

STUDY TO SUPPORT THE DEVELOPMENT OF SEA BASIN COOPERATION

*IN THE MEDITERRANEAN,
THE ADRIATIC AND IONIAN,
AND THE BLACK SEA*



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EXECUTIVE SUMMARY

TASK 5: MEDITERRANEAN SEA - IDENTIFICATION OF ELEMENTS AND GEOGRAPHICAL SCOPE OF MARITIME COOPERATION

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Executive summary

The blue economy is vital for the Mediterranean basin

In the twelve EU and candidate or potential candidate countries of the Mediterranean (Spain, France, Italy, Slovenia, Croatia, Malta, Greece, Cyprus, Bosnia and Herzegovina, Montenegro, Albania and Turkey), the total gross value added (GVA) generated by maritime economic activities exceeds EUR 63 billion in 2010, i.e. more than three times the total GVA generated by the same activities in the Baltic Sea.

Coastal tourism and shipping (both deep-sea and short-sea) represent 73% of this total.

At country level, three EU Member states (Italy, Greece and Spain) represent 81% of the total of maritime economic activities. At sub-basin level, the Western Mediterranean accounts for the biggest share (43%), ahead of the Central Mediterranean (30%) and the Eastern Mediterranean (27%).

Coastal tourism and marine aquaculture are identified as the most promising and relevant maritime activities in almost all countries, followed by short-sea shipping and cruise tourism.

Coastal tourism and maritime transport are also significant economic activities in the European Neighbourhood Policy's partner countries covered by the study (Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, Palestine, Lebanon¹). Tourism is particularly relevant in these countries, considering their wealthy cultural heritage. It is often a pivotal activity and the potential for growth remains significant. Other activities such as oil and gas extraction and aquaculture are also considered as promising in some of these countries.

Many maritime-related projects and initiatives already exist

Many projects and initiatives related to blue growth and integrated maritime policy exist in the Mediterranean. Most are EU-driven (89% of the projects) and EU-funded (83% of the budgets allocated). They primarily concern environmental monitoring, coastal tourism and maritime transport.

ENPI² (European Neighbourhood and Partnership Instrument) projects account for 10% of the budget. They are co-funded by ENPI own resources (EuropeAid), ERDF and national contributions. Coastal tourism is by far the first maritime economic activity (MEA) covered by these programmes.

Projects primarily focus on networking and capacity building. The maritime dimension is encompassed in a significant number of cooperation initiatives, particularly coastal tourism, short-sea shipping and environmental monitoring.

Two sub-basins stand out in respect of the intensity of existing cooperation: the North-Western Mediterranean³ region and the Adriatic and Ionian⁴ region. At country level, Italy, centrally located in the basin and at the interface between the two most active sub-basins, stands out as the country most involved.

It is worth mentioning the setting up of the EU Strategy for the Adriatic and Ionian Region (EUSAIR) which has been adopted by the European Commission on 17 June 2014. The overarching objective of this Strategy is to promote economic growth and social prosperity in the region by improving its competitiveness, attractiveness and connectivity. The Strategy covers four EU Member States (Croatia, Greece, Italy and Slovenia) and four non-EU countries (Albania, Bosnia and Herzegovina, Montenegro and Serbia).

¹ Bilateral cooperation programmes with Syria under the European Neighbourhood Policy are currently suspended due to the political situation in the country.

Libya remains outside most of the structures of ENP.

Syria and Libya have thus been excluded from the scope of the study. They will be progressively involved in future cooperation as far as the political situation will allow for.

² ENI (European Neighbourhood Instrument) from 2014

³ Spain, France, Italy

⁴ Greece, Italy, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro and Albania

In summary, the Mediterranean sea basin does not form a clear geographical entity in the way other sea basins do. This diversity contributes to create a rich and dynamic environment economically and culturally, but this sort of multilayer governance also makes it all the more complex to consider a global strategy at sea basin or even delimited sub-sea basin level.

