
EU Strategy for the Danube Region
Priority Area 1a – To improve mobility and multimodality: Inland waterways

**23rd Meeting of the Steering Group of
Priority Area 1a of the EUSDR**

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MINUTES

Author(s):
Joint Technical Secretariat of PACs 1a

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1. PA 1a Welcome and introduction

The 23rd Steering Group meeting of the Danube Region Strategy's Priority Area 1a – *To improve mobility and multimodality: Inland waterways* was held in a hybrid setting in Bucharest (Romania) on 09th October 2023.

The meeting was attended by representatives from Germany, Austria, Slovakia, Hungary, Serbia, and Romania, Bulgaria and Bosnia & Herzegovina. Representatives of the European Commission (DG REGIO) and DSP as well as the following professional associations and international organisations participated: Danube Commission, EBU and PDI.

Mrs Monica Patrichi, PA1a technical secretariat (RO), in the name of the Romanian PA 1a coordinator, opened the meeting and welcomed all participants present in the premises of the Ministry of Transport and Infrastructure of Romania, as well those who attended the meeting online.

Mr. Markus Simoner, Austrian PA1a Coordinator, introduced himself and presented briefly his 20 years of experience in the field of inland waterway transport, working for viadonau and currently managing the department of inland waterway transport within the Austrian Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology. In the opening remarks Mr. Simoner referred to the challenges that IWT faces, especially the situation in Ukraine, which not only impede the transports on the lower Danube, but also on the upper Danube. On the lower Danube, transport capacities are now being pooled for their service within the Solidarity Lanes. This has resulted in the lowest volume of inland waterway transport on the upper Danube in the last 30 years. Mr. Simoner stressed, that actions to improve current status should be the goal and will result in success. He emphasized the significance of in-person gatherings, providing a space for individuals to engage with each other and share their opinions in- and outside of formal meetings.

2. Review of Joint Statement process (JS 2.0)

Mr. Gert-Jan Muilerman, PA1a technical secretariat (AT), presented the process for the revision of the Joint Statement on Inland Navigation and Environmental Sustainability action in line with EUSDR Action Plan. The Joint Statement has been developed and agreed in 2007 by the three river commissions ICPDR, Danube Commission and International Sava River Basin Commission after one-year cross sectoral stakeholder consultation process. The Joint Statement document provides general and planning guidelines in order to overcome and to integrate possible conflicting objective between waterway infrastructure projects and environmental protection.

In 2007 the focus was on structural interventions. As regards river navigation projects, non-structural measures like dredging or fairway marking were included, but more in the background. In the first PLATINA project, these guidelines were integrated into a *Practical Manual to support the Joint Statement* (2010) with examples on how to set up integrated projects. The focus of this manual was still on large infrastructure projects. Yearly the three commissions (ICPDR, DC and ISBRC) organize a meeting regarding the Joint Statement where stakeholders discuss on the progress and how to improve the implementation of waterway projects.

New developments in EU legislation (e.g. TEN-T, Green Deal), climate change, limitation of resources (both HR and budget), nature-based solutions and more were a trigger to start the revision process of the joint statement. The revision process will be coordinated by ICPDR and will include cooperation with a large variety of stakeholders and the cooperation with Austrian EUSDR Presidency 2023/2024. This Steering Group meeting was a kick-off discussion towards JS 2.0.

Next steps were presented. A final draft of the JS 2.0 will be presented in September 2024. Formal adoption is expected until February 2025.

Mr. Manfred Seitz, Danube Commission, gave an update of the status of the process. A working team was identified. ISRBC's participation will be funded by the World Bank. Terms of Reference for procurement of a Consultant are under preparation. It is envisaged, that this consultant will draft the first version of JS 2.0.

The focus of the new JS process will be an inclusive approach. The outcome will not be another manual, it is seen as knowledge basis, which will grow permanently. It was elaborated together with PA1, PA4 and PA6 of the EUSDR.

