



FACILITY  
FOR BLUE GROWTH  
IN THE BLACK SEA

# National Workshop Ukraine

Kiev, February 22<sup>nd</sup> 2018



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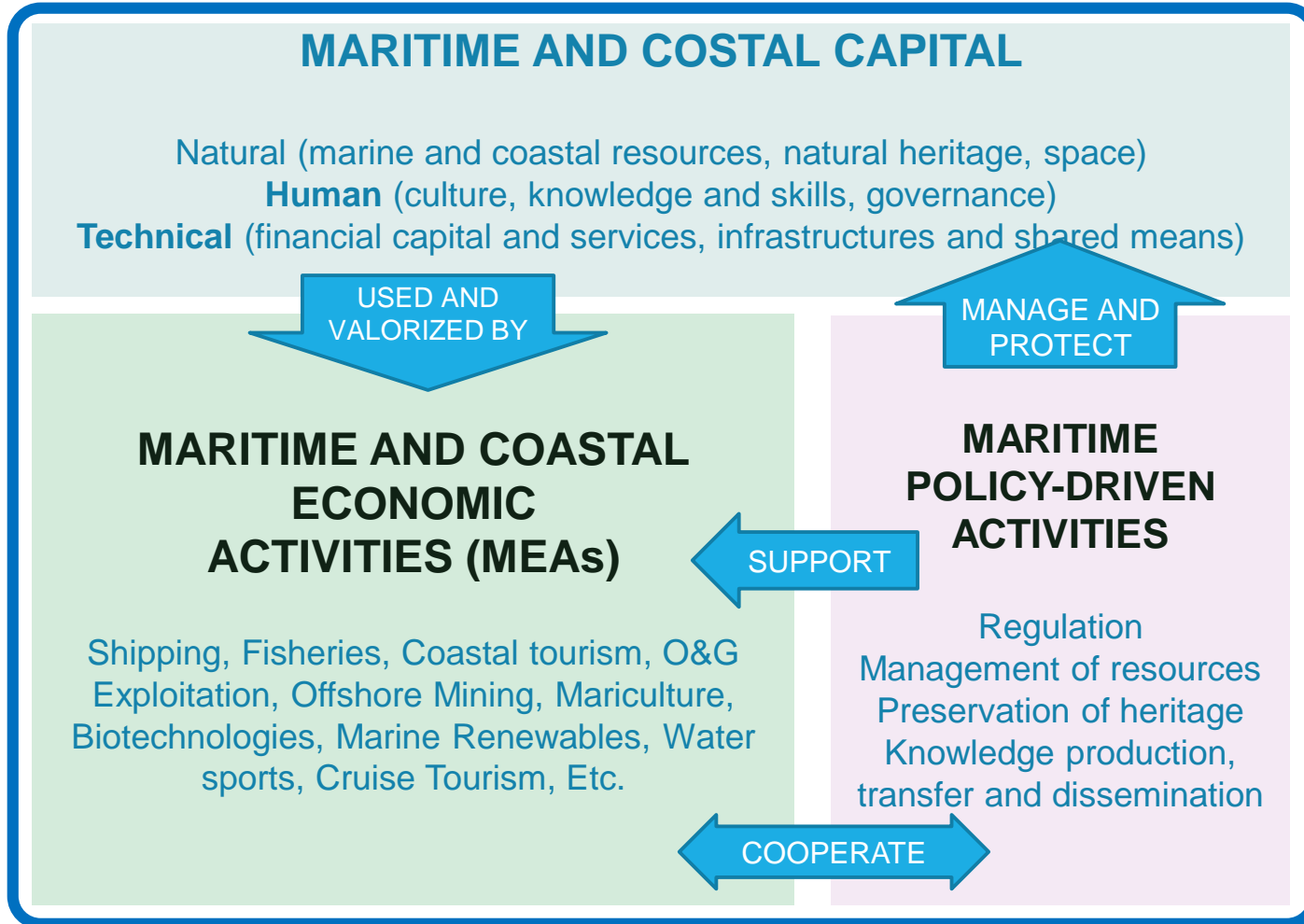
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# BLUE ECONOMY (SOME PRINCIPLES/CONCEPTS)

