA projects since 2007, but how the experience of some countries can be used to assist others e.g. the continuing participation by Romania, Bulgaria and Turkey as 'indirect beneficiaries' has served to inform the activities in other countries.
Enhancing the Environment	<ul style="list-style-type: none"> This case study demonstrates the need for horizontal actions in relation to the connecting the region pillar and the shipping MEA, and that projects under the TRACECA programme have focussed strongly on both 'developing knowledge' and 'enhancing the environment'. This suggests that such a focus on actions under the proposed Black Sea development framework could also be appropriate.

Case Study 2: Bulgaria-Turkey IPA Cross-border Cooperation Programme	
Introduction	
Rationale:	<p>This programme provides a platform to facilitate cross-border cooperation between Bulgaria and Turkey. The programme has a number of specific objectives, including boosting economic development, improving overall social development and improve the quality of life. As a result, coastal tourism has been a major beneficiary of this programme. One element of this programme – the inclusion of a number of ‘horizontal themes and principles (Gender equality and equal opportunities, Sustainable development, Partnership, Networking, Innovation, Good governance) are also closely linked to the ‘horizontal actions’ advocated in this current study.</p> <p>The Programme continues the evolution of the EU’s cross-border initiatives, reflected in the External Border Initiative Programme and PHARE Cross Border Co-operation Programme between Bulgaria and Turkey.</p>
Context:	<p>The IPA – the Instrument for Pre-accession Assistance (Commission Regulation (EU) No 1085/2006) is a single integrated pre-accession instrument that replaces the various former instruments like PHARE, SAPARD, the Turkey pre-accession instrument and CARDS. The programme addresses one of the five IPA components, cross-border cooperation. The programme has three specific objectives, these being:</p> <ul style="list-style-type: none"> • Boost sustainable economic development in co-operation area build on the comparative advantages • Improve the overall social development and promote social cohesion among people and communities • Improve the quality of life by efficiently use of common natural resources as well as protection of natural, cultural and historical heritage values <p>These are being addressed through projects under three priority axes, (i) sustainable social and economic development, (ii) improvement of quality of life and (iii) technical assistance.</p> <p>Country partners: Bulgaria and Turkey</p> <p>Funding: Euro 31 113 547 between 2005 and 2013, of which €26 446 515 was community funding (85 %, of matched ERDF and IPA funding) and €4 667 032 (15 %) was national public funding.</p>
Sources and information:	<ul style="list-style-type: none"> • Bulgaria – Turkey IPA Cross-border Programme Document (undated) • Bulgaria – Turkey IPA Cross-border Programme Annual Implementation Report 2012 (June 2013) and appendices. Republic of Bulgaria.
Analysis	
General:	<p>By the end of the last reporting period in December 2012, 250 applications had been received over two calls for proposals. From this, 70 contracts were signed (48 under the First Call for proposals worth €9,6 million and 22 worth €5,6 million under the Second Call). These covered a wide variety of thematic issues including small-scale infrastructure, knowledge sharing and education, innovation, science, cultural exchange, sustainable development through enhanced ecology, tourism, etc.</p>
Coordination:	<p>The programme is being implemented under a ‘shared management approach’, with Bulgaria and Turkey agreeing the designation of a single managing authority (the Directorate General Territorial Cooperation Management at Ministry of Regional Development and Public Works of the Republic of Bulgaria). The provision of a ‘single pot’ of money spent according to a single set of rules and on the basis of a common benefit approach is intended to promote enhanced cooperation and progressive economic integration and coherence between EU and candidate countries.</p>

