

SPEECH BY PRESIDENT

IWT KEY TO DELIVER THE GREEN DEAL AND TO CONTRIBUTE TO THE SUSTAINABLE AND SMART MOBILITY STRATEGY

Dear Commissioner Valean,

Dear Ms. Nagtegaal,

Dear Panel Members,

Dear Ladies and gentlemen,

Thank you very much for your key note messages and sharing your views on the development of Inland Waterway Transport (IWT) with us.

INTRODUCTION

The last year was dominated by important new policy developments on one hand and the still lasting influences of the COVID-19 pandemic on the other hand. Inland Waterway Transport is seriously affected by the pandemic. Transport performance (TKM) on inland waterways in the EU decreased by 8,1 % in the first three quarters of 2020, compared to the same period in 2019. Passenger transport recorded a reduction of passengers by 90-95 % . The socio economic impact of the crisis is vast and will have a long term impact on the sector, in particular in the passenger transport.

The European Commission together with the River Commissions undertook the necessary steps to support the transport sector in overcoming the operational challenges of the crisis and to guarantee the free movement of goods. We would like to express our thanks for these initiatives that really supported our sector. Notwithstanding these efforts, national barriers hampered the free flow of goods during the last year, imposing high administrative burdens on the sector.

In this respect we welcome the most recent Commission initiative to introduce the EU COVID Certificate which should help our sector - in particular our passenger transport sector - to take up business as soon as possible after a devastating long period in lock down. We call upon the Member States to adopt it in a unified way without imposing additional and deviating measures.

During the pandemic EBU called for urgent support actions for the sector to overcome the crisis and to prepare for the future energy transition and welcomed the EU's reaction on the crisis by releasing its Recovery and Resilience Facility.

Unfortunately so far only a very limited number of Member States took this unique opportunity to support IWT in its transition.

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IWT AS ENABLER TO DELIVER THE GREEN DEAL

In December last year the European Commission released its Sustainable and Smart Mobility Strategy (SSMS) to implement its Green Deal. The strategy seeks to increase the share of Inland Waterway Transport (IWT) by 25 % by 2030 and by 50 % by 2050. The European Commission underlines the importance of Inland Waterway Transport as sustainable mode of transport to realize its future sustainability goals.

We are pleased that IWT is considered as one of the major enablers of the Green Deal and its implementation strategies as IWT already today is energy efficient, safe and a sustainable alternative to road. Obviously, shifting much higher volumes to the waterway will contribute to a substantial decrease of harmful emissions.

Facilitating an easier and faster shift from road to water has an immediate positive effect on GHG-emissions, even without IWT switching to alternative fuels.

ROLE OF IWT TO DELIVER THE EU STRATEGY ON SUSTAINABLE AND SMART MOBILITY

The IWT sector therefore supports the aim of the Sustainable and Smart Mobility Strategy. The sector itself already has taken numerous initiatives to realise these goals in terms of innovation, digitalisation and increase of modal share. To successfully address its challenges together with climate change and fulfil Europe's transport related, economic, environmental and societal goals the IWT sector however calls to focus on concrete measures and public support to underpin this strategy.

Although not published yet we are confident – in particular after having listened to the key note of Commissioner Valean - that this will be covered by the follow up NAIADES ACTION PLAN, the “Inland Navigation Action Plan 2021-2027”, aligned to the new multi-annual financial framework. It aims to focus on **(A) moving more transport by inland waterways by making inland waterway infrastructure and shipping fit-for-future, and by integrating inland navigation into multimodal mobility of people and freight with the support of digitalisation.**

It will also focus on **(B) a gradual shift towards zero emission inland vessels, through a coordinated transport, environmental and energy policy to pool resources among energy and transport actors towards a sustainable energy transition.**

These two challenges should be reinforced by incentives to increase the use of inland waterways transport as we took from the Roadmap towards this strategy.

Challenges

We support the proposed focus as well as the notion that the IWT sector needs to be reinforced, to meet the Green Deal objectives in terms of modal shift and lower pollutants and Greenhouse Gas

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emissions. In particular the increase of the modal share of IWT will substantially contribute to an overall decrease of GHG emissions of transport.

1. MODAL SHIFT

To increase the modal share requires incentives as well as concrete and regulatory measures by authorities to shift to IWT where ever possible. Imposed shares for carriage of goods on IWW in certain areas proved to be very effective measures. This could be a very effective instrument to shift freight from road to IWW at EU level.

What else are the most important building blocks to realise the increase of the modal share:

Infrastructure and TEN-T revision

Infrastructure remains the backbone of the services and reliability of our sector. With over 40,000 km of navigable waterways and 250 inland ports, inland waterway transport currently carries some 550 million tonnes of goods per year and is of increasing importance in the field of cruising and passenger transport. Societies and major industries in Europe are depending on a seamless supply of their goods via waterways, which very clearly has been proved in times of the pandemic. Contrary to the congested roads, European waterways dispose of free capacity, offering a significant modal shift potential in line with the EU Green Deal.

