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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

Progress of the EU's Integrated Maritime Policy

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1. INTRODUCTION

Europe's seas and oceans are a rich and often underestimated source of innovation, growth and employment. They provide valuable ecosystem services and resources on which all marine activities depend. Since its creation in 2007, the Integrated Maritime Policy (IMP) has sought to enhance the sustainable development of the European maritime economy and to better protect the marine environment by facilitating the cooperation of all maritime players across sectors and borders.

Five years later, the economic climate has radically changed. With the Europe 2020 strategy, the EU is seeking to get the European economy back on track to deliver employment, competitiveness and social cohesion. The potential for growth in the maritime economy is an opportunity that Europe, as a maritime continent, needs to seize. Since 2009, the EU has launched key initiatives in all policy areas related to the seas in order to strengthen Europe's competitiveness. By avoiding duplication of spending and efforts, and encouraging the sustainable development of maritime activities, the IMP has brought concrete benefits to the European economy and maritime sectors in Member States.

Europe is going through cuts in public spending, so delivering maximum results with limited means is crucial. Cooperation makes operations at sea more cost-efficient and optimise data usage. As new uses of the sea are being developed daily, it is crucial that Member States put in place stable planning systems favouring long-term investment and cross-border coherence.

Investment in research must deliver fully its potential for innovation in the maritime economy. The EU strategy for marine and maritime research has helped achieve this objective. With the Marine Strategy Framework Directive, we can manage our seas and oceans sustainably. Sustainability is a pre-condition to developing the maritime economy and is driving advanced technologies that strengthen Europe's long-term competitiveness.

In 2009, the Council and European Parliament welcomed the first Progress Report on the IMP and asked the Commission to present further developments in 2012. This second Report describes the progress of the EU's IMP and maritime sectoral policies between 2010 and 2012¹. It highlights their contribution to the objectives of the Europe 2020 strategy by taking stock of concrete achievements that help create growth, enhance resource efficiency and save public money.

2. THE CONTRIBUTION OF THE MARITIME ECONOMY TO GROWTH AND EMPLOYMENT

2.1. Blue Growth

In September 2012, the Commission adopted a Communication on *Blue Growth, opportunities for marine and maritime sustainable growth*. The objective is to launch a joint initiative with Member States, regions, and all relevant stakeholders to unlock the potential of the blue economy.

¹ Details and references for every initiative mentioned in the Report can be found in the accompanying document SWD(2012) 255 final.

A study launched by the Commission in 2010 has identified as common bottlenecks the lack of appropriate skills, access to risk capital, fragmented marine data, environmental challenges and difficult planning processes. Actions are underway in Member States to remedy the skills shortage — for example through encouraging clusters of industry and education. Integrated maritime policy initiatives are addressing the data and planning issues. However, certain sectors require a more targeted approach. Accordingly, five areas with growth potential — maritime and coastal tourism, ocean renewable energy, marine mineral resources, aquaculture, and blue biotechnology — have been analysed in more depth to suggest additional measures needed to increase growth and jobs.

2.2. Maritime transport

Maritime transport services are essential for the European economy to compete globally. In 2011, the Commission adopted a *White Paper for Transport*. It further specifies the orientations of the Maritime Transport Strategy until 2018: the ability to provide cost-efficient maritime transport services; the long-term competitiveness of the EU shipping sector; and the creation of seamless transport chains for passengers and cargo across transport modes.

Following the 2009 Communication on a *European maritime transport space without barriers*, the Directive on reporting formalities entered into force in 2010. This initiative simplifies and harmonises administrative procedures so as to boost intra-EU maritime transport.

In 2011, the Commission proposed *new guidelines for Trans-European Networks* to broaden the role of the Motorways of the Sea as main European corridors. Through multi-annual calls, the Commission is leading the way in reducing the environmental impact of transport and in increasing transport efficiency.