<p>Results, impact and lessons learned</p>	<p>The ex-ante analysis (undated, but presumed to be 2007) referred to in the Programme Document recommended that funding was directed away from infrastructure and more towards soft and network building measures under Priority Axes 1 and 2.</p> <p>As yet there has not been a formal independent impact analysis conducted for this programme. However the recent (2012) Annual Implementation Report assesses the progress against a list of nine result indicators from the first call for proposals (those under the second call have yet to be fully evaluated). This indicates that half of the result indicators have reached achievement over 50% after the First Call for proposals. The expectation is that majority of programme indicators could be achieved after implementation of the Second and Third Call for proposals under the Programme, especially given that the planned programme indicators are set for the whole Programme.</p> <p>Under Priority Axis 1 (Sustainable Social and Economic Development”), 21 out of the 26 output indicators have been achieved, whilst under Priority Axis 2 (Improvement of the Quality of Life), only 3 of the 12 output indicators had been achieved, although it is likely the rest will be achieved shortly as the results of the second call are evaluated.</p> <p>The programme results have shown considerable complementarity with other instruments in the region. In particular, there were particular linkages between this programme and the EU Strategy for the Danube Region (EUSDR). The 2012 considered that common features included building trust, collaboration and team work between several partners/stakeholders with different legislation, administrative structures and project management and implementation experience and culture.</p> <p>At programme level, a number of issues were encountered and on the whole, overcome. These included:</p> <ul style="list-style-type: none"> • Risk of de-commitment; • Accumulated delay in tendering and contracting phase; • Initial delay in process of establishing and functioning of FLC (first level control) system; • Delays in starting projects implementation by the beneficiaries; • Low absorption of funds by the project partners; • Problems at Project partners level – problems related to timely providing of financial resources; problems in preparation of tender documentation; inexperienced project staff; frequent changes of project team members; insufficient quality of the submitted documentation, visa issues, etc. <p>At a project level, there have been some notable successes:</p> <ul style="list-style-type: none"> • Cross Border Tourism Integration (€84K): provided a common approach to tourism promotion in both Edirne (Turkey) and Burgas (Bulgaria). • Integral development of cultural-historical tourism in Yambol – Strandja – Edirne regions (€98K): development of joint strategies for the protection, socialization, efficient use and management of particular historical monuments in the cross-border region. • Capacity building for border municipalities about strategic planning (€75K): increased the strategic planning capacity of the Municipalities in the cross-border region and the capacity of the top-level managers in these municipalities through training seminars. Included a Regional Conference between Municipality representatives and experts from Bulgaria, Turkey and EU to share experience and exchange information. • Turning the cross-border region Bulgaria - Turkey into an attractive tourist destination (€55K): The resulting strategy indicates the specific needs and
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	strengths in cross-border region and enables future partnerships for development of tourist projects. Partners from Bulgaria and Turkey had opportunity to share experience and exchange best practices in the field of tourism.
Policy development directions	
Planning a blue economy	<ul style="list-style-type: none"> The harmonisation of local development planning at municipal level will assist broader regional economic development, even if these local development areas are in separate countries. It is accepted that there will be structural differences, but cross-border harmonised approaches will have added value in terms of enhanced economic development. This will inevitably require both capacity-development as well as networking to share mutual experiences.
Supporting business growth	<ul style="list-style-type: none"> Whilst most clusters are developed at city or municipal levels, there are advantages in developing regional clusters where facilities can be shared on a cross-border basis, where both parties benefit from an increased economies of scale and business gravity.
Developing knowledge	<ul style="list-style-type: none"> As mentioned above, capacity building at local level, especially in local and municipal government, is a key to improving planning. Added value can be gained when such capacity-development is conducted on a cross-border basis that will provided greater harmonisation of procedures and outlook. Experience from similar initiatives from other parts of the EU is highly valued and needs to be built into capacity development as well as on-going planning and development e.g., through twinning arrangements.
Enhancing the Environment	<ul style="list-style-type: none"> Maritime spatial planning (MSP) does not end at the countries frontier – it is important to ensure that MSP initiatives ensure that trans-boundary resources, users and planning needs are fully accommodated. Likewise environmental monitoring will be benefit from a cross-border approach to reduce costs and improve regional coordination in disaster contingency planning and response e.g., oil spills of harmful algal bloom (HAB) events.

