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DAPhNE

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Work Package 4

Activity 4.1

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# 1 Scope of the document

The project *Danube Ports Network* (DAPhNE) aims to contribute to the balanced development of the Danube ports, which will be imposed in the region as multimodal transport centers, accessible and in harmony with the environment.

The main objective is that the Danube ports become strong economic centers and turn into real catalysts for economic growth and job creation.

It is planned to be developed a permanent work platform which will manage the issues with recommendations, guidelines and pilot activities based on examples of good practice embodied in a development strategy and work plan.

The project outcomes will be made available to over 60 Danube ports to be used as inputs for future execution plans.

Transnational integration as well as improved co-ordination through pilot actions and working tools developed by members of the port communities will lead to common solutions for the revision and harmonization of port legislation, administration and port management across the Danube area.

The work package 4 of DAPhNE Project has as main objective to analyze the procedures that port authorities/administrations apply to vessels and terminal operators as well as to other users of port infrastructure and services, and its goal is to determine what aspects need to be simplified, modified, and eliminated to increase efficiency and reduce the red tape in connection to port administration processes.

Surveys were conducted in five Danube countries (Austria, Bulgaria, Croatia, Hungary, Romania) having partners in the project and the results were incorporated in five national reports.

Main findings of these reports, such as best practices regarding Danube port processes are taken into consideration together with other data related to Danube countries which have not partners in this project in order to draft the recommendations for best practices harmonization.

To sum up, the recommendations on port processes are based on:

- D.4.1.4. Conclusions report on port administration processes;
- D4.1.5. Good practice report in port administration;
- feedback received from partners and interested parties at the international workshop (Output 4.1.), held on 6th of September 2018 in Constanta, Romania.

## 1.1 Danube port processes analysis

The main goal of national reports was to analyze the procedures that port authorities/administrations apply to vessels and terminal operators as well as to other users

of port infrastructure and services and is to determine what aspects need to be simplified, modified, and eliminated to increase efficiency.

The research was carried out in five countries: Austria, Hungary, Croatia, Bulgaria and Romania, in relevant ports selected on the basis of criteria such as: cargo throughput, the connection with the transport corridors, the development of the port infrastructure, etc.

In order to prepare the report, a number of two questionnaires were developed and used, one for port administrations and the other one for the port users.

The port users interviewed for the research included the following target groups:

- Terminal operators;
- Ship owners;
- Ship agent;
- Cargo shippers/ cargo owners;
- Forwarding companies;
- Road/ railway transport companies;
- Inspection companies;
- Other (e.g. classification societies).

The research showed that particularities and disparities between ports are generated by the following aspects:

- Direct access to seagoing ships' routes (case of Port of Constanta);
- Total cargo throughput/ capacity for handling and storage;
- Hinterland connections;
- Infrastructure development;
- Hinterland potential economic development;
- Level of co-operation among port stakeholders.

Ports have the ability to operate almost all types of goods, but their traffic is still linked to the economic characteristics of their hinterland.

There is a real need in the hinterland for the development of container traffic, but the navigation conditions on the Danube and the development of the infrastructure are still barriers to be addressed in the next future.

Some of the port processes analyzed were construction, maintaining & repairing of port infrastructure; renting (land, port platforms, office spaces, warehouses, equipment); Preparation and implementation of security plans; ship cargo controll; monitoring ship movements and information systems; Traffic management; issuing specific authorizations, licenses, certificates related to port activities. They were considered to be of medium complexity, and their improvement is primarily due to the cooperation capacity of port stakeholders.

Initiatives to harmonize administrative procedures and to address port processes are rarely found, most of them being the result of projects implemented or under implementation.

Even if the operation of a quality management system is not a legal requirement, usually the port administrations operate such a system, and in some cases this is integrated with another one or two other management systems based on international standards.

The processes considered as improved by port administrations during the last 10 years are:

- Managerial planning
- Integrated management policy
- Planning and control of risks
- Providing port services
- Communication with port stakeholders
- Ships' moving monitoring.

There is still a high level of expectation regarding the harmonization of practices along the Danube, so that port users can optimize their specific activities.

