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Sustainable Small-scale Boating in the Black Sea

Recommendations Report



BLACK SEA CRUISE

SUSTAINABLE SMALL-SCALE
CRUISING/YACHTING



Co-funded by
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Sustainable Small-scale Boating in the Black Sea

Recommendations Report

Written by

Matteo Bocci

Christophe LeVisage

Contributions by

Thanos Smanis

Georgia Chantzi

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International Centre for Black Sea Studies

19 – 21 Arachovis Str. & Ippokratous
10680 Athens
Greece
Tel: +30 210 324 2321
Fax: +30 210 324 2244
Email: icbss@icbss.org
Website: www.icbss.org

Director General: Georgios Mitrakos

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Executive summary

Small-scale boating is a promising approach to boost sustainable cruising, yachting and sailing across the Black Sea region. As an alternative to traditional large-scale practices, smaller sized solutions bring greater socio-economic returns for the local community, including local heritage. They do so by preserving local nature and ecosystems, while allowing identifying new services and products that can capitalize local assets, being cultural or naturalistic of sorts.

A whole full report on main patterns and opportunities for small scale boating has been provided as part of the project **BLACK SEA CRUISE – Sustainable Small-scale cruising/yachting**. As part of the project's results, full details are offered to further understand the main challenges raised by traditional models in the sector and to foster small-scale potentials.¹

In brief, **traditional large-scale business models** have been typically based on mass-marketed solutions aimed at capturing economic gains for just a few actors, often internationally-placed – while externalizing negative socio-economic and environmental impact on local communities and ecosystems:

- **Cruising models** have been typically based on standard products, with limited opportunities for local businesses to profit from local visits (i.e. port 'calls'), designed to maximize the return of investment for internationally-based operators;
- **Yachting and marinas** offers tended to focus on selling large and expensive ships to be hosted by newly developed marinas, without much reflection on whether such yachts were meant to be used – often resulting into 'floating parking lots', potential ecosystem damages and limited local returns.
- **Sailing opportunities**, in the context of 'large-scale' models, have often remained limited or poorly integrated with touristic in-land attractions, products and services – e.g. thematic maritime routes and excursions designed to maximize local added value.

Smaller-scale boating, if well-thought and designed would allow to develop innovative services and products that would better suit the potentials of secondary harbours and maritime destinations, while developing fully integrated value-chains with local operators, businesses and communities. Being less 'intrusive' for local ecosystems, due to more limited infrastructural requirements, they have the potentials to prevent environmental destruction and add value to local assets – cultural and landscape, above or under the sea.

For an **effective and smooth transition** support is required in a number of strategic areas:

1. *Develop **innovative local tourism services/products** (beyond infrastructures);*
2. *Build on **digital potentials** to create regional services and networks (i.e. dedicated platforms);*
3. *Address **small-scale sustainable infrastructures** (and green marinas);*
4. *Fully engage with young entrepreneurs and impact investors to boost regional potentials;*
5. *Identify capacity needs and **support local/regional innovation capability**;*
6. *Recognize regional **qualifications, and other "policy/regulatory requirements"**.*

¹ <https://icbss.org/black-sea-cruise-sustainable-small-scale-cruising-yachting/>

1. Introduction: the foundations of this report

As part of the **Black Sea Cruise project**, an assessment of the state of play and the potentials (environmental as well as socio-economic) for **novel small-scale cruising/yachting models** was performed². Such model was further discussed locally in a series of targeted workshops, so to gather relevant operators, policymakers and interested researchers and identify way forwards in order to support, through a final set of recommendations, the sustainable development of the activity in the Black Sea.

In addition, the emerging insights and areas for further actions were further **discussed with a selected panel of regional and international experts**, where **good practices** were presented first in an online workshop and then in the Final Event held in Athens in November 2022. Through such rounds of broader exchanges, the findings were discussed, while the recommendations presented here enriched through additional valuable expertise and insights.

A number of strategic areas of further support have emerged and are detailed in this report.

2. Innovation in business-models and infrastructures

2.1 *Develop innovative local tourism services and products*

Maritime and coastal tourism have developed at global scale mainly following the same model: sea – sun - sand, with a priority focus to foreign customers. This is for instance the case in the Mediterranean or the Caribbean region, for both coastal hotels and cruise.

This mass-oriented model is not specific (any sea, any sun, any sand will fit) and it seems it has reached a plateau. Linked to saturation of the market, of increasing environmental concerns, and systemic crises (e.g. security, pandemic) showed it is not resilient; even traditional followers seem to have doubt: it is therefore necessary to think twice before embarking on the same path.