Case Study 3: Monitoring and Information Systems for Reducing Oil Pollution (MONINFO 1 & 2)	
Introduction	
Rationale:	<p>Since the ratification of the Bucharest Convent by 1994, a substantial increase in sea-borne transportation of not only general goods and passengers, but also raw oil and refined petroleum products has taken place and is predicted to continue to grow.</p> <p>Approximately 101.7 million tonnes crude oil (of Eurasian origin) was transported on the Black Sea in 2010 (CERA, 2011). General shipping also presents an oil spill risk, as they carry oil as fuel and engine oil. The growth in sea-borne transportation enhances the risk of serious accidents at sea that could have dramatic impacts on the fragile marine environment of the Black Sea and the livelihood of the people living around it. This increasing risk calls for the coastal states of the Black Sea to address the issue and urgently consider political, legal and operational initiatives that can improve the existing national and regional capacity on oil spill preparedness, response and co-operation.</p> <p>A regional mechanism for exchange and dissemination of data and information related to shipping traffic was needed. The system should monitor the movement of oil and oil products, identify ongoing and future activities related to oil production, storage and transportation. It should combine this with up-to-date information on preparedness and response to oil spills, which would greatly reduce the risk of oil spills and its impact in the Black Sea region.</p> <p>The overall objective is to increase the capacity of the Black Sea region for combating oil pollution via:</p> <ul style="list-style-type: none"> • Improved information system for combating oil pollution • Enhanced monitoring system of operational and accidental pollution • Enhanced response capabilities, including risk management and emergency preparedness planning <p>The objectives of MONINFO Phase 1 were to prepare the necessary concept, initial design for an information system, to investigate the data exchange mechanisms and to initially build capacity for this by sharing best practices and adopting state of art achievements.</p> <p>The objectives of MONINFO 2 were to set up and operate a Regional Database and Information Platform (RDIP, renamed to the MONINFO System, implement a satellite monitoring pilot study, develop a mechanism for aerial surveillance of reported oil spills, prepare and facilitate the necessary agreements for Automatic Identification System (AIS) data exchange and carry out training and capacity building for the regional oil pollution control system.</p>
Context:	<p>Regional preparedness and cooperation in cases of major oil pollution in the Black Sea are coordinated through the Bucharest Convention and its Emergency Protocol. The Commission on the Protection of the Black Sea against Pollution (The Black Sea Commission) is the overall organising body for this cooperation and partnership between the littoral States, international organizations and the oil and shipping industries. As such the BSC Permanent Secretariat was the obvious co-ordinating partner for MONINFO.</p> <p>MONINFO Phase 1 was a 2 years project (2009 – 2010, extended to August 2011), overlapped by Phase 2 (2010-11)</p> <p>MONINFO expanded on the scope of the SASEPOL project (which only involved UA, GE, TU) and extended this to all BS countries.</p> <p>Country partners: Bulgaria, Georgia, Romania, Russian Federation, Turkey, Ukraine.</p> <p>The project was implemented by the BSC's Advisory Group on Environmental Safety Aspects of Shipping (ESAS AG).</p>

	<p>The ESAS AG is supported by Activity Center on Environmental Safety Aspects of Shipping (ERAC) in Varna, Bulgaria, which coordinates the necessary programmatic support and provisions of practical technical support for its work. The Activity Center is based upon the one created through BSEP as in-kind contribution by the Government of Bulgaria with additional finance from donors where possible and necessary.</p> <p>The BSC proposed close cooperation with EU DGs, JRC, EMSA, EEA, IMO, HELCOM, REMPEC, OSPRI etc. All these organization were invited to be represented on the Advisory Board of the project.</p> <p>Funding: Funded by European Commission with payment in kind from BSC and ERAC.</p>
Sources and information:	<p>http://www.blacksea-commission.org/projects/MONINFO.asp</p> <p>Abaza et al (2012) Recent Developments with Oil Spill Preparedness in the Black Sea Region, February 2012. Black Sea Commission secretariat. Valeria Abaza. Dumitru Dorogan, Kiril Iliev</p> <p>Black Sea Commission (2011) "Environmental Monitoring for the Black Sea Basin: Monitoring and Information Systems for Reducing Oil Pollution Phase 2" Final Report Contribution Agreement No 07.0203/2009/552233/SUB/D2</p> <p>CERA (2011). New Realities in Oil Transit Through the Turkish Straits. Special Study of the Cera Eurasian Transportation Forum.</p>
Analysis	
General:	<p>The overall outcome of these projects was to develop an operational internet-based data management and information service, including an Expert System for authorities to deal better with oil spill pollution in the Black Sea. Some valuable information and data was collated, guidelines developed and a pilot system developed, but this has not become operational.</p> <p>The Phase 1 project delivered:</p> <ul style="list-style-type: none"> • The Conceptual design of the MONINFO System, oil spill drift model- BSTW adapted from Baltic Sea as a good practice transfer to be used by decision makers; • Cooperation on satellite monitoring using the existing regional expertise of ITU CSCRS (TR) and ScanEx (RF), complementing EMSA CleanSeaNet service in BS region; • Strengthened capacity building by providing support for updating/improvement of the BS-CP, Annexes, as well as support for GeoDelta exercise gathering all Stakeholders in different meetings, contributing to a common approach ; • Progress on establishment of a regional Black Sea AIS server; • MONINFO document repository development – a complex, transparent and interactive tool to share information, dedicated to support Environmental Safety Aspects of Shipping Advisory Group (ESAS AG) and not only, information archived in a large data base as part of initial stage of revitalizing the Black Sea Information System (BSIS).
Coordination:	<p>MONINFO was initially overseen by the BSC Environmental Safety Aspects of Shipping Advisory Board, which met quarterly under the co-ordination of the BSC permanent secretariat and was supported by ERAC based in Varna, Bulgaria.</p> <p>Late on in the project, the co-ordination of the project was taken over by a dedicated Project steering committee and a Project Manager appointed.</p>