The area considered to have an increased need for improvement remains the procedure for inspection of the ship at arrival in port.

A better communication among institutions from different European countries could be a solution. Also, the use of information systems to allow for better reporting and monitoring is strictly needed. The design and implementation of a dedicated knowledge mangement system could provide the framework for identification and dissemination of good practices and lessons learned for development of Danube ports

Extending of the good practices from Danube ports to other similar ports is also a good opportunity for improvement.

For many ports the main source of developing good practices proved to be the European projects implemented or being under implementation.

## 1.2. Good practices regarding Danube port processes

Based on the results of 1.1 Danube port processes analysis and additional research, the following main topics for inland ports in the EU were described:

- Framework for provision of port services and common rules on financial transparency of ports;
- Application and modernization of the State aid rules;
- Planning, financing and funding of inland water transport and port infrastructure;
- Initiatives to simplify procedures in ports;
- Initiatives to rise environmental ports by promoting the exchange of good practices.

Furthermore, the **good pracites** identified by the project partners and OUC were as follows:

- **Best practices in connecting of the Danube ports**
    - Best practices in Association of Inland Port Authorities (Croatia, Romania);
    - Best practices on improving the cooperation between Danube River administrations (Bulgaria and Romania)
    - Best practice in electronic reporting software (Hungary, Serbia, Austria, Bulgaria)
    - Best practices in the education of port managers (Hungary)

  - Best practices in legal harmonization of port processes (Hungary, Bulgaria)
  - Best practices in the harmonization of customs and trade procedures in inland waterway ports (Moldova and Ukraine)
  - Good practices in the harmonization of legislation in ports (Ukraine)
- Best practices in the harmonization of maritime legislation on inland waters (Serbia)
- Best practices in strengthing of Danube regions - Access point for harmonised data covering a wide-range of scientific issues and encompassing the whole Danube Region (European Commission)
- **Best practices in protection of the environment**
  - Best practice in developing of Convention for Waste Management for Inland Navigation on the Danube, CO-WANDA project (EU project, 12 partners);
  - Best practice in improving waste management along Danube through CO-WANDA Project;
  - Best practice in pilot actions of CO-WANDA Project;
  - Best practises in development of tools to improve environment protection on Danube – Acvadepol Colloquium;
  - Best practices in sustainable waterway planning
- **Best practices in building prosperity**
  - Best practices in public procuments (Ukraine)
  - Best practices on the development of a technology and service oriented, energy-efficient intermodal port system (Giurgiu, Romania)
  - Best practices on the development of a port performance methodology (Hungary)

# 2 Recommendations on harmonization of port processes

At European level it is recognized that the ports are key points on transport corridors, playing an important role in commodity exchanges but also in connecting peripheral areas. Ports generate employment; 1.5 million workers are employed in European ports, with the same number employed indirectly across the 22 EU maritime Member States[1].

The main issues related to ports in Europe are: the different economic development of the riparian countries that affects the flows of goods, the lack of an infrastructure to provide effective connections with the hinterland, as well as some administrative barriers. The increase in the level of pollution generated by the port processes is also relevant.

The initiative adopted in May 2013 by European Commission aimed at improving port operations and onward transport connections at the 329 key seaports which belongs to the trans-European transport network. Under this initiative some important measures will be implemented.

