

Baltic Sea Conference 2013

Blue Growth, Sustainability and Water Industries





Introduction and Scope

The “Baltic Sea Conference 2013 - Blue Growth, Sustainability and Water Industries”, held in Copenhagen on 3 October 2013, brought together high-level participants from the European Commission and Danish government, and actors from throughout the Baltic Sea Region - from different sectors and levels of decision making - in order to chart the way forward for an environmentally sound and prosperous Baltic Sea Region.

Blue growth is high on the agenda of the EU Commission, in EU member states and in the Baltic Sea Region. It is seen as a contributor to achieving the goals of the Europe 2020 Strategy for smart, sustainable and inclusive growth, as well as the EU Strategy for the Baltic Sea Region.



New alliances between public, private and international partners are needed to unlock the potential for growth from the maritime economy, boost green and blue technology development, and turn the environmental challenges into opportunities for innovation and sustainable development. There is a need to better connect activities on land and at sea and explore holistic approaches to water management all the way from hilltop to ocean. Blue and green growth must go together.

The “Baltic Sea Conference 2013 - Blue Growth, Sustainability and Water Industries” was organized by the Baltic Development Forum and the European Commission (DG-Mare) together with Clean Shipping - Priority Area of the EU

Strategy for the Baltic Sea Region through its technical assistance facility.

In cooperation with the Danish HELCOM Presidency, the conference was held back-to-back with the 2013 HELCOM Ministerial meeting in Copenhagen. Representatives from the HELCOM delegations joined the Baltic Sea Conference 2013 in the afternoon to report back on the negotiations.

Conclusions and Recommendations

The Baltic Sea Conference 2013: Blue Growth, Sustainability and Water Industries took a holistic and ecosystem-based view of the relations between growth and the environment. The European Commission, has commissioned a study on Blue Growth in the Baltic. Meanwhile, several countries in the Baltic Sea Region are preparing national strategies on the topic.



It was generally agreed that:

- Safeguarding the health of the Baltic Sea is necessary for long-term growth; degradation of the environment will be a drag on economic development.
- Growth and a healthy environment are not competing objectives. On the contrary, in a holistic and longterm perspective there are important synergies between them. Notably, the development and deployment of innovative technologies that strengthen the sustainability of maritime, coastal, and offshore activities should form the basis for Blue Growth in the Baltic.
- There is great potential in the blue economy. The Baltic Sea Region has some of the best platforms and conditions available to successfully capture these opportunities.
- There is a need for a multi-stakeholder platform to gather actors for further discussion on this topic. Commitments have been made to organise a follow up conference in 2014, thus creating a continuous process



The economic potential of blue growth

Impressive estimates of the economic potential of the blue economy were presented on the day:

- Maritime spatial planning can bring between €170 million and €1.3 billion by 2020 in cost savings and reductions in administration. Marine knowledge can bring further benefits of €500 million a year (European Commission).
- Restoration of the environmental health of the Baltic Sea can create 550.000 new jobs and give €32 billion in annual value added by 2030 (Boston Consulting Group).

The European Commission pointed at a number of sectors within the blue economy where there is particular potential for growth: off-shore energy, blue biotechnology, maritime and coastal tourism, marine knowledge, shipbuilding and repair, and aquaculture. Offshore wind energy shows double-digit growth figures; the cruise sector is growing at almost 11%, and aquaculture at over 13%. It was underlined that the environmental footprints need to be carefully examined.

Our main challenge - the cost of restoring the ecological health of the Baltic Sea

Many participants expressed disappointment with the lack of progress towards restoring the ecological health of the Baltic Sea. The ministers for environment attending the HELCOM ministerial meeting on the same day noted “with alarm that the environmental status of the Baltic Sea, which is especially fragile, is still impaired”.

At the same time, the nations around the Baltic Sea are feeling the impact of the economic downturn in their national economies and public finances. Money, especially public money, is sparse and maritime regulations such as the sulphur directive impose a cost of several billion euros to the national economies.

Therefore, the opportunities provided by the blue growth strategies to bring together environmental benefits and growth are elemental to the future success of the Baltic Sea Region.