A first discussion on the draft with the PA1a SG is envisaged for spring 2024.

Mrs. Theresia Hacksteiner, EBU, appreciated the revision process and stakeholder involvement in addressing climate change, particularly the impact on the Danube River. She highlighted the need to include the topic in the discussion around the Taxonomy regulation, emphasizing its sensitivity in future infrastructure financing. So far, the inland waterway infrastructure hasn't been considered as an issue to be aligned or tackled under the current taxonomy regulation.

The input of EBU was appreciated and will be taken into further consideration. Past projects demonstrated the possibility of aligning inland waterway infrastructure with ecological goals for inclusion in the taxonomy.

Mr. Simoner stressed the importance of concrete measures from the Joint Statement, urging countries to reflect on successes and weaknesses in waterway administration. The surrounding framework has changed unfavourably, hindering waterway administrations' adaptation to real-world changes in resources and competencies. Establishing ecological departments, though not yet a standard, requires financing. JS 2.0 should prioritize both projects and ongoing maintenance.

Mr. Romeo Soare, AFDJ Romania, complemented, that river administrations have to prepare annually maintenance plans and based on this the necessary yearly budgets are granted. The maintenance plans and the budgets are calculated using the actual value of the low navigable water level. In the context of climate change effects, it is very difficult to keep the conditions for navigation, with more than 100 days below LNWL. Thus, maintenance requires additional budgets. The additional budgets can not be sustained from national authorities because of the discrepancy in data between the actual values for LNWL and the recommendations of the Danube Commission, respectively 2.5 m. He suggested updating these issues in JS 2.0, focusing on human resources and operational realities.

Mr. Simoner proposed continuing discussions on severe low water conditions in Austria at the Danube Commission's hydrotechnical expert group

Mr. Leitner, PRO Danube International, highlighted budgetary concerns and the impact of cargo movement away from the Danube due to insufficient navigation conditions (on the whole Danube) and the insecurity of Ukraine crisis.

Mrs. Weissenburger thanked all participants for expressing their points which will be integrated into the further work of PA 1a, such as the initiative to develop a *Study on economic effects of low water on Danube navigation* (see below).

3. Study on economic effects of low water on Danube navigation

Mrs. Viktoria Weissenburger, PA1a technical secretariat (AT), introduced the study commissioned by CCNR on the economic effects of low water 2018 on the Rhine River developed by institutes from Netherlands or Germany. Economic effects of low water 2018/2022 on the Danube River were not quantified yet. Data would provide a factual basis for in-depth political discussion and hopefully leverage in budget negotiations.

The *study on economic effects of low water on Danube navigation* is planned to be commissioned in early 2024, covering all Danube riparian countries and will quantify the economic consequences, identify affected industries and cargo types, and explore adaptation strategies.

The main research questions could be:

- Which business industries and cargo types were affected the most?;
- What economic consequences are associated with low water levels in inland navigation? (quantify the financial implications, including increased shipping costs and potential revenue losses both for major shippers and shipping companies)

- What adaptation and mitigation strategies have been employed by shippers and shipping companies – which depend on inland waterway transport in their supply chains – to cope with low water levels in inland navigation?

The study aims to highlight, that the investment needed for proper rehabilitation is minimal compared to potential economic losses for Danube Region shipping companies and industries, which have not been quantified yet.

The study will be done only for cargo shipping. The main categories of cargo could be: chemicals, ores, cereals.

During discussion, all participants highlighted the need for quantifying the extend of loss of transported cargo to be able to tackle modal shift away from IWT.

Mrs. Weissenburger will come back to the SG members for feedback during drafting the Terms of Reference for this study.

4. Danube Ministerial Conclusions 2024 and future sustainable set-up of the waterway administrations

Mrs. Viktoria Weissenburger, PA1a technical secretariat (AT), highlighted, that PA1a has long been advocating for proper funding for waterway administrations in the Danube Region, regularly putting waterway maintenance on the political agenda.

