



Interreg Europe Policy Learning Platform

Blue Economy Roadmap for Estonia

hosted by Environmental Investment Centre (Estonia)

Date of peer review: 9-10 February 2023

Peer Review REPORT

1. Brief background and motivation for hosting a peer review

As a country with a long coastline, proportionally large marine territory and emerging offshore industry, Estonia has a significant stake in the sustainable use and management of its marine resources. One of the core challenges facing Estonia in this regard is how to balance economic development and environmental protection.

Internationally, the blue economy is determined by the following documents: IMO Sustainable Development Goals; EU Marine Strategy Framework Directive, Common Fisheries Policy, Sustainable Blue Growth Strategy, Maritime Spatial Planning Directive; Baltic Sea Strategy and Helcom Convention with its recommendations.

In the national long-term development strategy ("Estonia 2035") under the biodiversity and environment chapter it is stated that marine resources must be used sparingly, considering the sustainability of the marine ecosystem, to achieve good marine environmental status. Also, in the Estonian Green Transformation Action Plan it is referred, that the blue economy is an area to be tackled more closely.

The measures for Estonian marine environmental protection are established in the Marine Strategy Action Plan by the Ministry of the Environment (MoE). However, at the time being, the Marine Strategy has a reactive and corrective nature. To anticipate environmental impacts before the emergence of new blue economic activities, the Strategy needs to be linked with the other relevant development plans initiated by other ministries or governmental authorities.

The task to find a road to build up coherence between the Marine Strategy and other relevant action plans was given to EIC by MoE.

EIC is a state-owned foundation, whose role is to be a partner for private sector, NGOs, educational institutions, municipalities and ministries in green transition, including sustainable blue growth. EICs competence areas vary from green and blue infrastructure, circular economy, climate adaptation and nature-based solutions, all relying on cross-sectoral collaboration. EIC also contributes to international cooperation (LIFE, Horizon, European Innovation Fund), offers consultation and co-financing services and has a wide co-working network, with relevant ministries and other state institutions, NGOs, and universities.

2. Policy challenges encountered

Policy addressed – current situation and challenges

In Estonia, policies related to marine environment and blue economy are traditionally divided between Ministry of Rural Affairs (aquatic living resources and related harbours), Ministry of Economic Affairs and Communications (infrastructure, ports and marinas, marine transport, public ferry services, innovation, offshore windfarms, ..), Ministry of the Environment (health of marine environment), Ministry of Education and Research (science, innovation and education), Ministry of Internal Affairs (sea-area security incl. multifunctional environmental monitoring of sea bodies) and Ministry of Finance (maritime spatial planning).

Most of the strategies and development plans, even if overlapped in some areas, are not thoroughly integrated with each other, nor linked down to environmental impacts in the terms of sustainability criteria and metrics. Therefore, also the Marine Strategy can only be reactive and restrictive, dealing with the consequences and restraining the already established economic or public activities undertaken at sea.

A common goal-based and coherent actions could be planned through a blue economy roadmap, better dialogue and/or other common planning techniques. Yet, there is no confidence about what instruments should be used for taking the idea further and start effectively adjusting the relevant policies.

Expected impact from the programme

Deriving from the above, the broad questions were addressed to the Interreg Europe PLP were:

I Tools for general inter-governmental policy making:

- a) What approaches are used to plan, frame, and implement that kind of cross-sectoral process? What are the alternatives for roadmaps, which are best practices?
- b) What are the optimal management tools in the implementation phase? How to integrate international and national policies?
- c) Ways of alignment for concrete mission, common interest, strategic interventions? What are preferred approaches for creating synergies between different institutions?
- d) Which are the steps to be taken in the overall process, where to focus, how to start and manage the process, what are lessons learned?

II Experiences preparing and implementing Blue Economy development plan, road map or action plan:

- e) What are the topics and subjects to focus on when creating a roadmap for Blue Economy?
- f) How to choose and agree on most innovative, potential, accelerating initiatives? How to create a common understanding of the necessity of prioritising the aspect of sustainability? How to agree on strategic ambitions, projects?
- g) How to find common goals and sustainability indicators with which to measure environmental goals among different interest groups? How to integrate or add sustainability indicators into existing policies?

Expected impact from the peer review

The expected result of the Peer Review was to gain expertise and share experience in order to tackle the “wicked problem of blue economy” systematically and detect ways for implementing a common and coherent co-governance model for solving it.