Our main tool - intelligent regulation of economic activity

Regulation of economic activity is necessary in order to protect the environment of the Baltic Sea. Regulations will often result in costs in the short run. But holistic approaches show that intelligent, well thought-out regulations can be drivers for economic growth as they compel companies to innovate and develop new technologies and strategies. Environmental solutions developed in the Baltic Sea Region present an export opportunity.

Regulations have to be carefully balanced and realistic, and provide a level playing field for business. Emission targets and other objectives that are out of reach in economic or technical terms should not be introduced. But environmental regulations may well seek to push the limit of what is possible. It is important that regulations are enforced in a coherent and predictable manner, and where possible, as global standards. Actors that decide to be first movers should not risk losses due to uneven or delayed enforcement.

It will be a difficult political task to devise such intelligent and balanced regulations. Decision-makers will have to understand and act on the complex linkages between the economy, business realities, and the environment. Investors need confidence of the regulations. Early adopters need incentives that compensate for the political risk of the investments and which create a market-driven piloting and demonstration environment for new innovations.





Blue Growth, Sustainability and Water Industries

The issues relate to several sectors and levels of decision-making. There is a need to involve not only ministers for environment but also ministers with responsibilities in other areas, e.g. transport, trade and energy. Land and sea based activities cannot be dealt with in isolation. The ecosystem must be the focus of attention.

The maritime transport sector is a global industry. Enforcing specific regulations and restrictions in the Baltic Sea Region may result in a competitive disadvantage for the actors in the region. The shipping industry is finding the restrictions on SOx and NOx particularly challenging and warn that these measures may result in transport moving back up on land, which would result in higher CO2 emissions, adverse health effects, and increased congestion and costs. It must be a political objective to seek not only regional coherence but also global solutions.

Companies should compete but countries must cooperate.

Making the Baltic Sea Region attractive at the global level, harvesting benefits on regional level

It was proposed that the Baltic Sea Region should position itself globally with two messages:

- The Baltic Sea Region is a global leader in maritime economy. It is a hub for innovative blue and green technology and it is attractive for foreign direct investments.
- The Baltic Sea Region is highly attractive for tourism due to its historical, cultural and environmental values. Its good port infrastructure makes it especially well suited for cruise tourism.

A branding exercise will make it clear that countries need to work together to bring the messages across. At the global level it pays to work together - for instance, to attract investments. It was noted that the many maritime clusters in the region compete more than they cooperate. A more global outlook would benefit the whole region.

The need to move from research to innovation

Growth, including Blue Growth, requires investments. There is a need to engage the financial sector in the long-term prospects. Can the region do more to attract external direct investments?

The Region is strong in research but it is slower than other parts of the world when it comes to moving from research to implementation of solutions. Actors should look into the opportunities provided by the renewed EU funds for development of maritime economy and research and innovations.



Participants discussed whether Singapore's success as a maritime hub in Asia could be copied in the Baltic Sea Region. Many felt that Singapore could be used for inspiration, in particular for its ability to pursue clear objectives over a long time and to implement research through triple helix cooperation. But it was acknowledged that the Singapore model would have to be adapted to the tradition for regional cooperation in the Baltic Sea Region. The Baltic has even more to offer, such as excellence in innovation and research, strong maritime clusters, and a proactive approach towards marine environment challenges if all this is used in a more targeted way.

Clean Shipping Index - a useful tool

The clean shipping index was highlighted as a useful instrument for moving towards more sustainable practices in the maritime transport industry. The index makes it easy to select shipping companies with high environmental standards, thus helping to make sustainability a competitive advantage for the shipping industry. An environmental port index is being developed.

More needs to be done to provide to early adopters and their customers incentives with a financial impact.



Strategic planning for blue growth - jointly or separately?

Several countries in the Baltic Sea Region are in the process of launching national “blue growth strategies”. Do the strategies take into account opportunities for regional cooperation?

The EU Commission has prepared a Blue Growth Strategy which aims to contribute to long-term sustainable growth in the marine and maritime sectors in the EU as a whole. It will also propose a political document on Blue Growth in the Baltic towards the end of the year.

The EU Strategy for the Baltic Sea Region was highlighted as an important basis for regional cooperation. Though excellent in many areas, the maritime connections and the associated economy, which bring the countries together, remains largely an elephant in the room. Blue growth should become a crosscutting theme for the Strategy.