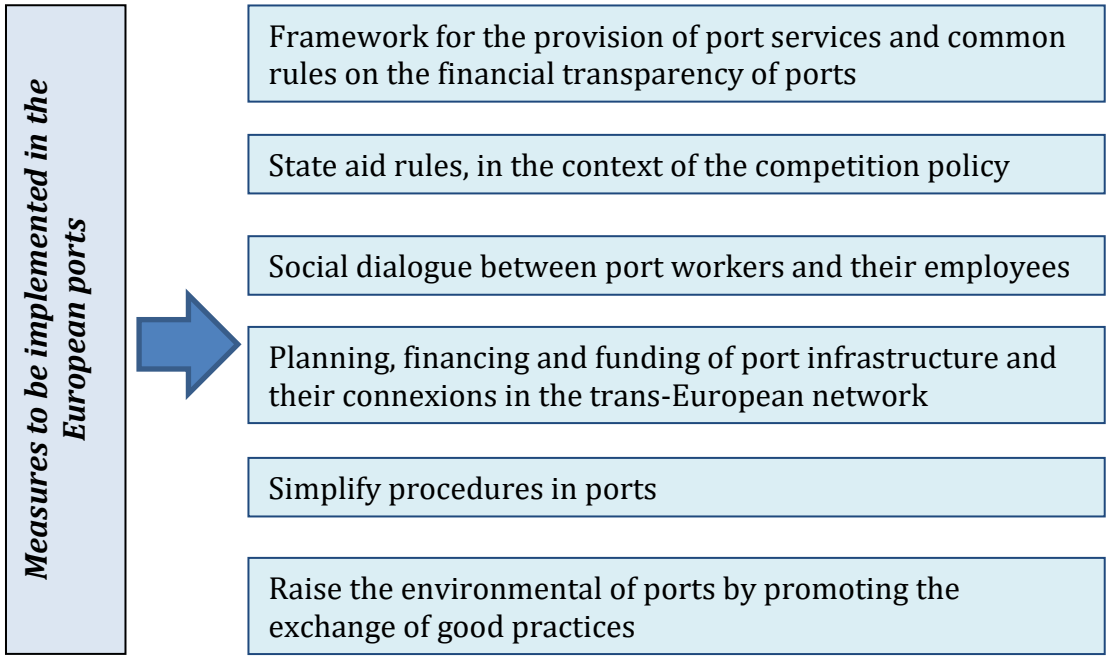


*Fig. 1 Specific measures to be implemented in the European ports*

An important recommendation to enhance port administrative processes is to constantly keep observing and improving the EU general framework for the transport network and, more specifically, for inland ports.

[1] https://ec.europa.eu/transport/modes/maritime/ports/ports_en

## 2.1. Recommendations resulted from the DAPhNE partners'analysis

Some important conclusions from the partners' reports could well be transformed in recommendations for improvement of the inland administrative processes. Efforts could be focused in the future for:

- Creation of equal and favorable conditions for **container traffic** on the Danube. These could include the same rules, the ame documents, and the same IT system for container vessels. Also a good prerequisite for boosting container and other traffic is the improvement of the Danube fairway – an issue that is discussed and needs a long term decision.
- EU projects are the main source of **administrative procedures harmonization** and the results they achieve should be widely spread. Any administrative facilitation – such as an IT system, a set of same documents or other, should immediately be put into practice in the EU region, and not only in the Danube ports. Vice-versa – good administrative practices in other ports and rivers should be disseminated to their Danube analogues.
- Acceleration and facilitation of **ship inspections (border control)** is strongly desired by many partners involved. Hence the good cooperation among all actors – customs, ship owners, port authorities, etc. is highly recommended. Each partner country should work on improvement of coordination between institutions and stakeholders. In this respect, overall electronic customs clearance was one of the recommendations.
- **HR development** is a topic related to recommendations. Good communication, including the communication with foreign partners, a constant technical and managerial improvement is impossible without education and life-long learning for port employees. There are good opportunities for port related training that could be used by each port manager/ authority. It is highly recommended to have well educated and competent personnel in ports.
- Having in mind that the research on port processes was conducted in two parts – one for authorities and one for port users, **different recommentations are valid** for each of these groups. Authorities and institutions need clear legal frame for investment in infrastrucuture, for inland transport regulation and observance, for certification, etc. Construction of port infrastructure and public procurement procedures are the most time consuming tasks for them. On the other side, port users need faster and easier document processing and modern port facilities for handling and storage.
- A common **platform for collaboration** between port administrations for the Danube riparian countries is recommended;
- Although not connected with the main topic – administrative procedures – many respondents (authorities and port users) expressed their desire to have **improved port infrastructure** – access to the port area, handling facilities, etc.

It should be noted that achieving harmonization on port processes is a hard task due to the specific and different legal and economic background of each partner country.

It must be stressed that the range of administrative processes is not entirely covered by national reports as most of the respondents do not deal with the full rage of procedures – for example vessels'audits or dealing with ships'documents, or other specific processes.