2.3. Energy

European citizens, industry and economy depend on safe, secure, sustainable and affordable energy. Offshore wind energy contributes to reach a 20% share of energy from renewable sources by 2020. It is a priority of the EU's *Strategic Energy Technology Plan*, through which industry, Member States and the Commission work on a long-term approach to technology development and demonstration. The Research Framework Programme and the *Intelligent Energy* programme further support the development of wind and oceans energy technology, which contributes significantly to growth in coastal regions.

In 2011, the Commission proposed guidelines to lay down rules for the development and *interoperability of trans-European energy networks*. Priority corridors were identified, including the North Sea Offshore Grid and the Baltic Energy Market Interconnection Plan.

2.4. Shipbuilding

European maritime industry with its strong innovation and design capacity has a strategic role to play in addressing challenges such as climate change, air pollution, energy efficiency and development of offshore activities. As a strategic response to the challenges in the sector the initiative *LeaderSHIP* fosters competitiveness based on EU technological leadership segments. The initiative is currently under review to address future opportunities by greening of shipping and a diversification into new business areas such as off-shore wind energy.

The *Framework on State Aid to Shipbuilding* determines which types of state aid are allowed for shipyards. A new Framework was adopted in December 2011 and will be valid until the end of 2013. It contains specific provisions in relation to innovation aid and regional aid for shipbuilding, as well as provisions on exports credits. Its extended scope now applies to inland waterway vessels and floating and moving offshore structures.

2.5. Fisheries and aquaculture

EU fisheries are affected by several interconnected problems. Fish stocks are overfished, the economic situation of parts of the fleet is fragile, despite high levels of subsidies, jobs are unattractive, and the situation of many coastal communities depending on fisheries is precarious.

In July 2011, the Commission adopted a package of initiatives, including new legislative proposals, to reform the *Common Fisheries Policy*. It aims to provide the building blocks for sustainable fisheries while respecting the ecosystem as well as ensuring quality food supplies, thriving coastal communities, profitable industries, and attractive and safer jobs. Long-term management with clear sustainability targets for the exploitation of resources and the stopping of wasteful practices are at the heart of the proposals. Support will also be given for improving data to underpin policy choices and to ensure better enforcement and control.

The transition will be accompanied by a *European Maritime and Fisheries Fund* to improve sustainability, the performance of small-scale coastal fisheries, promote aquaculture, support job creation in maritime communities and deliver cost-efficiency in maritime affairs.

3. COOPERATION ACROSS SECTORS AND BORDERS TO ENSURE OPTIMUM GROWTH CONDITIONS FOR THE MARITIME ECONOMY

The IMP sets out a coherent strategy to enhance the sustainable development of maritime sectors. Coordination is necessary to manage the increasing impact of maritime activities on each other and on the environment, to ensure the safety and security of European citizens and to maintain a qualified workforce.

3.1. Maximising the sustainable deployment of activities on coasts and at sea

Sectors compete for space and resources across sea basins. Conflicts between sea uses and demands for sea space will continue to increase, in particular due to emerging offshore activities. As Europe is going through a severe economic crisis, we need tools that enable growth by facilitating the coexistence of multiple activities, while reducing environmental impacts.

Maritime Spatial Planning (MSP) and *Integrated Coastal Zone Management* (ICZM) ensure the efficient cross-sectoral and cross-border planning of marine waters and management of coastal zones. They are crucial to guaranteeing sustainability, providing legal predictability and reducing costs for investors and operators, in particular those operating in cross-border areas.

Advances in delivering national ICZM strategies have been made, but reports received from 16 EU Member States in 2011 show large variations. In 2011, the *ICZM Protocol to the Barcelona Convention* entered into force, making ICZM compulsory for coastal Member States in the Mediterranean.

The Commission acts as a facilitator for the development of a common framework for MSP within the EU, and has announced a *legislative proposal on MSP and ICZM* before the end of 2012. Studies on the economic benefits and impact of MSP and ICZM, two pilot projects on cross-border cooperation and the Ourcoast platform on best practices for ICZM have contributed to the proposal.