The Strategy is partly integrated with the HELCOM Baltic Sea Action Plan, and discussions looked closer at whether more can be done in order to make the two more mutually supporting.

It was noted with interest that the HELCOM ministerial had decided to develop a “Green Technology and Alternative Fuels Platform for Shipping” together with other regional actors. It must now be considered how to carry this idea forward.

The Baltic Sea Region is a leader - responsibility follows

The Baltic Sea Region is a forerunner in the field. It is uniquely set in terms of having the EU Strategy for the Baltic Sea Region, and being an emission control area under the IMO. The region has a long tradition of cooperation and several platforms established. In addition it is characterised by being strong both in innovation and in environmental standards. As such the Baltic Sea Region sets a high standard and serves as a front runner for the rest of the EU. With that comes responsibility to successfully implement the regional strategies that have been agreed. The EU Strategy for the Baltic Sea Region in particular is a model for other macro-regional strategies in the EU.

Time has come for more coordination in maritime spatial planning

Several speakers highlighted maritime spatial planning as a crucial tool for blue growth. The European Commission has proposed a directive obliging Member States to launch spatial planning processes for their seas and coastal zones and to coordinate with their neighbours. This initiative should mark the start of efforts to take full advantage of much needed cooperation in maritime spatial planning leading to more stability, predictability and transparency. It will help to achieve the ambitious objectives set within HELCOM and VASAB.

Summary of Presentations and Discussions

Opening Statements



Maria Damanaki, EU Commissioner for Maritime Affairs and Fisheries, highlighted the unleashed potential of the maritime economy, and the large role it plays for Europe, not the least in the light of the recent recession.

The Integrated Maritime Policy, launched in 2007, is an essential part of the EU’s collective policies. The Blue Growth initiative seeks to even further secure Europe’s leading place in the global maritime economy. Studies undertaken by the EU Commission have shown a number of sectors where there is great potential for growth and job creation: ocean energy, blue biotechnology, maritime tourism and aquaculture. The Commission has





identified a number of tools to create the best possible conditions for business in these sectors. Maritime Spatial Planning alone has the potential of bringing between €170 million and €1.3 billion by 2020 in cost savings. The EU Commission is also looking into how EU funds can best support blue growth. The research programme Horizon 2020 will include a focus on blue growth. The first call for projects will go out early next year.

The EU Commission has worked to reform the Fisheries Policy with good results. Important steps have been taken towards sustainability. With this comes the added benefit of increased profits by optimising outputs in the industry.

The Commissioner stated that the Baltic Sea Region ranks first among the world's sea regions in renewable energy, shipping, innovation and research. Furthermore, the region is well ahead of any other in reducing emissions and it has a long tradition of cooperation, not least through HELCOM. Lessons learned in the Baltic Sea Region will serve as food for thought in the Mediterranean and the Black Sea.

The Commissioner also highlighted maritime connectivity and security as two important issues on the agenda.

Nick Hækkerup, Danish Minister for Trade and European Affairs, underlined the importance of the maritime sector for the Danish economy. It accounts for a quarter of total exports, 10 % of the total Danish production, and 115.000 jobs. Denmark looks with confidence at the prospect for blue growth in Denmark and in the Baltic Sea Region. The maritime sector is well aware of the need to innovate in tough economic times.

The new Danish Blue Growth Strategy aims at making sure that Denmark remains one of Europe's leading maritime nations and a core player in the maritime industries in Europe. Denmark can offer attractive conditions, including an international ship registry and a competitive tonnage tax system. The Danish project "Green ship of the Future" seeks to create new solutions that are not only environmentally, but also economically, sustainable.

The road ahead to growth in the maritime sector in Denmark, the Baltic Sea Region and the EU is to enhance cooperation between maritime industries, research institutions and relevant authorities to attract investments and promote export.

We may be individual states competing for international investment. But we are also part of a Baltic and European context where cooperation is necessary, also in order to attract investment. Denmark reinforces its firm commitment to Baltic Sea cooperation.

