Policy recommendations for the EUSAIR

Activity 5.2

DELIVERABLE D.5.2.2

The EUSAIR strategy and its governance

The **EU Strategy for the Adriatic and Ionian Region** (**EUSAIR**) is a macro-regional strategy adopted by the European Commission and endorsed by the European Council in 2014. The Strategy was jointly developed by the Commission and the Adriatic-Ionian Region countries and stakeholders, which agreed to work together on the areas of common interest for the benefit of each country and the whole region.

The EU Strategy for the Adriatic and Ionian Region is one of the four EU macro-regional strategies, besides the EU Strategy for the Baltic Sea Region (EUSBSR - 2009), the EU Strategy for the Danube Region (EUSDR - 2011) and the EU Strategy for the Alpine Region (EUSALP - 2016).

The EUSAIR covers nine countries: four EU Member States (Croatia, Greece, Italy, Slovenia) and five non-EU countries (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia).

EUSAIR participating countries

The general objective of the EUSAIR is **to promote economic and social prosperity and growth in the region by improving its attractiveness, competitiveness and connectivity**. With four EU members and four non-EU countries the strategy will contribute to the further integration of the Western Balkans.

The participating countries of the EUSAIR agreed on areas of mutual interest with high relevance for the Adriatic-Ionian countries, being it common challenges or opportunities. The countries are aiming **to create synergies and foster coordination among all territories** in the Adriatic-Ionian Region in the four thematic areas/ pillars:

PILLAR 1: BLUE GROWTH

PILLAR 2: CONNECTING THE REGION (coherence with PROMARES project)

PILLAR 3: ENVIRONMENTAL QUALITY

PILLAR 4: SUSTAINABLE TOURISM

Governance in macro-regional strategies is not about new funds nor bureaucracy, but how and by whom the strategies are implemented, and joint actions initiated and financed. Governance must have both a political and operational dimension, with line ministries and implementing bodies setting strategic objectives, and then making sure the work is strictly followed up. This will give clearer results and greater impact.

In addition to the political level, consisting of Ministers for EU Funds and/ or Ministers of Foreign Affairs of nine participating countries taking strategic decisions at the EUSAIR Annual forums' ministerial meetings, the EUSAIR architecture involves two main levels: the coordinating level represented by a Governing Board and the implementation level represented by Thematic Steering Groups. Operational support to both levels is provided by the EUSAIR Facility Point strategic project.

GB	TSGs	EUSAIR FP
EUSAIR Governing Board	Thematic Steering Groups	EUSAIR Facility Point

EUSAIR Governance scheme

The **Governing Board** (GB) coordinates the work of the Thematic Steering Groups in charge of implementation through strategic guidance with respect to management and implementation of the EUSAIR and its Action Plan. To this end, representatives from the participating countries should be duly empowered by their respective Governments.

Four **Thematic Steering Groups** (one per pillar) have been set up. Special arrangements are being set under Pillar 2, with two sub-groups for transport and energy, respectively.

the "**EUSAIR Facility Point** Strategic Project – Supporting the governance of the EUSAIR" was established to provide operational support to the key EUSAIR governance actors and implementers in their respective role.

The EUSAIR strategy matching with PROMARES project

The **EUSAIR Strategy for Adriatic and Ionian Macro Region** is articulated on specific pillars, of which the second one "**Connecting the Region**" is strongly related with the topic of Maritime and Multimodal freight transport dealt with the **PROMARES Project**.

Since the beginning of its creation period – within the EUSAIR Pillar N°2 – the prior initiatives to develop have been oriented towards two main scopes:

> ➢ On maritime side, developing the connections between the two shores of the Adriatic and Ionian seas.
> ➢ On intermodal side, developing the connections between the ports and the land networks.

PROMARES has been labelled as EUSAIR Project because it is fully coherent with these two action priorities of the Macro Strategy, being able to provide a contribution on the overall knowledge of bottlenecks and issues related to the Intermodality.

Furthermore PROMARES, focussing on IC technology and its application on port/hubs systems, is compliant with another basic concept included in the Action Plan of the EUSAIR, that became also the Flagship Project of the Strategy: The Green & Smart Port.

This reference topic holds a double meaning definition: technological and environmental.

Smart Port concept originated within EUSAIR particularly refers to the development of those Information & Communication technologies able to improve in the Adriatic and Ionian basin:

- o the operations concerning the maritime connections.
- o the information exchange between the ports and also with the other stakeholders.
- o the safety of navigation.

