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SUGGESTIONS ON HOW TO WORK IN ORDER TO MOBILIZE AND ALIGN PUBLIC AND PRIVATE INVESTMENTS IN A TRANS-BALTIC SETTING

Objectives

This report is part of an exercise conducted for the Swedish Institute aiming to offer support to better understand aspects of how to mobilise and align public investments in the Baltic Sea Region. The scope of the exercise consists in providing a set of three reports to provide policy intelligence to further enhance inter-regional cooperation. Those three report focus on:

- Assessment of Blue Growth value chains in Baltic Sea regions, as a basis for suggestions of key growth areas to further develop cooperation and joint roadmaps
- Providing an analysis of the existing policy framework for Blue Growth in the regions
- Assessing value added for cooperation in Blue Growth areas

Based on the combined analysis of these three key aspects, the 3 reports will provide recommendations on specific areas of joint involvement and co-investment for smart specialisation in Blue Growth areas in Baltic Sea regions.

The objective of this report is to suggest key initiatives that could improve the coordination between organisations of the Baltic Sea, to the benefit of blue growth.

The report develops a comparison of the first 2 Reports with the Interreg Cross Border Programmes in the Baltic Sea (1), a selected number of key existing cooperation programmes (2). This comparison exercise results in propositions for key initiatives which would lead to a more efficient coordination between the organisation of the Baltic Sea and the specific perspective of the Swedish Institute (3).

Methodology

The areas of blue growth taken into consideration for this report align with the methodology of Report 1. However, considering that both Report 1 and 2 suggested a potential for synergies between Blue Biotechnology and Aquaculture, these two value chains have been tackled jointly.

The Interreg Programmes taken into consideration for this exercise are those whose geographical coverage include a part of the Baltic maritime area. Both Cross-Border and Transnational Interreg Programmes were surveyed. These are:

- Baltic Sea, Northern Periphery and Arctic;
- South Baltic; Central Baltic; Botnia-Atlantica; Nord; Germany-Denmark; Sweden-Denmark-Norway; Estonia-Latvia; Germany-Poland; Latvia-Lithuania.

Every Region surveyed in Report 1 (Nordjylland (DK); Ida-Viru (EE); Klaipeda (LT); Mecklenburg Vorpommern (DE); Pomorskie (PL); Schleswig-Holstein (DE); Skåne (SE); Southwest Finland (FI), and; Östergötland (SE)) are covered by at least two of these Programmes.

Additionally, and in order to get a clear picture of the existing maritime cooperation in the Baltic, the scope was extended to the cooperation initiatives, organisations and schemes developed in the region in relation with maritime activities or tackling maritime issues.

Key Findings

The existing framework of cooperation on maritime issues is very dense in the Baltic Sea area. In addition to the various Interreg Programmes offering interesting funding opportunities, several organisations or initiatives supplement the cooperation scheme in the region.

This wide range of organisations covers the whole sectoral scope of this study (energy and marine materials, shipbuilding and maritime transport, food, nutrition and health and marine biotechnology):

- Shipbuilding and maritime transport is widely taken on board by almost every studied body,
- Energy and maritime materials are an important and shared issue,
- There is a room for food, nutrition and health and marine biotechnology.

Also, the report highlights the existence of successful initiatives on maritime issues in the Baltic Sea Region, such as Submariner Network.

Recommendations

The main conclusions of this report are that any future cooperation initiative aiming to boost the maritime economy in the Baltic should fill-in the following check-list:

- **Bringing all the relevant stakeholders to the table.** This includes decision makers of course but also users, private sectors and funding authorities. In this perspective, the first step could consist in organising a workshop day with a wide range of stakeholders.
- **Widening the geographical scope.** It needs to be upscaled from the surveyed regions to the whole Baltic Area. Several other Regions of the Baltic Sea are interested in the maritime value chains tackled in these reports, included them in their RIS3 and host numbers of important companies and research institute.
- **Working closely with existing initiatives.** Such initiatives can bring a lot of experience. Obviously, it implies to integrate the process initiated by the European Commission's Directorate General for Maritime Affairs and Fisheries. Organisations, such as for example Submariner Network could bring a significant contribution to the development of future initiatives.
- **Identifying a dynamic leader.** The Swedish Institute could have a major role to play in this perspective. It could act either
 - as coordinator of the whole cooperation scheme or as geographic/thematic leader
 - to enable the ownership of other actors (Regions for instance) by giving them the needed support for action.

