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BLUE GROWTH

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DEVELOPING BLUE GROWTH POTENTIAL

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Position Paper on How the Blue Growth Community can contribute to achieving the objectives set by the European Commission in the Communication on a Sustainable Blue Economy

I. BACKGROUND AND CONTEXT

On 17 May 2021, the European Commission issued a Communication "***on a new approach for a sustainable blue economy in the EU - Transforming the EU's Blue Economy for a Sustainable Future***". This communication is a key step in the transition towards a more sustainable approach in the development of blue economy sectors, and particularly for the Mediterranean.

This document constitutes a Position Paper from the Interreg MED Programme's Blue Growth Community in reaction to the abovementioned Communication. It was approved by the members of the Community, who gathered online on 12 October 2021, on the occasion of BLUE GROWTH COMMUNITY's Annual Assembly. It was also presented, reviewed and endorsed by the members of the CPMR Intermediterranean Commission on the occasion of its next Plenary meeting.

This Paper has been drafted in a challenging context for blue economy sectors. It is intended as a Blue Growth Community contribution to ongoing reflections and proposals for a transition towards a sustainable blue economy.

Far from pretending to be exhaustive, the Paper is articulated around key messages identified by the Blue Growth Community project related to areas covered by the Communication, including **circular blue economy**, **maritime spatial planning**, **research and innovation**, **blue investments**, **blue skills**, **maritime security**, **territorial cooperation**, **biodiversity** and **nature preservation**, **waste prevention**, **renewable energies**.

II. RATIONALE BEHIND THIS POSITION PAPER

The entire world is currently facing major challenges that are affecting our lives and economies, including -but not limited to- the COVID-19 pandemic, the effects of climate change and pressure on our biodiversity (the so-called "climate and biodiversity crises"), oftentimes conjugated to geopolitical instability.

In a troubled period marked by the COVID-19 outbreak that is questioning our models and systems, people have demonstrated great resilience capacities. They allowed them to adapt to an unprecedented situation, by facing pressing challenges that call for transition towards a more sustainable approach to socio-economic schemes and by better considering climate change and conservation of the marine environment.

People of the Mediterranean shores and islands, whose economies strongly rely on blue sectors (including coastal and maritime tourism), are strongly affected by challenges such as but not limited to erosion, pollution and carbon footprint of maritime industries, natural resources management, scarcity of skills and education about new and relevant topics. So, new measures are needed to ensure socio-economic and environmental sustainability, and the recovery of the sectors most affected by the COVID-19 crisis.

Innovative management models are needed to harness the economic opportunities offered by the Mediterranean Sea while respecting its ecosystems and maintaining and increasing their value over time with direct benefits to local communities. To that end, the concept of the blue economy presents opportunities for economic diversification and growth embedded in the fundamental principles of environmental and global sustainability. Actors of the blue economy in the Mediterranean must therefore work together to adapt the sectors and make them more sustainable.

This Position Paper aims to show to what extent the Interreg MED Blue Growth Community is aligned with and can contribute to the achievement of the objectives of the Commission's Communication in the Mediterranean area by promoting cooperation, ensuring the transfer/capitalisation of knowledge and the exchange of best practices building on its experiences and on the tools/methodologies developed by its projects. As a matter of fact, Blue Growth Community, through its projects, actually covers the following areas: blue energies, coastal and maritime tourism, integrated maritime surveillance, fishing and aquaculture, and biotechnologies. The Paper also seeks to advise on ways to implement the paths set out in the Communication.

III. KEY MESSAGES/REACTION TO THE COMMUNICATION ITSELF AND APPRECIATION/ASSESSMENT

Reflecting on the best way to foster the transition towards a sustainable blue economy, and as a reaction to the European Commission's Communication "***on a new approach for a sustainable blue economy in the EU - Transforming the EU's Blue Economy for a Sustainable Future***", the BLUE GROWTH COMMUNITY hereby:

GENERAL CONSIDERATIONS

1. **Welcomes** the **Communication of the European Commission on a Sustainable Blue Economy** intended to enhance sustainable blue economy in the European Union. This is a very positive signal that shows that the European Commission recognises the need to adapt to new challenges and emerging sectors related to the blue economy.

