

**Evidence submitted by the CPMR North Sea Commission**

Dear Sirs,

The North Sea Commission was invited to give evidence to the Committee at its meeting in Aberdeen on 19<sup>th</sup> December. For logistic reasons it was not possible for us to attend on short notice, and we thank you for this opportunity to give our evidence in written form. We remain at the Committee's disposal for questions and for possible future oral evidence.

**Executive summary**

- More cooperation, not less, is needed to balance the many and conflicting interests in the North Sea, one of the busiest sea basins in the world.
- The entire North Sea region is likely to suffer economically from new trade barriers. It is potentially extra harmful for coastal areas and port cities across the region. But Brexit effects go beyond economy. Other major concerns are how Brexit will affect the situation in the North Sea itself, and how it will affect conditions for exchange of people and cooperation between institutions in the North Sea area.
- The North Sea energy cooperation, initiated under the Dutch EU Presidency, must continue with all North Sea countries involved also after Brexit. This is crucial for European energy security as well as for climate change mitigation.
- British support and participation is needed in future EU efforts to strengthen the blue economy of the North Sea area.
- From a North Sea perspective, there is a need for continued British participation in the coordination and cooperation on maritime spatial planning and on fisheries, whatever the outcome of Brexit.
- It would be valuable to seek agreements that makes it possible for the UK to remain a partner of major European programmes for exchange, research and transnational cooperation.
- The UK constitutes an important part of the Trans-European Transport Network (TEN-T) in the North Sea Region. It would be of great importance that the UK remains a part of the TEN-T governance structure and continues to take part in transport projects under EU programmes.

**Who we are**

1. The North Sea Commission (NSC) is a cooperation between 32 county councils and equivalent bodies in the North Sea countries. We have 7 UK members: the Councils of Shetland, Orkney, Highland, Aberdeenshire, Aberdeen City, Fife and Southend-on-Sea. Our member list also includes almost all regions/provinces/Länder/fylken with a North Sea coast in France, The Netherlands, Germany, Denmark, Sweden and Norway. In 2017, in the light of a possible Brexit, we will increase our efforts to attract more UK members.

2. Our mission is to further partnerships between regional authorities which face the challenges and opportunities presented by the North Sea. We promote and create awareness of the North Sea Region as a major economic entity within Europe. We are a platform for developing and obtaining funding for joint development initiatives. We lobby for a better North Sea Region.
3. Over the years, our efforts have contributed to the creation of the Interreg programme for the North Sea, the North Sea Advisory Council, the EU Preparatory Action for the North Sea, and this year's national cooperation agreement on energy. We build our work on a strategy, North Sea Region 2020, which was revised this year. Our four main themes are managing maritime space, transport, energy/climate change, and attractive/sustainable communities (business competitiveness, tourism, skills and employability).
4. The current President is Cllr Kerstin Brunnström, Västra Götaland, Sweden, and our secretariat is based partly in Gothenburg, partly in Brussels. The NSC is part of the CPMR, a pan-European organization of peripheral and maritime regions. More information can be found on [cpmr-northsea.org](http://cpmr-northsea.org).

#### **General comments**

5. A British decision to exit the European Union may cause many concerns on various levels. As a North Sea organization for sub-national political bodies, we concentrate our evidence to potential Brexit effects on the North Sea and its coastal regions, and leave to others to comment on wider issues as the future of the EU, EU's global standing, and relations between countries on a national level.
6. The North Sea is one of the busiest sea basins in the world, used for fisheries, oil and gas production, windfarms, shipping, military purposes, and leisure. The major European ports are located here. More than 50 percent of the EU's foreign trade passes through these ports. 80 percent of EU's offshore renewable energy is produced in the North Sea. It is a sea where many millions of Europeans spend their holidays along the shores. It is a sea and a coastal area with vulnerable ecosystems.
7. To balance all these interests and increasing pressure, to develop blue growth while at the same time safeguarding ecological and recreational values, the North Sea needs more of cooperation, not less. It needs transnational, cross-sectoral, and multilevel cooperation and governance. The North Sea Commission has, on several occasions, and in the context of the EU Preparatory Action, called for a stronger platform for cooperation between national and subnational bodies and with stakeholders in the area.
8. Since major cooperation initiatives in the North Sea Region are part of the European Union or EEA framework, Brexit will call for new ways to handle transnational cooperation on North Sea issues. The North Sea Commission's major concerns are how Brexit will affect the situation in the North Sea itself, how it will affect economic development in the entire region, and how it will affect the conditions for exchange of people and exchange between institutions. We see a risk that these perspectives will not be sufficiently addressed in future negotiations.

9. The final declaration from the CPMR General Assembly in November 2016 called upon the European institutions and the British government *‘to negotiate a Brexit deal that causes as little harm as possible to the peripheral and maritime regions and to European unity and cooperation. The CPMR further wishes to:*
- *Express its hope that the difficulties caused by this decision may be amicably resolved*
  - *Invite UK member Regions to participate in the work of the CPMR, which will remain relevant and useful to them, whatever the outcome*
  - *Express support for UK member Regions who wish to find a way to maintain participation in the European project.’*

## **Trade**

10. Germany, France, The Netherlands and Belgium are among the top 10 export countries for the UK. About 30 per cent of UK export goes to North Sea countries. The UK is among the top 5 export markets for all other North Sea countries. Possible new trade barriers in the North Sea, if the UK was to leave the EEA, are likely to change this balance, and have a negative economic effect on the entire North Sea region. Coastal regions and port cities might suffer more than others.