Opening Plenary Session: Setting the Scene for Blue Growth Potential in the Baltic Sea Region

Vytautas Leškevičius, Vice-Minister for Foreign Affairs, Lithuania, outlined Lithuania's priorities for its presidency of the Council of the European Union and stressed European cooperation as the best answer to the current challenges. Europe needs more unity to get ahead at the global level. Thus, the presidency focuses on growth and openness in Europe. An example is the importance given to creating a common energy market. The Baltic Energy Market Inter-connection Plan seeks to bring an end to "energy islands" for electricity and gas. The Presidency will also support the Integrated Maritime Policy and the new sustainable Common Fisheries Policy. It also recognises an increasing demand for sustainable aquaculture which also has the potential of creating more jobs.

Lithuania will continue the discussions on effective implementation of macro-regional strategies. The three goals of the EU Strategy for the Baltic Sea Region are all highly relevant: save the sea, increase prosperity and connect the region. The Baltic Sea Region is already the fastest growing region in Europe. Increased integration can enhance





this even more. Lithuania has an expected growth rate of 3.5 to 4 % over the next two years. The time is right to maximise the potential for innovation and blue growth. This, as well as exploration of environmental challenges and opportunities, will be at the heart of the discussion when the EU Strategy for the Baltic Sea Region is reviewed at the 4th Annual Forum on 11-12 November in Vilnius.

Lowri Evans, Director-General, DG Maritime Affairs and Fisheries, European Commission, underlined that the European maritime economy has significant potential for growth. While growth is already happening, the question now is how to create the conditions for getting the investments flowing into the maritime sectors, and achieving results in terms of growth and jobs as a contribution to solve the macro-economic challenges in the EU. There is an urgency, but also a need to decide on priorities - if more investments are to be shifted into the maritime economy, it means less investment elsewhere. The priorities have to be discussed nationally and regionally.

The Baltic Sea area has the best platform in Europe. Here, both national and regional strategies are in place. The EU Strategy puts it ahead of other regions. It has the leadership in blue growth, and the responsibility not only to keep it, but also to do more. If this region cannot achieve success, none can.

The EU Commission has a two-pronged approach to help attract investments. Research programmes, including Horizon 2020 and the European Structural and Investment Funds are the most relevant and contains big money. Furthermore, there is a focus on sea-basin strategies and tools to remove barriers to growth:

- The EU Commission has proposed a new directive to set up processes in Maritime Spatial Planning, requiring member states to coordinate with their neighbours. This would help reduce business uncertainty and provide actors with more confidence to invest. It is now up to the member states to get this legislation through.
- With the ambition to make marine knowledge available, an agreement has been reached with a large number of organisations to put their maritime data into the public domain for common use.
- The Baltic Sea Region needs more effective monitoring and sharing of knowledge about maritime activities in order to achieve safer navigation and better policing of human and drug trafficking as well as illegal fishing.

A common concern for all sectors in the blue economy is the possible environmental impact. This has to be addressed and discussed with all stakeholders in a transparent way. The Marine Strategy Framework Directive provides the crucial tool for this discussion and for monitoring development. It is the environmental underpinning of the blue growth strategy.



The Baltic Sea region is well ahead in research, innovation and maritime clusters. The region should now look further into potentials within blue biotechnology, develop LNG infrastructure and smart grid solutions for offshore energy. The Baltic Sea Region should also consider branding itself further in order to attract more tourists.

It is now crucial to start using the structural funds and research programmes and move from ideas to projects and jobs. The European Investment Bank is open for business. The partnership agreements and operational programmes should be drawn up to allow funding for blue economy from these sources. Stakeholders should be active in this context now. The opportunities for support from the EU level have never been better.

Anke Spoorendonk, Deputy Prime Minister of Schleswig-Holstein, outlined the action plan developed by Schleswig-Holstein under the title “Sea our Future”.

“Sea our future” is set up with clear objectives, financing and time plans. Key instruments are good communication and coordination, participation of all relevant ministries, and development of clusters using the triple helix structure. The action plan contains 10 themes, including research and technology as well as environmental protection. It is financed by the region, the federal level and by the EU.



Schleswig-Holstein welcomes the EU Commission's blue growth strategy and the five priority sectors identified. Schleswig-Holstein has published a blue biotechnology master plan and is active in biotechnology in the context of the EU Strategy "Submariner project". Another project mentioned was one concerning marine mineral resources where researchers now explored the possibilities. A third example was blue energy, where Schleswig-Holstein was a pioneer with great ambitions in wind energy. The costs of offshore wind energy are high, but significant cost reductions are possible through technological development. The success of blue growth will depend on regional cooperation and dialogue between regional organisations.