<p>Results, impact and lessons learned</p>	<p>By its close, MONINFO I had progressed planning for the information system, successfully facilitated training on different components and drafted Guidelines (use of oil spill dispersants; post-spill monitoring of oil spill effects; and oil spill exercises) to be included in the BS Contingency Plan, for the capacity building in the region.</p> <p>The basic components of the MONINFO System prototype were placed on a development server, hosted at the premises of the Black Sea Commission's Permanent Secretariat.</p> <p>Despite the successful completion of MONINFO I, a requested extension was not granted for the MONINFO II Project due to insufficient guarantees in the region that the project objectives will be met and the project came to conclusion in December 2011. Therefore it is not certain that the MONINFO system will become operational. The EU noted in 2011 that a number difficulties had been encountered:</p> <ul style="list-style-type: none"> • Some countries did not actively join in some of the activities of the project (utilizing Satellite Imagery, nominating MONINFO Focal Points, slow/no response to MONINFO Project assessment through questionnaires). • National institutional systems take too long and sometimes too often to be restructuring, slow process for updating legislation, difficulties in developing/signing agreements (complicated procedures) including other political reasons of countries. • Sustainability of the project after finalization and further development and improvement of the system to better meet the needs of the region, requires additional consideration (will be a need for additional institutional/capacity building and funding at the national levels) • It is not evident that the above difficulties were adequately addressed and this contributed to the lack of continued support for an extension to MONINFO Phase 2. <p>The BSC concluded that the project has “assisted in the strengthening of technical and organizational aspects of regional preparedness. It has also provided pilot projects demonstrating tools that can improve cooperation and sharing of data.” However, the project did not deliver an operational web-based information portal as originally planned.</p> <p>The EMBLAS and MISIS projects have been designed to continue the MONINFO project.</p> <p>Lessons learned:</p> <p>Balance inclusivity with the need to keep it simple</p> <p>There is clear evidence from other regions (e.g. the Baltic Sea) that a holistic approach to monitoring programmes coupled to political awareness and informed introduction of policy-making at the regional level can lead to changes that reduce pollution. This finding rightly informed the development of MONINFO, but may have led to the development of an overly complex project with numerous work streams.</p> <p>In its 2011 assessment of MONINFO (Phase 1) The EU noted “unexpected low involvement of countries: need to clarify position/strategies in the BS region of non EU countries at high level, reducing political vulnerabilities.”</p> <p>The inclusion of all Black Sea states should therefore be an aspiration with an open invitation to participation in a project. However the successful delivery to objectives should not be reliant on full participation.</p> <p>Data sharing and ownership should be agreed at the outset</p> <p>For a monitoring and co-ordination project such as MONINFO, data sharing protocols are essential, but even the commitment to share information was only received from some partners very late in the process. Data and information sharing protocols are likely to be essential for all Blue Growth projects involving multiple international partners. These protocols should be part of the commitment to participation in the project (and a pre-requisite for funding).</p>
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	<p>Planning is essential, implementation takes longer MONINFO Phase 1 was effectively planning; it developed the concept and explored the capacity requirements for the system. Phase 2 was intended to set up and operate the MONINFO system and it is apparent from project documentation that this was more complex and took longer than anticipated and was allowed for in the phase 2 project plan. The EU noted in 2011 that “the mobilization of resources in BS region has required longer than originally planned –region complexity.” This needs to be recognized and projects need realistic time allocated to task delivery.</p> <p>Strong project management and monitoring are essential The proposal for the BSC to act as a Steering Committee was acted upon at a very late stage in the implementation of the project contract. Following the identification of some problems regarding project performance the BSC held the first meeting of the BSC MONINFO Steering Committee on 1 December, 2011, which dealt mainly with MONINFO 2 AIS negotiations. Dedicated project management was lacking until late into the project with project management ultimately subordinated to BSC.</p> <p>Sustainable delivery is needed for a project legacy This is perhaps the most important lessons from the MONINFO project as its main objective and true value would come from the ongoing operation of a system to monitor pollution risk. Projects and programmes do not last forever and ex-post contingency planning is needed. An 18-month extension was sought as tasks were only partially completed, but this was not granted by the contracting authority (European Commission). As a result, the BSC steering committee had to explore how recommendations developed under the MONINFO project could be delivered in the absence of ongoing support from the project and without the structure (e.g. steering committee, working groups, etc.) provided by the project. For MONINFO the lack of continuity greatly reduces the value of developing a monitoring system, which by its very nature, needs to be up-to-date. Without legacy planning, however, the benefits of any project are quickly lost. For example, the document repository and GIS system, which has an initial use for the project and for partners, would quickly lose relevance if not maintained through regular updating by project partners.</p>
Policy development directions	
Planning a blue economy	<ul style="list-style-type: none"> Barriers to development and planning resulting from institutional structures and capacities should be identified and addressed in sea basin-wide planning.
Supporting business growth	<ul style="list-style-type: none"> Growing the blue economy should be sustainable. Supporting the development of MEAs must take account of and mitigate for increased risk to the environment as a result of sector growth.
Developing knowledge	<ul style="list-style-type: none"> Develop information and data sharing protocols at the outset and as a pre-requisite to participation in projects. The hosting of project secretariats, servers and websites needs to be planned and should be based on existing capacity or the planned (budgeted) development of capacity.
Enhancing the Environment	<ul style="list-style-type: none"> The Black Sea marine environment is shared by all Black Sea coastal states. Adequate protection and monitoring should be co-ordinated between the Black Sea coastal states.

