

Policy recommendations for the EUSDR

Activity 5.2

DELIVERABLE D.5.2.4

The EUSDR strategy and its governance



The **EU Strategy for the Danube Region (EUSDR)** is a macro-regional strategy adopted by the European Commission and endorsed by the European Council in 2011. The Strategy was jointly developed by the Commission and the Danube 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 Danube 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 Adriatic and Ionian Region (EUSAIR - 2014) and the EU Strategy for the Alpine Region (EUSALP - 2016).

The EUSDR covers fourteen countries: nine EU Member States (Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Romania, Slovakia, Slovenia), three Accession Countries (Bosnia and Herzegovina, Montenegro, Serbia) and two neighbouring countries (Moldova, Ukraine).



EUSDR participating countries

ONE STRATEGY – 12 PRIORITIES: The Danube Region Strategy addresses a wide range of issues; these are divided among **4 pillars** and **12 priority areas**. Each priority area is managed by two countries as Priority Area Coordinators (PACs).

PILLAR 1
Priority Area 1A – WATERWAYS MOBILITY
Priority Area 1B – RAIL-ROAD-AIR MOBILITY (Coherence with PROMARES project)
Priority Area 2 – SUSTAINABLE ENERGY
Priority Area 3 – CULTURE AND TOURISM
PILLAR 2
Priority Area 4 – WATER QUALITY
Priority Area 5 – ENVIRONMENTAL RISKS
Priority Area 6 – BIODIVERSITY AND LANDSCAPES, QUALITY OF AIR AND SOILS
PILLAR 3
Priority Area 7 – KNOWLEDGE SOCIETY
Priority Area 8 – COMPETITIVENESS OF ENTERPRISES
Priority Area 9 – PEOPLE AND SKILLS
PILLAR 4
Priority Area 10 – INSTITUTIONAL CAPACITY AND COOPERATION
Priority Area 11 – SECURITY

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.



EUSDR Governance scheme

The **High Level Group (HLG)** on macro-regional strategies is made up of official representatives from all EU Member States. It assists the Commission in the policy coordination of the Strategy. The Commission consults the HLG for modifications to the Strategy and the action plan, as well as for reports and monitoring. The HLG also addresses policy orientation and prioritisation.

Each Priority Area is jointly coordinated by two participating countries (or regions), who work in consultation with the Commission, relevant EU agencies and regional bodies. For each Priority Area, each of the two responsible countries designates a Priority Area Coordinator.

The **Priority Area Coordinators (PACs)** are leading the Steering Groups, which are the expert drivers of a day-to-day implementation. The Steering Groups, with members from all involved countries, are established for all priority areas. Their role, capacities, resources and engagement are key to success. The PACs, together with the Steering Groups, ensure the implementation of the EUSDR (e.g., by agreeing on planning, with targets, indicators and timetables, and by ensuring wide contacts

between project promoters, programmes and funding sources, and by providing technical assistance and advice). Their work is trans-national, inter-sectorial and inter-institutional. PACs and Steering Groups also support the reporting and evaluation of the EUSDR – they identify progress related to the improvements that the actions and projects deliver and achievement of targets. They also regularly provide information/reports on their work.

The **National Coordinators (NCs)** are the core strategic body within the governance structure. They have a strategic coordination function within their national or regional government. The NCs coordinate and keep an overview of the participation of their country in the implementation of the EUSDR including all 12 Priority Areas (PAs). They also promote the EUSDR and inform at the national and regional level all the relevant stakeholders of key developments, ongoing initiatives, including alignment of policies and funding. NCs meetings are chaired by the country holding the rotating Presidency, which also prepares and organises them with the support of the EUSDR Trio Presidency, the European Commission (EC) and the Danube Strategy Point (DSP).

The **Danube Strategy Point (DSP)** has been established in 2015 to improve the implementation process of the Strategy, supporting the Commission in its coordination tasks of the EUSDR. The DSP is supporting exchange among Priority Area Coordinators and National Coordinators in their tasks and promotes the Strategy predominantly at the European level.

The EUSDR strategy matching with PROMARES project

The Communication on **European Union Strategy for the Danube Region** (Document COM(2010) 715, 8 December 2010) **features three exemplary targets for EUSDR Pillar 1 (Connecting the Danube Region)** which are of relevance for **EUSDR Priority Area 1b: *To improve mobility and multimodality-road, rail and air links.***

The Priority Area 1b Steering Group amended these three exemplary targets in the first half of 2016 so that the final wordings of targets for EUSDR Priority Area 1b are as follows:

- I. **Support efficient freight railway services** and improved travel times for competitive railway passenger connections between major cities **in the Danube Region by 2030:**
 - a. *Promote Interoperability;*
 - b. *Support Removal of cross-border administrative, operational and technical barriers;*
 - c. *Support Deployment of traffic management systems (ERTMS).*
- II. **Support fully functional multi-modal TEN-T Core Network Corridors by 2030.**
 - a. *Identify physical, bottlenecks and missing links in DR;*
 - b. *Coordinate development of infrastructure;*
 - c. *Identify possible new corridors linking the non EU member states' transport systems to the TEN-T core network;*
 - d. *Support the coordinated Implementation of the relevant Rail Freight Corridors in the DR.*
- III. **Support the development of efficient multimodal terminals at sea, river and dry ports in the Danube Region and ensure their connectivity and access through the integration of all modes of transport and efficient logistics services by 2030.**
 - a. *Support and Coordinate development of intermodal terminals;*
 - b. *Identify need for possible new terminals;*
 - c. *Support the efficient logistics services in the Danube region;*
- IV. Support improvement of the regional air connectivity and the implementation of the Single European Sky initiative.
- V. Facilitate the improvement of secondary and tertiary roads in the Danube Region.
- VI. Support safe and sustainable transport and mobility in the Danube Region.