1. ERDF Cross-border cooperation programmes in the Baltic Sea

1.1. Presentation of the Interreg Programmes

The chart here-below presents the mains characteristics of the relevant Transnational Interreg Programmes.

Name of the Transnational Programme	Geographic coverage	Budget	
		Total OP	Total EU contribution
Baltic Sea	Germany: Berlin, Brandenburg, Bremen, Hamburg, Mecklenburg-Vorpommern, Lüneburg, Schleswig-Holstein. Danmark, Eesti, Finland, Lietuva, Latvija, Poland, Sverige	333,414,456 €	272,630,658 €
Northern Periphery and Arctic	Pohjois- ja Itä-Suomi Mellersta Norrland Övre Norrland Highlands and Islands	78,636,424 €	50,209,899 €

The chart here-below presents the main characteristics of the relevant Cross-Border Interreg Programmes.

Name of the cross-border Programme	Geographic coverage	Budget	
		Total OP	Total EU contribution
South Baltic	Mecklenburg-vorpommern Hovedstaden Sjælland Lietuva Zachodniopomorskie Warmińsko-mazurskie Pomorskie Småland med öarna Sydsverige	102,934,671 €	82,978,784 €
Central Baltic	Eesti Länsi-suomi Helsinki-uusimaa Etelä-suomi Åland Latvija Östra sverige Stockholm Östra mellansverige Småland med öarna Norra mellansverige	160,276,623 €	122,360,390 €
Germany-Denmark	Schleswig-holstein Sjælland Syddanmark	121,306,000 €	89,634,975 €
Sweden-Denmark-Norway	Hovedstaden Sjælland Midtjylland Nordjylland Sydsverige Västsverige	271,376,522 €	135,688,261 €
Estonia-Latvia	Eesti Latvija	45,654,342 €	38,020,684 €
Sweden-Finland-Norway (Botnia-Atlantica)	Länsi-suomi Pohjois- ja itä-suomi Norra sverige Norra mellansverige Mellersta norrland Övre norrland	61,284,055 €	36,334,420 €
Sweden-Finland-Norway (Nord)	Pohjois- ja itä-suomi Norra sverige Norra mellansverige Mellersta norrland Övre norrland	65,896,768 €	41,951,870 €

Germany/Poland	Mecklenburg-vorpommern Brandenburg Poland	157,647,549 €	134,000,414 €
Latvia-Lithuania	Lietuva Latvija	65,014,321 €	54,966,201 €

1.2. Identification of potential for support to the three key value chains

The chart here-below shows how the different value chains are included in the Operational Programmes of the different Interreg of the Baltic Sea Region. This chart takes only clear reference to the studied value chains into account. Therefore, Programmes covering a maritime value chain through a larger priority are not identified as tackling one.

	Energy and Marine Materials	Shipbuilding and Maritime Transport	Food, Nutrition & Health / Blue Biotechnology
Baltic Sea	x	x	x
Northern Periphery and Arctic	x	x	x
South Baltic	x	x	x
Central Baltic		x	
Sweden-Finland-Norway (Nord)	x	x	
Sweden-Finland-Norway (Botnia-Atlantica)		x	
Germany-Denmark	x	x	x
Sweden-Denmark-Norway	x	x	
Estonia-Latvia		x	
Germany/Poland	x	x	x
Latvia-Lithuania			

The Programmes offer opportunities for the three value chains, with the exception of Latvia-Lithuania. The Programme doesn't refer explicitly to the studied value chains. However, it is important to underline that it can offer opportunities in the framework of its priority for sustainable and clean environment through cooperation, which can apply to clean technology for maritime applications, maritime transport or shipbuilding.

It is interesting to note that:

- **Operational Programmes priorities echo the interest shown in Report 2 for clean technologies for maritime application.** For instance, the Interreg Nord Programme states that *"an increased use of renewable energy, and reduced environment-related pressures, are also important for a green development in maritime locations"*;
- **Some Programmes have a specific focus on small harbours.** It is the case for Estonia-Latvia, Central Baltic for instance.