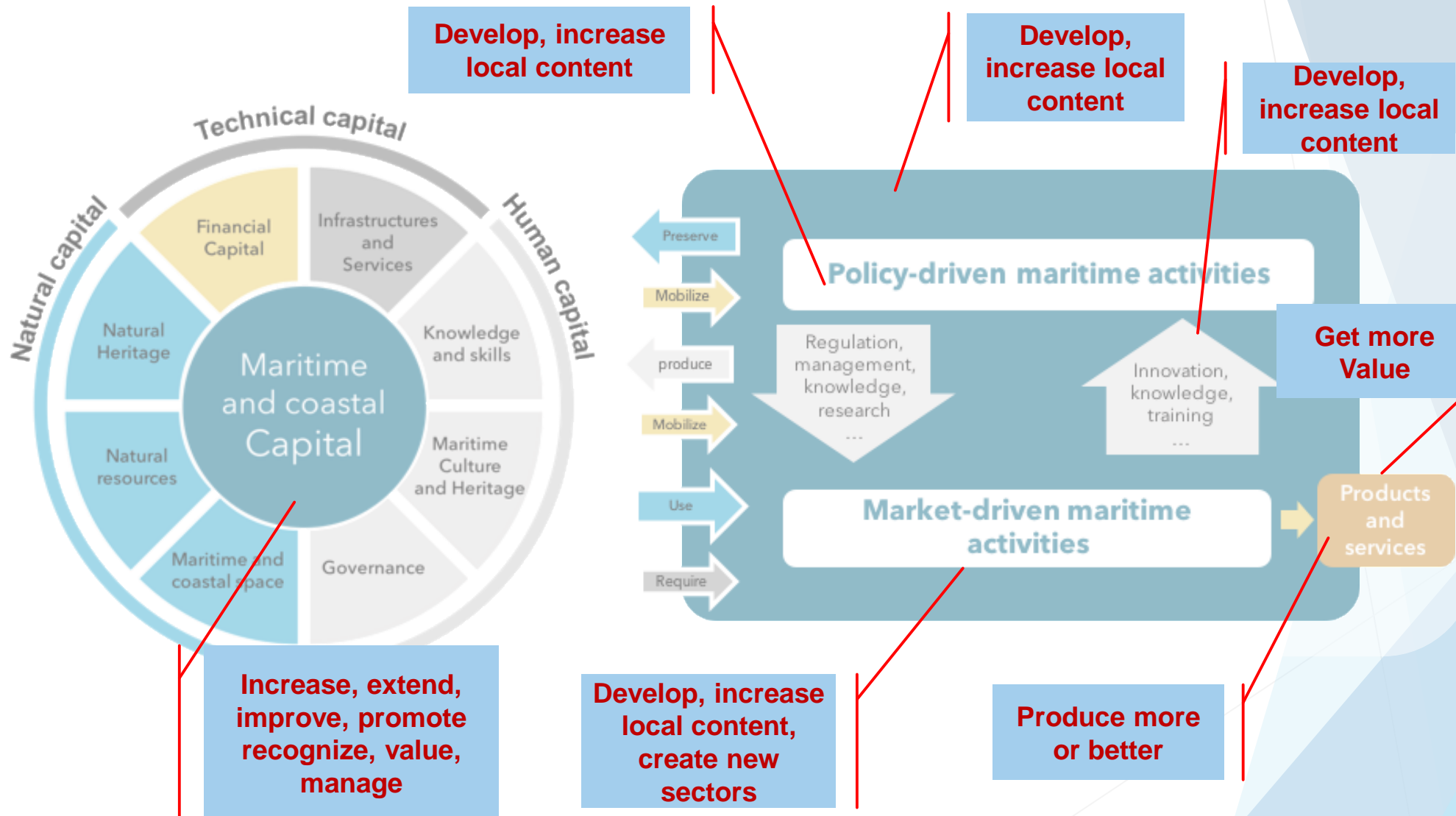


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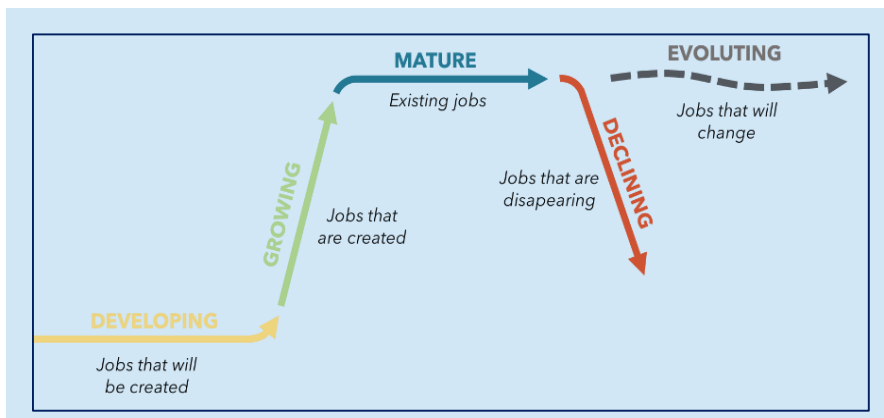
# Maritime activities depend on maritime and coastal assets



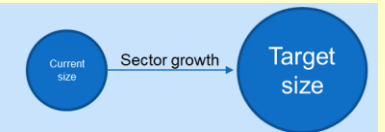
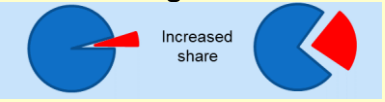
# Recommendations for developing Blue Economy



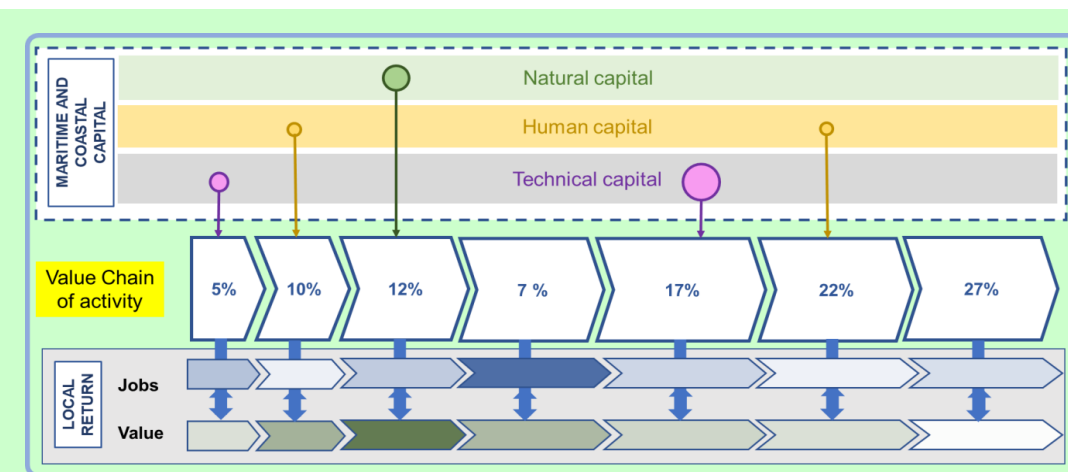
# Some ways to assess potential for development of MEAs



Assess status of activity in « life cycle »: is there a potential for further development, or a need for change?

<p><b>Growth of sector</b></p> 
<p><b>Growth of regional share</b></p> 
<p><b>Take larger share of the value chain</b></p>
<p><b>Change model</b></p>
<p><b>Develop new options</b></p>

Which **strategic** options are available ?



Is it possible to **capture** more value from the value chain?



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# BLUE ECONOMY REGIONAL ASSESSMENT



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# Maritime Economic Activities (MEA)

Sector	Status
Maritime transport	Well developed - potential improvement of connection with hinterland
Ferry - short sea shipping	Low development at regional level
Coastal and maritime tourism	Well developed but unevenly and mainly focused on " sun, sand and sea"
Cruise	Limited, mainly large ships and extension of Mediterranean trips
Fisheries	Fully developed - gaps in regulation, enforcement and safety
Aquaculture	Little developed but growing sector, with some potential
Oil & Gas	Emerging sector (only exploration (TBC))
Yachting and boating	Barely developed - some potential within the navigation basin
Marine renewable energy	Some potential (wind)
Marine mineral resource mining	Mainly research projects
Blue biotechnologies	Mainly research projects