Some crucial challenges for maritime cooperation

The main challenges are already partially addressed by existing cooperation initiatives implemented by regional organisations, such as the UNEP-MAP for environmental issues, the RTAP and the Motorways of the Sea for maritime transport and the GFCM programmes for the fisheries and aquaculture sector. However some strategic sectors such as tourism, energy or blue biotechnologies still lack a global vision at sea basin level and governance in particular as regards environmental issues is still difficult to implement in practice for institutional and political reasons.

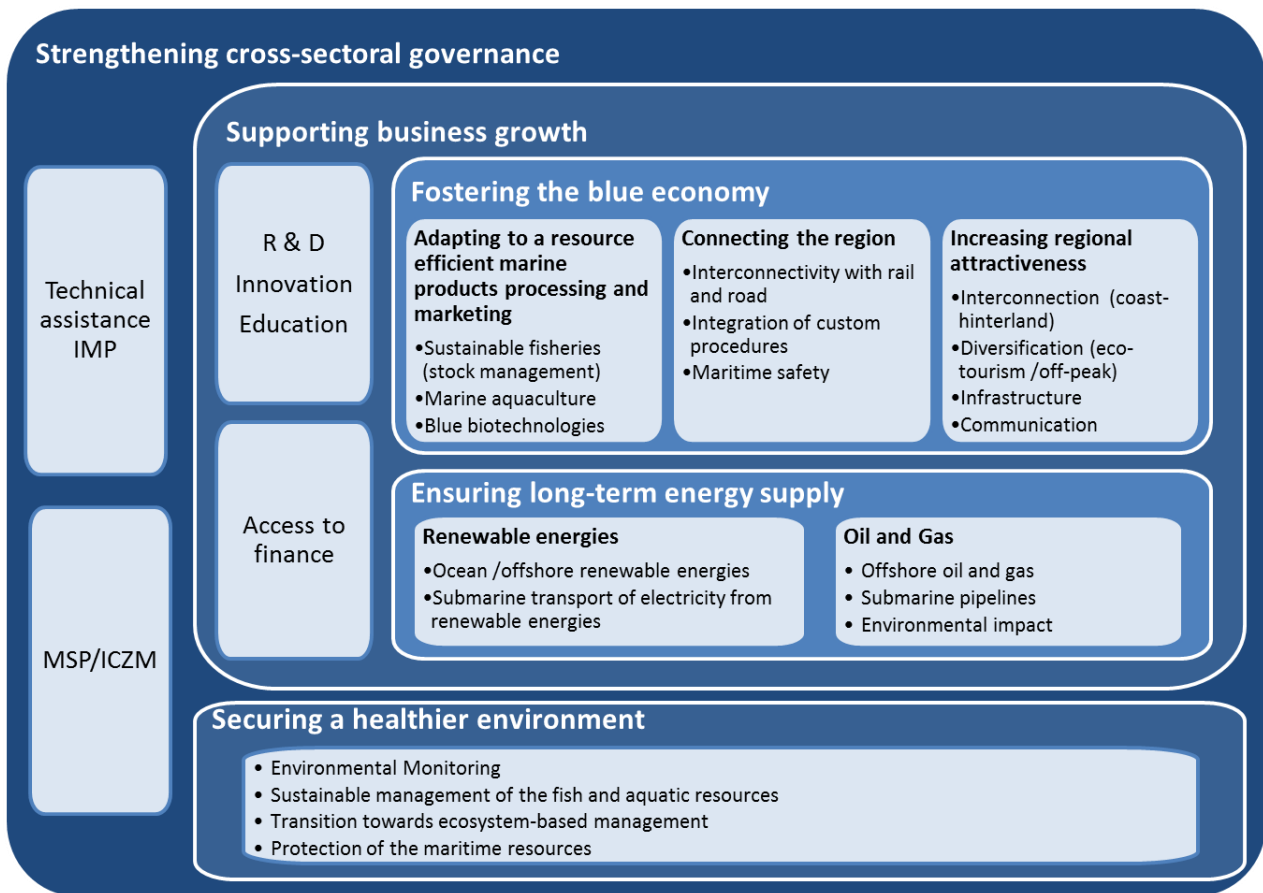
The implementation of MSP and ICZM, which is critical for the preservation of biodiversity and the co-location of the different maritime activities have been pushed forward by the EU and by regional organisations such as the Centre for Mediterranean Cooperation of IUCN but further cooperation will be needed to progress in this area. This may require the delimitation of maritime zones, for instance through EEZ, which needs to be debated at sea-basin level.