Concentration in huge and costly underused seasonal infrastructures (marinas, tourism complexes, large cruise ships, to name a few) is very capital intensive and produces limited benefit for locals (local return, access to tourism for domestic customers).

At the same time, the Black Sea has many specific and well distributed assets that could be valorised through innovative models, such as cultural assets (museums, wine and food), natural assets (coastal and inland), and also many potential domestic customers that need today to go abroad but who would like closer alternatives.

This regional analysis and the analysis of decades-long experiences in other regions shows that *most of the long-term benefits from the development of small-scale marine activities can come from the development of related services*.

Such services can be of several types: marine services including maintenance and supply, tourism services including marketing, catering, transport and hosting.

² https://icbss.org/wp-content/uploads/2021/04/BS-CRUISE_Preliminary-Analysis_small-cruise-in-the-Black-Sea_April-2021.pdf

Construction of infrastructures is often a “one-shot” capital intensive action, with burst of local employment for a short time and then limited needs for maintenance; this “entry ticket” is expensive. On the other hand, services can provide high-profile local jobs on the long-term, and allow a more cautious approach of the development of a new sector.

For instance, in the current “*own and use little*” model for yachting and boating, a marina generates limited local benefits versus high pressure (space, environment, infrastructures); most of benefits go to the capital, often foreign. On the contrary, in an alternative “*Use but don't own*” model based on intensive sharing of limited number of yachts and boats (renting, shared owner) smaller infrastructures can be made more efficient through the development of digital services, that can for instance target more diverse customers, for diversified practices spread along longer activity seasons. Also, seasonal mooring installations are more “labour intensive” and can generate more services than permanent ones, with less infrastructure costs and without permanent allocation of scarce coastal space.

Tourism activities are currently operated in silos, losing the potential synergies for instance between maritime tourism and coastal and inland tourism (e.g. one-week cruise linked to one-week stay in local tourism facility or homestay). What seems difficult at large-scale, becomes possible with distributed small-scale tourism activities.

Finally, while services for foreign customers are widely developed (and often operated at global scale outside the region), there is space for new services targeting domestic customers that could even be the main users, leading to less seasonal, better occupancy rate, more resilient, more flexible, more agile, and that could be developed by local business.

To address the full potentials of the small-scale cruising sector, **new and innovative business-models** should be developed, these include:

- Innovative and sustainable local services, which may capitalise on the potentials offered by digitalisation as mentioned later in this report;
- Greater offers related to charters and towards addressing growing appeal of quality/luxury niches, thematic ‘routes’; etc.);
- Value of touristic offers should be based on how to exploit sustainably the local assets (nature, culture, services, etc.);
- Improvements are needed for local strategy, strategic support services and planning (including destination management and possible MSP);
- Developing a regional network of sustainable products/offers across the Black Sea.

2.2 Build on digital potentials to create regional services and networks

The Black Sea region enters the maritime and coastal tourism race well after other regions, which could appear as a disadvantage.

But while other regions have started and developed small-scale marine activities before the digital age, the Black Sea can build its own development on a lush digital environment, both at global scale and at regional scale. In the Black Sea there are many skills and experiences in this field that can be used to support new activities and new ways to carry them out, with more flexibility, more synergies.

Digital services allow going out of the beaten track, while new generation customers require new services: on demand, flexible, reservation at short notice, more digital services.

Digitalization also and importantly allows for management of (quasi) real-time data, while new apps and digital solutions allow for innovative business models; disintermediation of visitors and direct local marketing.

The **advantages offered by digitalization** can include, but not be limited to, the following:

- Networking: the benefits of mass-effect or critical mass that were reached through massive physical infrastructures could be reached in the future through large scale networks of smaller;
- Digital ecosystems interconnected allowing synergies between sectors (e.g. home renting/small cruise) and “hybrid” tourism;
- Real time management of mooring berths, boats or leisure equipment;
- Reservation platforms (e.g. one-stop shop Black Sea Digital Destination Portal);
- More flexible services (e.g. rent a boat in one port/country, return it another port/country, connect boat-car renting);
- Promotion at regional level;
- New services (meteorological, routing, assistance, insurances).

2.3 Address small-scale sustainable infrastructures (and green marinas)

The maritime and coastal tourism of the future will be sustainable or will not survive.

The development at large-scale of new marine activities will require new infrastructures, either in existing harbours (e.g. fishing harbours that could be adapted or converted to host new activities: small cruise ships, boats and yachts) or in new areas where there is no infrastructure yet. But small-scale development does not necessarily need large infrastructures.