2. **Acknowledges** that the Communication is a comprehensive text that addresses the key sectors and aspects of the blue economy. It recognises that the Blue Economy is a fast-moving segment of the economy that is constantly modernising and diversifying, with many evolving and growing innovative sectors.

3. **Supports** the importance given to the regional (sea basin) dimension and the necessity of fostering transnational cooperation towards a macroregional approach.

4. **Is pleased by** the fact that the Communication stems from/is very much aligned with the EU Green Deal, and proposes a coherent approach that recognises the need to reconcile environment protection and economic development that are completely interdependent. This Communication paves the way for the application of Green Deal principles to blue economy sectors.

5. **Very much welcomes** the creation of a "Blue Forum for users of the sea" recently announced by the European Commission as a way to improve coordination among key actors of the blue sectors with a multilevel governance approach.

6. **Acknowledges** the European Commission's Communication on "A New partnership for the Southern Neighbourhood" outlining key aspects to strengthen cooperation across Mediterranean countries and readapt the EU's Neighbourhood Policy (ENP) to current issues, including sustainable blue economy related challenges. Indeed, the Communication recognises that "The blue economy's potential should also be integrated coherently in economic development planning, alongside the social economy. Thanks to its business models that put people and the planet at their core, the social economy holds potential to address many societal challenges and increases our society's resilience in times of crises." This communication highlights the need for stronger ties and cooperation with Southern Mediterranean countries through projects and hence incentivises the dissemination of the Blue Growth Community results/tools to these countries.

7. **Welcomes** the "Union for the Mediterranean's 2nd Ministerial Declaration on the blue economy", highlighting the importance of the sector for the Mediterranean, and the need for improved and

strengthened cooperation among countries. This favours further capitalisation on and exchange of best practices, including the ones of the Community, through existing frameworks, initiatives and programmes.

8. **Considers** that the capitalisation approach towards the actual deployment of a Sustainable Blue Economy is missing. Capitalisation is generally defined as 'systematic collection, analysis and dissemination of knowledge and shared practices to be integrated in mainstream policies, making cooperation results visible'. Within the Blue Growth Community, and within the Interreg MED Programme framework, capitalisation is a highly participatory process supported by key territorial actors that build upon shared assets to leverage local/regional policy changes. In this sense, the Blue Growth Community, capitalising on the best practices from its project's community, argues that the following best practices/recommendations need to be taken into consideration towards the implementation of a Sustainable Blue Economy.

9. **Believes** that a capitalization approach can be a catalyser towards the implementation of sustainable blue economy, ensuring that future initiatives, funds and projects would concretely respond to local and regional needs, hence relevantly landing on territories.

10. **Reminds** the European Commission of the importance of having a set of indicators of social economic data at regional level to examine the evolution of the Sustainable Blue Economy.

SECTORAL APPROACH

Ensuring the sustainability of Coastal and Maritime Sustainable Tourism

11. **Recommends** fostering a new model of recreational boating and yachting aligned with the Cohesion Policy principles in the maritime sector in the Mediterranean - in accordance with the European Green Deal - which advocates for transforming the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy.

12. **Promotes** the adoption of a new economic business model such as the 3-PBM methodology developed by the Interreg MED iBlue project to boost innovation, improve competitiveness, protect the environment and favour employment in the recreational boating and yachting sector. The 3-PBM business model is based on the iterative use of Business Model Canvas (BMC) and considers the 3 pillars of sustainability (economical, environmental and societal) (Interreg MED iBlue Project; 3-Pillar Business Model (3-PBM) methodology).

13. **Supports** the adoption of a transnational network including all kinds of stakeholders of the recreational boating, yachting and maritime tourism sectors from all Mediterranean countries to foster innovation in those sectors. It was precisely the lack of a critical mass of knowledge about the reality of the recreational boating and yachting sector in the whole Mediterranean as a region, that led the iBlue project to create an integrated database of systematic knowledge and an integrated transnational network of the MEDA recreational boating and yachting sector in the Mediterranean. The great value of this transnational network is that it offers an integrated overview of the recreational boating and yachting sector facilitating decision making and supporting innovation thanks to the dissemination of activities at Mediterranean level (Interreg MED iBlue Project).