The planned study *on economic effects of low water on Danube navigation* will contribute to discussions on operational budgets and building institutional capacity.

The operational budgets and the importance of building up institutional capacity and expertise will be as well the main topics which will be raised at political level. Building up institutional capacity and competencies needed (expertise in environment, IT) raised a lot of discussions because the expertise at the level of the waterway administrations depends on time and not really on the allocated budgets.

For the draft ministerial conclusions, the following excerpts were presented to the SG members:

- **UNDERLINE** the need to execute all rehabilitation and maintenance measures in an integrated manner in order to ensure that applicable environmental legislation is respected as well as the Guiding Principles of the Joint Statement on Inland Navigation and Environmental Sustainability in the Danube River Basin are met;
- in this context, **REFER** to the Joint Statement Process established in 2007, which is currently being updated and aims to establish dynamic river basin management as the new standard for the creation of a functional and resilient Danube and Sava river basin and transport route;
- **CALL ON** all Danube riparian states to establish interdisciplinary know-how inside the waterway administrations in order to develop Nature Based Solutions for river engineering, rehabilitation and maintenance as part of a holistic approach to river basin management and **WELCOME** that such solutions are to be tested in the framework of the FAIRway Danube II project;

Participants were asked to provide other ideas / remarks on the content of the ministerial conclusions.

In response to questions from the steering group, the Technical Secretariat explained that the conclusions are now a well-established process that should definitely be continued in order to maintain political pressure. The conclusions are one tool in the toolbox that should not be left unused.

The draft conclusions and the Annex will be forwarded to DG MOVE in November 2023 for official negotiations with the Permanent Representations. The signature of the conclusions will be in a written procedure beforehand. Official publication will be in the framework of the Connecting Europe Days 2024 in Brussels (2-5 April 2024) with a press statement by the transport Ministers.

5. Status of TEN-T revision

Mr. Gert-Jan Muilerman, PA 1a technical secretariat (AT), provided an update on the revision of the TEN-T Regulation (EU Regulation 1315/2013). This regulation provides guidelines for national and EU investments in transport infrastructure, thus all future initiatives will be affected by the updated regulation. The Commission's initial legislative proposal in 2021 introduced the concept of Good Navigation Status for inland waterways.

The European Parliament (EP) and Transport Committee prepared a report, offering comments and additions to the European Commission's proposal, which the Transport Committee adopted in the plenary session in January 2021. Following the 'ordinary legislative procedure', the Commission's proposal requires adoption by EP and the Council. The Council established its 'general approach' in December 2022. The Council Working Party on Transport is currently reviewing amendments by EP and Council working groups. Triologue/interinstitutional negotiations with the EP are planned for November 2023.

This phase is crucial for states to add specific requirements or important topics for the Good Navigation Status standards. The Council working party, over the coming months, will discuss the TEN-T guidelines with national transport attaches, sometimes accompanied by experts from EU states.

Three priority articles for waterway transport were identified, emphasizing the principle of preventing deterioration of the current navigation status as an integral part of the Good Navigation Status concept. This non-deterioration principle aligns with the Water Framework Directive.

Another critical point in the new TEN-T guidelines is ensuring the involvement of the European coordinators at the corridor level. These coordinators, established for all main core corridors, are political figures acting as ambassadors with extensive experience in different administrations at the European level. They should actively participate in implementing these guidelines.

Final point presented as regards TEN-T revision, is to make sure that the European Commission is allowed to adopt corridor-specific guidelines due to the different physical characteristics of systems like Rhine and Danube. Thus, the interoperability between the corridors can be ensured.

PA 1a proposed a closer cooperation of the Danube countries during the remaining discussions on the TEN-T Regulation revision.