Robert Ashdown, Secretary General, CLIA Europe, emphasized the bright prospects for growth and job creation in cruise tourism in general and in the Baltic Sea specifically. It is a young industry with great prospects. However, a number of challenges have to be met. As more cruise guests come from China, other Asian markets and the Middle East, there is a need for authorities to facilitate visa-procedures. Major concerns for the industry are the increasing costs resulting from stricter limits on emissions and rising fuel prices. Emission restrictions are stringent and the ships do get cleaner and cleaner, but restrictions on ports are lax in comparison. This gap needs to be addressed. Port reception facilities have to be improved and expanded and waste reception facilities need to be up to scratch.



Special rules for special areas should be avoided. The cruise business is global. It is also important to avoid uncertainty concerning future compliance with regulations. The industry is working continuously on adapting and improving, but some flexibility is necessary in enforcing new restrictions.

Juha Kytölä, Vice President, Wärtsilä Finland OY, stated that the future lies in progress towards sustainable shipping and higher levels of safety for people and environment. Efficiency is needed throughout the value chain. Wärtsilä Oy works within five core elements: total efficiency; fuel flexibility (moving towards LNG and possibly other); emission minimization; vessel safety; and fleet optimization.

One of the major issues for the industry is the introduction of LNG along the entire logistical chain. This requires more coordination and top-down management from the EU and national governments.

There is a need for global harmonisation of the regulatory framework. There should not be any area-specific regulations in the Baltic Sea. The US is ahead of Europe in regulations on sulphur and ballast water; here it is a question of whether the Baltic Sea Region should follow the American lead.



It is crucial that early investors get an advantage. To ensure this, regulations should be enforced uniformly. Early adaptors can face losses if restrictions are changed and deadlines extended. Incentives for early adaptors have to be real and secure.

The Baltic Sea Region suffers from a gap between research and implementation. This gap has to be closed as have been done in the US. Finally it will be necessary to take a life-cycle approach to ships and other structures so that it is clear what the rules are for scrapping.





Reports from Parallel Sessions

Blue Growth: New Partnerships?

Moderator: Jakob Granit, Centre Director, Stockholm Environment Institute

The Blue Growth agenda promoted by the European Commission emphasises growth. At the same time many argue for action to increase environmental regulations. Participants were divided on the question of whether we are able to combine a growth agenda with the need to protect the environment. There is a need for careful consideration of the balance.

There is a need for a business approach in order to analyse the problem and identify solutions using a project based approach. Projects, primarily those within the public sector, should have a clear start, an end and a budget. It was concluded that the Baltic Sea Region needs strong systems for monitoring and evaluation that look at activities, outputs, outcomes and impacts of the projects.

A learning system needs to be put in place so that we can learn from the numerous public and PPP projects that are being carried out. Collective action through regional programs and projects are good since they bring actors together. An example of a regional project would be a joint monitoring system for the Baltic Sea Region that measure near real-time the state of the environment and that can be linked to project activities. Integrated science is necessary for moving forward with big society transformation to build sustainability.

The session called for more integrated financing mechanisms for science (within BONUS) that reward multidisciplinary research into sustainable growth trajectories in general and blue growth in particular.

Maritime Connectivity - Investments at Sea

Moderator: Axel Wenblad, Senior Adviser, Region Västra Götaland



There is a need for long-term support to innovation, especially for small and medium sized enterprise, SMEs, because it takes time and resources to go from idea to commercialisation. Strategic long-term partnerships should be formed with industry for research and development at national and regional level to work on solutions for emission control, cleaning ballast water, and critical areas for large scale offshore wind power.

We need to establish long-term predictable requirements and conditions when formulating policies, like Euro 1 to Euro 6 for transport or “Energiewende” in Germany. The financial sector should work more proactively by engaging in projects at early stages as a “financing partner”. In this way projects can be made more commercially viable and financial risks can be reduced. The Nordic Investment Bank (NIB) and the European Investment Bank (EIB) could play leading roles in this development.

