European Federation of Inland Ports

ANNUAL REPORT

THE EUROPEAN FEDERATION OF INLAND PORTS (EFIP)

2023

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Foreword

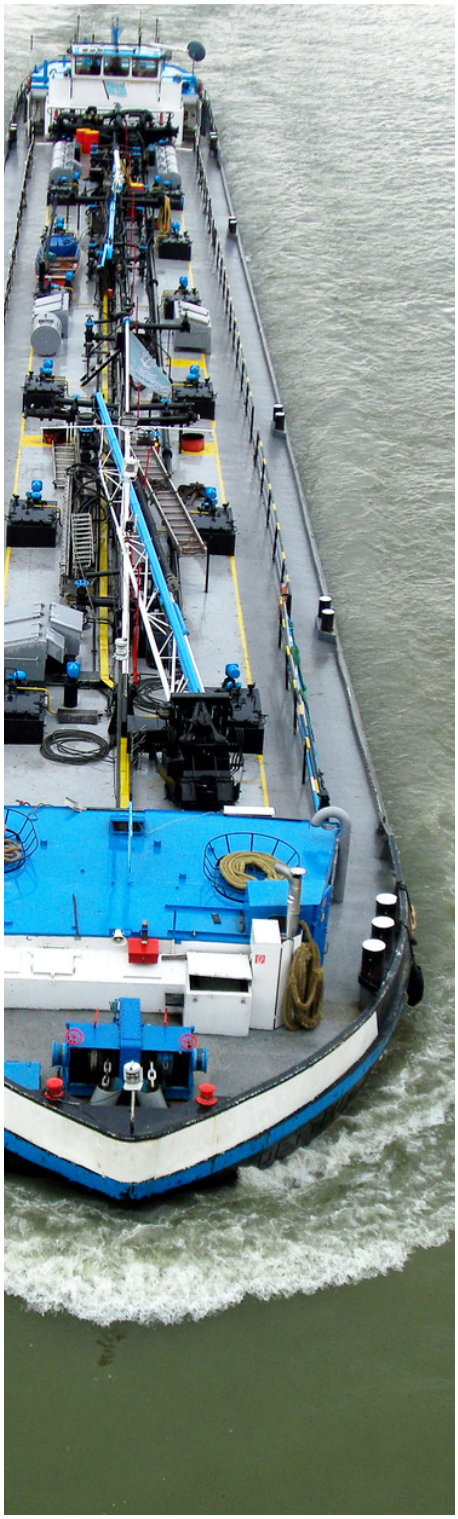
2023 was the year in which the European Commission mandate reached its final stretch. This meant we saw many legislative processes coming to an end. It was the realisation of the Sustainable and Smart Mobility Strategy (SSMS) that inland ports followed closely.

The most important achievement of the SSMS came at the end of the year with the political agreement on the TEN-T Guidelines Regulation. This legislation is the bedrock of European transport development as it sets out the shape and contours of Europe's logistics network. The priorities that are set out define where investments go and what projects get developed.

These priorities directly affect inland ports and the business of inland shipping. This is why we were very happy to have our General Assembly in Vienna and to be able to enter the discussion with co-rapporteur Barbara Thaler. It was good to hear the political focus on multimodal transport given that it is the focus of the European inland ports as well. The support for inland shipping and rail is clear and hopefully will be maintained.

The last part of the SSMS was presented this summer in the Greening of Freight Package. This package included new rules to optimise cross-border rail planning and operations, counting of transport emissions and new rules for combined transport. Especially the Combined Transport Amendment shows true ambition to support and grow multimodal transport in particular waterborne and rail transport.

In 2023 inland ports looked at their role in the development of the European hydrogen economy. EFIP together with thinkport VIENNA organised a workshop series on the realisation of hydrogen in inland ports. Throughout these workshops, inland ports examined the various facets of hydrogen development in inland ports by inviting a wide range of experts. This culminated in a position paper entitled "Making Hydrogen a Success for Inland Ports" highlighting the crucial role of inland ports in Europe's hydrogen transition. Inland ports, serving as multimodal hubs, can facilitate the deployment of sustainable hydrogen technologies to decarbonize industries, logistics, and transportation, while boosting economic development and job creation.



In 2023 as in the years before, climate change has been affecting inland shipping through low and high-water levels. These impacts are becoming more and more common as we see them every year and they have a detrimental effect on the reliability of the sector. This will make it challenging to achieve the needed modal shift.