14. **Encourages** the development and optimisation of innovative technologies and services related to "smart marinas/ports" and small/medium ports for improving the ports' ecosystem management and their environmental quality (e.g., use of Renewable Energy Sources, environmental certification, climate change adaptation residuals and effluents reduction methods, supply of virtual services and contribution to maritime surveillance) (Interreg MED Psamides Project).

15. **Believes** that it is essential to promote public awareness activities on how the recreational boating sector can contribute to sustainable Blue Growth and how it can contribute to the increase of environmental sustainability and promote ocean literacy (e.g. recycling of boats, renewable energies in marinas, reduction of waste and wastewaters discharge, improve access to the sea for young prople and all generations).

16. **Supports** the implementation of environmental monitoring programmes, complemented by citizen engagement initiatives for recreational boating to assess the sector's spatial extent, socio-economic features and ecological impacts. National recreational boating strategies aim to ensure sustainable use of the sea and avoid potential negative impacts on the environment. Maritime Spatial Planning (MSP) authorities have a crucial role to play. Depending on the findings from monitoring activities, proactive management measures can be put in place (PHAROS4MPAS project).

17. **Supports** the implementation of enabling measures for sustainable growth of the recreational boating and yachting sector. This includes the development of networks, inclusion in marketing activities by tourism destinations, alignment of reduced VAT rates across the entire tourism sector, and steps towards the mutual recognition of boater and professional skipper qualifications at EU level.

Fostering the development of Marine Renewable Energies

18. **Welcomes** the emphasis put on Marine Renewable Energies (MRE) as a way to achieve greenhouse-gas emissions' reduction through the diversification of the European energy mix. MRE indeed constitute clean, powerful, environmentally friendly and promising energy sources and the potential of the Mediterranean setting should be exploited to its full extent in that sense.

19. **Considers** that *the exploitation of MRE potential in the Mediterranean is crucial to contribute to the European efforts towards decarbonisation* defined in the target's objectives of the European Green Deal, as stated in the Report "Towards a sustainable development of Marine Renewable Energies in the Mediterranean" (Plan Bleu, forthcoming), as part of the capitalisation activities of the BLUE GROWTH COMMUNITY project. MRE also represents an opportunity for economic growth in the region. Nevertheless, there is currently no commercial development of MRE in the Mediterranean, and the technology readiness level of the devices suitable for energy harvesting in the Mediterranean, although quite high in some cases, has not yet reached commercial standards. The Mediterranean has the potential to host different types of MRE, and several large-scale pilot projects are currently under development. However, in order to achieve this potential, a lot should be done and incentive policies must be put in place. In parallel, using ecological sensitivity to guide MRE Potentials in the Mediterranean region is crucial to guide the feasibility of developing such a sector without reducing the compromise with biodiversity. For intance, the use of clean material to build MRE technologies should be fostered. The Blue Growth Community's Report on MRE gathered the following considerations/recommendations as regards the development of MRE in the Mediterranean:

    a. Environmental concern, social acceptance and integration of MRE in Maritime Spatial Plans are common priorities for all MRE technologies in the Mediterranean, while the development of mooring systems remains a common issue among technological priorities.
    b. The whole MRE sector needs to focus on concepts that can ensure scalability and industrialisation.
    c. The access to programs and facilities for the testing of devices in operational environment is capital to finally prove performance, survivability and reliability; it is necessary for the selection of "winning" technologies. In this sense, fundraising mechanisms remain an open challenge for all the sectors involved in the Mediterranean, even for those now at pre-commercial stage. Therefore, an adequate fraction of public investments in the field remains essential.
    d. The role of existent natural laboratories for the testing of systems in operational environment shall be reinforced.

e. Low technology readiness level (TRL) technological solutions need support in order to be upgraded to more advanced levels.
f. Demonstration projects are essential to accelerate the development of MRE in the Mediterranean.
g. Technology transfer across Mediterranean countries is definitively needed. It could also significantly contribute to technology development and maturation.
h. National WEBGIS platforms could also contribute to the development of the sector by mapping MRE potential, for instance.

20. **Supports** the use of material coming from sustainable sources as well as recycling as an additional way to "green" the blue economy.