Creating a Hub for Blue and Green Innovation - New Opportunities, Drivers and Markets

Moderator: Torben Aaberg, Head of Public Relations, Baltic Development Forum

In order to stay competitive, we need to do the following:

- Invest in joint development of competences in the Baltic Sea Region.
- Develop more cross-border research initiatives and triple helix platforms, e.g. in the areas of LNG and seaweed.
- Develop networks of test facilities/platforms for scaling up new technologies.
- Get better at technology transfer and commercialising knowledge.
- Get better at identifying what kind of investments, especially in first movers, will release the potential for growth and job creation.



We have strong maritime clusters in the Baltic Sea Region, but they should compete less and cooperate more. We should:

- Join forces to develop a joint regional cluster and more flagship projects, e.g. in offshore wind where there seems to be a huge potential.
- Put more focus on innovation - clusters today are dominated by research.
- Involve businesses across national borders.
- Coordinate between sub-sectors, e.g. maritime tourism and offshore oil and gas.
- Be more aware of new funding opportunities for blue growth and innovation, also for pilot projects, e.g. combining EIB/NIB loans with private sector investments.

Several national and sub-regional blue growth strategies are being developed as part of a new emphasis on comprehensive maritime perspectives. We could combine these individual strategies into a joint plan for blue growth in the Baltic Sea Region. It should have clear links with the EU Strategy for the Baltic Sea Region to make sure that blue growth is integrated as a cross-cutting issue in policy discussions in the region.



Intelligent Water Management in Cities and Companies

Moderator: Lovisa Selander, Head of Water and Environmental Affairs, Baltic Development Forum

It is important to consider the link between water management on land and at sea, and take into account how activities on land affect the marine environment. Globally 80 % of marine pollution comes from land-based sources.

Intelligent water management were defined as such strategies and technologies that solve more than one problem. Wastewater treatment has the potential to produce both energy and phosphorus, smart grid solutions in distribution networks can save water, energy and money, and progressive and holistic water management strategies can build resilience to climate change.

The technologies we need in order to embark on smarter water management already exists. The Baltic Sea Region is strong in the field of blue and green technology development. What is needed now is to implement these technologies.

The relationship between private and public actors is complex. On one hand stricter regulations can spur innovation, but on the other hand new technical solutions are often not implemented because of lack of political commitment. To achieve political commitment it is necessary to find solutions that save money or have strong public support and awareness.

Plenary Session: Towards a Sustainable Blue Growth Agenda in the Baltic Sea Region

The first three speakers of this plenary session were posed with the question of whether Singapore could serve as an inspiration and role model for the maritime sector in the Baltic Sea Region.



Fredrik Lind, Managing Director, Boston Consulting Group, presented the report “Turning Adversity into Opportunity - A Business Plan for the Baltic Sea Region” which was produced for WWF Sweden. The report makes the case that the health of the Baltic Sea should not only be seen as an environmental challenge; it had to be regarded as an economic and social concern as well. Failing to restore the health of the sea means lost opportunities for business and job creation.



The Baltic Sea Region is situated in the most innovative and wealthy region of the world. Those are strengths that should be drawn upon. However, the ecological status of the Baltic Sea is poor with eutrophication, hazardous substances and overfishing making up the three main and well known challenges. The Boston Consulting Group estimates that measures to restore the health of the Baltic Sea could create 550.000 new jobs and give €32 billion in annual value added to the region by 2030. There is a need for integrated, cross-sectorial approaches that also involve the private sector. Singapore has shown how such policies can lead to success.

To move forward, accountability should be introduced in order to follow up on national commitments, e.g. to avoid a situation where objectives are not met - as with the HELCOM action plan. There also needs to be a broader engagement from governments meaning that all relevant ministries - not only environmental ministries - are involved. Commercial incentives should be put in place and a regional blue and green technology hub created for a broad range of products, services and solutions with a positive environmental impact.

Jan Fritz-Hansen, Vice-President, Danish Shipowners' Association, pointed out that the Singapore vision could serve as inspiration, but any similar initiative to be applied here had to be implemented in line with the cooperative method that was the tradition in the Baltic Sea Region.