PROMARES project has been fairly defined as EUSDR strategy-coherent since has been able to enhance maritime and multimodal freight transport planning competences providing a contribution on the overall knowledge of physical and non-physical bottlenecks and to enhance maritime and multimodal freight transport capacities through the use of ICT supporting transport stakeholders and policy makers in streamlining freight flows between port and the hinterland and at cross-border level through the use of ICT tools. This second objective has been achieved through the realisation 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. PROMARES is therefore *supporting the development of efficient multimodal terminals in the Danube Region.*

The methodologies for implementing pilot actions and the results of WP4 can be directly transferred to other ports and intermodal logistic nodes, since the implementation of ICT pilot actions provides useful data as regards the latest and most efficient technology options available as to streamline traffic flows on the TEN-T corridor networks, all nodes using similar ICT systems. In this view PROMARES will for sure *support fully functional multi-modal TEN-T Core Network Corridors.*

The EUSDR Strategy, together with EUSAIR and EUSALP Strategies should exchange experiences and objectives in order to contribute to the so-called **sustainable transport**. This concept is probably better expressed as **full modal integration cooperation** because a strategy should take into consideration all modes of transport. In fact, all modes of transport should be given the opportunity to develop in a sustainable way (in terms of reduced consumption, low emissions...).

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 improving the connections between maritime transport, hinterland transport, land transport both on rail and road (full modal integration cooperation).

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.

Nowadays, transportation is evolving fast and digitalization, automatization and innovation play an important role in this evolution worldwide. But what is important for the Danube Region? Many of the Ports facing the Adriatic are doing really well in terms of digitalization and can for sure compete with all the other ports. At the same time, for some of them it is important to narrow the gap with other ports that are more advanced in terms of managing the business, digitalization and so on. Ports in the Adriatic should cooperate – of course also compete on some levels – but they should mainly cooperate to be able to be competitive with those of the North Atlantic and to intercept goods coming from Asia. Talking about digitalization, e-platforms will for sure contribute to narrow the above-mentioned gap as well as advanced analytics, Internet of Things (in particular for vessels

monitoring), Artificial intelligence, blockchains. With the advent of digitalization of course the cybersecurity plays a fundamental role.

PROMARES Project was able to do contribute to narrow the gap among the Adriatic Ports, 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.

Since the sore point of the Macro Strategies is the one of not having a real power in hands, one of the main EUSDR goals is to bring to the Danube Macro Region a concrete added value. In this sense, the EUSDR view is to become an exchange platform of best practices of knowledge, cooperation and so on. The EUSDR has been for years now the main or co-organizer of the annual Conference “Transport & Logistics of South East Europe and Danube Region – TIL” where it has been able to present within the “transport days” the key issues concerning Danube Region rail or aviation system, road safety... At the same time, the EUSDR has representatives of the Ministries in the Steering Groups, has a close contact with decision makers and might have the power to influence them. The EUSDR has therefore visibility, can give support, can facilitate but has no power to realise a concrete own project while is with projects that the transport problems are tackled. At the same time, many projects like PROMARES have no power to reach decision makers with their results while many of them presents very good results and achievements and the tested solutions should be replicated in other regions, but most of the time they do not upscale.

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.

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.

PROMARES project is therefore a good candidate to be involved in the Priority Area 1b Steering Group activities. Sharing PROMARES results will surely give a valuable input to draw policy recommendations for a coherent modal shift policy.

The EUSDR was one of the contributors that managed to get the back the Adriatic Pan European Corridor (going from Salzburg to Greece), now called Alpine – Western Balkan Corridor Rail Freight Corridor No. 10. But the main EUSDR aim was to have a multimodal corridor for all modes, not only a rail corridor. Only after the commitment of Austria, a letter of intent signed by all involved countries, the realisation of a multimodal corridor (plus branches) connecting EU and non-EU countries (candidate countries) was possible. This has been a very good result indeed because the freight transport doesn't stop at EU borders. The Macro Strategies work should be finding the best solutions at problems and join forces with implemented projects and decision makers to reach common objectives and, at the same time, narrow or get rid of the difference between countries belonging the same Macro Region because all the countries of the same Macro Region should develop a good logistic and should be competitive in the business. The Macro Strategies should also defend the pluralism of transport avoiding simplifications because what is good for one country may not be good for another looking locally, but at the same time the strategies should look transnationally with the aim of having a seamless network connecting the whole Macro Region.

The approach of PROMARES goes in the direction of narrow the differences between the two sides of the Adriatic since 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.

PROMARES policy recommendations for EUSDR

PROMARES – according to its Project’s experience – gathers some **policy recommendations** for the EUSDR Strategy that can sustain the strategic development process to foster Intermodality and to be presented to the EUSDR PA1b Steering Group.

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.