Despite the large number of cross-border and transnational cooperation projects involving maritime activities, some of the main priorities identified across sectors and which could benefit from further cooperation remain scarcely addressed or are covered but lack coordination at basin or sub-basin level. This is particularly the case for priorities relating to business growth, such as access to finance especially for marine aquaculture and tourism, education and training across all sectors, processing for activities related to the use of marine resources (fisheries, marine aquaculture and biotechnologies), marketing and communication for fish and seafood products and for innovative high-quality tourist offer, or technology transfer (e.g. traceability in the food industry, fuel efficiency, eco-tourism, desalination, etc.).

A cooperation development framework for the Mediterranean

The analysis of the main sectoral and cross-sectoral issues, based on the findings of the Analysis of the blue growth needs and potential per country⁵, leads to the identification of five horizontal themes to be used as the basis of a cooperation development framework for the Mediterranean.

⁵ Task 2 of the present study



Policy recommendations

A series of policy recommendations are proposed that could help to fulfil the sustainable growth potential in the blue economy. These recommendations are structured around the horizontal themes mentioned above:

- **Supporting business growth:** the development of a blue economy in the Mediterranean needs to be underpinned by increasing cooperation efforts in different dimensions of R & D, education, innovation and access to finance (scientific knowledge, new products and services, process, markets, organization, financial instruments ...).
- **Fostering the blue economy** through specific strategies for the different sectors: particularly by supporting sustainable and resource-efficient activities, enhancing the connectedness of the region and increasing regional attractiveness.
- **Ensuring long term water and energy supply** both from renewable energies and oil and gas through developing a shared vision and a regional strategy on energy supply (including exploration of new resources, renewable energies, energy transport and the assessment of environmental impacts);
- **Securing a healthier environment:** healthy environment and renewable natural resources are the bedrock of blue growth. IMP has thus to pay particular attention that environment degradation does not hamper the achievement of socio-economic objectives.
- **Strengthening cross-sectoral governance** by encouraging IMP as well as MSP and ICZM around the sea-basin; considering the lack of effective governance in the Mediterranean Sea, policy options have to be realistic and take into consideration that setting up good governance in the basin will take time and need tailored support.

A complex mosaic with very different stages of advancement and development according to sub-regions

Lessons learned from the major regional programmes and partnerships existing in the Mediterranean provide useful indications on both best practices and the main difficulties faced by cooperation initiatives involving EU Member States and ENP Southern partners. They show in particular that the link between Northern and Southern partners of the Mediterranean is relatively weak and certainly justifies further EU involvement, while the South-South dynamics seems to function quite well. At sub-sea basin level the Western Mediterranean demonstrates a bigger capacity for cooperation than the Eastern Mediterranean, where the axis Greece-Cyprus-Turkey could nevertheless play a pivotal role and boost the cooperation in the area, once political barriers have been removed.

At this stage, well-structured and really operational governance exists only in the Adriatic/Ionian basin.

Sectoral aspects are more mobilizing than cross-cutting initiatives because they are more concrete and answer practical questions. These also tend to be more operational while cross-sectoral projects tend to focus more on networking. Yet, cross-cutting projects are emerging both in the North and South of the Mediterranean, mainly when dealing with environmental issues, and the idea of integrated policies is catching on.