This requires a waterway infrastructure that meets the requirements of the TEN-T regulation asap by making inland waterway infrastructure and shipping fit-for-future. This has been hampered by insufficient investment in infrastructure over the past decades as well as a maintenance backlog.

Besides Inland waterways are vulnerable to climate change. Droughts and floods have the most disruptive impacts for inland waterways because low water levels impose limitations to navigation services.

The frequent low water periods on the Danube in the past years and the severe low water period in 2018 on the Rhine had a huge financial impact on the sector and the economies involved in the riparian countries. Cargo has shifted from inland shipping to other modes such as road and rail. This has a direct effect on the reliability of the sector, leads to a reverse modal shift and goes contrary to the announced policy.

IWT thus needs a reliable, safe, cost effective and climate resilient infrastructure network.

With regard to the future TEN-T policy this implies clear parameters regarding the **Minimum requirements and the Good Navigation Status as well as a non-deterioration principle** for these parameters. This includes also **sufficient and dedicated handling capacity at seaports** in order to cope with the continuing problem of port congestion.

Higher investments in waterway infrastructure and planning certainty needed

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Inland waterways as part of the TEN-T corridors and as such are represented in 7 of the 10 corridors also should be granted more financial support. Only 7 % of the CEF portfolio has been dedicated to inland waterways in the past year and at national level there is a huge investment backlog. The sector is in urgent need of

- **Higher investments in waterway infrastructure** which is a conditio sine qua non to realise the modal shift and
- **planning certainty for infrastructure works** in order to carry out the necessary renewal and maintenance works on the European waterways. Although we fully acknowledge that these works have to be undertaken in respecting all ecological measures we are quite surprised that the Commission announced an infringement procedure on Germany in its effort to speed up the implementation of its delayed infrastructure projects.

Port Congestion

At this stage I need to point to another serious problem that hampers the development of inland container transport and thus to increase its modal share: Container congestion in sea ports. Container congestion in sea ports is a huge problem for inland waterway carriers since many years

Our members have undertaken several measures in the past to cope with the problem. They have taken several initiatives to bundle container volumes and to set up so called “fixed windows” or “corridors” in order to cope with the operational challenges in the seaports. In Rotterdam f.e. there is the initiative of an over flow hub; a central area in the Port where container barges can be loaded and unloaded in times of congestion and the sea terminals are debottlenecked. This has led and will lead to operational improvements in the seaports, but also throughout all those years this has caused to substantial costs in the hinterland and led to less flexibility for the shipper/forwarder. In other words: operational efficiency in the seaports at high cost in the hinterland. EU.

One year ago the European Commission decided to renew the Consortia Block Exemption Regulation unconditionally with four years allowing carriers to exchange commercially sensitive information between shipping lines operating in consortia in order to permit the sharing of space on vessels and the co-ordination of sailing schedules in exchange for more efficiency. During the last year the entire land based logistics supply chain has suffered from worsening levels of capacity availability and service quality – which is currently at all-time low levels.

In the last decade, the landscape of liner shipping has drastically changed. Starting with the introduction of the megaships followed by the mergers in the industry, currently there are only three major alliances that dominate the market. In a coalition with other stakeholders we have called on the European Commission to finally do justice to its task as a guardian of the EU treaties and to take measures that would restore the free movement of goods. Let me repeat this call and urge the Commission to investigate and monitor the situation to gain full transparency within the consortia

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and a balance between all parties involved which is needed to support an increased modal share of IWT.

Combined Transport Directive

Another instrument to contribute to an increased modal share of IWT could be a new Combined Transport Directive focusing on a better integration of IWT in the logistics chain by concrete incentives of Member States. We encourage the Commission to come up with a new proposal asap to support the Modal Shift goal.

2. INNOVATION AND ALTERNATIVE FUELS INCLUDING ZERO EMISSION VESSELS

Inland navigation is known as energy efficient and sustainable mode of transport. It is committed to keep its positive record and to move towards even lower and zero emission profiles.

Given the long life time span of vessels and the high investment costs as well as the small IWT market the progress towards innovation as a matter of fact is limited. Notwithstanding these obstacles the IWT sector is investigating and investing into new alternatives to cut emissions. Pioneers in the sector are involved in new pilot projects regarding zero emission and other solutions about which we will hear more in the panel.

Already underway to reach a substantial emission reduction by quick-win solutions the IWT sector is depending on the availability and the market readiness of technical solutions as well as alternative fuels on a broad scale.

As sector we are also involved in the Waterborne Transport Platform and its Strategic Research and Innovation Agenda aiming to get more clarity with regard to future technological and feasible solutions. Besides we are involved in the ALICE partnership that supports the integration into the supply chain and is an important tool to connect to other modes.