3.2. Protecting European citizens and maritime industries against sea-related threats

The EU carries about 80% of its foreign trade by sea. The growth of maritime economic activities needs a safe and secure environment. Following the Roadmap process adopted in

2010, the Commission is working towards a *Common Information Sharing Environment* (CISE) for the EU's maritime domain. It will improve the efficiency and cost-effectiveness of *maritime surveillance* by enabling appropriate, lawful, secure and efficient data sharing across sectors and borders throughout the EU.

The success of two pilot projects, MARSUNO and BluemassMed, feeds into this work. Establishing CISE is a first step towards enhanced data exchange between about 400 sectoral authorities throughout the EU. It is also a first step towards achieving better coordination between sectoral activities related to maritime transport, the protection of commercial vessels, defence tasks provided by navies, control of illegal immigration and customs control, prevention of illegal fisheries and pollution, and preservation of the marine environment.

Since 2009, the EU and its Member States have been at the forefront in improving *maritime safety*. The aim is to eliminate substandard shipping, increase the protection of passengers and crews, prevent accidents and reduce the risk of environmental pollution. The implementation of the 2009 *Third Maritime Safety Package* improves the quality of European flags, the work undertaken by classification societies, the inspection of vessels in ports, traffic monitoring, accident investigation, and victim protection.

Securing *Europe's maritime borders* is a challenge for Member States. In 2011, the Commission proposed to establish the *European Border Surveillance System*. The aim is to reinforce control of the Schengen external borders and establish a mechanism for information exchange that allows Member States' border surveillance authorities to reduce the loss of lives at sea and the number of irregular immigrants entering the EU.

3.3. Maritime employment and career mobility

Many maritime industries are lacking people with the right qualifications, skills and experience. Actions have been launched to build attractive maritime careers based on mobility between sectors and countries, and anticipation of future needs.

Following adoption of the Maritime Transport Strategy 2018, a *Task force on Maritime Employment and Competitiveness* delivered recommendations in June 2011, including completing the review of the exclusion of seagoing workers from the scope of EU labour law, updating the Directive on the training of seafarers, and ensuring implementation of the ILO Maritime Labour Convention.

On 21 May 2012, the EU social dialogue committee adopted an agreement which implements parts of the ILO Convention 188 on work in fishing in order to improve the working conditions of fishermen on board. At the common request of EU social partners, this agreement can be proposed by the Commission to be implemented through an EU Directive in accordance with Article 155 TFEU. The full compatibility of the agreement with existing EU law would be primarily assessed.

From 2007 to 2010, the 7th *Research Framework Programme* (FP7) has financially contributed to approximately € 1.4 billion to marine and maritime research related actions, about 6.4% of FP7. Of this amount, €89 million has been spent on the mobility and training of researchers.

These initiatives contribute fully to the *Agenda for new skills and jobs* and *Youth on the move*, two flagships of the Europe 2020 Strategy to raise employment rates and increase the quality of education in the EU.

4. RESEARCH, KNOWLEDGE AND END-USERS: BRIDGING THE GAP BETWEEN RESEARCH AND INDUSTRY

The European maritime industry is characterised by innovation and high-quality markets. The Commission is strengthening this competitive edge by developing an ambitious marine research programme and making marine data more accessible for innovation.

4.1. Ensuring European maritime leadership through innovation and research

The *EU Strategy for marine and maritime research* has been implemented since the end of 2008 by the Commission to maximise the value of the maritime economy in a sustainable manner.

The EU financial contribution to marine related-research and innovation has amounted to €1.4 billion through 644 projects over 2007-2010. Three joint calls of FP7, under the *Ocean of Tomorrow* label, have supported multidisciplinary marine and maritime projects for a total EU contribution of €134 million. This effort was complemented with the launch of coordinated topics in 2012 in order to support the implementation of the Marine Strategy Framework Directive, for a total EU contribution of €42 million.

Improved governance mechanisms such as the *MARCOM+ forum*, and the *EMAR2RES* partnership also contribute to more coherent research by improving interaction between researcher, industries and policy-maker.