As final recommendations we could propose to disseminate the results of Activity 4.1., namely the Conclusions report and 4.1.5 Report on good practices regarding Danube ports processes, to the interested parties – institutions and port users, in order to provoke practical decisions for port processes improvement. Some local problems were identified, which depend on cooperation and good communication between port authority and port users. These could be communicated with the facilitation each affected DAPhNE partner.

Matters of higher level – such as border control inspections, unification of ships'documents along the Danube River could be discussed during meetings of responsible persons/ organizations. On Danube Transnational programme level – results could be accumulated with those from the DANTE project (and others dealing with port processes) and realistic measures could be planned. Furthermore, the results of Activity 4.1. should be kept "alive" through the Danube Ports Network and active work on this topic should continue constantly. That is how the port stakeholders could understand the commitment of all DAPhNE partners and a real benefit could be achieved.

## 2.2 General recommendations

### 2.2.1 Increasing the cooperation among the authorities on the Danube River

The time allocated for ship inspections and administrative formalities have always been barriers to the increasing efficiency of inland waterway transport.

On the other hand, the importance of these inspections is recognized for increasing safety and environmental protection.

As was shown in the *Report on good practices regarding port processes*, delivered under project working package 4, a number of actions regarding the harmonization of inland ships' inspection have already taken place and others are going to take place, within the framework of the project "*Development of a common database and legal framework for ship inspections carried out in the joint Danube River Danube Region through an Interface to the National River Information System" (DANRiSS)*.

The project is financed under INTERREG V-A Programme (Cross-Border Cooperation Romania-Bulgaria) and has as leading partner Maritime Administration Executive Agency of Bulgaria. It is a joint project with the Romanian Naval Authority.

Based on a good knowledge on ships' inspection and the need of improvements in cooperation for this filed, the project partners defined the following objectives:

- development of common rules on the Danube for the Romanian-Bulgarian sector;
- avoid to duplicate ship inspections and mutual recognition of the results of inspections performed by the other authority;

- improve communication between the authorities;
- develop procedures to be followed by both authorities in ships' inspection;
- develop a common database with the results of inspections and related follow up.

If we make an analysis of the results of implementation of the Memorandums of Understanding signed for seagoing ships' inspection and communication among the authorities involved in Port State Control we will notice a significant improvement in the identification of deficiencies as well as a reduction of such cases in the ports addressed by MoU.

The difference in actual practices and the lack of flexibility of the authorities are challenges in addressing this recommendation, but extending such a practice will lead to reduce time spent by ships in ports, lower the risks of pollution and increase the possibilities of monitoring the impact of inland waterway transport to the environment.

The use of a common database with results of inspections and related follow up will create the premises for a better planning of ships' inspection reducing time both for ships and administrations. It will increase the possibility for inspectors to evaluate the level of risks associated to inlandwater ships operating in a port.

Further administrative barriers, which affect the ports, are addresed at the level of the European Union Strategy for the Danube Region (EUSDR) by the Priority Area 1a coordinators, as well as by the DANTE project. By improving administrative procedures and by reducing bureaucratic processes as well as related charges & fees for IWT operations, DANTE aims for harmonized regulations and simplified administrative processes of transport & transhipment operations ("Same river – Same Rules" concept). DANTE focuses on five thematic areas where administrative barriers are most evidently reducing efficiency of IWT operations, which are:

1) Border Police, Tax & Customs

2) Navigation / traffic control authorities

3) Port authorities / administrations

4) Waterway and Canal administrations

5) Other relevant authorities imposing barriers (e.g. health control, disaster management, etc)

Identification and solving the administrative barriers will improve port processes.

### 2.2.2 Harmonization of practices regarding the State aid rules

Work Package 3 of DAPhNE project addressed the State aid for investments in ports, and were prepared national reports for 5 Danube countries in the project implementation. In the reports were included specific recommendations.

Such schemes are already in place or are developed in order to be applied. Even if they are adapted all the time to the specific of the country requiring the approval, a general common framework is applicable.