Case Study 4: Interstate Oil and Gas Transport to Europe (INOGATE) Programme 'Baku Initiative'	
Introduction	
Rationale:	This case study is chosen for consideration because it covers countries bordering the Black Sea (as well as those that don't), and the programme is a long-established programme aimed at cooperation on energy matters. It is also of interest in relation to the proposed Black Sea development framework as it deals with the sectoral theme/MEA of energy, and incorporates horizontal actions focussed strongly on developing knowledge, and supporting business growth.
Context:	<p>INOGATE has the following objectives:</p> <ul style="list-style-type: none"> • Achieving convergence of energy markets on the basis of the principles of the EU's internal energy market. • Enhancing energy security by addressing the issues of energy exports and imports, supply diversification, energy transit and energy demand. • Supporting sustainable energy development, including the development of energy efficiency, renewable energies and demand-side management. • Attracting investments in energy projects of common and regional interest. <p>Partner countries include Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.</p> <p>Until the end of 2006, the INOGATE Programme was funded under the EU's Technical Aid to the Commonwealth of Independent States (TACIS) Programme. EuropeAid now supports the INOGATE Programme through the European Neighbourhood and Partnership Instrument (ENPI) and the DCI (Development Cooperation Instrument). While Central Asia is not formally included in the ENPI, the five Central Asian Republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan also benefit from this funding to ensure continuity of actions with all the Partner Countries of the INOGATE Programme.</p>
Sources and information:	<p>http://ec.europa.eu/europeaid/what/energy/policies/eastern-neighbourhood/inogate_en.htm</p> <p>http://www.inogate.org/</p> <p>Programme staff</p>
Analysis	
General:	<p>The INOGATE Programme is one of the first and most important programmes of the EU's regional energy cooperation. A concrete manifestation of the EU's commitment to long-term energy cooperation with its Eastern partners, it covers the areas of oil and gas, electricity, renewable energy, energy efficiency as well as broader energy security strategies. The programme creates a platform for energy cooperation and dialogue, and has been operating for more than 15 years.</p> <p>The INOGATE Programme's mandate is to support the development of energy co-operation between the European Union, the littoral states of the Black and Caspian Seas and their neighbouring countries. The co-operation framework covers the areas of oil and gas, electricity, renewable energy and energy efficiency. INOGATE is also concerned with the broad energy security strategies of both the Partner Countries and the EU. The enlargement of INOGATE's scope of activities from a predecessor project, 'Interstate Oil and Gas Pipeline Management' which was completed in 1997, was a two-year process that began on 13 November 2004 with an Energy Ministerial Conference held in Baku, Azerbaijan, known as the 'Baku Initiative'. On 30 November 2006, this initiative culminated in the signing of the Astana Energy Ministerial Declaration, or Energy Road Map, through which the INOGATE Programme's expanded scope and objectives were</p>

