



Workshop on Sustainable Small-Scale Cruising for the Black Sea

Batumi, 14th September 2018

Sustainable small-scale cruising is an area with development potentials for Blue Growth in the Black Sea. Access to private investments for local operators and other small-scale organisations in the sector is one of the key challenges identified for the sustainable longer-term development of Blue Growth in the Black Sea. This conference, promoted by the Facility for Blue Growth in the Black Sea (Facility) in cooperation with the Georgian Government and the organisation for Black Sea Economic Cooperation (BSEC), aims at fostering a constructive dialogue amongst Authorities, Investors and Operators (including mid-small ones) acting across the economic ecosystem that characterises the Blue Economy of the Black Sea.

Agenda

10.00 – 10.15: Reception

10.15 – 11.40: Plenary – Introduction

10.15 – 10.30: Support to the initiative from the Georgian Government (Ministry of Transport, Ministry of Tourism)

10.30 – 10.45: BSEC endorsement of sustainable Blue Economy (BSEC Secretary General)

10.45 – 11.00: The relevance of Blue Growth for the Black Sea and role of the Facility (Facility for Blue Growth in the BS)

11.00 – 11.30: Blue Flag initiative and sustainable tourism (Turkish-based International representative)

11.30 – 11.40: Introduction to the workshop and the sessions (Facility)

11.40 – 12.30: Plenary Debate – Challenges and opportunities for sustainable small-scale cruising in the Black Sea

11.40 – 12.00: Potentials of small-scale cruise to foster an innovative sustainable tourism (Facility)

12.00 – 12.30: QA and moderated exchange amongst the audience on the following aspects (moderation by the Facility)

- *What opportunities and challenges of local operators and need for investments support?*
- *What role of regulators and policy framework related services/infrastructures?*
- *What is the view of private investors and how to unfold financing potentials?*

12.30 – 12.40: Introduction of the working group of the afternoon (Facility)

12.40 – 13.30: Lunch Break Networking

13.30 – 15.00: Interactive Sessions - Project ideas addressing opportunities/challenges (Facility)

- a. Assets and destinations to foster sustainable tourism across the sea-basin (45 mins)
- b. Foster sustainable small-scale cruise routes across the sea-basin (45 mins)

15.00 – 15.15: Break

15.15 – 16.00: Interactive Sessions - Project ideas addressing opportunities/challenges (Facility)

- c. Sustainable infrastructures and policy capacity as a framework for stable and robust development (45 mins)

16.00 – 17.00: Areas of investment and project ideas with higher impact and uptake potentials (Facility)

- 16.00 – 16.30: Wrap-up of key project-ideas emerged and ranking of most “promising” project ideas
- 16.30 – 17.00: Wrap-up and conclusions of emerging ideas and possible next steps for the Facility

Report on the “Workshop on Sustainable Small-Scale Cruising for the Black Sea” (GIMF 2018)

Objective

The Facility for Blue Growth in the Black Sea (Facility) has identified Sustainable Small-scale Cruising as one of the area with development potentials in the region. The Georgian Government requested the support of the Facility to organise and moderate a Workshop on the subject within the Georgian International Maritime Forum (GIMF) 2018 – a biannual event held in Batumi and involving a range of stakeholders active in the maritime sector from Europe, Asia and the US. The event was promoted by the Georgian Government and the Prime Minister.

The workshop aimed at bringing different stakeholders together to: i) discuss the main challenges and opportunities for sustainable small-scale cruise across the Black Sea, ii) identify the main areas of further support to boost the uptake of such maritime activity, the gaps and bottlenecks providing an obstacle to such development, and iii) highlight project ideas to be possibly taken into account by the Facility and the EU Commission – including initial ideas on sources of financing (public and private).

Participants

The workshop was addressing participants to the GIMF with about 30 participants from different organisations including speakers and moderators – so relatively well attended with respect to other initiatives in the forum. The audience represented a relatively wide range of interest and expertise (education institutes, businesses organisations, central/regional/local governmental agencies, port authorities, tourism authorities, shipping advisors, etc.), mostly from Georgia but also including international experts and practitioners (see list of organisations represented in the annex).

Opening session by the introductory panel

The Head of Tourism Department opened the workshop by reminding the relevance of the tourism sector as a whole for the country, and the potentials ahead for Georgia in further expanding activities towards coastal and maritime areas. The Director of Georgian Maritime Transport Agency Ministry praised the support of the Facility in organising the workshop in an area of high interest for the Government and welcomed concrete and fruitful exchanges and recommendations, which could be taken on board for further action by the Georgian Government.

BSEC Secretary General stated the interest in “promoting the collective tourism picture” of the Black Sea region, and support innovative ideas on how to attract the cruises back in the Black Sea, with a look to other ongoing activities in the area – e.g. UN-WTO Silk-Road Initiative, Med-Cruise Association workshop planned in Odessa later this year. Some perplexities were also raised on the real benefits of large-scale cruising for the region, with a consequent interest in better understanding features and potentials of alternative small-scale cruising models.

The Facility provided an overview of its goals and approach in fostering Blue Growth in the Black Sea¹, including a brief overview of the main sectors and activities encompassing the Blue Economy. The overall concept of small-scale was also presented by the Facility – defined as an alternative (not incompatible) model to the mainstream large cruising, which generates lower overall volumes of economic returns for cruising operators but allows to maximise local returns in GVA and jobs for local destinations through synergies with a range of other (maritime) economic activities, including sustainable coastal and maritime tourism, shipbuilding, fisheries, etc., while reducing ecological pressures on local port destinations.