## **Energy and climate change**

11. The North Sea Region can expect a wide range of climate change impacts over the coming decades. The entire region is warming, sea level is rising, extreme weather occurs more often. Coastal areas across the North Sea are vulnerable to flood hazards and coastal storm surges. Marine and coastal ecosystems are expected to change. Although many of these changes have their causes on a global level, they need to be tackled regionally. And by working closely together North Sea countries can do a lot to adapt to climate changes, but also to mitigate such changes.
12. In June 2016, under Dutch EU Presidency, nine Ministers from the North Sea countries, including the UK, and two EU Commissioners signed a political declaration and action plan on energy cooperation. The aim of the agreement is to create good conditions for the further development of offshore wind energy. It is supposed to boost interconnection and capacity, and will lead to better energy security and less greenhouse gas emissions. The work areas include a better coordination of spatial planning, of regulation for grids, of finance and support frameworks for offshore wind projects, and of standards and technical rules in the sector. The North Sea Commission welcomes this initiative, and calls for full British participation in the work also post-Brexit.

## **Blue growth**

13. The North Sea’s maritime industry is said to represent at least € 150 billion and employ at least 850,000 people. In 2013, the European Parliament approved a preparatory action – a regional strategy for the North Sea Region to support cross-sectoral maritime cooperation in the region. A stakeholder workshop on blue growth was held in June 2016 within the frame

of the preparatory action. One finding of the workshop was that while there are several strong blue growth clusters in the North Sea coastal areas, there seems to be considerable potential for more cooperation between the various clusters to really boost the maritime sector.

14. The workshop identified a number of needs: clear political will and direction, better compilation of data about the sea and the marine environment, mapping of support structures, better matchmaking in the maritime sector, success stories/flagships, less bureaucracy and easier ways to combine funding for cooperation. British support and participation is crucial in this work and in future EU efforts to strengthen the blue economy.

### **Maritime spatial planning**

15. An EU directive on maritime spatial planning was adopted in 2014. The directive establishes a set of minimum common requirements for the member states to follow, in order to increase coordination and cooperation, reduce conflicts, encourage investment, and protect the environment. In the case of a hard Brexit, the EU directive would no longer apply to the UK. The need and reasons for joint spatial planning will however still remain, not least in the North Sea. We call for continued and intensified cooperation and coordination, whatever the outcome of Brexit negotiations.

### **Fisheries**

16. Even after a Brexit, the UK will be subject to international conventions and other commitments. One of them is UNCLOS, which requires fish stocks in a sea basin to be managed jointly and at Maximum Sustainable Yield (MSE) level. Another one is the OSPAR mechanism to protect the marine environment in the North-East Atlantic. If the UK leaves the Single Market, it will however leave the European Common Fisheries Policy.
17. A recent agreement between EU ministers on fishing opportunities in the North Sea establishes quotas based on the fact that many fish stocks have recovered in past years, thanks to years of restricted and disciplined fisheries. Brexit will in any case require some form of agreement between EU and the UK on fisheries, and it is of great importance that this is negotiated in cooperation with stakeholders, and that the result safeguards continued good management of fish stocks in the entire North Sea.

### **European funding for transnational cooperation**

18. Several EU programmes aim at increasing cooperation across borders, to strengthen understanding in general and to tackle common challenges. Erasmus+ supports education, training, youth and sports, and has given millions of young Europeans opportunities to study abroad. Horizon 2020 contributes to Europe's global competitiveness by supporting research and innovation projects with partners from several countries. A UK withdrawal from these programmes would have a negative impact in UK as well as in other European countries.

19. Cohesion Policy is one of the areas where most of the EU budget is spent. Territorial cooperation is one objective of the Cohesion Policy, and the North Sea region has its own Interreg programme. Since the 1990's this programme has supported projects for regional development with partners in several North Sea countries. The case of Norway shows that a country outside the EU can still be part of the transnational programme, with its own internal arrangement for co-financing. We would highly recommend the UK to look into this possibility for its own future participation in transnational North Sea cooperation.

## **Transport**

20. The UK constitutes an important part of the Trans-European Transport Network (TEN-T) in the North Sea Region and of the Core Network Corridor North Sea - Mediterranean. The UK part of the TEN-T consists of road and rail corridors, as well as of urban nodes and major sea ports which are of high importance for European trade and movement of people. A Brexit could therefore negatively affect the conditions for successful implementation of the TEN-T up to 2030 (deadline for completing the core network) and beyond. It would be of utmost importance that the UK remains a part of the TEN-T governance structure in line with the Norwegian model, and continues to participate in transport projects under European research and cooperation programmes.

## **'The necessary step-change in the management of the North Sea Basin'**

21. We want to finish by quoting *'The North Sea under pressure: is regional marine co-operation the answer?'*, a report of the House of Lords EU Committee in March 2015: *"We conclude that no existing body or mechanism has a broad enough remit to facilitate the political co-operation required to make the necessary step-change in the management of the North Sea basin. We recommend therefore, that the UK Government convene a North Sea ministerial conference in order to develop a holistic approach to all economic and environmental issues affecting the North Sea. Importantly, the conference should seek to deliver the urgently required political and strategic vision which will sustain this precious resource and secure it for future generations."* These words still apply, and are even more important in view of the United Kingdom exiting the European Union.