	<p>formally adopted by all the countries involved.</p> <p>The activities undertaken in the framework of the INOGATE Programme, both by contracted INOGATE projects and via the INOGATE Technical Secretariat, include:</p> <p>Information, Communication, Promotion and Networking between the EU and the Partner Countries:</p> <ul style="list-style-type: none"> • Promoting the goals and objectives of the initiative, and ensuring that both sides actively participate in dialogue; • Networking relevant stakeholders in the Partner Countries, the EU and third parties such as donors, international financial institutions and stakeholders in the private sector; • Organising information events; • Providing a web portal facilitating information exchange; • Presenting the Programme at relevant EU and third party events; and • Disseminating newsletters and other information materials. <p>Technical support to the Partner Countries by:</p> <ul style="list-style-type: none"> • Devising and implementing EU-funded technical assistance projects in the areas of energy market convergence, investment attraction, energy security, energy efficiency and renewable energy sector; • Promoting capacity building (e.g. on the principles of energy market convergence, energy regulation and sustainable development); • Providing supporting desk studies (e.g. benchmarking); • Supporting the Partner Countries in the identification of priority projects; and • Providing links to other EU-funded bilateral technical assistance support instruments (e.g. National Indicative Programmes, Twinning Programmes, TAIX (Technical Assistance and Information Exchange Instrument)).
<p>Coordination:</p>	<p>Coordination for such a large programme involves many partners and institutions. On behalf of the European Union, the INOGATE Programme is represented by three Directorates-General of the European Commission: Directorate-General Development and Cooperation - EuropeAid (DEVCO); Directorate-General for Energy; and EU External Action Service. On behalf of the Partner Countries, the INOGATE Programme is represented by the respective Ministries of the 12 Partner Countries in charge of energy.</p> <p>The operational coordinating mechanism of the INOGATE Programme is the INOGATE Technical Secretariat, located in Kiev. The Technical Secretariat has 3 regional coordination offices, a sustainable energy team office, and a project office in Brussels, Belgium.</p> <p>Together with the European Commission, the INOGATE Programme is steered by nominated representatives in each Partner Country. Each Partner Country has nominated an official INOGATE Contact Point referred to as the "INOGATE Country Coordinator" who is a focal point for INOGATE information in that country. The Coordinators are generally located within each country's energy ministries.</p> <p>Partner Countries also appoint expert representatives to the INOGATE Working Groups, each of which represents one of INOGATE's four 'pillars': market convergence, energy security, energy efficiency/sustainable energy, and investment attraction. Representatives are also nominated by energy regulatory authorities of Partner Countries. Regular meetings are held with Country Coordinators and Working Group Members to discuss and plan INOGATE activities and strategies. Country Coordinators and Working Group Members also interact as appropriate with INOGATE projects in their countries.</p> <p>The EU and the Partner Countries have agreed to improve the co-ordination of all</p>

	<p>INOGATE activities and the consistency of energy assistance initiatives in the NIS region. The Work Programme is an essential element of this coordination and is updated every six months.</p>
<p>Results, impact and lessons learned</p>	<p>The programme is claimed (see first source listed above) to have changed mind sets in the region, by demonstrating that achievements can only be realised through mutual trust and cooperation. Practical achievements highlighted as being of special importance include a) refurbishment of energy infrastructure (e.g. gas metering stations in a number of countries allowing gas to flow), b) catalytic impact in preparing alternative gas and oil pipelines, and c) training of more than 7 000 people in the partner countries on energy matters and transfer of EU know-how.</p> <p>However, the project website (second source listed above) only demonstrates four active projects, one of which represents the contract for the technical secretariat. None of the other 3 relate to Black Sea maritime activities. The technical secretariat project/function is strongly focussed on supporting coordination through the organising of various regional workshops, seminars and meetings, and on training. The annual work programme specifies a wide range of activities and 'intended results' of the activities. Many of the intended results are more outputs of the activities/inputs than results/impacts, and there are no measurable quantifiable indicators provided in the work programme against which results/impacts can be measured.</p> <p>Consultations with programme staff about previous/historical projects completed suggest that there was only one project / study that dealt specifically with energy and marine issues in the Black Sea (oil specifically). The study, completed in 2001, was called "Multimodal Oil Transport System and Creation of the Common Commercial Operator – A Comprehensive Study for Kazakhstan – Azerbaijan - Georgia".</p>
<p>Policy development directions</p>	
<p>General comments</p>	<ul style="list-style-type: none"> • Given the fact that the case study revealed relatively few maritime-related activities in the Black Sea undertaken by the programme, the case study has less value in terms of policy development directions than might have been hoped, and there are few recommendations that can be drawn in relation to developing the blue economy or protecting the marine environment. The lack of any programme-wide evaluation also limits the ability to draw firm independent conclusions about the programme success in developing knowledge or supporting business growth. • However, the programme's own communication material, and its activities, suggest that progress has been made in these areas. The coordination mechanisms described above also suggest that such an organisational structure, with a functioning operational technical secretariat, country coordinators, working groups on key issues/pillars, and oversight by a Steering Committee, may be a sensible way to run multi-country programme. • Certainly, the programme can be commended for its long duration (since its initial conception back in 1996), suggesting that policy should be to recognise the need for long-term engagement in a region to build trust and momentum towards greater regional cooperation.

