

EC Communication on the promotion of IWT “Naiades” A new policy road map to develop inland waterway transport

The inland waterway action programme proposed by the European Commission is a step in the right direction. This ambitious plan provides positive framework conditions for inland waterway development in supply chains, and contains a proper mix of legislative, coordination and support measures geared to users’ needs. The European Commission intends to take an immediate start with a range of short-term measures to produce the first results as soon as possible. INE is pleased with this ambition, but would like to stress the following. First, the communication should not be seen as a single promotional stunt, but rather as the launch of a new development policy with flesh on the bone. INE calls upon the Commission to regularly take stock of real progress made. Secondly, a clear budget commitment is a condition sine qua non to deliver tangible results on the fixed objectives.

The potential of multi-modal logistics

With the progressive relocation of manufacturing, logistics is set to play an increasing role in the European service industry, which accounts for 70% of Europe’s economy. Faced with the costs of worsening congestion on roads and rail tracks, it is no longer a question of playing off the modes against each other to guarantee a seamless exchange of goods. We need a well-functioning transport system enhancing the combination of different means of transport in the most cost-efficient and sustainable solutions. Transshipment is traditionally conceived as an extra cost, although it also provides genuine opportunities to maximise added-value logistics on-site and to create jobs. Integrated and innovative logistics have the potential to drive a successful and sustainable economy.

Which role for governments and businesses

Users and operators remain the main actors of the supply chain, but some governments have already understood that the right framework conditions have a positive impact on economic success and socioeconomic challenges. With a steady growth in usage over the last 10 years, navigable waterways are again considered to be an important asset in some countries. They are increasingly integrated in supply chains as a result of pro-competitive regulation, active promotion and waterway maintenance programmes. Multi-modal solutions, once they are attractive and well-known, become eager investment opportunities for shippers. The main demand factors for shippers to opt for barge transport for both bulk and fast moving consumer goods are cost-effectiveness on long and short distances, reliability and the prospect of reducing CO2 emissions.

No return without investment

These positive experiences on a national level prove that the revival of inland waterway transport is no fiction when driven by enhanced dialogue between authorities, users and operators and positive action. The action programme of the European Commission, solidly based on the consultation of a multi-stakeholder group, correctly maps the main priorities, and is a first step towards a development-oriented EU policy. It is particularly welcome that several measures are cost-conscious to reach the targets, but this should be no excuse for governments to continue dragging their feet over keeping the waterway infrastructure intact. Lisbon risks to be nothing but hot air if Member States do not create the economic climate and the multi-modal transport system ready for the challenges of the 21st century.



Quick-start measures

The EC strikes the right note by proposing to immediately start with a range of cost-effective and common sense measures, aiming at making inland waterway transport more attractive across Europe.

1. INE applauds the Commission's plan to write a **funding handbook for IWT** covering all grant, fiscal and financing mechanisms as soon as possible. In order to maintain this instrument up-to-date and easy-to-use, INE proposes to create an online tool developed from the point of view of the company looking for funds. This will help all interested partners through the labyrinth of European, national and regional initiatives. It will also provide the opportunity to assess in-depth the bottlenecks and missing links in the access to the current funding systems and to formulate further recommendations to put the **"Think small first" strategy** of the Commission into practice in all future Community initiatives. INE and its members are at the disposal of the EC to contribute to the handbook.
2. INE welcomes the idea of **identifying the administrative bottlenecks**, at whatever level, hampering the development of inland waterway transport. It is important to reduce the legislative and administrative burdens, which hit SMEs harder than large companies discouraging the development of new freight concepts. INE recommends Member States **appoint national focal points** as soon as possible, and calls upon all stakeholders to participate in the fact-finding process and to contribute to the streamlining of formalities and procedures.

The following examples show that rules designed with the best intentions can have an adverse impact. **Common sense and exchange of good practice** can lead to pragmatic solutions and **a better regulatory environment**:

- Access to the profession: A practical navigation experience of 180 days per year during a period of 4 years is required to become carrier of goods by waterway in Rhine countries. That is more than required for a commercial pilot in aviation. Above all, it reveals to be a barrier to attract new people into the profession. Newcomers are nevertheless very important to counter the growing entrepreneurial shortage. While keeping the tradition of safety intact, shorter and modular training systems incl. the use of navigation simulators should be envisaged to attract people from other backgrounds.
- Environmental excellence: There are new environmentally friendly engines on the market complying with the EU limit values for engine emissions entering in vigour in 2007-2008. There are national aid mechanisms available in some countries as well to enable ship operators to purchase this new type of engines. But the oil industry does not organise the distribution of sulphur-low gas oil required for these environmentally friendly engines to the inland waterway transport sector. Awaiting amended EU legislation with regard to the sulphur content of fuels would take too long to maintain the unrivalled environmental performance of inland waterway transport. An MoU between the government and the oil industry could be a short-term solution.