3. Participants

Host (Environmental Investment Centre)

- Andrus Treier, Chief Executive Officer of EIC
- Helen Sulg, Head of Chamber of Development and Partnership, EIC
- Kersti Liivorg, Partnership Coordinator, EIC
- Anni Hartikainen, Blue Economy project manager, EIC

Peers

- Juha Valtanen, Senior Advisor, Turku University of Applied Sciences, Southwest Finland, Finland (project partner in IE project [CLIPPER](#))
- Riccardo Leoncini, Full Professor of Economics, University of Bologna
- Petri Muje, Senior Specialist, Lapland University of Applied Sciences, Lapland, Finland
- Gert Verreet, Advisor on marine, maritime and natural sciences research, Department of Economy, Science and Innovation, Government of Flanders, Belgium

Regional Stakeholders

- Rene Reisner, Head of the Marine Environment Department, Ministry of the Environment
- Liis Kikas, Marine Environment Department, Adviser, Ministry of the Environment
- Ain Soome, Head of the Fisheries Economics Department, Ministry of Rural Affairs
- Eve Külmallik, Advisor, Fisheries Economics Department, Ministry of Rural Affairs
- Jaak Viilipus, Head of Maritime Department, Ministry of Economic Affairs and Communications
- Lembe Reiman, Marine spatial planning Advisor, Ministry of Finance
- Ivo Krustok, Green transition policy advisor at the Government Office of Estonia
- Jekaterina Iljina – Sustainability Advisor, Ministry of Economic Affairs and Communications
- Nikon Vidjajev – Offshore Wind Advisor, Ministry of Economic Affairs and Communications
- Kristi Lember – Risk manager, Strategy and Finance Department, Ministry of Rural Affairs
- Kristi Ilves – Line manager of commercial fisheries management, Fisheries Economics Department, Ministry of Rural Affairs
- Eduard Koitmaa - Line manager of producing and marketing of living aquatic resources, Fisheries Economics Department, Ministry of Rural Affairs
- Siim Tiidemann, Deputy Secretary General at Ministry of Rural Affairs
- Antti Tooming, Deputy Secretary General at Ministry of the Environment
- Kaupo Läänerand, Deputy Secretary General for Maritime at Ministry of Economic Affairs and Communications
- Kaia Sarnet, Deputy Secretary General at Ministry of Finance
- Kristi Klaas, Government green policy coordinator, Government Office

Interreg Europe Programme

- Laurentiu David, Policy Officer

Interreg Europe Policy Learning Platform

- Thorsten Kohlich, Project Manager
- Rene Tönnisson, Thematic Expert, SME Competitiveness
- Mart Veliste, Thematic Expert, SME Competitiveness

Interreg Programme Contact Point Estonia

- Riina Nurmsaar, Advisor, European Territorial Cooperation Unit, Ministry of Finance
- Margarita Golovko, Head of the European Territorial Cooperation Unit, Ministry of Finance

4. Policy Recommendations

Prep Steps: Focus and Approach

<p><i>Decide, do you need a roadmap or not</i></p>	<p>Yes, if it helps break down ministerial silos. Challenges do not care about organizational charts. Across all policy areas challenges have become complex and cooperation for integrated approaches is needed whether it makes you uncomfortable or not. No, if it would be an additional bureaucratic/administrative process/layer without tangible outcomes. Especially if you already have structures or processes in place, that could fulfil this role.</p>
<p><i>Define, what's the purpose of the roadmap</i></p>	<p>„more joint projects to access EC funding“ If this is the goal, then this can likely be achieved within pre-existing structures „to ensure that sustainability principles are adhered to“ it seems that the new whitepaper (<i>by Ministry of Economic Affairs</i>) has also defined competitiveness in the maritime industry through sustainability - is this enough for the other partners? If not, then why; what is lacking? Is adding that layer rational in terms of procedural and administrative burden? „to avoid ministries working in silos with conflicting interests“ Is the roadmap document the right tool to align goals and build trust? Do all vital partners believe in the benefits and applicability? „to cover policy areas that have fallen through the cracks“, e.g. blue carbon and marine carbon sequestration</p>
<p><i>Map it first to see if there is a road</i></p>	<p>The complexity of the topic requires a system perspective, but you cannot solve the whole system at once. Start small with concrete initiatives in a few areas in parallel. You need to find the critical point (from the environmental point of view) in the system – focus on the worst indicators.</p> <p>SWOT and/or Governance Assessment Tool to assess:</p> <ul style="list-style-type: none"> - the linkages in the system - all the stakeholders whom the policy will affect

Alternatives to a roadmap

Implement the sustainability indicators into existing roadmaps and plans

Instead of creating a new document-based road map, it might make more sense to implement the the sustainability aspects into other recent ones. Especially considering that the funds available will be coming from the same source.

- The Maritime Economy Commission has representatives of all ministries included, ca 100 activities planned, a monitoring system in place and openness to add other sustainability related topics and activities. – *Recommendation*: other ministries besides Ministry of Economic Affairs and Communication should once more consider whether this meets their needs regarding blue economy policy or is the focus of the comission too narrow.
- Target group – instead of being a policy making tool (as there are already various policy frameworks), should the roadmap be a guide for SMEs and R&D institutions instead?