Regarding the technical and financial solutions in combination with the various alternative fuels we highly appreciate the studies on financing the energy transition towards a zero-emission European IWT sector commissioned by CCNR and its member states. These studies address the challenges of the innovation in the broadest sense by investigating into the technical solutions, the obstacles as well as different pathways towards greening of the fleet.

To enable the transition towards zero-emissions, decarbonisation and resilience of the fleet including adaptation to climate change while guaranteeing competitiveness and safety the IWT sector needs

- tailor made funding for the large scale deployment of green technologies for the fleet, reliable alternative fuels and digitalisation
- Taxation incentives and
- Goal based flexible regulatory measures to stimulate and accelerate the innovation. In this respect I would like to point to the important role of CESNI, the joint committee of EC and

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CCNR, that can provide for standards for the use of alternative fuels and for automated vessel operation, both in terms of technical requirements and professional competence. CESNI can also help to set up European manning regulations, based on flexible solution related to the crew's workload and efficient control.

The above mentioned CCNR studies will provide more clarity regarding the costs for applying zero emission technologies and with regard to climate emissions. So far it has already been concluded in a number of studies that this transition, together with air pollution mitigation, leads to increased costs without generating sufficient operational advantages to reach any break-even point for the ship-owner/operator. This can be classified as a market failure, as market forces are not driving greener inland navigation and external costs of air pollution and greenhouse gas emissions are not internalised.

Hence, solutions should be found in the field of funding and financing, as societal benefits are enormous to gain.

JOBS AND SKILLS - OVER 42.000 PEOPLE EMPLOYED ON BOARD OF VESSELS IN EUROPE

I would like to emphasise the important role of people in our sector. Inland Waterway Transport is a people's business. Over 42.000 people are employed on board of inland vessels. The Inland Waterway Transport sector is offering quality jobs and interesting career perspectives.

The new Directive on Professional qualifications will increase the mobility of crew members all over Europe and contribute to overcome the shortage of qualified people in the sector. EBU in fact together with its Social partners laid the basis for this proposal by initiating the harmonisation of competencies required for crew members working on management level and operational level of a vessel.

Strong social dialogue

Social partners in IWT have succeeded in establishing a very strong social dialogue and concluding a specific Working time agreement allowing to apply European norms on board of IWT vessels and offering workers excellent conditions.

The tasks Social Partners are facing now will change fundamentally as new challenges emerge rapidly in the area of automation and digitalisation. The European Social Partners are committed to addressing them in an open spirit and continuing to create an Inland Waterway Transport sector offering attractive career perspectives.

I would like to thank our colleagues from ETF, the unions, for the close cooperation.

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CONCLUSION

Our sector offers huge possibilities to support the European Union in its ambitious policy aims in terms of emission reductions. It is known as environmental friendly and sustainable mode of transport disposing over free capacities on the European network of waterways

We therefore are very much awaiting the NAIADES III programme as announced by Commissioner Valean. In this respect we highly appreciate and support the EU-funded PLATINA3 project which will provide for targeted coordination and support activities to promote IWT in Europe. The main objective is to provide the knowledge base for the implementation of the EU Green Deal in view of a further development of the European Commissions' IWT action programme (NAIADES) towards 2030.

As sector we are also involved in the Waterborne Transport Platform and its Strategic Research and Innovation Agenda aiming to get more clarity with regard to future technological and feasible solutions.

I would like to emphasise my appreciation towards the European Parliament in providing support to the sector via an own initiative report where it underlines a.o. the required support from the public authorities to be granted to the sector.

It is clear that all parties involved need to take their responsibility. The sector itself is challenged by realising the energy transition which will require huge investments.

From the public authorities we expect the right framework conditions and support to enable these efforts. In concrete terms this means

- More investment in infrastructure by the Member States and much more funding out of CEF for waterways
- An increased share of Inland waterway transport by a full integration in the multimodal chain, creating the right regulatory framework and correcting imbalances such as the long lasting port congestion
- Supporting the energy transition of the sector via tailor made funding for the large scale deployment of green technologies for the fleet, reliable alternative fuels and digitalisation

Structures follow strategy

Inland Waterway Transport is governed by different legal regimes, such as under the European treaties, the Mannheim Act, the Belgrade Convention and UN ECE treaties.

This requires a strong cooperation between the bodies involved. We are very pleased to testimony the strong cooperation between the European Commission, the River Commissions and UNECE. In particular we welcome the cooperation under the standard setting committee CESNI as established a

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couple of years ago between the European Commission and the CCNR and hope that it will be enforced in the effort to support the sector.

Finally, let the Commission and the Member States put IWT at the forefront of the Sustainable & Smart Mobility Strategy.

I hope that we can count on your support and ensure you of our's.

Paul Goris,

President

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