6. Greening the Danube fleet

Mr. Gert-Jan Muilerman, PA1a Technical Secretariat (AT), highlighted the urgency of greening navigation in line with the Green Deal, aiming for zero emissions by 2050. One of the activities of the EUSDR Action Plan focusses on developing a strategy to modernise the fleet, given the gap between current realities and the 2050 policy objectives.

The 2020s CCNR study, based on data provided by the Danube Commission, demonstrated an aging fleet, posing challenges to meet emission reduction targets (e.g. sustainable mobility strategy requires a 90% reduction in greenhouse gas emissions by 2050 or the NAI4DES 3 action program path to zero emissions).

In 2019 PA1a initiated an analysis of the main problems and drivers behind the slow fleet modernization rate. The resulting Fleet Modernisation strategy addressed obstacles hindering fleet modernisation, notably financing. The focus in the near future is on translating this strategy into concrete actions, developing recommendations with and for Member States and industry to achieve greening objectives.

First ideas for measures to be taken were discussed. To guide investments in the Danube Region, the development of a "technology pathway" to provide guidance on the most viable and effective technologies. Currently, a significant obstacle faced by the industry is the lack of clarity on where to invest, given the absence of critical mass and the absence of a singular proven technology solution to meet the ongoing challenges.

The CCNR study sketched a conservative pathway, which is based on applying drop in fuels such as HVO or liquefied biomethane. A more innovative pathway could include a higher share of techniques (that are partly still under development) such as fuel cells or battery electric propulsion systems.

PA1a plans to develop specific technology pathways for the Danube region within the working group 3 (fleet modernisation), analysing existing fleet modernisation measures, priority topics and recommendations for implementation. Research questions were addressed to the participants (public bodies or private), respectively

- Does concrete fleet modernization measures and programs at the level of individual country exist?
- Are there any programs in preparation or being implemented?
- If yes, what would be priority topics to promote fleet modernization.

Private companies and also the public organizations do consider programmes/funding schemes as feasible considering the specific profile of the Danube navigation.

SG members were urged to nominate experts for the working group and provide contact details via email. Definition of requirements and prerequisites to initiate national processes and to realise the technology pathway are to be elaborated in the working group. A bottom-up approach is taken into consideration and then to come up with concrete proposals for upcoming funding programs on the European level. An Innovation Fund or also rising projects are still to be defined over the next years. A meeting is anticipated in spring of 2024.

Mr. Seitz, DC, mentioned that Danube Commission has some ongoing activities in relation to fleet modernization, as those activities are included in the agreement signed between DC and the European Commission. He proposed to unlock the synergies between DC and the work of the working group. Danube Commission proposed PA 1a to have joint activities and joint meetings, to avoid a parallel work.

Robert Rafael, Pro Danube International, took part in all above mentioned efforts and brought in his expertise in logistics in the Danube region, in order to address the specificity of the Danube fleet and navigation. He emphasised the importance of coordination of strategies towards harmonised approach in technic and infrastructure with other corridors. Furthermore, he highlights the importance of cooperation between manufacturers and shipping industries when it comes to financing.

Theresia Hacksteiner, EBU, expressed intention to provide support to programmes from industry side.

Gert Jan Muilerman, viadonau, informed that **Austria** has a funding programme in place. The funding is intended to provide targeted incentives for investments in emissions-reducing technologies and measures in freight and passenger shipping that go beyond current climate and environmental protection-specific Union standards. Measures to increase efficiency and reduce CO₂ and air pollutant emissions from inland waterways as well as adaptations to shift transport to inland waterways are supported. The funding program runs from June 1st, 2022 to December 31st, 2026 and is carried out in the form of calls. Two calls are planned per year.

Monica Patrichi, Ministry of Transport and Infrastructure, informed that **Romania** has currently no financing program for fleet modernisation. Such a measure is not foreseen in the Operational Programme for Transport 2021 - 2027. Discussions with the Ministry of Environment, if such a measure can be financed from their operational programme 2021 - 2027 or other programs addressing the environment are foreseen.