# Coastal and maritime capital

	component	Status
Natural capital	Marine and coastal heritage	Unique marine environment (numerous habitats but relatively low biodiversity under high anthropic pressures)
	Marine natural resources	<u>Biological resources</u> : unsustainable exploitation <u>Mineral resources</u> : regional competition rather than cooperation <u>Marine Energy</u> : Limited assessment of resources
	Maritime and coastal space	High attractiveness High coastal erosion and climate change effects
Human capital	Knowledge and skills	Gaps in basic marine knowledge - Limited innovation maritime education is good but not enough developed for emerging sectors of BE
	Maritime culture	Limited - limited promotion of maritime heritage
	Governance	no “integrated” regional maritime governance Business oriented clusters Limited maritime focus (BESC) monothematic (BSC) or sectoral (GFCM)
Technical capital	Infrastructures and services	Numerous but low regional coordination and shared services Limited land-sea connections
	Financial capital	No specific maritime financial instruments or services



# Maritime Policy Driven Activities (MPDA)

Sector	Status
Maritime safety and risk management	limited at both national and regional level; gaps
Marine protection	Few marine protected areas - little regional cooperation
Marine and maritime information dissemination	Few examples of integration of maritime and/or marine knowledge
Monitoring of the marine and coastal environment	Underdeveloped monitoring of environment and impacts
Maritime surveillance	Good cooperation between national Coast Guards
Research and education	Limited strategies - gaps, limited coordination
Planning and management	No (or very little) integrated planning or management despite some capacity and experience (ICZM)

# First conclusions

- ▶ There are many marine and maritime shared issues (e.g. fisheries, environment), calling for *coordinated actions*.
- ▶ The Black Sea region maritime and coastal capital is very significant, relatively unexploited, and could be used to support potential opportunities, through both sustainable development/adaptation of existing activities and creation of new activities.
- ▶ There is a well-established record of cooperation, with a number of regional organizations already mobilized on maritime issues, or which could extent their scope towards maritime and coastal issues.
- ▶ There is need for coordinated actions to promote the Black Sea (e.g. maritime and coastal tourism) beyond the region itself.
- ▶ Many benefits could be expected from enhancing synergies between sectors (e.g. environmental protection, fisheries and maritime and coastal tourism).



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# BLUE ECONOMY NATIONAL ASSESSMENT

# UKRAINE



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# Maritime Economic Activities (MEA)

Sector	Status
Maritime transport	Most important and most structured maritime sector in Ukraine - mainly for goods export
Ferry - short sea shipping	Well developed with many ferry lines (Georgia, Turkey, Romania and Bulgaria)
Shipbuilding, repair and deconstruction	one of the 10 largest shipbuilding countries in Europe, with good quality and competitive prices and capacity to build and repair a wide range of vessel types
Coastal and maritime tourism	Tourism is an important coastal economic sector, which is expected to grow. Not effectively steered at national or regional level
Cruise	Limited but increasing (large ships)
Fisheries	Well developed - new strategy with more sustainability
Aquaculture	Growing sector, plans for development (limans, coastal lagoons)
Oil & Gas	Exploration has been limited but increasing request to diversify sources supply
Yachting and boating	Limited activity and capacity in yachting
Marine renewable energy	No development or strategy - only inland production and strategy (objective 20% RNE in 2020)
Marine mineral resource mining	No activity in this field
Blue biotechnologies	No activity in this field

# STRENGTHS/ WEAKNESSES MEA UKRAINE

## STRENGTHS

- Approved & dedicated strategies and policies to support sectors:
- Ukraine Transport Strategy 2020,
- Ukraine Maritime Doctrine 2035,
- Ukraine Sea Ports Development Strategy 2015 Strategy for Sustainable Development "Ukraine-2020" including tourism development.
- Good level of education and skills (fi. cruise, shipping) and capacities (shipbuilding)
- Good development of sustainability
- Good connections with Black sea countries (ferry and MT)
- State and administration willingness to support (blue) economy with legislation alignment
- Local authorities on coastal zones supporting maritime activities
- Low cost of work (competitiveness)
- Existing cooperation and agreement with neighbours (RO (Danube cruise) - Bulgaria (Fisheries))