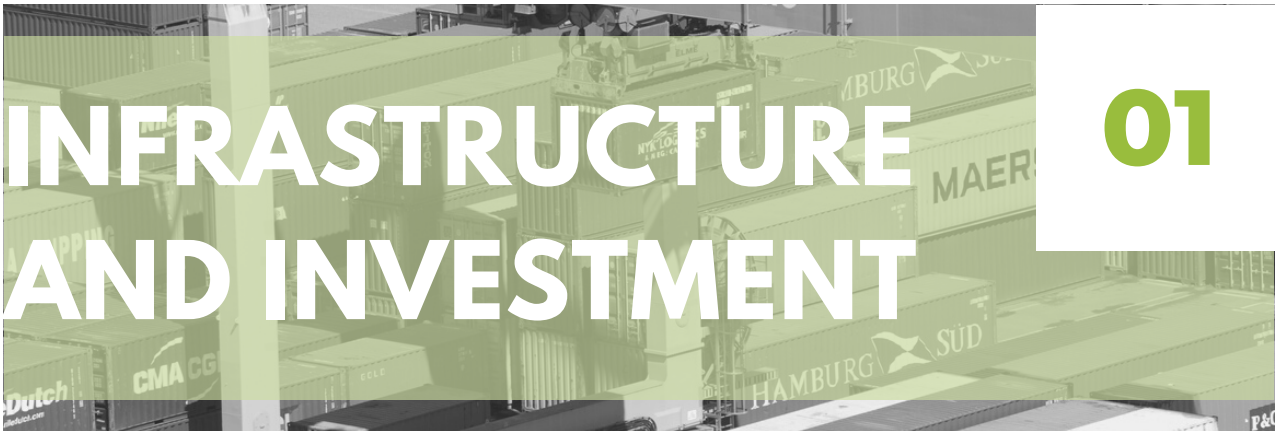
As the impact of climate change become more prevalent, inland ports will need to find ways to adapt. EFIP will organise on the 6th of June a conference on how ports can adapt and anticipate. Here we will bring together experts and business leaders to reflect on how inland ports can deal with climate change. This conference will be held in the Palais du Rhine where ports will be hosted by the CCNR.

In 2023 we were also able to see the success that port investments can have when lead by government support. Hosted by Serbia's Port Governance Authority, the EFIP Executive Committee looked at how new terminals and ports can be realised and be successful in supporting the economic development of the region. This can be a lesson to other European countries about what is possible when there is enough support.

As we close out 2023, I would like to take a moment to remember our colleagues in Ukraine. The war still rages on while most of their ports are still damaged and out of operation. EFIP will continue to support our Ukrainian friends as long as the war lasts.

Lastly, in 2024 I will be happy to welcome the EFIP members to Paris for our General Assembly on the 21-22 March. I hope to show all of you our innovative work and preparation for the Olympic Games. I hope to see many of you there.

DOSSIERS



01 INFRASTRUCTURE AND INVESTMENT

TEN-T

In the dynamic landscape of 2023, discussions and negotiations surrounding the Trans-European Transport Network (TEN-T) were prominent, featuring active involvement from the European Federation of Inland Ports (EFIP).

The TRAN report, led by rapporteurs Barbara Thaler and Dominique Riquet, emphasized resilience and efficiency priorities. Amendments aimed at critical infrastructure, delays, and multimodal transport were notable, with a focus on a mandatory climate and environmental vulnerability check for identified critical infrastructure on the Core Network by 2025.

The ongoing trilogue negotiations between the Parliament and the Council commenced in June, addressing key chapters and sectors. Country-specific votes and considerations for the next steps in negotiations were outlined, underscoring the complexity and multifaceted nature of the evolving TEN-T Regulation.

Within inland waterways, attention was given to the corridor approach, inclusion of currently unrecognized sections, and the introduction of an Inland Waterway Space concept. Ports saw amendments related to rail connections, comprehensive network requirements, and environmental facilities for vessels. Rail considerations included last-mile flexibility, ERTMS requirements, and a mandatory EU standard track gauge.

On Monday 18 December, the trialogue negotiations reached a political agreement. The negotiators secured more focus on intermodal transport undertaken primarily by rail, inland waterways or short-sea shipping. This will be reinforced by electrified railways in the core TEN-T network, running at speeds of 160 km/h for passenger rail and 100 km/h for freight, and crossing internal EU borders in less than 25 minutes on average by the end of 2030. In addition, EU railways will have to migrate to the European standard nominal track gauge (1435 mm) and by the end of 2040 switch to a single traffic management system.