Case Study 5: Strategic Action Plan for the Environmental Protection and Rehabilitation of the Black Sea	
Introduction	
Rationale:	<p>The <i>Black Sea Environmental Programme</i> (BSEP) originates from the signing of the Bucharest Convention in 1993. Global Environment Facility (GEF) funding resulted in the first <i>Black Sea Strategic Action Plan</i> (BS-SAP) in 1996 and was amended in 1992 through the Sofia Ministerial Declaration. In 2007 a further trans-boundary diagnostic analysis (TDA) was undertaken, resulting in the formation of the third and current (2009) BS-SAP.</p> <p>The purpose of this case study to learn from the experience as the BS-SAP evolved between 1993 the Sofia Ministerial Declaration, as well as the current progress of the implementation of the latest BS-SAP. In particular issues over institutional coordination and funding will be examined.</p>
Context:	<p>Country partners: Bulgaria, Georgia, Romania, Russian Federation, Turkey and Ukraine</p> <p>Funding: World Bank/UNDP/UNEP/GEF: USD97 million; EU: USD6.5 million; countries: USD 14.1 million</p> <p>The Black Sea is the most isolated sea. As such it is highly vulnerable to environmental change. In 1960s, 70s and 80s, there was a steady increase in pollution, particularly of the nutrients nitrogen and phosphorus, resulting from excessive agricultural, industrial and poorly or untreated wastewater discharge, emanating principally from the Danube, Dniester and Dnipro River basins. This led to a significant decline in fish stocks and the spoiling of recreational beaches at popular tourist destinations. Waterborne diseases, including outbreaks of cholera, were common along the Black Sea coast, and the annual value of the fisheries industry declined by USD 300 million between the mid-1980s and the mid-1990s (UNDP, 2011).</p> <p>Recovery was initiated by the EU with the Integrated River Basin Management (IRBM) in the Danube, beginning in 1991, paving the way for UNDP/GEF support. This in turn led to the first UNDP/GEF project for the Black Sea, which undertook a TDA as the basis for the 1996 BS-SAP, which was adopted by all six participating countries. In the ensuing decade a coordinated series of programmes were developed at country as well as inter-country level to support regional and national implementation of both the Black Sea and Danube SAPs (see figure below).</p>

	<p style="text-align: center;">Foundational Work 1991–2001</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center;">UNDP/GEF Regional TDA-SAP foundational Projects (4) in the Danube and the Black Sea Basins</p> </div> <p>In this initial phase, UNDP/GEF joined forces with related EU programmes as a catalyst for accelerated action. During this same period both the Danube and the Black Sea Conventions entered into force. As a result of UNDP / GEF action, the main trans-boundary concern – nutrient over-enrichment – was identified and agreed upon by the countries, and specific Action Programmes were endorsed at Inter-ministerial level in all countries of the Black Sea Basin. This allowed the countries to move to the phase of stress reduction.</p>	<p style="text-align: center;">SAP Implementation – Stress Reduction Measures 2001–2010</p> <p style="text-align: center;">Long-Term Objective: Permit Black Sea ecosystems to recover to similar conditions as those observed in 1960 Intermediate Objective: Maintain discharges of nitrogen and phosphorus at or below the levels observed in 1997</p>
<p>Sources and information:</p>	<ul style="list-style-type: none"> • BSEC, UNDP and GEF websites • Black Sea Ecosystem Recovery Project (BSERP, 2007). Black Sea Trans-boundary Diagnostic Analysis. • UNDP (2011). Supporting Transformational Change. Case studies of sustainable and successful development cooperation. 	

Source: Adapted from UNDP, 2011

In 2007 a further TDA confirmed four priority trans-boundary problems expressed in the BS SAP 1996, amended 2002. These are: eutrophication/nutrient enrichment; changes in marine living resources; chemical pollution (including oil); and biodiversity/habitat changes, including alien species introduction. This has resulted in the current BS-SAP in 2009.

These programmes have been coordinated by the BSC, with the support of the Permanent Secretariat (PS), based in Turkey. In addition, seven advisory groups (AG) were established (six in ‘Regional Activity Centres’ (RACs) in each member country and an information / data exchange AG in the PS). In addition, the BSC has a Joint Technical Working Group with the International Commission for the Protection of the Danube River (ICPDR). The BSC and ICPDR were also a member of the DABLAS Task Force, which was set up in November 2001 as a platform for co-operation between international financial institutions (IFIs), donors and beneficiaries with regard to the protection of water and water-related ecosystems in the Black Sea basin. It has now ceased.