INE and its members are at the disposal of the EC to actively contribute to this exercise. INE finally hopes a constructive dialogue will lead to an enhanced coordination of all public services and the **establishment of one-stop-shops**.



3. Market imperfections such as limited access to finance and obstacles preventing entry to funding programmes are particularly felt by SMEs, which represent almost 80% of the inland waterway sector. The **State aid guidelines for inland waterway transport** offer the advantage of levelling the playing field and tackling the difficulty in accessing funding for new and existing entrepreneurs. These guidelines can be developed in parallel with the funding handbook. They will provide guidance to Member States to design tailor-made but market compatible grants and fiscal incentives to bolster the growth potential of inland waterway transport. INE also calls upon the Commission to finally issue the pending decision on **de minimis for transport**.
4. INE and its members look forward to the set-up of new promotional agencies and fully support the **establishment of a European promotional network** between national promotion structures and focal points. Since inland waterway transport is an international transport mode, only a European-wide network will provide the necessary geographic coverage to effectively coordinate promotion and to enhance matchmaking between market players, to act as a catalyst for innovation opportunities and as a counselor for user-oriented policy measures. The Commission rightly states that **political, practical and financial support is indispensable to safeguard solid and permanent promotion structures**. In addition, INE and its members are all set to present twinning opportunities to new promotional agencies.
5. To support the promotion activities, quality statistical data are a prerequisite for the analysis of trends across borders and market research on forecasts. INE looks forward to a rapid adoption of the new regulation on statistics of goods transport by inland waterways and backs a sound **European wide market observation**, which should be coordinated with the fact-finding in other transport modes and nodes to obtain a transparent database on origin-destination figures. This is an essential tool to adequately map freight flows as well as distribution bottlenecks and needs.
6. Innovation is first of all an essential mindset as a driver for growth, but commercialisation of good ideas also requires enhanced investment capacity as well as developing strong entrepreneurial and managerial skills. The **reassessment of the reserve fund** is a welcome step to meet and sustain the current challenges of innovation for SMEs. The conditions laid down in regulation 718/1999 do not allow this. The inland waterway reserve fund, financed by the profession, contains around EUR 40 million and could be transformed in a **fully fledged innovation fund** with the participation of the European Commission and the Member States to provide the financial leverage for SMEs to make demand-based investments in training, start-ups and quality shipping.
7. INE encourages the Commission to appoint a **European TEN-T coordinator** for inland waterway transport as soon as possible to support the implementation of TEN-T priority projects and other projects of common interest such as River Information Services. In the period 1994-2004 the co-financing for TEN-T waterways amounted to a meagre 1.5% of the TEN-T budget. INE agrees with the European Commission that at least 10% should be allocated to waterway infrastructure projects.



However, with the recent Council deal on the financial perspectives to slash the TEN-T budget 2007-2013 by more than two-thirds, the very notion of a multi-modal network is disrupted. Member States have prioritised a number of cross-border projects. Experience learns that a lower rate of co-financing does not bring the necessary results.

The challenge of attaining the Lisbon objectives

Barge transport is praised for its cost-efficiency and reliability, but for how long can inland shipping help to relieve the cargo logjam with public infrastructure investment at a historic low? Once the traffic gridlock is complete, sooner rather than later, governments will find out there is **no such thing as a virtual exchange of goods** to keep the trade economy going.

Instead of simply ducking out of spending on necessary infrastructure works, INE invites Member States not to see infrastructure as an aim in itself. **Public investment** in waterways **acts as a magnet for private investment** in freight platforms, enhancing a better integration of transport modes and attracting value added logistics activities, which lead to job creation and sustainable distribution solutions.

Finally, the particular advantage of waterways is that they are, of course, much more than a ready transport means. They are multi-purpose assets at the heart of human activity turning investment into an opportunity to **valorise the entire water environment through win-win projects** combining transport, eco-restoration, flood defence, recreation, water supply, etc. Inter-disciplinary dialogue and strategic anticipation in planning avoids competing and conflicting land use and benefits businesses and citizens alike.

Concluding remarks

INE thanks the Austrian presidency for placing inland waterways at the top of its transport agenda. The success of the Commission action programme will depend on its final outcome. With the organisation of a leading event, Austria has marked its commitment to bring Member States and Danube Riparian States around the table on a common vision to promote inland waterway transport. Governments indeed have a major role to play in the implementation of the Commission action plan.

INE looks forward to maintain the momentum under the Finnish presidency, which plans to focus on logistics, emphasising the importance of a seamless and high-quality transport system to enhance the competitiveness of EU enterprises. Inland waterway transport has its place in a EU transport policy taking a holistic and multi-modal approach, not only in official statements and declarations, but also in practice.