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# Summary:

## Policy Workshop on Sustainable Blue Economy

(9 November 2021, Online)

Hamburg Institute of International Economics (HWWI)

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Shortly before the end of the Land-Sea-Act project<sup>1</sup>, the Hamburg Institute of International Economics (HWWI) organised a Policy Workshop to discuss the need to improve framework conditions for fostering novel Blue Growth solutions and look at developments and challenges. Topics ranged from renewable energies over nature conservation to sustainable tourism. The presentations looked at these topics from different political levels, starting with the European Union level and going to the local perspective. The workshop included contributions from speakers and panellists from almost all countries of the Baltic Sea region and convened 25 participants.

#### Agenda of the workshop

<i>Time (CET)</i>	<i>Agenda</i>	<i>Speaker</i>
9:00	Welcome Technical introduction	Andreas Lagemann, Hamburg Institute of International Economics
9:05	Introduction Goal of the workshop	Angela Schultz-Zehden, Managing director SUBMARINER network
9:15 - 10:00	Session 1: Trends, challenges and potentials of the Blue Economy	
9:15	The Blue Economy within the European Green Deal	Reka Rozsavolgyi, DG MARE A3   Sea Basin Strategies, Maritime Regional Cooperation and Maritime Security
9:30	Linkages between the state of the Baltic Sea and the economy	Rüdiger Stempel, HELCOM Executive Secretary
9:45	Potential of renewable energy: joining national forces	Getlyn Denks, Elering Offshore Grid Development director

<sup>1</sup> Project #R098 Land-Sea-Act Land-sea interactions advancing Blue Growth in Baltic Sea coastal areas (Interreg Baltic Sea Region) – for more information about the project, case studies and results visit <https://land-sea.eu/>

10:00	Coffee Break	
10:15 - 11:30	Session 2: Sustainable Blue Economy	
10:15	Balancing regional interests with nature conservation	Ilze Oša, Deputy state secretary on regional development at the Ministry of Environmental Protection and Regional Development of the Republic of Latvia
10:30	Sustainable coastal tourism development: the local perspective	Tymon Zieliński, Institute of Oceanology, Polish Academy of Sciences
10:45	SUBMARINER Road Map 2021-2027 for a Blue Green Economy	Angela Schultz-Zehden, Managing director SUBMARINER network
11:00	Panel discussion	Alda Nikodemusa, Head of Secretariat Baltic Sea Spatial Planning Initiative VASAB Martin Sjöberg, Kristineberg Center-for Marine Research and Innovation Rüdiger Stempel, HELCOM Executive Secretary
11:40 – 12:00	Session 3: Action Plan	
11:40	Land Sea Act Action Plan Sustainable Blue Economy	Andreas Lagemann, Hamburg Institute of International Economics
11:55	Closing	

After a brief introduction by the HWWI as the host and the moderator **Angela Schultz-Zehden** (managing director SUBMARINER network), **Reka Rozsavolgyi** from the European Commission’s DG Maritime Affairs and Fisheries (MARE) summarised the status quo of EU Blue Economy and related strategies. Accounting for 4,5 million direct jobs, it is a central part of the European economy and has a high potential to contribute to the European Green Deal Goal of reaching carbon neutrality. As it now suffers from severe environmental pressures and has been hit by the pandemic, a common EU strategy

is necessary to tackle these issues, including different players (member states, regions, businesses, stakeholders). The EU commission has developed a communication<sup>2</sup>, which sets the direction to preserve marine natural capital, be innovative and profitable without subsidies and increase the quality of life. The transformation must go along with central priorities of the European Green Deal: decarbonisation, biodiversity and climate adaptation, circular economy and responsible food production. However, the transition to a sustainable Blue Economy is also about changing governance. Maritime Spatial Planning (MSP), a Blue Forum organised by the Commissions, specific sea basin strategies and a better inclusion of European citizens will play crucial roles.

Based on this general EU overview, the workshop continued with a closer look at the Baltic Sea region.

**Rüdiger Stempel**, Executive Secretary of the Baltic Marine Environment Protection Commission (HELCOM), presented the main economies which are relevant in and around the Baltic Sea (fishing, aquaculture, shipping, tourism, offshore energy production, extraction of sand and gravel). However, these activities do not only provide jobs but also pose severe pressures on the sea. Among others, nutrients and eutrophication, hazardous substances, extraction of fish, non-indigenous species, underwater noise, disturbances to seabed and of species are the most relevant dangers to the state of the environment. These pressures come with high costs to the society. Almost all of the Baltic Sea is affected by eutrophication, leading to string growth of algae and causing losses of 3.8 to 4.4 billion euros annually. A healthier state of the marine environment could generate an increased recreational value of up to 2 billion euros. A better management of perennial vegetation and fish stocks could lead to a gain of 2.6 billion euros annually. HELCOM advocates an ecosystem approach to balance human activities and the state of the environment to achieve a sustainable use of ecosystem goods and services in line with the maintenance of ecosystem integrity. MSP is a powerful tool to manage sea-based activities and account for the reduction of environmental pressures. The involved should apply a holistic and regional approach, taking the interest of various stakeholders into account.