The European Commission's *Joint Research Centre* (JRC) has provided independent, evidence-based scientific advice to support the development of EU policies such as fisheries, environment and maritime safety and security.

4.2. Sharing marine knowledge to facilitate innovation, investment and sound policy-making

Better knowledge is crucial for sustainable growth and to achieve healthy and productive oceans. The present fragmented nature of marine data is a drain on the resources of users of these data who need fast access to multiple data sets. The *European Marine Observation and Data Network* (EMODnet) improves access to data and reduces costs to users, stimulates innovation and reduces uncertainty about the nature of our seas. Marine Knowledge 2020 aims to provide a comprehensive framework to streamline the flow of data from initial local observation through to interpretation, processing and Europe-wide dissemination.

The Commission and over 50 organisations are working towards a seamless multi-resolution digital seabed map of European waters, to be available to industry, researchers and public authorities by 2020. 'Thematic assembly groups' on hydrography, geology, chemistry, biology and habitats have already led to a better understanding of the data policies of data holders within the EU. Four of the five groups have made available via free of charge web portals, some previously hard-to-access data.

Extensive details are presented in the interim evaluation of EMODNet, which was adopted by the Commission in August 2012, together with a Green Paper: Marine Knowledge 2020-from sea bed mapping to ocean forecasting.

5. THE TERRITORIAL BENEFITS OF MARITIME POLICY

Coastal regions have key renewable resources for maritime growth, including hydro, wave, wind, tidal and biomass energy. Coastal tourism depends on attractive and healthy marine environments. As social exclusion can be particularly acute in coastal areas and islands, developing an inclusive maritime economy is essential.

5.1. Regional policy

Europe is both a territorial and maritime entity. For maritime sectors to support growth on land, connectivity must be increased. The 2011 Communication *Regional Policy contributing to smart growth in Europe 2020* called for national and regional governments to set up *Smart Specialisation Platforms* on research, regional, enterprise, innovation and education policies. This approach can better coordinate programming aimed at the development of coastal regions and their economies.

A further step is the proposal for *Common Provisions* and a *Common Strategic Framework* to link investment priorities under cohesion, rural development, fisheries and maritime policy between 2014 and 2020.

Numerous maritime projects have been supported through the EU regional policy funds. Examples include desalination units or offshore infrastructure projects for the demonstration of wave energy generation. Several EU *Cross-Border Cooperation Programmes* have also promoted maritime growth, including projects looking into algae as a potential source of biofuel and best practices in climate change adaptation in coastal regions.

5.2. Sea basin strategies

Transnational cooperation at sea basin level is an efficient approach to the development of the maritime economy and to the protection of the marine environment. *Sea basin strategies* cater for the economic characteristics of Europe's basins, while allowing better use of public money. By aligning existing European and national funds on agreed growth priorities, they act as economic drivers in maritime regions.

The *EU strategy for the Baltic Sea Region* has yielded more than 80 flagship projects whose detailed impact is described in the Progress Report adopted in June 2011. The Strategy includes measures to reduce pollution from vessels, develop sustainable short-sea shipping, to tackle eutrophication, create new clusters for innovative SMEs, support research and integrate maritime surveillance systems.

A *Maritime Strategy for the Atlantic* was adopted in November 2011 to boost job creation and growth in the Atlantic area by enhancing its maritime potential. An Atlantic Forum is identifying priority actions through an Action Plan to be adopted in 2013. It will allow the strategic use of EU structural funding to support maritime growth for the period 2014-2020.

A Communication for better *maritime governance in the Mediterranean* was adopted in 2009 to improve governance of maritime affairs and environmental protection. Regions and Member States have re-directed some 2007-2013 funding for European territorial cooperation to maritime objectives. Technical assistance to support growth from the sea and improve maritime policy-making in non-EU partner countries is now being provided through the IMP-MED project under the European Neighbourhood Policy.