Significant compromises were achieved in the sections affecting inland ports and inland waterways. The European Parliament, advocating for additional requirements, proposed addressing them through implementing acts. This approach grants the Commission the authority to establish inland waterway requirements, reflecting the Good Navigation Status (GNS) approach in the Commission Proposal. The safeguards include indicative implementing acts focused on waterway sections, allowing Member States flexibility through exemptions.

Rail-related adjustments were notable, particularly in the flexibility surrounding the 740-meter train requirement. The Council's GA introduced accommodations for geographically and economically suitable ports to handle such trains. In the broader context, the TEN-T discussions covered macro-level political topics, including rail modernization, governance, and mapping. Final agreement on these matters is anticipated in early the following year, reflecting ongoing trialogue negotiations.

EFIP Activity

- Discussion with Co-Rapporteur Barbara Thaler at EFIP GA Vienna
- Lobbying on EP Position
- Updating and following trilogue developments

Combined Transport Amendment

On the 7th of November, the European Commission put forth a robust proposal aimed at enhancing the role of inland waterways and rail in combined transport. This strategic move is envisioned to curtail emissions, alleviate congestion, and mitigate other detrimental externalities associated with transportation.

Central to this transformative endeavor is the amendment of the Combined Transport Directive (CTD) 92/106/EEC, an indispensable step in fostering sustainable transport growth. A groundbreaking innovation is the shift from the outdated distance-based system to the commendable objective of promoting transport actions that reduce societal external costs by 40%. It is noteworthy that this approach aligns with the call made by inland ports in 2022 for a similar paradigm shift.

By strategically mitigating the competitive disadvantage of combined transport by a minimum of 10%, the proposal aims to enhance the allure of cleaner modes of transport, such as inland waterways and rail. Road transport will assume the role of feeder operations, while more sustainable modes will cover long-distance transport. This shift is anticipated to yield a direct reduction in emissions, alleviate congestion, fortify resilience, and enhance safety across the transportation landscape. The proposed amendments thus presented a forward-looking and environmentally conscious strategy for the evolution of European transport.

EFIP Activity

- Continued input to amendment preparations

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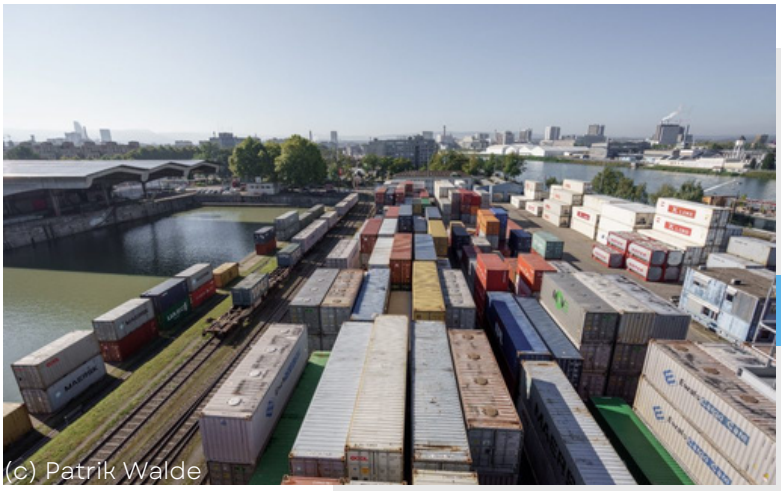
Rail Capacity Regulation

As part of the Greening of Freight package the Rail Capacity Regulation was proposed in order to allow for direct slot bookings from the point of origin to the destination, eliminating the need to book slots separately in each country, thus reducing delays and challenges associated with the current system.

This initiative targets infrastructure managers and railway undertakings, with uncertainty about its impact on inland ports that manage their rail infrastructure. Some inland ports are responsible for the rail within their port area, potentially subjecting them to these rules without little say in them.

The EP rapporteur, Ms. Tilly Metz, presented her draft report on November 17, expanding on the Commission's proposal. The report strengthens the role of infrastructure users, introduces a clearer governance structure, and outlines a more comprehensive implementation plan. The Regulation creates the European Operational Stakeholder Platform (EOSP), a formal advisory group, ensuring consultation with inland ports during the planning process.

Despite support from ports, improvements were needed, particularly in formal consultations with ports as infrastructure managers. The report addresses this by establishing the EOSP, which should include inland ports. Additionally, the report empowers the European Network of Rail Regulatory Bodies (ENRRB) with greater oversight into ENIM's (European Network of Infrastructure Managers) functions.
The draft report emphasized that infrastructure managers must provide alternative capacity outside of the established plans, promoting flexibility to meet market needs. It also advances the implementation timeline for key aspects of the proposed Regulation from December 2029 to January 2026, contributing to short-term improvements in the reliability of rail freight services.