An area in which the challenge is nowadays transnational but governance still mostly national is the electricity transmission system. **Getlyn Denks** from Elering AS, an electricity and gas transmission system operator, presented the underlying problems and potential solutions. Forecasts expect

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<sup>2</sup> COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS on a new approach for a sustainable blue economy in the EU Transforming the EU's Blue Economy for a Sustainable Future, COM/2021/240 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0240&from=EN>

electricity consumption to increase significantly over the next years. The Baltic Sea region has a high offshore and onshore wind potential to provide electricity and contribute to the Green Deal goals. However, to accommodate to the fluctuating electricity supply of wind power and efficiently use the capacities, the planning of grids and wind farms has to be addressed at the macro-regional level. The Baltic Offshore Grid Initiative has been initiated by several grid operators in the Baltic Sea region and has signed a Memorandum of Understanding to cooperate on offshore grid planning to facilitate a secure and cost-effective integration of offshore wind energy. A further initiative with cooperation across national borders is the Estonian-Latvian joint offshore wind project ELWIND, which is planned to be operational by 2030.

Concerning the actual planning of projects and activities, **Ilze Oša**, Deputy state secretary on regional development at the Ministry of Environmental Protection and Regional Development of the Republic of Latvia, showed that many interest have to be balanced between regional stakeholders, such as the local community and economic sectors which compete for limited space (tourism, wind energy, fishing, shipping) and environmental concerns. However, despite clashes of interest, there can also be synergies between nature and regional interests, e.g. landscape preservation and tourist attraction. Coastal and maritime spatial planning and a targeted engagement of stakeholders can exploit these synergies. But to obtain a full picture of the effects of certain activities and find viable solutions, existing knowledge gaps on marine ecosystems and marine resource potential have to be targeted.

Being the largest sector among the Blue Economy, coastal tourism is of special importance regarding employment but also sustainability. **Tymon Zielinski** from the Institute of Oceanology at the Polish Academy of Sciences presented in how far cultural and environmental values can help to support sustainable tourism. Within the Land-Sea-Act project, a case study in the Gulf of Gdansk and the Vistula Lagoon conducted semi-structured interviews and interactive workshops, which revealed that environmental and culture-oriented tourism is important, but it is unlikely soon that it can compete with 3 S offers (sun, sand, sea). On the one hand, this is because of the demand site (pressures coming from tourists). On the other hand, the supply site does not work towards sustainable value-oriented tourism (shortcomings in large infrastructure; administration and promotion by the region). Although MSP is a valuable tool in Blue Economy planning processes, it focuses on the water so that many issues of sustainable tourism go beyond the scope of MSP:

**Angela Schultz-Zehden** gave an insight into the state-of-the-art of the blue bioeconomy. It no longer only comprises research activities but actual business with over 650 companies being active. They have performed proofs of concept and successful services such as the Baltic info and data hub have been developed. However, there are still legal barriers and little transnational innovation funding. Therefore, it is necessary to get pilots to the next level by identifying and monitoring sites based on common parameters and developing comprehensive regional plans. Networking platforms have to be developed to increase company involvement, so that a real market for blue products can be created.



Figure 1. Screenshot from the workshop

Despite the advantages of MSP, the panel discussion picked up the issue that MSP does not include activities on land, as **Alda Nikodemusa** from Visions and Strategies around the Baltic Sea (VASAB) stressed. Even though there is much cooperation on MSP within the Baltic Sea region coordinated by

VASAB, comprehensive plans, including terrestrial and maritime areas, only exist in Finland and Lithuania so far.

**Rüdiger Stempel** reminded that land and sea comprehensive planning is essential, as for example agriculture is responsible for most eutrophication in the sea. HELCOM and VASAB have defined further needs for action in the HELCOM/VASAB MSP Roadmap 2021-2030<sup>3</sup> and the updated HELCOM Baltic Sea Action Plan<sup>4</sup>. Despite macro-regional coordination activities, national legislation is a major barrier for blue products, in parts because of a lack of knowledge as **Martin Sjöberg** from the Kristineberg Center-for Marine Research and Innovation in Sweden criticized. Therefore, a lot of facilitation between companies, research and policymakers, and forms of innovative governance are necessary. According to **Tymon Zielinski**, this is already working well on the local level, but problems rather occur on the national level.

Given the strong need for actions in different areas of the Blue Economy, HWWI developed the “Action Plan Entrepreneurship and the Blue Economy in the Baltic Sea Region” within the Land-Sea-Act project. This Action Plan aims to give guidance for innovative and sustainable economic growth approaches while also accounting for the ecological ambitions of the EU and the goal of increased entrepreneurship in the Baltic Sea region. The actions have been collected using the results of a survey among Blue Economy experts in the Land-Sea-Act case study regions, the case study reports, a workshop among planners from the Baltic Sea region and the review of projects dealing with the Blue Economy. It is directed towards policymakers and authorities at the EU, national and regional levels. The final Action Plan will be available on the project homepage<sup>5</sup> in January 2022.

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<sup>3</sup> <https://portal.helcom.fi/meetings/HELCOM-VASAB%20MSP%20WG%2021A-2021-852/MeetingDocuments/Outcome%20Attachment1.%20Draft%20of%20the%20Regional%20MSP%20Roadmap.pdf>

<sup>4</sup> <https://helcom.fi/update-of-the-baltic-sea-action-plan-helcom-ministers-to-adopt-an-ambitious-programme-of-actions-and-measures-for-a-healthy-baltic-sea/>

<sup>5</sup> <https://land-sea.eu/>

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