Compared to large-scale mass-oriented activities (e.g., tourist resorts, large cruise ships) that require large-scale infrastructures which are hardly sustainable, distributed small-scale activities are less capital intensive, require less or no non-local support, have much lower impacts, and can be designed in a less specialized and more adaptive way. For example, local storage of transportable boats and boat slips all along the coast rather than large marinas, for smaller boats, producing local benefits.

Infrastructures like marinas when needed can be built in a different way (greener: techniques, materials: adaptable; less concrete) and operated in more sustainable ways: renewable energy, water saving, space and installations shared with other marine or coastal activities such as small-scale fishing (supporting synergies and progress in both sectors).

Small-scale cruise usually does not require huge new infrastructures and can be developed at low cost and with low impact: many small harbours can be shared or reallocated, while local resources sufficient to support several small ships; small scale infrastructures (quays) can easily be shared with other local maritime activities (fishing, local maritime transport and excursions).

Yachting, sailing and boating overall often start from scratch in the Black Sea. The natural trend is to reproduce the reference model abroad, i.e. the “marina model”, capital intensive, and with limited local return: huge “boat parks”, large infrastructures paid by public funding,

permanently occupied by boats built and bought abroad, owned by foreigners looking for cheap port fees for long stay but which use them only a few days per year.

The Black Sea region could skip this model and experiment with a new one based on use rather than ownership: promoting renting and sharing, favouring seasonal facilities (e.g. moorings) or storage on land, sharing port infrastructures between maritime activities, developing domestic practice, accommodation of transportable boats (boat slips).

A strong potential lies in developing and adopting strong standards from **sustainable, small-scale green marinas**, offering strong potentials and in need for adopting relevant models and standards – as to develop the needed services while respecting ecosystems. These green marinas are also requiring new skills and competencies so to be fully effective and operational.

3. Innovation in capabilities, policy and standards

3.1 *Fully engage with young entrepreneurs and impact investors*

In order to bring most benefits to the region, the Black Sea should build the development of small-scale marine activities on its own strengths rather than on resources from outside the region. This is particularly important when considering the entrepreneurs that will develop these activities, and the investors that will support this development.

New market, new investors. Rather than large foreign groups that prefer large infrastructures and capture most of the benefits, local and small-scale alternatives should be sought. For instance, innovative investment instruments could be developed for the development of marine and coastal activities, based on local private/public funds (including crowdfunding), supported by local communities.

In this area, most importantly, a **strong role is emerging from sustainable impact investors and private entities including venture capitalists**. These actors should be duly engaged, as to demonstrate the return potential of small-scale boating for sustainable investments – and as a result to raise the appeal and interest of such models.

While large-scale activities are beyond their scope, small-scale cruise and yachting & boating can provide **opportunities for local young entrepreneurs**. For example, the sector could be instrumental in generating new business and start-ups, new services and solutions for local actors (monitoring, etc.), jobs as charters and skippers' potentials for youngsters.

Pilot projects carried out by SMEs could be launched in several places in the Black Sea, and provide the experience needed to start a regional network of local communities-supported projects. Potentials should also be fostered for local sustainable travel agents and through the support for the establishment of country/regional networks of such agents across the black sea destinations - including through dedicated sailing routes for example.

3.2 *Identify capacity needs and support local/regional innovation capability*

The development plateau or even recession that is visible in many coastal areas where marine and coasts mass-tourism has been well developed are an incentive to innovate.

Technological progress opens new avenues for innovation, but requires **adequate competences and capabilities**. For instance, like GNSS has opened navigation to non-professional users, artificial intelligence and automation could be used to assist new boaters in the short but risky phases of entering and leaving ports.

The Black Sea has both a high potential for **innovation across specific assets (cultural, environmental, heritage)** that should be preserved and further developed. This could be done by supporting SMEs and through appropriate policymaking, which may require new ways of thinking for local authorities and certainly very **specific sets of skills and expertise**.

In this respect, capacities and skills are lacking in several key fields linked to the development of coastal and marine activities such as short cruises, yachting and boating, and in several of the key players in this future development: local communities, services, shipbuilding, tourism operators.

There is probably a need for a regional platform to exchange on marine and coastal tourism and leisure activities, and strengthening the capacity of the sector to cooperate – including through quadruple helix **cooperation amongst businesses, policymaker, researchers and investors**. This in-turn would require stronger role (and capabilities) for **dedicated clusters and development/innovation agencies** in each country and across the sea basin.