2. Key existing cooperation frameworks in the Baltic Sea area

2.1. Presentation

	Scope	Participating Bodies
EUSBSR	Three overall objectives: saving the sea, connecting the region and increasing prosperity.	Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland. The Strategy is welcoming cooperation also with EU neighboring countries (Russia, Iceland, Norway and Belarus)
BONUS Baltic Organisations' Network for Funding Science EEIG	Funded by its members, the national research funding institutions in the eight EU member states around the Baltic Sea and the European Union's Programme for research. Russia participates in the BONUS programme through bilateral agreements.	
Visions and Strategies Around the Baltic Sea (VASAB)	Spatial planning and development. Its current work is guided by the 2009 "VASAB Long-Term Perspective for the Territorial Development of the Baltic Sea Region" strategic document, which considers MSP as a key instrument for the alleviation of potential sea use conflicts.	Intergovernmental multilateral co-operation of 11 countries of the Baltic Sea Region (BSR)
Helsinki Commission (HELCOM)	Governing body of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention)	
Council of the Baltic Sea States (CBSS)	Political forum for regional intergovernmental cooperation Expert Group on Maritime Policy, which comprises experts from all Baltic States' maritime authorities with a focus on maritime traffic management and surveillance	
The Nordic Council	Working Group of the Nordic Council of Ministers for the Environment called the Marine Group	Official inter-parliamentary body in the Nordic Region
Submariner Network	A flagship project under the priority area "Innovation" of the EU Strategy for the Baltic Sea Region (EUSBSR). Promotes innovative approaches to the sustainable use of marine resources and offers a cooperation platform to related actors and initiatives in the Baltic Sea Region. Support the following projects: <ul style="list-style-type: none"> - Smart Blue Regions - Baltic Blue Growth - Baltic Blue Biotechnology Alliance 	Led by the Ministry of Economic Affairs Schleswig-Holstein (Germany) together with the Swedish Agency for Marine and Water Management and the Maritime Institute in Gdańsk as co-leaders. Members represent research institutions, public administrations, business parks and private consulting from all shores of the Baltic Sea.
Sectoral Organisations		
Baltic Sea Advisory Council's (BSAC)	Advise the European Commission and Member States on matters relating to management of the fisheries in the Baltic Sea	Fishermen organisations, NGOs and other interest groups
Baltic Sea Fisheries (BALTFISH) Forum	Regional body providing a platform for discussion on important fisheries issues in the Baltic Sea	High-level group (HLG) level consisting of fisheries directors and representatives of the European Commission BALTFISH forum seminar level consisting of officials of the EU Member States and European Commission, as well as representatives from organisations such as BSRAC, ICES and HELCOM

Baltic Ports Organisation	Regional ports organization	45 of the most significant ports in the nine countries surrounding the Baltic Sea as well as seven friendship members
Baltic and International Maritime Council (BIMCO)	World's largest international shipping association	2,200 members globally - which includes shipowners, operators, managers, brokers and agents
Baltic Sea Region Energy Cooperation, BASREC	Forum for dialogue on energy policy and global climate change issues with an emphasis on the promotion of energy efficiency, the use of renewable energy and other sustainable supply sources.	Ministerial process (11 countries)

2.2. Identification of potential for support to the 3 key value chains identified in Report 1

The chart here-below shows how the different cooperation schemes existing in the Baltic tackle the three value chains studied.

It draws a distinction depending on whether the cooperation body tackles the value chain from:

	A research-innovation-development perspective
	A maritime spatial planning and environment perspective

	Energy and Marine Materials	Shipbuilding and Maritime Transport	Food, Nutrition & Health / Blue Biotechnology
EUSBSR			
BONUS Baltic Organisations' Network for Funding Science EEIG			
Visions and Strategies Around the Baltic Sea (VASAB)			
Helsinki Commission (HELCOM)			
Council of the Baltic Sea States (CBSS)			
The Nordic Council			
Submariner			
Sectoral Organisations			
Baltic Sea Advisory Council's (BSAC)			
Baltic Sea Fisheries (BALTFISH) Forum			
Baltic Ports Organisation			
Baltic and International Maritime Council (BIMCO)			

Baltic Sea Region Energy Cooperation, BASREC			
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The three value chains targeted are covered by several sectoral organisations. These bodies play a key role in the organisation of each sector and for the cooperation between the different actors in the Region.