Analysis	
General:	The 2007 TDA recognised that that considerable progress had been made since the earlier TDA in 1996, with a reduction of river-borne nutrients by some 30%, although it was stated that environmental improvements have primarily been brought about by a collapse in agricultural productivity and a decline in manufacturing industry, rather than direct government interventions. There is also recognition that expanding oil and gas exploration is introducing new risks with potentially catastrophic consequences. The new 2009 BS-SAP has been broadened to include diffuse sources of pollution, as the original point-source focus of the original BS-SAP was too ambitious.
Coordination:	On many levels the various programmes under the different BS-SAPs have worked well, largely due to strong technical direction and facilitation from BSC and the GEF and EU project partners. However the TDA 2007 considered the organisation of RACs and WGs to be “complex and inconsistent”, esp. regarding membership and focus, with limited administrative support from the PS and a low level of accountability. The sustainability of funding is an issue. Only two of the original six activity centres have funding from the contracting parties (CPs) to carry out activities to support the BSC.
MEAs involved	Water projects; capture fisheries, marine aquaculture, offshore oil and gas, coastal tourism, protection from flooding and erosion; protection of habitats; environmental monitoring.
Results, impact and lessons learned	<p>UNDP (2011) evaluated the lessons learned after 15 years of UNDP/GEF support to the Black Sea. These included:</p> <ul style="list-style-type: none"> • <u>Inter-governmental processes take time and sustained support</u>: as are inevitably institutionally and politically complex, donors should plan on long time horizons for capacity-building and institutional support. • <u>Political will born of national ownership</u>: takes time to develop but is an essential foundation for long-term reform. • <u>Multiple partnerships are essential</u>: they also need adequate facilitation and coordination, with clear roles and objectives. • <u>Robust technical analysis is the starting point</u>: technical priority setting through a strategic approach allows the seeing and buy-in to targets, both technical and governance-related. • <u>Capacity development is at the heart of successful development cooperation</u>: without this the extensive funding that was provided by the GEF, EU, the EBRD and the World Bank could not have been effectively utilised. <p>The 2007 TDA suggested that there were a number of lessons to be learned from the complex institutional structure. These include:</p> <ul style="list-style-type: none"> • The need to establish realistic and specific targets and timetables • If a multi-layered organisational structure is used, there is a need for proportionate management, support (both human and financial) and accountability <p>The stakeholder assessment in the 2007 TDA had two interesting findings:</p> <ul style="list-style-type: none"> • That overall stakeholders feel a level of connection to the health of the Black Sea that should be nurtured through increasing awareness of causes and effects of environmental issues; and • That stakeholder groups tend to be divided along economic interests when it comes to a perceived trade-off between economic and environmental priorities. These findings suggest that a strategy of stakeholder involvement that focuses on education and awareness specific to individual stakeholder groups, in combination with increasing the awareness the economic benefits of environmental stewardship should be considered for future activities in the Black Sea.

Policy development directions	
Planning a blue economy	<ul style="list-style-type: none"> • The individual nature, interests and aspirations of different communities and other stakeholders need to be well understood. Based on this, appropriate capacity-development and information approaches can be developed to ensure maximum engagement and participation. • Whilst often necessary, complex and layered organisation will required adequate management, facilitation and coordination. • Strategic planning, especially if led through prioritisation of technical needs, is essential for both engaging political will, as well as setting realistic and achievable development targets. • Under the new BS-SA, CP's have agreed to establish and/or strengthen national Inter-Ministerial Coordination Committees to ensure integration of the SAP objectives into national plans.
Supporting business growth	<ul style="list-style-type: none"> • Funding horizons must be realistic, with long-term ambitions supported through similarly long-term funding mechanisms. • Donor coordination of financing mechanism, as through the now defunct DABLAS Task Force, will result in more strategic funding opportunities. • The development of public-private partnerships and other innovative financing approaches are need to improve the delivery of traditionally state-owned environmental services such as water resource management or municipal environmental infrastructure.
Developing knowledge	<ul style="list-style-type: none"> • Further harmonisation of data collection methodologies and data handling ICT is required. The EU's experience of the Data Collection Framework and other information harmonisation initiatives is an important benefit to sea basin nations. • Whilst there are recognised weaknesses to the RAC approach, they do provide mechanisms for the development of local centres of excellence that can be used to disseminate innovative ideas and good practise to other parts of the sea basin
Enhancing the Environment	<ul style="list-style-type: none"> • The BS-SAPs have demonstrated the importance of addressing the root causes of environmental degradation and the widespread positive impacts accruing for a wide range of related maritime economic activities. • The success of the new (2009) BS-SAP will depend of the development of Ecosystem Quality Objectives (EcoQOs) that are vision statements that reflect how stakeholders would like the state of the Black Sea to be over the long term.