21. **Suggests** developing a dedicated Research and Innovation Strategy for the promotion of cost-effective deployment of MRE, through the modelling and experimental assessment of new/alternative technologies, materials, energy storage solutions, big data management systems, etc. Research & Innovation is one of the priorities for MRE development in the Mediterranean identified by the Interreg MED PELAGOS project. The overall objective of the Research & Innovation community in the MRE sector is to meet the target of driving down the Levelised Cost of Energy (LCoE), while reinforcing the European industry position on a global stage (Interreg MED PELAGOS Project; Energy Action Plan in MED).

22. **Encourages** the development of capacity building activities and tools, such as Geographic Information Systems, for data managing and decision making regarding the best MRE deployment areas (Interreg MED MAESTRALE Project Blue Energy Geodatabase).

23. **Recommends** carrying out awareness campaigns and educational activities for MRE exploitation and adopt educational schemes for contributing to the transfer of innovation through participative processes and through the use of concrete outputs, concerning feasibility studies of pilot projects. In the Blue Energy Labs designed and organized by the BLUE DEAL Interreg MED project (e.g. BLUE DEAL labs), energy potential, suggested MRE technologies, expected cost, socioeconomic aspects are analysed for specific locations, while the suggested infrastructure are visualised with virtual tools (BLUE DEAL Transferring Labs).

Encouraging the development of Circular Economy on the Blue Sectors

24. **Believes** that the promotion of public awareness activities (e.g., Interreg MED BLUEfasma Living Labs-BLLs) and activities towards the development of sustainable maritime aquaculture should be further enhanced (Interreg MED BLUEfasma-Final BLL).

25. **Encourages** the use of circularity assessment tools, such as BLUEfasma circularity self-assessment tool, among all the actors included in the aquaculture sector, to assess the level of circularity present in their activities (Interreg MED BLUEfasma-tools).

Maritime Spatial Planning

26. **Promotes** multi-use platforms (MUP) in order to enhance synergies with other sectors, such as aquaculture, fishing or tourism (PELAGOS - Energy Action Plan in MED), and therefore minimise potential spatial conflicts with other maritime activities; considering the PHAROS4MPAS' Decision Supporting tool, designed to support practical recommendations for MPA managers, MSP authorities and businesses on how the environmental impacts of 7 sectors can be prevented or minimised.

27. **Recommends** the use of technological tools to support MSP, namely GIS for data management and decision making. For example, the MAESTRALE geodatabase, as other open access databases, can provide information on MRE potentials, existing technologies (in the form of case studies) and stakeholder maps, and may be useful at Mediterranean level (PELAGOS - Energy Action Plan in MED). The AquaSpace GIS tool (PHAROS4MPAS project), including multiple criteria for MSP for aquaculture siting, is also a good example.

28. **Stresses** the importance of the ecosystem-based approach throughout the MSP process ensuring mitigation measures to reduce impacts on biodiversity in an appropriate manner, taking into account cumulative impacts and staying focused on the overall carrying capacity of local ecosystems (Biodiversity Protection Community).

Research and innovation

29. **Stresses** the importance of transformative innovation policy, which provides guidance in investments, reforms and regulation to foster knowledge and solutions for the transition towards sustainability. It can also be a key enabling factor in meeting the Agenda 2030 targets and the more stringent commitments taken at EU level with the European Green Deal.

30. **Promotes** a systemic approach when it comes to innovation in order to provide sustainable solutions originating from Research and Innovation (R&I) results as a means to ensure their successful uptake. Transformation requires alignment of incentives in the short, medium and long-term horizon to reduce high risk associated with systemic changes directionality. Effective directionality requires a horizontal approach that encompasses an alignment of policy objectives, the coordination of policy and implementation instruments and the synchronisation of funding and investments.

31. **Supports**, through its projects (in particular BLUE BIO MED and B-BLUE) the reinforcement of closer linkages between research, development and innovation actors, also through innovative territorial solutions based on includsive and co-design approaches (blue biotechnologies hubs of the B-BLUE project) to orient research efforts, to boost the uptake of relevant knowledge advancements, to spread the diffusion of new solutions and to sustain more balanced territorial development.