The Blue Flag Initiative² was presented as a concrete example of a way to foster the quality of ecosystem, services and infrastructures essential to boost small-scale cruise activities. In this respect an overview of the main features of the initiative and its structure was provided, with a focus on how the Blue Flag could be beneficial to local destinations – as a guidance to improve water and infrastructural quality (including beaches, marinas and small-boats for recreational cruising/fishing) and a marketing tool to attract international “sustainable” visitors.

¹https://twitter.com/EU_BlackSeaBlue?ref_src=twsrc%5Etfw%7Ctwcamp%5Eembeddedtimeline%7Ctwtterm%5Eprofile%3AEU_BlackSeaBlue&ref_url=http%3A%2F%2Fblackseablueeconomy.eu%2Fblue-growth

² <http://www.fee.global/blue-flag/>

Points emerged through the exchange with participants

Opportunities and challenges identified in the exchange with participants

- General agreement on the potential of the small-scale cruising (also expanded to yachting and other means of local transport) which may start as a niche but could expand of importance in GVA and job creation in time;
- The current debate (Med-Cruise) on fostering regional small-scale cruising in the region focuses on vessels of around 300 passengers, but often the capacity of ports in the Black Sea is much lower;
- It is important to look further into the opportunity that micro-small sized vessels can provide to mid-small sized ports across the region, in connection to a broader ecosystem of local attractions, services, vessels, etc. – there is a real opportunity to enlarge the capturing of the value created in a range of synergetic activities;
- Cross-country/regional ferry lines could boost local sustainable small-scale transport and improve local, small-scale yachting and retrofitted traditional vessels could develop high-revenue models;
- Diversification could be fostered into recreational cruising/fishing/diving, existing touristic routs across the Black Sea (mainly inland) could also be linked to cruising/yachting visitors;
- Advantage could be taken by building stronger links to international routes with regional proximity (Asian Silkroad³, East Mediterranean⁴, Danube Delta⁵, etc.);
- It is vital to start from a clear mapping and understanding of the value of the Black Sea (naturalistic, cultural, social), which is at the basis of the cruising/yachting offer, and only then provide a segmentation of the different potential “visitors” (within both domestic and foreign targets), so to define a “portfolio” of services, infrastructural needs, and actions for the marketing strategy for the Black Sea.

Main project ideas

- Dedicated “match-making” platform (at regional level? In each country?) with a strong focus on concrete project/partnerships generation, by bringing together operators in the small-scale cruising sector (and related activities through its value chain) and allow to them to: i) networking and sharing common challenges, opportunities and needs, ii) learn from and exchange with other similar initiatives (Baltics⁶, Odyssea Project⁷, other EU initiatives, etc.), iii) engage with other actors (public/private), showcase potential ideas, and discuss financing needs and opportunities (e.g. critical mass to engage with private investors /venture capitalists, EBRD/EIB, EU funds), iv) acting as a catalyst for the generation and funding/financing of relevant ideas;
- Feasibility study on small-scale fisheries/yachting to assess business potentials, including hosting capacities, standard and norms requirements, as well as area of need for public funding and Business Cases with returns of investment for private investors;
- Foster awareness of the Blue Flag for local destinations (e.g. Municipalities) in the Black Sea, and increase the actual enrolling of the initiative by Local Authorities across the region (as a way to improve quality of water, beaches, port infrastructures and vessels, and as a result being more attractive to visitors);
- Fostering the uptake of “green ports” labelling and environmental retrofitting, by focussing on mid-sized ports with potentials in hosting small vessels and developing small-scale shipping/yachting value-chains;
- Assess GVA/Job potentials (at national and regional levels) of construction, reparation and retrofitting of small/micro-scales ferries, yachting, catamarans, traditional fishing vessels and other sustainable vessels with high appealing for cruising offers – foster new business models and innovative cross-sectoral synergies;
- Support the enrolment of local destinations (e.g. coastal authorities and operators) to training and support initiative for destination management capacity building – to improve local services and infrastructures.

³ <http://silkroad.unwto.org>

⁴ <http://www.medcruise.com>

⁵ <http://www.icpdr.org/main/>

⁶ <http://www.smallships.eu>

⁷ <http://www.ffports-plaisance.com/tourisme/label-europeen-odyssea/>

Possible next steps

- Share the identified opportunities, challenges and project ideas with the Georgian Government in a more concrete manner to identify local actions and engage with local stakeholders (no strong role of the Facility);
- Engage more broadly with other interested Focal Point across the Black Sea (more pertinent to the Facility);
- Bringing the project idea to a more advanced stage by discussing them with businesses operators, fund managers and investors in a dedicated cross-regional event (e.g. Facility Event in January, BSEC event, local event promoted by tourism operators in Varna – all to be discussed) – role of the Facility may vary;
- Engaging with other existing initiatives, projects, organisations (e.g. tourism routes, WTO, Chambers of Commerce) across the Black Sea region to ensure broader involvement of the local and regional operators;
- Discuss cooperation potentials with other regional projects (e.g. BCSEA) to provide Technical Assistance based on mutual action plans and areas of competence/interests;
- Discussing possible next steps and identification/promotion of funding opportunities with EU and other Funds Managers (EMFF, INTERREG, COSME, EIB, EBRD) also as an input for the Facility January Workshop.

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