Italy, Slovenia, Greece and Croatia are engaged in deeper maritime cooperation at sub-regional level in the *Adriatic and Ionian Seas*. A maritime strategy is under development to define priority areas for growth and to streamline EU funding accordingly.

Cooperation around the *Black Sea* is likewise moving ahead, following a high-level brainstorming event organised with Bulgaria and Romania in October 2011.

In June 2012, the Commission and the EU High Representative for Foreign Affairs and Security Policy adopted a Communication proposing 28 action points for the EU's constructive engagement in the *Arctic*. It supports effective stewardship of the Arctic based on knowledge, responsibility and engagement to meet its increasing strategic, economic and environmental challenges.

6. PROTECTING MARINE ECOSYSTEMS — A CONDITION AND FACTOR FOR GROWTH

The EU has the largest maritime territory in the world. Ensuring the health of marine ecosystems is necessary for the future of ocean biodiversity and to sustain maritime growth. As European maritime companies are frequently top performers in innovative environmental technology, environmental legislation also supports our economic development.

6.1. The challenge of healthy marine ecosystems

The 2008 *Marine Strategy Framework Directive* is the environment pillar of the IMP. Its overarching aim is to achieve good environmental status (GES) for EU marine waters by 2020.

A number of milestones have been completed in order to reach this aim. In 2010, the Commission adopted a Decision on criteria and methodological standards for the assessment of GES, which will be used by Member States in developing monitoring programmes and cost-effective measures to ensure the good environmental status of their marine waters. In 2011, the Commission also clarified the relationship between the initial assessment of marine waters and the criteria for good environmental status.

Significant progress has been achieved in the establishment of the Natura 2000 network, but gaps still exist, especially offshore. In 2011 the Commission adopted *Guidelines on the Implementation of the Birds and Habitats Directives in Estuaries and Coastal Zones* with particular attention to port development and dredging. The Commission's LIFE+ financial instrument contributes to managing the *Natura 2000 Network* in the marine environment by promoting innovative protection measures and capacity building.

6.2. Adaptation to and mitigation of climate change

Climate change can have dramatic consequences for coastal regions, including threats to coastal defences, erosion, flooding and rising sea levels, and can have higher impacts in combination with other pressures on the marine environment. In March 2012, the Commission launched the *European Climate Adaptation Platform*, the most comprehensive website for information on climate change impacts and vulnerabilities in Europe. It aims to support policy-makers in the development of climate change adaptation measures, including in coastal areas.

6.3. Addressing air pollution from ships

Greenhouse gas (GHG) emissions from international maritime transport currently represent around 3 % of global GHG emissions. This is likely to grow due to increasing world trade and demand for shipping. In 2011, the Commission set out the goal of reducing the EU's GHG emissions from maritime transport by 40 % by 2050. Cooperation projects to monitor GHG emissions from ships in Europe have been launched by the European Maritime Safety Agency, the European Environmental Agency, the Finnish Meteorological Institute and the International Maritime Organisation.

In 2011 the Commission also adopted a proposal for an amendment of Directive 1999/32/EC to reduce significantly shipping emissions of sulphur and contribute to reduce air quality problems in the EU which affect human health and acidification.

7. BETTER MANAGEMENT OF MARITIME AFFAIRS

Good management and coordination within and among Member States, coastal regions, industries and stakeholders is essential to develop the maritime economy as efficiently and

sustainably as possible. A flow of information, data and best practices can accelerate investment and innovation while contribute to better environmental protection.

7.1. Developments in Member States

Member States are increasingly applying coordinated approaches for the development of their maritime economy, through national strategies, such as in France, Portugal or Germany, or through specific initiatives, such as the UK Marine Bill, the Danish Maritime Strategy or the Irish science strategy. In 2011, Germany also adopted a plan to boost its maritime economy.

A number of Member States have set up inter-ministerial coordination or established ministerial posts, such as Cyprus, France, the Netherlands or Poland. Maritime regions such as Schleswig-Holstein, Västra Götaland and Brittany have further developed their regional maritime strategies since 2009.