## WEAKNESSES

- Non-harmonised cooperation with tourism investors
- Crimea crisis consequences
- Brake for foreign investors
- Loss of skills and sectors (aquaculture)
- Loss of resources (O&G, MRE (Wind))
- Loss of revenue (fi. tourism)
- Loss of infrastructures (Ports) and new investments requested for western development
- Difficulties to attract investors even though improvement of business climate since 2017
- Low or lack of information dissemination
- Lack of innovation and function transfer to economic sectors
- Limited access to market for SME
- Lack of (updated) legislation to support activities

# OPPORTUNITIES/ THREATS MEA - UKRAINE

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• Emerging sectors development with research and knowledge support (blue technologies, MRE)</li><li>• Resources availability to develop new MEA (O&amp;G)</li><li>• Innovation development (fi. green boat)</li><li>• TRACECA and Belt and Road Initiative (BRI)</li><li>• Intermodality development</li><li>• Association Agreement with EU signed in 2014 with a full implementation since 01/09/2017</li><li>• Financial and thematic support</li></ul>	<ul style="list-style-type: none"><li>• Unability to meet targets on international and EU legislation alignment</li><li>• Lack of consistency in tourism development (local level)</li><li>• Lack of resilience (tourism)</li><li>• Political instability</li><li>• Lack of skills/knowledge to seize BE opportunities and mitigate climate change</li><li>• Brain or skills drain</li></ul>

# Coastal and maritime capital

	component	Status
Natural capital	Marine and coastal heritage	Unique marine environment (numerous habitats but relatively low biodiversity under high anthropic pressures )
	Marine natural resources	<i>Biological resources</i> : declining stocks (fish) <i>Mineral resources</i> : high O&G resources around Skifska field (under exploration) <i>Marine Energy</i> : no assessment of resources but to done within EMBLAS III project
	Maritime and coastal space	High attractiveness High coastal erosion (on average 5-8 m/year on North-western Black Sea coast) and climate change effects
Human capital	Knowledge and skills	Gaps in basic marine knowledge - Several important academic institutes maritime education is good but not enough developed for emerging sectors of BE Lack of capacity in integrated management of sea and coastal zone
	Maritime culture	Limited promotion of maritime heritage
	Governance	No “integrated” maritime governance - No interministerial committee identified No process for public participation in the decision-making for maritime and coastal affairs. Project of reform of local self-government and territorial organisation plan to transfer many competences to Oblast (region) already in charge of environment, and municipalities. Several NGOs dealing with the coastal zone (mainly located in large centres).
Technical capital	Infrastructures and services	Several of the main ports in the Black Sea for deep-sea and short-sea shipping, ferries and cruises Project for further port developments. Need to improve infrastructures (port, railway, road) to support MEAs development and intermodality - need to increase and modernize national fleet State Enterprise «Ukrainian Sea Ports Authority»
	Financial capital	No specific maritime financial instruments or services Level of national control? Private and public investors?

# Coastal and maritime capital for Ukraine

No specific maritime financial instruments or services

Level of national control?

Level of private and public investors?

High anthropic pressures (industry, human settlement, agriculture, etc)  
Low but increasing/expected protection (limans)

Decreasing fishing stocks  
Huge offshore O&G reserves

High density on coastal areas (tbc)  
High level of coastal erosion



Good port infrastructures for deep-sea and short-sea shipping, ferries and cruises  
Good infrastructures for shipbuilding and repair

Gaps in basic marine knowledge  
Several important academic institutes (PivdenNIRO, MHI, ONU, IBSS)  
No dedicated portal for knowledge dissemination

Limited maritime culture and heritage  
Low valorisation

Limited public participation/association  
No interministerial committee or dedicated governance for maritime and marine issues  
Sectoral public action  
Top down governance with progressive competences transfer to Oblasts and municipalities