Both the Intermediterranean Commission of the Conference of Peripheral Maritime Regions of Europe (CPMR) and the Euro-Mediterranean Regional and Local Assembly (ARLEM) recently called for the introduction of a macro-regional approach for the Mediterranean and proposed to apply and adapt to the Mediterranean basin the approach that the EU has been testing during the last years in the Baltic and Danube areas, on a tailored and gradual basis, with three macro-regional integrated areas: the first one is already in place in the Adriatic-Ionian region since the adoption of the EUSAIR Strategy and Action Plan in June 2014, the second would cover the western Mediterranean macro-region and the third the eastern Mediterranean macro-region. In the medium term each of these macro-regions could be more cohesive and more dynamic than a single uniform region for the whole of the Mediterranean.

Some of the interviews carried out for the study indicated anyhow that “macro-regional strategy” sometimes appears to be a European concept, which is not always considered as fully relevant for Southern countries or which, at best, is seen as premature and needs to be further explained.

The analysis shows that the Mediterranean basin is a complex mosaic with very different stages of development and advancement regarding IMP and blue growth. A “one size fits all” strategy will therefore not work. Instead, a step-by-step and sub-basin-specific approach should be taken.

Cooperation readiness

The analysis of political, technical and financial barriers, which can make cooperation difficult, and of drivers conducive to cooperation development, highlights two sub-regions as particularly favourable for cooperation: the North-Western Mediterranean and the Central Mediterranean (the latter being already largely covered by the EUSAIR).

The Western Mediterranean sub-basin (the four EU MS⁶ + the three ENP partners of the region⁷) seems likely to provide fertile ground for future cooperation, provided that some further preparatory work is carried out at the political and technical levels.

Cooperation in the Eastern Mediterranean should be considered at longer term but could emerge faster among some countries for specific concrete issues.

The Mediterranean basin as a whole suffers from the lack of political readiness of a few partners but can be considered for some cooperation purposes.

⁶ Spain, France, Italy and Malta.

⁷ Morocco, Algeria and Tunisia.

A differentiated timetable for the cooperation approach

In the **Western Mediterranean** (Spain, France, Italy, Malta, Morocco, Algeria, Tunisia) a medium-term approach could be envisaged:

- 2015-2016:
 - Communicating with relevant organisations to encourage projects related to maritime issues under current cross-sectoral cooperation initiatives (UfM, Dialogue 5+5, EU territorial cooperation programmes...);
 - Organizing a stakeholder conference to set common priorities for the area as regards blue growth. Although a sectoral approach is necessary to facilitate the emergence of concrete proposals, some cross-sectoral issues should be emphasized, in particular sustainability issues and the establishment of common rules and standards. Other relevant topics for cooperation include access to finance, training, promotion and marketing or technology transfer, communication on the diversity of maritime activities and career opportunities, differentiation and labelling of Mediterranean products and services;
 - Establishing a research programme in cooperation with relevant regional organisations and research institutes to support the sustainable development of maritime activities in the Med, including topics such as marine biology and biodiversity, blue biotechnologies, fuel efficiency for vessels, etc.
 - Improving support to SMEs by encouraging networking, in particular through maritime clusters and by facilitating their access to existing cross-sectoral tools and projects (e.g. cross-sectoral UfM projects for business development, EU COSME, etc.)
 - Setting up a maritime strategy defining specific objectives to be achieved by 2020: this step could be implemented at least (as a first step) in Western Med-North where barriers for cooperation are lower and potential added-value is higher in the short to mid-term, with a possibility for Southern countries to join on specific issues of their choice;
 - Considering that there are big differences between the Northern and Southern partners of the Western Med both in terms of knowledge of the blue economies and intensity of participation to cooperation programmes, it appears necessary to improve the knowledge of the strengths and weaknesses of the blue economy and of blue growth potential in the countries of the southern part of the Western Mediterranean basin (Morocco, Algeria, Tunisia), in order to better focus the possible cooperation axes. To bring the knowledge of the blue growth potential of Morocco, Algeria and Tunisia in line with Spain, France, Italy and Malta, it is suggested to carry out “country fiches” and needs analyses in the three ENP partner countries;
- 2017-2020:
 - Implementing actions likely to have a quick impact (e.g. implementing MPAs in high seas, setting up and implementing ICZM and MSP, developing a sub-basin aquaculture plan, ...);
 - Implementing actions to support mid-term to long-term strategies, such as encouraging stakeholders to define integrated research and innovation strategies for blue growth or encouraging business to business networking through the development of maritime clusters, etc.
- beyond 2020:
 - Revising the strategy on the basis of the results of the previous steps and of the success stories of other sea basin strategies and of the EUSAIR.