In 2010, 17 member states and associated countries launched the Joint Programming Initiative Healthy and Productive Seas and Oceans to promote synergies between research resources and capacities.

7.2. Developments at EU level

The *European Parliament* adopted a resolution on the IMP in October 2010, which confirmed the validity of the integrated approach to maritime affairs and invited the Commission to develop a maritime dimension to the Europe 2020 Strategy.

In December 2011, the *European Parliament and Council Regulation establishing a Programme to support the further development of an EU Integrated Maritime Policy* entered into force. It provides the IMP with its first operational programme for 2012-2013, whose detailed implementation is described in point 6.2.5 of the accompanying SEC document. The multiple legal bases of the Regulation acknowledge the horizontal approach of the IMP.

The *General Affairs Council* adopted cross-policy Conclusions on the IMP under the Swedish (November 2009), Spanish (June 2010) and Polish (December 2011) Presidencies. They provide an overview of recent developments, expressing endorsement of ongoing initiatives and giving an impetus for future development.

In January 2011, the *Committee of the Regions* adopted an Opinion that stressed the importance of guaranteeing the success of the IMP for environmental, economic and social reasons. The *European Economic and Social Committee* adopted an Opinion on the IMP in February 2011 supporting cross-sectoral and cross-border synergies for maritime activities.

7.3. Developments at international level

In line with the 2009 Communication on the *international dimension of the IMP*, the Commission has strengthened its efforts in the international maritime arena.

At global level, the EU has pushed for more ambition in the Resolutions on Oceans and the Law of the Sea and on Sustainable Fisheries, promoting global membership of maritime governance instruments such as UNCLOS. A particular success is the launching of a process at UN level which should ultimately lead to the negotiation of an UNCLOS implementing agreement for the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction. The EU also pushed for progress in the protection of oceans and seas, and in maritime governance at the UN Conference on Sustainable Development in Rio in June 2012. Bolder external action is yielding success, with stronger performance by Regional Fisheries Management Organisations and increasing cooperation with third countries in the fight against illegal, unreported and unregulated fishing.

Maritime affairs have become a regular topic in discussions with the EU's partners, such as China, Russia, Japan, Canada and the US. The scope of sectoral dialogues has been gradually expanding to embrace more overarching cooperation on global maritime affairs.

7.4. Awareness and visibility of maritime Europe

A first aim of the IMP was to raise the visibility of Europe's maritime identity and economic potential among Europeans. Public awareness is essential in areas where maritime interests compete with other sectors for political support or investment or on the labour market.

Since the launch of the Integrated Maritime Policy, *Eurostat* has been involved in producing statistical information to support the policy so as to improve economic data on maritime sectors and maritime regions. Maritime initiatives have been included in Eurostat work programmes. Since 2009, statistics have been regularly published for coastal regions and maritime sectors.

Interactive tools like the *Maritime Forum* or the *Atlas of the Sea* facilitate access to sea-related information and help increase knowledge of maritime Europe. *European Maritime Day* on 20 May is a key event in raising awareness of the potential of maritime Europe.

8. CONCLUSION

The Integrated Maritime Policy was created to reaffirm the maritime dimension of European Union. It has grown from this vision into a tool delivering concrete benefits for maritime growth and sustainability in Europe. As shown in this Report, the strong contribution of maritime sectors to Europe's economy and the objectives of the Europe 2020 strategy is reinforced by coordinated action to lower costs, improve resource efficiency, reduce risks, support innovation and make better use of public money.

The Commission is setting the best possible conditions for sustainable economic development to come from the sea. Building on those achievements, *Blue Growth* is the objective for the coming years. During Cyprus's Council Presidency, an informal Ministerial Conference on IMP will be a major stepping stone towards this goal. *Blue Growth* will drive a second phase of the Integrated Maritime Policy to achieve a healthy maritime economy that delivers innovation, growth and sustainability for European citizens.