The elements that have been taken into account when defining such schemes are:

- Commission Regulation (EU) No. 1084/2017/14 June 2017 amending Regulation (EU) No. 651/2014 with respect to aid for port and airport infrastructures, notification thresholds for crop and for heritage conservation, aid for sport infrastructure and multifunctional leisure facilities, as well as regional operating aid schemes for the outermost regions and amending Regulation (EU) No. 702/2014 as regards the calculation of eligible costs;
- Regulation (EU) No.1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund as well as for laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and abrogating Regulation (EC) No. Council Regulation 1083/2006;
- Large Infrastructure Operational Program 2014-2020, approved by European Commission Decision No. C (2015) 4823 of 9.07.2015;
- Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty.

The state aid schemes for investments in the infrastructure of the maritime and inland ports and in the intermodal / multimodal local infrastructure are established, in order to:

- ✓ improve the quality of the infrastructure,
- ✓ increase the safety of the river and sea transport and the uninterrupted operation throughout the year
- ✓ make investments in local infrastructure specific to intermodal terminals.

The use of such schemes has as results the increase of intermodal transport attractiveness, the integration of ports into efficient transport and logistics chains, increased volume of goods handled in units intermodal ports and ports and contributes to economic growth and more efficient use and operation of the trans-European transport network.

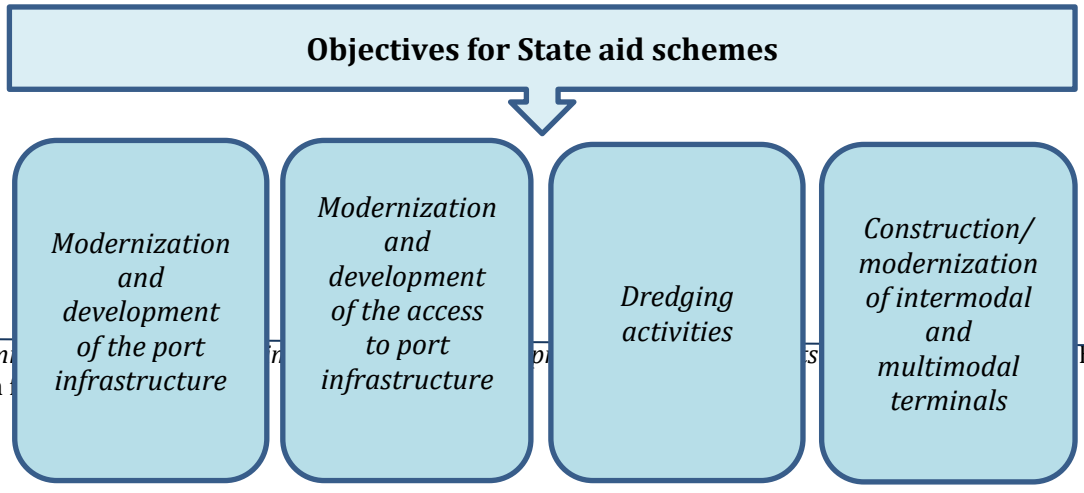

*Fig. 2 Potential objectives for State aid schemes*

The facilitation of the private operator to access such schemes in ports will enhance the port processes The identification of good practices on implementation of transparent State aid schemes and extend them for Danube countries with comparable situations is an important recommendation to be taken into account.

### 2.2.3 Harmonization of waterway management and digitalization

A transnational harmonisation of smart traffic infrastructure information for the Danube as an entire transport corridor is an important prerequisite for public authorities in order to be capable of satisfying user needs of the commercial IWT sector.

Data about fairway conditions from all Danube countries help vessel operators to optimise their voyage and transport planning, which is in most cases international, therefore the project *DANUBE STREAM - Smart, Integrated and Harmonised Waterway Management* is an example of good practice in the cooperation between the waterways administrations of the riparian states with on the improvement of the information system of the Danube.

To achieve a higher utilization of waterway transport in the region, the project through its objectives contributed to consolidate the quality of waterway infrastructure and waterway maintenance. The project has many innovative elements which are part of future technologies and services (i.e. inland waterway infrastructure improvement pilots). Moreover, Danube STREAM efficiently capitalises on previous project results (i.e. South East Europe project NEWADA duo) building on existing knowledge and implementing the results with the targeted users of the Danube waterways.