Environmental consideration is important, but it needs to be paired with business reality. Restrictions should be introduced in a planned and intelligent way. One major concern for the shipping industry at this moment are the limits on NOx and SOx emissions. It should be considered whether it is appropriate and necessary to implement all these new restrictions at the same time.



There is no need to invent new competences. One way forward is increased cooperation of the maritime clusters in the region, and to create an internal market on the sea.

Francis Zachariae, Deputy Director General, Danish Maritime Authority, pointed out that conditions in Singapore and the Baltic Sea Region were different and it was difficult to draw parallels. However, Singapore's success as a shipping nation was a source of inspiration for Denmark. Denmark is already an important shipping nation, and 10 % of the world's merchant fleet is sailing under Danish flag. Therefore, maritime issues are an important priority in Denmark, and Denmark was one of the first countries to develop its own blue growth strategy. Even if shipping is first and foremost a global business, Denmark sees the potential in using the Baltic Sea Region as a hub for developing cleaner and safer products and practices that could be tested regionally and subsequently exported worldwide.



The Danish Maritime Authority is responsible for coordinating two priority areas under the EU Strategy for the Baltic Sea Region, and participates in projects related to e-Navigation which aims to make shipping safer and more efficient. Another flagship project example is the Clean Shipping Index which allows for comparison of the environmental impact from different forms of maritime transport. This was especially useful in light of new regulations limiting emission of SOx, something which pose great challenges for ship owners. Last month witnessed the closure of two ferry lines in the region, and there is a real danger of a modal backshift from ships to trucks - a less environmentally friendly mode of transport.



Björn Risinger, Director General, Swedish Agency for Marine and Water Management, outlined the thinking behind the Swedish decision in 2011 to establish a governmental agency which combined all issued related to fisheries, and the marine and water environment. The agency is responsible for the preservation, restoration and sustainable use of the water environment, both on land and at sea. This includes Marine Spatial Planning.

The agency aims to include all stakeholders and authorities in discussions. Finding methods to enable blue growth while ensuring the health of the ecosystem is particularly important in the Baltic Sea - a sea which only makes up 2 ppm of global ocean volume but hosts 9 % of global maritime transport. The Swedish Agency for Marine and Water Management aims to find solutions that seek to both improve the environment and provide opportunities for business. The Clean Shipping Index is an example of such a tool.



Anatoly Kinebas, Director, Vodokanal St. Petersburg, described the progress being made in the water sector in St. Petersburg. Now 98 % of waste water is treated compared to only 67 % in 1987 and none in 1972. Treatment plants are being upgraded to meet HELCOM requirements and good progress is being made on limiting nutrient emissions. The completion of the South-West wastewater treatment plant has made a major contribution to cleaner water in the Baltic Sea, and progress is now under way on limiting emissions from the whole North-West Federal District.



The conference of Heads of Government of the Baltic Sea States in St. Petersburg on 5-6 April 2013 had assessed progress in achieving the goal of preserving the Baltic Sea environment and identified ways to strengthen cooperation. The outcomes from the conference include recommendations of establishing more public-private partnerships, support for HELCOM as a platform for regional cooperation as well as for the implementation of the Action Plan for the Baltic Sea.

Plenary: Outcomes of the HELCOM Ministerial Meeting

Mikkel Aarøe-Hansen, Deputy Permanent Secretary of International Environmental Affairs, Danish Ministry of the Environment, reported that the HELCOM ministerial meeting held on the same day had led to a number of substantial results which were summarised in a 22 page ministerial declaration. Of particular importance was that each state had committed to fulfil individual targets for reducing nutrient pollution from land and air. By 2021 emissions of nitrogen will be reduced by 120.000 tons per year compared to 1997-2003. Phosphorus emissions will be reduced by 15.000 tons per year. There was agreement on several steps to reach the targets, including improvement of farm nutrient management, calculation of nutrient surplus in fertilisation practices, and implementing nutrient accounting at farm level by 2018. This would make a significant contribution to combating eutrophication.





Following the lead from the Rio+20 summit, the Ministers had also decided to develop a regional action plan by 2015 for a significant reduction of marine litter by 2025.

The ministerial had taken note that not all member states had yet ratified the IMO ballast water management convention. Work on this should be speeded up in order to combat invasive species.