As every single Port is not an isolated entity, but part of a network, the right dimension to be considered is the one of the **Port Community System**. In this sense to rely on Smart Ports means being able to develop communities, endowing them with digital platforms that enable the exchange of information, data and best practices.

As a result, this sharing can bring about higher efficiency of the operations, such as on custom clearance or on the whole logistic process.

PROMARES Project acted exactly towards this direction: through the application of Pilot Actions, the main Italian and Croatian ports in the Adriatic and Ionian Region were able both to upgrade some ICT features of their Port Community systems and to become parts of a wider interconnected network.

EUSAIR promotes the development of concrete initiatives and PROMARES appears to be coherent because the *state of the art* of these kinds of Projects can contribute to create and share a new knowledge basis. This process relies on two different elements: **ICT innovation** on one side and **overcome of bureaucracy** related to the implementation on the other.

Concerning the first element, Communication and information technologies, if mature, can easily be integrated to improve the monitoring and the exchange of data within the logistic process.

PROMARES Project was able to do this, by upgrading the modules of the Port Community Systems of the main ports and hubs in the Adriatic and Ionian basin.

Trieste and its RRT, Venice, Ravenna, Ancona, Bari & Brindisi, Rijeka and Ploče had the chance to implement specific ICT pilot actions on their PCSs (e.g. Suite based on data from cameras to ensure goods traceability, Integration of Railway telematics system, OCR gates, Back-up and disaster recovery systems, etc.) so as to optimise multimodal operations through digital data exchange with terminal and logistic operators.

Each player was able in fact to develop ad-hoc solutions according to the specific needs and context; the impact was then different but for sure shared within the framework of the Project and therefore well-known and potentially replicable.

Concerning the second element of bureaucratic issues on implementation process, it has been observed that this is often the hardest part of the job.

Normative application, regulatory constraints, geographical differences, political limits are amongst the bigger hurdles that usually affect the implementation of good initiatives.

Sometimes the normative misalignment can obstacle the implementation of technologies that provide tools able to facilitate procedure and data sharing.

In the framework of the PROMARES's Community a broad dialogue has been established in order to overcome these potential issues, by detecting also the more suitable applications for each technical Partner.

EUSAIR sustains the creation of a **transnational network** to foster Intermodality through the cooperation between ports/hubs in the Adriatic-Ionian Region.

One of the possible ways to overcome those political and normative barriers that normally speed down the development process of multimodal connections, is to promote the exchange of information.

PROMARES involved many subjects in the Adriatic and Ionian area and was able to do this, by sharing among them objectives, experiences and best practices.

The Project in the last phase has also made the effort to establish an enlarged **cooperation network**, by involving institutional stakeholders that can have the interest and the power to sustain the concept of a permanent transnational network, even larger than the cross-border one Italy-Croatia.

This approach is fully compliant with the vision of EUSAIR Strategy, that sustains a political endorsement that facilitate an effective level of cooperation.

A lot of the bottlenecks that block the development of Intermodality can be easily dissolved, if the political commitment is strong.

For this reason, the cooperation level has to be set also at higher level: **national entities like Ministries** should talk each other and listen to the opportunities, coming from the implementation of soft management measures and from the adoption of new smart and

technological systems. Most of the time the investment cost of these solutions is low compared to the return on the efficiency of logistic processes and thus on Intermodality.

PROMARES has facilitated the fulfilment of this scope, by generating a lot of studies and analysis on territorial needs, technologies, pilot actions, strategies and by creating events of dissemination such as training seminar, press articles, interviews with institutional subjects, technical conferences.

The approach of PROMARES is based on the idea that a consistent group of stakeholders, that insist in a common geographical area, can release winning solutions on multimodal transport field by following two fundamental steps:

1) being connected each other into a **common framework** that reduces the distance in terms of interests and potential conflicts and highlights the idea that a real sustainable growth is not exclusive but inclusive.
2) implementing **innovative soft measures** that using smart technologies can simplify the operations, increase the secure exchange of information among the stakeholders of the handling chains and therefore increase the multimodal transport of freight.

High-level institutional players are often focalized on hard topics with the objective to develop better infrastructure systems, that in terms of Intermodality development means investing money to enhance railways, to reduce last-mile bottlenecks of terminals and to increase the infrastructural capacity of gateways.

Notwithstanding the importance to sustain a long-term infrastructural development, to foster multimodal transport solutions the contribution of key national entities needs to offer a **strategic internal guidance** to all players of the supply chain, such as ports and intermodal logistic operators, facilitating their interaction through **dedicated management resources**.