Markus Grewe, Federal Ministry for Digital and Transport of Germany, gave an overview concerning the funding program for fleet modernization in Germany. It's a national funding program for the sustainable modernization of the fleet and it is not specific for one waterway. It is a national program for the German fleet, and it runs from 2021 until 2023. In total four calls with a funding volume of 95 million EUR and a funding rate of 80%. The programme had a quite good resonance and main targets could be met. These targets are to increase the efficiency of inland waterway transport during low water periods, optimize vessels and to address the reduction of the environmental impacts of the fleet. At the moment, a follow up program with a few modifications is under discussion.

Markus Simoner, PA1a, emphasized the imminent necessity for clear regulation and standards on EU level or at least inter-corridor agreements.

7. Outlook on the Austrian Presidency of EUSDR (10/2023-12/2024)

Mr. Gert-Jan Mulierman, PA1a Technical Secretariat (AT), informed that starting with the 1st November 2023 Austria will take over presidency of the EUSDR. Next PA1a related events will be

- International Danube Navigation and Tourism Conference, on 26-29th November 2023 in Linz (<https://www.donau-oesterreich.at/en/danube-cruise/danube-navigation-tourism-conference>)
- Danube ministerial conclusions in the framework of the Connecting Europe Days, 2-5th April 2024 in Brussels
- Danube Business Talks, on 15th May 2024 in Vienna (www.viadonau.org)

PA1a **Working Group 2 (business development)** will support ongoing initiatives to transfer more cargo volumes to the Danube waterway, and actions to analyse future promising market segments for navigation. Austria conducted an analysis and resulting a match making between supply and demand side for transporting high and heavy loads on the waterway. Using this experience and the lessons learned from this national exercise, PA1a intends to extrapolate that to the entire Danube. This is one promising business segment, where some growth in transport volumes to the benefit of navigation is expected.

A short overview of the existing German funding programme for High & Heavy transports on the Danube, based on the De-Minimis Regulation (EU) 1407/2013 was presented. Subsidies are granted for every kilometre of cargo transported on German inland waterways with destination or departure in Germany. Other conditions are that the service should be on a regular basis (1-2 trips/month), long-term and beyond the grant period. Transport of other goods in addition to high & heavy goods on the same trip is possible.

Within the framework of PA 1a working group 2 such a scheme could be developed as a model for national efforts. As first step, the permission costs that are required for transports on the road are assessed, in order to have an objective overview of costs that are connected with High& Heavy transports.

Further investigations to show the opportunities for public subsidy schemes and also for practical measures to be taken will follow.

Mr. Markus Simoner, Austrian PA1a Coordinator, as one of the initiators of this topic, asked the SG members to identify the national legislation for the transport of heavy loads on roads, the necessary permits and the tariffs applied. Activities regarding this topic are planned for 2024.

8. Next steps

By 20th October 2023, the Technical Secretariat will provide the Master Plan Progress Summary Report to SG members for changes and approval. The draft Danube Ministerial Conclusions and Master Plan Progress Summary Report will be sent to DG MOVE in early November 2023.

In early 2024 the elaboration of a *Study of the economic effects of low water on the Danube* will be commissioned.

A Working Group meeting on Fleet Modernisation will be organized in early 2024 and SG members are asked to inform PA 1a technical secretariat on the national experts on fleets modernisation.

Also, SG members are kindly requested to send the (published) legal information that explains the fee structure per country for high & heavy transports.

The next PA1a SG Meeting will be on 16 May 2024, in Vienna, in conjunction with the Danube Business Talks 2024 (15th May 2024).

As part of the Steering Group meeting of PA 1a, on the 10th of October 2023, a field trip starting from Giurgiu / Ruse, with the Bulgarian signalisation vessel "OSAM" and performing signalisation activities was organized.

Enclosures

Please note: All documents are available for download at the website of EUSDR PA 1a

→ www.danube-navigation.eu

(1) List of attendants

(2) Presentations given during the Steering Group