32. **Recalls** the relevance of the regional (sea basin) scale when it comes to orient R&I efforts to address sustainable development challenges and advocates adequate recognition of the sea-basin dimension when implementing the new missions and European partnerships under the Horizon Europe programme that will play a critical role by empowering citizens and practitioners to co-design and co-implement solutions.

33. **Promotes**, in close cooperation with the main regional actors, a Mediterranean innovation alliance to enhance and streamline efforts ongoing both at transnational and territorial levels building on innovation to move towards sustainable blue economy. The innovation alliance will enhance the capacity of the Mediterranean innovation ecosystem to seize the opportunities coming from European and national policies and programmes and the contribution of the Mediterranean region to the objectives of the EC Communication.

34. **Recognises** that a new wave of transformative innovation policies is taking shape at the European and international levels. Yet, capacities to design, plan and implement such policies and to evaluate their impact on sustainable development targets in a transparent and inclusive way are still scattered and insufficient.

Blue investments and funding solutions

35. **Welcomes** the various actions of the Blue Invest Maritime Forum (Community; Projects Pipeline; Readiness Assistance; Events; Academy; Grants; Funds; Coaches network) as an efficient tool “to boost innovation and

investment in sustainable technologies for the blue economy, by supporting readiness and access to finance for early-stage businesses, SMEs and scale-ups. It is enabled by the European Maritime and Fisheries Fund."

36. **Believes** that the lack of funding resources for the Blue Economy sector makes it necessary to look for alternative sources for the development of projects. The Interreg MED BLUE CROWDFUNDING project seeks to encourage the use of crowdfunding to improve the sector's financing capacity. In order to achieve this objective, technical assistance is being provided to both public entities and entrepreneurs, with the aim of disseminating the use of crowdfunding and consolidating it as a key tool for financing projects. The project aims to create a Blue Economy cluster of competent bodies and institutions providing services and information about crowdfunding and alternative finance, specifically addressing blue economy businesses. The increased implementation of crowdfunding can contribute to trigger European solutions for the reduction of marine pollution, mitigation of climate change, sustainable use and management of ocean resources, development of new materials, new feed and food systems, coastal and maritime spatial planning, and ocean governance.

37. **Acknowledges** the importance of supporting start-ups and SMEs involved in the blue sector, through several initiatives, e.g., combination schemes of funding and technological guidance/support by organizations acting as Knowledge Providers (Interreg MED 4helix+ project; voucher scheme) or through crowdfunding mechanisms (Interreg MED BLUE CROWDFUNDING project; training tool).

Blue skills

38. **Stresses** the need to upskill the workforce in all blue economy sectors as well as trainings from educational centres and universities, with a strong sustainable dimension, so as to activate the improved balance between socio-economic development and environmental protection.

39. **Considers** that the international dimension in the upskill and reskill of blue jobs should be reinforced by the higher education institutions in Europe. This should be further promoted to attract talents but also to develop local businesses to foster knowledge and solutions for the transition towards global sustainability meeting the challenging Agenda 2030 targets, especially SDG 2, 8, 20 & 14.

40. **Believes** that initiatives aiming at raising awareness on and reinforcing the attractiveness of blue economy sectors should be further promoted. The Blue Growth Community Summer School "Study Blue: Emerging technologies, trends & opportunities" and the Interreg MED Academy[1] are good examples in this sense.

Maritime security

41. **Believes** that authorities responsible for Research, Development and Innovation at national level should support further developments of Maritime Surveillance and homogenise the experience among Mediterranean countries. This could be done through stimulating the development of innovative Information Communication Technologies related to e.g. artificial intelligence, encouraging efforts for transferring available technologies into real sharing data systems, increasing the participation of all Mediterranean countries in EU research projects.

[1] The Interreg MED Academy is a joint initiative of the eight Interreg MED Programme's Horizontal Projects and Panoramed coordinated. Its main aim is to create an online learning opportunity to contribute shaping the next generation of Mediterranean leaders of sustainable and inclusive development. It intends to tackle the most strategic issues for an inclusive and sustainable future for the Mediterranean area as they are identified by the EU territorial cohesion strategy and by the Interreg MED projects themselves.