In the **Eastern Mediterranean** sub-basin (Greece, Cyprus, Turkey, Lebanon, Israel, Palestine, Jordan, Egypt) a longer term approach would have to be considered, with greater initial focus on political dialogue, awareness-raising and governance assistance.

The following timetable can be proposed:

- 2015-2016:
 - Searching for and/or consolidating political commitment to sea basin level development;
 - Identifying areas of mutual interest, possibly through a stakeholder conference, where concrete projects among some countries could emerge (e.g. promotion of cruise tourism in the Levant Sea, , development of training in maritime spatial planning and integrated coastal zone management, increase of exchanges and partnering across maritime training institutes and centres, encouraging the young generation to follow the maritime profession ...);
 - Reinforcing cooperation between Greece, Turkey and Cyprus (e.g. support the Greek, Cypriot and Turkish chambers of commerce in their attempts to implement confidence-building measures, especially in shipping, tourism and energy).
 - Bringing the knowledge of the blue growth potential of Lebanon, Israel, Palestine, Jordan and Egypt in line with Greece, Cyprus and Turkey, it is suggested to carry out “country fiches” on the blue economies and needs analyses of the five ENP partner countries concerned.
 - reinforcing cooperation between Greece, Turkey and Cyprus (e.g. support the Greek, Cypriot and Turkish chambers of commerce in their attempts to implement confidence-building measures, especially in shipping, tourism and energy).
- 2017-2020:
 - Developing maritime safety and surveillance through increasing cooperation between states, port authorities and stakeholders of the shipping sector,
 - Using the elements of success of EUSAIR to convince the sub-basin countries of the merits of a cooperation framework at sub-basin level.
 - Establishing good cooperation experiences upon to build trust and interest for establishing a strategy.
- beyond 2020:
 - Depending on the results of the previous steps (particularly at political level), capacity-building should be developed and the potential for cooperation on issues of common interest (e.g. water supply or MPAs) should be investigated.

In the **Central Mediterranean** a strategy is already being developed, therefore no specific suggestions are proposed.

The level of the **whole Mediterranean** basin could be used, depending on the progress achieved and the difficulties met in the strategies of Western and Eastern sub-basins, with some specific purposes compatible with steps taken in these different sub-sea basins:

- 2015-2016:
 - Continue to support current cooperation initiatives that address sea basin level challenges (e.g. GFCM, UNEP-MAP, UfM projects and actions, Euromed),
 - Intensify dialogue with non-EU partners (perpetuate and strengthen the Working Group on IMP in the Mediterranean after completion of the IMP-MED project),
 - Enhance networking among maritime training institutes and academies,

- Identify common objectives as regards blue growth and the sustainability of blue growth activities;
- Identify priorities in terms of data collection and knowledge sharing in particular as regards the interaction between human activities and the marine environment;
- 2017-2020: in case political difficulties persist locally in some parts of the basin, the whole Mediterranean could be the appropriate cooperation level to make some cooperation initiatives possible, allowing the dilution of bilateral or local conflicts.