A main topic for discussion among the ministers had been NOx emissions from ships which was a serious threat. Agreement had not been reached on all issues, but the ministers had agreed to work towards the creation of a joint platform for the promotion of green technology and alternative fuels for shipping in close cooperation with other regional actors. There is a need for innovative financing of this initiative and for cooperation with other partners.

In the Moscow HELCOM declaration from 2010 the ministers had agreed to apply to IMO for designation of the Baltic Sea as a Nitrogen Oxide Emission Control Area (NECA) under the MARPOL Convention. The ministers had not reached agreement on when to submit the application. Accordingly, the NECA application had not been submitted to the IMO. Further technical discussions were needed.

Pauli Merriman, Programme Director, WWF Sweden, made the point that the implementation of the HELCOM Baltic Sea Action Plan was lagging behind. Challenges are increasing at an exponential rate and measures to address them do not keep pace. Short term economic interests should not set the pace, there are longer term economic gains from improving the marine environment.

The Baltic Sea Action Plan is not adequately funded, and national governments have not realised that these decisions require action from several ministers, not only from the ministers for environment. The failure to reach an agreement on the NECA enforcement was a good example on a matter where the cards were held not by the environmental ministers attending the HELCOM meeting, but by the ministers for transport.



Final Remarks and Forward Look



Director of the Baltic Development Forum, Hans Brask, and Head of Unit, Haitze Siemers, DG Mare, European Commission, pointed out that the discussions had shown the need to work on the linkages between regulations and innovation, as well as between environmental protection and economic development. Haitze Siemers pointed out that much progress towards more sustainable approaches in economic development had been undertaken in the Baltic Sea area, and that the conference's approach of bringing together environment decision makers and economic actors was a pointer towards the further development of Blue Growth in the Baltic. This discussion should be taken forward at a similar stakeholder forum next year.

Upcoming events where ideas and findings of the conference will be carried forward:

Annual Stakeholder Forum of the EU Strategy for the Baltic Sea Region in Vilnius on 11-12 November 2013.

Green Technology and Alternative Fuels in the Baltic Sea Shipping, organised by the incoming Finnish presidency of the Council of the European Union, 16 January 2014.

European Maritime Days 2014, Bremen on 19-20 May. Theme: Research and innovation.

Three closely related events will take place in Turku on 3-4 June 2014:

- Summit of the Council of the Baltic Sea States (CBSS)
- 5th Annual Forum on the EU Strategy for the Baltic Sea Region
- 16th Baltic Development Forum Summit



The Exhibitors

The Networking Village provided an appreciated forum for discussion, partnership building and networking. The exhibitors were:




The Organisers

Baltic Development Forum is the leading think-tank and network for high-level decision-makers from business, politics, academia and media in the Baltic Sea Region. Its mission is to set the regional agenda by initiating and facilitating processes to build a strong, prosperous and coherent Baltic Sea Region. www.bdforum.org.

The Directorate-General for Maritime Affairs and Fisheries, DG MARE, is the EU Commission department responsible for formulating, developing and implementing the Common Fisheries Policy and promoting an integrated approach to all maritime policies in order to develop the potential of the European maritime economy and to secure a safe and stable supply of seafood, sustainable fisheries, healthy seas and prosperous coastal communities. http://ec.europa.eu/dgs/maritimeaffairs_fisheries/index_en.htm

EUSBSR - Priority Area Ship supports the actions towards clean and competitive shipping as part of the overall goals of environmental sustainability, regional prosperity, regional accessibility and attractiveness, and regional safety and security of the EU Strategy for the Region. PA SHIP was the co-organizer of the event through its Technical Assistance project, managed by the Baltic Institute of Finland. The project is monitored by the Priority Area Ship Flagship coordinators and the PAC, Danish Maritime Authority.

The Helsinki Commission, HELCOM, works to protect the marine environment of the Baltic Sea from all sources of pollution through intergovernmental co-operation between Denmark, Estonia, the European Community, Finland, Germany, Latvia, Lithuania, Poland, Russia and Sweden. HELCOM is the governing body of the "Convention on the Protection of the Marine Environment of the Baltic Sea Area", known as the Helsinki Convention. www.helcom.fi



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Speeches and PowerPoint presentations from the conference:

balticseaconference.eu/download



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