There is also a need to support the capacity of regions and communities, towards greater networking to coordinate strategies, share experiences and good practices, pool studies. This could be done through the work of cluster and development agencies, but also through other forms of cooperation. Overall support is also needed in strengthening the ability to **link good ideas with sustainable investors** – for example through the support and strengthening of national and regional **accelerators/incubators**.

Existing capacities should be assessed against potential new activities:

- Ports, quays, boat slips, shipbuilding and ship chandler facilities;
- Guest hosting, networks (roads, tracks, trails, GSM);
- Offer for nature activities including water sports and other marine activities;
- Coastal path for hiking/cycling around the Black Sea.

Moreover, the emergence and **strengthening of consistent networks** should be incentivised for each activity, that should then be connected (physically: infrastructures; digitally: network). For example, short small-scale cruise harbours network, water sport centres, coastal guesthouses, bike renting stations. This again could be linked to the previous suggestions of fostering networks of sustainable local operators and support their ability in effectively engaging with local/regional investors – as to support locally-beneficial innovation.

3.3 Recognize qualifications, and other “policy/regulatory requirements”

Albeit national markets can be viable for some activities, all national workshops have recognized that full development of the potential of marine tourism in the Black Sea requires a regional vision and adequate regulations. While competition can be efficient in some areas, cooperation seems essential in several fields:

Sanitary requirements, safety, security and insurance practices. Whether one considers the market on a regional scale (Black Sea) or beyond, visas are a critical issue.

Customers/practitioners, passengers and crews should be granted easy access to the Black Sea, and through borders in the region.

Quality standards. Consistent and compatible technical standards should be developed to allow “seamless” practice of marine tourism activities throughout the Black Sea. This would include safety and quality standard, as from the point above, but also a number of specific industrial needs (including greening, decarbonisation, circularity standards) that would enable greater appeal for visitors as well as investors.

Professional qualifications. With a view to facilitating access to the regional market and optimizing investment, common qualifications or cross-recognition of qualifications should be sought in the Black Sea region (operators, crew, green marinas managers, etc.)

There is an urgent need to address persisting regulatory obstacles to free circulation of coastal/marine tourists in the Black Sea region and identify solutions to resolve or overcome them. While the difficulties for cooperation in this area are clear, particularly in the context of the strong regional turbulences witnessed in this specific period of time, some form of policy cooperation could be still foreseen and encouraged. For example, a response could be to **support greater policy cooperation at the local level, amongst local destinations** across Black Sea countries. This would imply networking of local authorities and other relevant bodies.

4. Conclusion: main findings and way forward

The **Black Sea Cruise Project** aimed to:

- Analyze the **state of play and development potentials** for novel small-scale cruising/yachting models across the Black Sea;
- Discuss emerging **challenges and opportunities in addressing such potentials** with local stakeholders across the Black Sea;
- Support the **sustainable development of small-scale touristic boating** that generates quality job and economic wealth;
- Propose a set of **recommended actions for follow-up** on such opportunities and as a way to address the challenges identified.

Based on a preliminary analysis, **innovative small-scale models** were discussed with regional stakeholders, and some relevant benefits were identified:

- Small-scale vessels (cruises, yachts, etc.) allow to **address different type of visitors**;
- Higher **added value (profitability, jobs)** can be generated at local level in the region;
- Effects of **pandemic has leveraged potentials** for charting and small-scale boating;
- Greater **access to small harbours** and potential for ‘secondary destinations’;
- Experiences (success and failures) from **other EU sea basins could offer good lessons**.

Some **areas of caution and insights** have emerged as a basis for further recommendations:

- Develop **innovative local tourism services/products** (instead of ‘starting from infrastructures’);
- Build on **digital potentials** to create regional services and networks;
- Address **small-scale sustainable infrastructures** (e.g. green marinas, local small harbours, etc.);
- Fully engage with **young entrepreneurs and impact investors**;
- Identify **capacity needs to support local innovation** capability (e.g. videos);
- Address **regulatory and policy requirements** (e.g. visas, qualifications).

On this basis, additional **actions are suggested as emerged** from the project:

- Raise **overall awareness** of potentials for the sector;
- Put greater attention on **regional assets and internal demand**;
- Further discuss and **address the challenges/opportunities**;
- Support a **regional network of innovative practitioners** in the sector;
- Provide a **platform for exchange of practices and dissemination**;
- Monitor **progress and allow for greater visibility** of involved actors;
- Foster greater **exchanges with other EU sea basins**.



International Centre for Black Sea Studies (ICBSS)

19 – 21 Arachovis Str. & Ippokratous
10680 Athens

Greece

Tel: +30 210 324 2321

Fax: +30 210 324 2244

Email: icbss@icbss.org

Website: www.icbss.org

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