# Maritime Policy Driven Activities (MPDA)

Sector	Status
<b>Maritime safety and risk management</b>	Coastal protection : ‘Hard’ coastal protection works include seawalls, groins, breakwaters, transverse dikes. Beach nourishments also carried out
<b>Marine protection</b>	<p>Main coastal and marine priorities are:</p> <ul style="list-style-type: none"> <li>• Protection of coastal limans and marine protected areas;</li> <li>• Integration of tourism and fisheries in nature protection;</li> <li>• Implementation of environmental programmes aimed at improving the quality of air, water;</li> <li>• Development of Reserves and creating a coherent ecological network;</li> <li>• Construction of new and reconstruction of existing facilities of municipal sewage systems;</li> <li>• Prevention of Pollution of the Black and Azov Seas</li> </ul> <p>Improvement of ecological legislation in terms of application of Strategic ecological assessment (SEA) Ecosystem based approach implementation - EU MSFD alignment and implementation MPA protection less than 5% of territorial waters : Zernov’s Phyllophora field, first offshore, fully marine MPA in the Black Sea designated in 2008</p>
<b>Marine and maritime information dissemination</b>	No dedicated portal for accessing knowledge of marine and maritime issues, no regulation for making information available
<b>Monitoring of the marine and coastal environment</b>	<p>Environmental monitoring does not comply with requirements of international conventions or for harmonization with the EU legislation (EIA, MSFD, ...)</p> <p>The quality assurance and quantity comparison system to be improved with modernisation of environmental monitoring (action plan adopted in 2012)</p>
<b>Maritime surveillance</b>	Marine Accident Oil Spill Information System (MAOSIS)
<b>Research and education</b>	Some good level institutions, but the average awareness and understanding of marine and maritime issues is low, with weak networks and gaps, and missing connections between research and industry to support innovation.
<b>Planning and management</b>	<p>ICZM is not developed even if a draft law “ one Coastal zone”, MSP not implemented.</p> <p>No dedicated agency and mainly driven by environmental issues (ICZM issues taken in account in EIA procedure for projects related to exploitation of natural resources)</p>

# STRENGTHS / WEAKNESSES MPDA UKRAINE

## STRENGTHS

- SEA mandatory, EIA for projects related to exploitation of natural resources
- Ukraine party to UNCLOS, DRPC, and CBD
- At regional level, Ukraine party to Bucharest Convention and member of BSEC
- Good cooperation within Black sea (Research (EMBLAS project) or Education(TEMPUS project)) to provide for finance support and technical assistance
- EU legislation alignment process (environment, sustainability, workforce)
- Newly maritime administration setup
- Good level of graduating education

## WEAKNESSES

- No national maritime policy has been defined
- No visible strategy for maritime and marine research and innovation.
- Lack of capacities for monitoring and surveillance
- Lack of (updated) legislation to support activities
- Lack of liaison between Research and Market

# OPPORTUNITIES/ THREATS MPDA - UKRAINE

## OPPORTUNITIES

- Association Agreement with EU signed in 2014 with a full implementation since 01/09/2017
- Financial and thematic support
- EU legislation alignment (environment, sustainability, workforce)
- Integration in public processes
- Cross-border and cross-sectoral maritime surveillance
- Integration of education to meet international standards

## THREATS

- Political instability
- Lack of skills/knowledge to seize BE opportunities and mitigate climate change
- Environmental degradation of coastal zones and river
- Conflict between public and private interests (fi. concession)
- Brain and skills drain
- Inadequacy between education and training offer and maritime activities needs

# First conclusions

## ▶ Maritime and coastal governance

- ▶ Integration should be developed in national and regional administration for elaboration and implementation of maritime and coastal policies, supported by inclusive national vision/strategy

## ▶ Maritime and coastal policies

- ▶ Specific and consistent policies should be developed for all major maritime and coastal activities, and implemented through efficient strategies

## ▶ Blue Economy

- ▶ There is potential in coastal tourism and aquaculture, not adequately supported by strategies and infrastructures.

## ▶ Cross-cutting or integrated instruments

- ▶ Integrated management instruments such as ICZM and MSP should support the development of coastal and maritime economic projects and help the protection or rehabilitation of high value coastal areas (limans)

# The Facility team & contacts

<b>Rieks Bosch</b>	Project Manager (POC)	RieksBosch@blackseablueeconomy.eu
<b>Matteo Bocci</b>	Maritime Policy/Blue Economy expert	Shared address
<b>Baris Salihoglu</b>	Marine Research & Environment expert	Shared address
<b>Pascale Van Doren</b>	Event Organisation	Shared address
<b>Frederick Herpers</b>	Sea Basins expert	Shared address
<b>Christophe Le Visage</b>	Sea Basins expert	Shared address
<b>Serge Gomes da Silva</b>	Communication	Shared address

**Shared address :** [helpdesk@blackseablueeconomy.eu](mailto:helpdesk@blackseablueeconomy.eu)

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