Introduce „blue hub team“ inter-governmental consortium

Alternatively, or complementarily to the roadmap:

- Consider a governance arrangement for the inter-ministerial cooperation: **steering group and pragmatical working groups** at operational level.
- Step-by-step: An **informal small group** of representatives from the **key stakeholders meeting regularly** could be the starting point, to be a freeform communication channel
- „Co-ownership“ and „co-responsibility“ – ensure the members have „**skin in the game**“
- **Ownership** is important (considering how many different plans are in place already)
- Start by going for the low-hanging fruit – **joint (small) projects** achieving concrete results
- Consider also „co-production of knowledge“ (e.g. **get your analytical units to collaborate**)

Other hints & considerations

<p><i>Don't forget the Target Groups</i></p>	<p>Important impact on the region will be achieved, if you can help companies meet their carbon footprint goals, to make their production more energy efficient etc</p> <ul style="list-style-type: none">• speak their language instead of jargon• help them understand the big policy directions (green transition)• help them see the economic benefits (premium price eco products; cost of pollution)• focus on R&D and collaboration with universities is also important <p><i>In Estonia: Clusters do not feel part of the blue economy; also scattered among other clusters: because of variety in the types of firms it is hard to propose a top-down (one-size-fits-all) agendas.</i></p>
<p><i>Co-Define Sustainability Criteria</i></p>	<p>Criteria need to be co-created (including bottom-up insights), responsive to action and acceptable for all partners (ministries).</p> <ol style="list-style-type: none">1. Sensitive to significant and specific pressures2. Relevant for development of management measures3. Practicable4. Applicable across the region/sub-region5. Representative (this criterion at set level)6. Degree of consensus among Contracting Parties <p><i>In Estonia: EIC has already identified Sustainable Development Goals within their field of activities. Reminder that IMO level SDGs and standards are as mandatory for Estonia as are Helcoms'.</i></p>
<p><i>Communication based on commonalities</i></p>	<ul style="list-style-type: none">▪ Ministries „all want to be proactive“ in the blue economy space and all have recognized the importance of the topic.▪ The guidelines for blue economy need to be clear because otherwise it will be „business as usual“ and there will be no coordinated efforts.▪ Step-by-step: An informal small group of representatives from the key stakeholders meeting regularly could be the starting point, to be a freeform communication channel▪ Address the neighboring countries, if: it affects them directly; you need them for certain things, e.g. coastal protection; you want to align strategic thinking and policies. <p><i>In Finland: strategic and actual ongoing process (not the final but starting point); everyone needs to be valued and has to find its role in the cooperation/governance arrangement, even if they are not prioritized; the most powerful institutions/people should not dictate what is important.</i></p>

5. Calendar of implementation

	Q1	Q2	Q3	Q4	2024	2025->
I Preparatory Steps						
1.1. Map the system		✓	✓			
1.2. Co-find solutions for overlaps or gaps and implement at least one of them				✓	✓	
1.3. Co-decision over roadmap necessity (or alternatives)				✓		
2.1. Co-decision over Blue Hub necessity		✓				
2.2. Ministries agreement on Blue Hub working platform and bringing the "skin in"		✓				
II Implementation						
3.1. Implementing the solutions detected in 1.3					✓	✓
3.2. Fetch additional resources for co-programming and implementing blue eco policies (Interreg? Blue Eco Mission?)					✓	✓
4.1. Execute and steer					✓	✓

6. Conclusions

This peer review has given a structured approach to the blue economy policy issues, highlighting critical success factors and decision parameters when developing the blue economy policies. Considering the complex and interconnected nature of the blue economy, the policymakers must adopt a holistic and integrated approach to policy development and implementation.

First, it is important to adopt a comprehensive systematic approach to blue economy policies. Second, effective approach, whether in a form of roadmap or not, requires a culture of openness, transparency, and collaboration among stakeholders. Third, the policy development should be an ongoing and iterative process that incorporates feedback and evaluation from all relevant parties, including government agencies, private sector actors, civil society organizations, and local communities.

To meet those challenges, further effort is needed from the host and key stakeholders to map the linkages between different blue economy policies and define, which approach would be appropriate to apply (the roadmap and/or set of suggested alternatives). The peer review presented solid criteria for making the decision and offered possibilities for follow-ups to gain more insights about possible policy assessment tools. Also a possible application for Interreg Europe funding in 2024 will be discussed in the follow-up process. Those actions require at least informal teaming up by ministries and EIC.

Overall, the findings of this peer review suggest that by adopting a strategic and collaborative approach to blue economy policies development, policymakers can make informed decisions that balance economic growth with environmental sustainability, while promoting the well-being of coastal communities and preserving the health of our oceans.