Pan Baltic organisation dealing with maritime spatial planning and coastal management issues have an important role to play to tackle this issues which were clearly spotted as a major transversal challenge in Report 1.

3. Suggestion for key initiative to maximise the coordination in the Baltic Sea to deliver sustainable maritime development in the Region

3.1. Key principles for Baltic initiatives for Blue Growth

The surveys, the discussions held in the scope of this project and of the workshop held in Brussels point out some key principles any kind of initiative developed should follow in order to be successful. These principles can be summarised as follow:

3.1.1. Bringing the stakeholders to the table

A first thing to consider is that top-down approach will not meet any success for the purpose of the future initiatives that could arise from this report. The mentioned initiative should bring together:

- **Decision makers** in the Baltic, ranging from local authorities to the European Commission
- **Users and business actors'** involvement is crucial to ensure a necessary level of ownership of the initiative. Whatever the chosen initiative is, it should be business driven in order to fill the needs of the private sector.
- **Funding bodies** are a key element for the success of a strong action at the scale of the Baltic Sea Region. Therefore, the managing authorities of the Interreg Programmes should be involved in the process at the earliest stage.
- **Intermediary organisations** such as clusters and technical experts in the university / research area who would be able to contribute to further focusing the priorities of the sector cooperation.

3.1.2. Widening the geographical scope

This whole study covered a select group of Regions in the Baltic Sea Region. Although this selection offers an acceptable overview of the dynamics in the area, it is necessary to go beyond the surveyed regions to cover the whole Baltic.

3.1.3. Keeping a transversal perspective

Considering the relations between sectors in terms of skills, training, technology and funding needs, each sectoral initiative should keep an open door to the rest of the maritime economy. This connection between the value chains was one of the main conclusions of Report 1 and 2. Furthermore, surveyed Regions insisted in the need for integrated approach.

3.1.4. Considering the existing

The European Commission's Directorate General for Maritime Affairs and Fisheries initiated an important dynamic through its call on Blue Technologies and, also, its specific analysis aiming at Developing an Implementation Strategy for the Sustainable Blue Growth Agenda for the Baltic Sea Region.

This report shows how dynamic the Baltic Sea Region is in terms of pan Baltic cooperation in the maritime field. These cooperation schemes have to be taken into consideration in developing any initiative. It is of utmost importance to work hand in hand with existing institutional bodies in the Baltic.

The successful cooperation experiences should be acknowledged. For this purpose, it demands to:

- Involve the many Interreg Programmes of the Baltic Sea area to benefit from their experience, build on the past cooperation projects,
- Work closely with the Submariner Networks which represents a successful shift from the project stage to concrete cooperation actions while involving a representative group of Baltic stakeholders.

- Discuss with wider initiative such as the Vanguard Initiative “new growth through smart specialisation”. More especially, exchanges of best practices and experiences with its Pilot Project “Making EU the global leader in components for marine renewables and offshore energy applications” could be important.

3.2. Initiative suggestion

At this early stage, the first step towards setting in place any kind of initiative to maximise the coordination in the Baltic Sea to deliver sustainable maritime development in the Region should consist in putting all the stakeholders around the same table for a focused debate. This could be done through a discussion-day. This day could be divided as follows:

- A parallel workshop for each key sector identified in Report 1 and 2. After a necessary opening to set the scene, these workshops should be designed in a way that facilitates discussions (e.g. a round table, ateliers)
- A transversal workshop to address common issues to the value chains.

This could be organised in the 2017 Spring, in the context of and as a contribution to the DG MARE’s initiative mentioned previously.

These workshops could lead to put in place one or several arena(s) depending on the will of the stakeholders. An arena could be developed only if a leader emerges from the discussions.

3.3. Specific perspective of the Swedish Institute

This report clearly identifies leadership as a crucial condition for the success of any initiative:

- This could be a role for the Swedish Institute either as coordinator of the whole cooperation scheme or as geographic/thematic leader.
- Alternatively, the Swedish Institute could play a strategic role by giving other stakeholders the means to take this leadership. This could be done by providing a financial support to enable some Regions or Institutions to take the leadership.

The Swedish Institute could also organise or host the discussion-day.