Only after this achievement the cooperation can be effectively and further carried to a transnational level.

During 2022 EUSAIR – within its Governing Board – is discussing about the potential review of the Action Plan: update of the line-governance of the strategic initiative and recalibration of the priorities for the next 7 years.

PROMARES Policy Recommendations for EUSAIR

PROMARES – according to its Project's experience – gathers some **policy recommendations** for the EUSAIR Strategy that can sustain the strategic development process to foster Intermodality and to be presented to the EUSAIR Transport Steering Group no. 2.

With the main objective to **tackle the challenges and develop more efficient and rapid intermodal and multimodal transport flows**, the following policy recommendations have been identified and represent the high-level strategical heritage left by PROMARES Project:

POLICY RECOMMENDATION N°1: **SUPPORTING AN INTEGRATED GOVERNANCE**

*The need to sustain an **integrated governance**, that enables a factual sharing of best practices, transport planning competences, data and ICT solutions to overcome the weak coordination and communication of all stakeholders, both between each port and its hinterland and between ports at cross-border level.*

POLICY RECOMMENDATION N°2: **INTEGRATING PORT IT SYSTEMS**

*The uppermost **importance of the Port Community Systems** in the capacity to manage effectively and coordinately both people and freight transport flows that are going in and out from the nodes of the logistic multimodal chain and the integration of the other systems of the port community.*

POLICY RECOMMENDATION N°3: **FOCUSING INVESTMENTS ON ICT**

*The **powerful effect of ICT lever**, compared in terms of investment cost with the physical infrastructures. Lower costs can produce bigger results especially in the first phases of a process re-engineering.*

POLICY RECOMMENDATION N°4: **FOCUSING ON CYBER SECURITY**

*The great attention that, nowadays, has to be paid for ensuring a **solid Cyber Security** of PCSs and related suites, especially in the direction of a higher opening-up with stakeholders and new players.*

Considering the outcomes of the analyses conducted and of the interactions observed both within the project partnership and towards the institutional stakeholders interviewed, PROMARES aims at setting relevant objectives to be pursued within the above-mentioned recommendations, to contribute to the topic of the development of freight

transport at cross-border level and **to be considered by all Institutions and Subjects that can determine the successful development of the maritime and multimodal freight transport**:

- OBJECTIVE_1: Create long-term and "agile" governance structures, with the scope of addressing correctly the priorities.

- OBJECTIVE_2: Reduce fragmentation by ensuring communication and coordination at national level, in order to guarantee a related and efficient cooperation at higher cross-border level.

- OBJECTIVE_3: Digitalization is a key step, but a new technology should be adopted only if it is mature (everybody can use it) and enables a better communication among stakeholders, improving their level of interaction.

Indeed, the whole experience conducted within PROMARES Project highlighted some important needs that can be considered as points of reference in the strategic definition process within national and transnational organizations:

- **SHARING INFORMATION AS COMMUNITY.** Knowledge has become fundamental, especially referred to those new technologies that can ensure successful logistic processes. Port Community Systems nowadays can embrace a higher number of players and modules, putting them together under the same I&C umbrella. Some Port Authorities or Relevant business entities are already experimenting significant benefits from the implementation of new tech applied to business and logistic processes, while some others can have more difficulties mainly due to a lack of knowledge of the better opportunities to exploit, much more than a lack of money to invest. Creating modern repositories of best practices and knowledge, e.g. by using a social network communication, can represent a possible way to facilitate the dialogue among all the subjects and to move close to a concept of Community. It is crucial to overcome the bottleneck due to the risk of losing control on data; this can be only guaranteed by a strong institutional approach on cyber-security matter.

- **TRANSNATIONAL THROUGH NATIONAL LEVEL.** It is fundamental to have effective cross-border cooperation to develop winning multimodal solutions. The cohesion of national networks has to be solid upstream to sustain a successful transnational level of cooperation. This is especially true in bigger Countries, where the fragmentation of territories, cultures and business approaches is stronger. Transnational entities such as Macro Strategies, despite their low operative impact, have an important role in terms of "moral suasion", especially in crisis and difficult situations. Supranational entities as the European Commission can instead give a strategic direction, fixing common objectives that have to be pursued. However, in the current scenario it is essential to establish the cooperation first of all on a national level, which is the premise for a transnational one.

- **SOFT & LEAN GUIDANCE APPROACH.** The need to rely on national and supranational institutional structures that offer a guidance and address the needs and priorities of the development processes is strong but the type of sustain has to be based on a soft-skilled approach, that can be recognized as "lean" by the different stakeholders.