The projects activities are of interest to the shipping and logistic companies, transnational and national public administrations related to the Danube basin.

The projects present good examples for:

- The common user services provided by the waterway administrations (e.g. ENC development, FIS portal development, D4D web portal),
- Improved waterway management tools (e.g. transnational fairway marking application,
- berth occupation monitoring tool, pilots for the measurement of vertical bridge clearance) through implementing of the results from NEWADA duo project and facilitate cooperation between Protected Areas and waterway administrations along the Danube River,
- The Strategic perspectives as, strategic cooperation between the administrations and Board of Directors.

It is to be taken into consideration the results of this project and to be extended as harmonized practices for all riparian countries for the Danube basin.

Digitalization in combination with the evolution and advancement of existing tools gives impetus for the shipping industry and related transport and supply chain infrastructure and creates an opportunity for development and innovation. The development of River Information Services (RIS), intelligent transport systems, implementation of digital services and modern technologies, computerization of transport documents and other aspects can significantly contribute to fostering the role of inland water transport and its integration in intermodal logistics chains. However, the rapid growth of digitalization can be challenging for the traditional ship operating practices[2].

Port IT Community System (PCS) can be included in the digitalization field. PCS will be developed in the DAPhNE project and its implementation optimises and automates port and logistic processes through a single submission of data and connecting transport and logistic chains.

It is recommended that ports pay attention to the digitalization, to the systems dedicated to ports as well as to other systems that include information related to waterway management.

### 2.2.4 Harmonization of practices on waste management along the Danube

In the frame of the South East Europe Transnational Cooperation Programme, the CO-WANDA project was implemented from September 2012 until September 2014, uniting 12 partners from 9 different countries (Austria, Slovakia, Hungary, Romania, Bulgaria, Croatia, and Serbia, Moldova, and Ukraine).

The main objective of the project was the coordinated harmonization of international rules and practices in the field of ship borne waste management in the Danube riparian countries by establishing a sustainable ship waste management system along the Danube from a conceptual, operational and financial point of view and to resolve the constraints imposed by national borders.

CO-WANDA centrepiece was the elaboration of an International Danube Ship Waste Convention, which provides rules and obligations for Inland Vessels navigating on the Danube River, related business operators, as well as the participating states, who will contribute to the installation of a sufficient dense infrastructure network and enforcement of the system. Being at the end of CO-WANDA project, continued common efforts, international cooperation and commitment of the states are in dispensable requirements for finalising the draft Convention, triggering negotiations and entering into force.

[2] https://www.unece.org/fileadmin/DAM/trans/doc/2018/sc3/ECE-TRANS-SC3-2018-09e.pdf

As it is presented in the final report[3], one of the key points of CO-WANDA Project was the advancement and improvement of the existing Ship Waste Management System. In close cooperation with the IWT-sector waste related onboard activities were investigated. Measures for waste prevention, optimization of international network of waste reception facilities, feedback from the skippers as well as education materials for skippers were the most important outcomes of this activity.

A user friendly, sufficiently dense network of ship waste reception facilities reduces the risk of illegal discharge thereby contributing to the protection of the Danube´s ecosystem. During the optimization work carried out in the CO-WANDA project it was found out, that for oily and greasy ship waste, enough capacities along the Danube are already available.

Implementation possibilities for a harmonized financing model for oily and greasy ship waste, which is based on polluter-pays principle, indirect payment and waste prevention has been investigated as well as guidelines for the usage of River Information Services in a future Danube Ship Waste System.

An important key factor is considered that the implementation of a Danube Ship Waste System should be carried out stepwise in order to allow optimisation from a technical point of view.

This subject is already in the attention and on the agenda of the Danube Commission. Also it was proposed a revision of the UN ECE Resolution 21 on the Prevention of Pollution of Inland Waterways by Vessels.

[3] *Convention for Waste Management for Inland Navigation on the Danube* (CO-WANDA) Project, Final Report about International Coordination, September 2014, *www.southeast-europe.net*

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