42. **Considers** that national authorities responsible for the Maritime Surveillance sector should work to allow and favour data exchange by: harmonising the different national legislative frameworks and relevant competent institutions for Member States, identifying the entities and agencies at national level with responsibilities of law enforcement in the maritime environment able to carry and promote the interstate exchange of information, promoting the definition of a European framework dedicated to maritime-information sharing, envisaging the possibility to exchange data with non-EU states and endeavouring the possibility of a mixed public-private agreement to handle the question of property on commercial data deriving from the private sector.

43. **Suggests** that funding and financial authorities should provide support to all phases of Maritime Surveillance development and particularly help financial sustainability of Maritime Surveillance cluster. This could be done by ensuring trust, openness, stability and accountability, providing funds and resources to help guaranteeing availability of supportive financing and funding conditions such as back loans, public grants, monetary funding schemes, venture capital, etc. In this sense, the Interreg MED PROteuS Maritime Surveillance Cluster is a good example to be further promoted.

44. **Recommends** that National authorities responsible for economic development should help promoting the Maritime Surveillance sector by enhancing SMEs capacity. This could be done for example through promoting the creation of Maritime Surveillance clusters, developing international agreements offering opportunities for new trades, stimulating technology transfer from research to industry, favouring public-private partnerships in Maritime Surveillance including engagement of investors, ensuring a close link with regional and public institutions promoting training of operators with appropriate skills e.g. able to manage complex platform systems and deal with big data processing.

Environment (biodiversity and nature conservation)

45. **Believes** that interactions between Aquaculture and Natura 2000 sites and MPAS should be taken into account by public authorities, as detailed in the PHAROS4MPAS' recommendations for the aquaculture sector: future trends include both a development and increase of fish aquaculture production on the one hand; and an increase in the number and coverage of MPAs on the other. Interactions between aquaculture and MPAs are thus likely to increase. In addition, compared to other types of marine aquaculture, sea net pen aquaculture has the highest risk of impact on several sensitive habitats, communities and species. Defining what type of aquaculture could be appropriate for a MPA category is a key issue, and their interactions need to be carefully evaluated by competent authorities.

46. **Recommends** selecting aquaculture sites with minimum impact on the environment. Adopting Allocated Zones for Aquaculture (AZA) for aquacultures can improve the integration of aquaculture with other coastal activities, thus reducing conflicts among stakeholders on the use of the marine resources.

The Blue Growth Community (BGC) is the Capitalization & Communication project for Blue Economy Innovation in the Mediterranean, funded by the Interreg Med-Programme. The Blue Growth Community brings together a variety of blue economy stakeholders from the Mediterranean area including public authorities, sectoral agencies, regional agencies, universities, research centres, universities, clusters, SMEs, among others.

It consists of a community of experienced projects which have developed innovative tools/methodologies to enhance smart and sustainable growth in the Mediterranean. The Blue Growth Community seeks to capitalise on the outputs (tools and methodologies) of the projects belonging to the Interreg MED Blue Growth Community, towards the enhancement of a sustainable Blue Economy in the Mediterranean area. The community covers six main thematic areas: Marine Renewable Energy, Maritime Surveillance, Coastal & Maritime Tourism, Circular Economy & Blue Funding, Blue Biotechnology & Bioeconomy, and Fishing & Aquaculture. All the projects within the BGC have produced or are in the process of generating tools, methodologies, and results that are focused on one or more of the above-mentioned thematic areas. Mindful of this critical mass of knowledge, the Blue Growth Community advocates a new approach for sustainable blue growth in the Mediterranean with a specific focus on Innovation.

The BGC proposes an innovative way of fostering synergies between territorial cooperation and public policies development and implementation. Indeed, the BGC consists of several projects[2] that develop, implement and transfer methodologies and tools addressing key challenges of the main blue sectors[3]. It builds on the concrete experience of these projects to transfer knowledge, carry out capitalisation, mainstreaming and advocacy actions so as to contribute to improving public policies at different levels.

[2] Find out more about our community of projects: https://blue-growth.interreg-med.eu/blue-growth-projects/.

[3] See Policy Paper on Blue Growth produced by InnoBlueGrowth (former project corresponding to BGC's first phase): https://planbleu.org/sites/default/files/upload/files/Blue_economy_in_the_Mediterranean_Policy_Paper_IBG.pdf