(c) Patrik Walde

European ports, including seaports and inland ports, play a crucial role in multimodal transport and achieving Europe's modal shift objectives. The draft report acknowledges the responsibility of port authorities as infrastructure managers in rail capacity allocation. Efficient rail operations within ports and links to the main rail network are essential for maximizing the potential of rail freight transport in Europe.

Both the European Seaports Organization (ESPO) and the European Federation of Inland Ports (EFIP) joined together to stress the importance of a strong port voice to ensure an effective rail capacity governance system. As such a joint position paper was published.

EFIP Activity

- Coordinating response with ESPO
- Lobbying toward European Parliament

European State-Aid rules

Currently the breath of State-Aid rules are being revised in light of the objectives of the Sustainable and Smart Mobility Strategy. Throughout 2023 this has resulted in discussions between EFIP and DG Comp.

Transport Block Exemption Regulation
The main priority is the upcoming expansion of the Rail Block Exemption Regulation. This is foreseen to be extended to waterborne transport as well. It will also include investments in port and port operations. Even though details are yet unclear, it will be an important step in enabling the model shift. At the same time this expansion should be seen in the context of the Combined Transport Amendment.
The TBER is expected to be published for in 2024 but will be preceded by a consultation.

Amendment of General Block Exemption Regulation (GBER)
In its ongoing commitment to align EU state aid rules with the priorities of inland ports and shipping, EFIP has been actively involved in advocating for amendments to the General Block Exemption Regulation (GBER) since 2019. The recently drafted amendment to the GBER aims to provide Member States with greater flexibility in designing and implementing support measures crucial for the transition to climate neutrality and a net-zero industry, without the need for prior approval from the Commission.

Key points of relevance to inland ports include:

- Definition of Clean and Zero-emission Inland Vessels
- Definition of Recharging and Refuelling Infrastructure
- Definition of Hydrogen and Electricity
- Definition of Mobile Terminal Equipment
- Definition of On-site Renewable Energy Production
- Increase in Aid Intensity per Investment:
- Max. 100% of costs for projects up to €22 million (previously €20 million)
- Max. 80% of costs for projects between €22 million and €55 million (previously €20 million and €50 million)
- Max. 60% of costs for projects above €55 million (previously €50 million) (with a maximum of €143 million per project)
- These criteria outline conditions that warrant an exemption from the prenotification obligation, eliminating the need for Commission approval or disapproval of the State aid measure.

Temporary Crisis and Transition Framework (TCTF)
The new Temporary Crisis and Transition Framework (TCTF) for State Aid measures builds upon and partially extends the existing Temporary Crisis Framework, initially adopted in March 2022 to support the economy in response to Russia's war against Ukraine. The amended TCTF introduces several temporary provisions effective until December 31, 2025.

Scope Amendments for Easier and More Effective Measures:

- Simplification of aid conditions for small projects and less mature technologies, such as renewable hydrogen, by eliminating the need for competitive bidding, subject to safeguards.
- Expanded support possibilities for all types of renewable energy sources.
- Enhanced support options for the decarbonization of industrial processes transitioning to hydrogen-derived fuels.
- Higher aid ceilings and simplified aid calculations.
- Introduction of New Measures to Accelerate Investments:
- Support for the manufacturing of strategic equipment, including solar panels, wind turbines, electrolysers, and carbon capture usage and storage (CCUS).
- Investment support for the production of critical raw materials and key components related to the mentioned strategic equipment.

These amendments underscore the EU's commitment to fostering a transition towards a net-zero economy and supporting critical sectors during times of crisis and transformation.

EFIP Activity

- Informal discussions with DG Comp

DIGITAL AND INNOVATION

02


(c) F.Zvardon

Inland Port Cyber Security Study

CESNI and EFIP developed as guide on how to approach cyber security in management and operations in the port which serves as a valuable and accessible framework designed to benefit inland ports of all sizes and geographical locations across Europe.

As the world continues to become more interconnected and more reliant on digital services, cybersecurity attacks are continually increasing. Several ports have been victims of cyberattacks in the past few years, demonstrating that this sector is not an exception to the rule

In the context of the evolving landscape where digitalization plays a crucial role in the future of inland navigation, the guide recognizes the accompanying challenges and risks, with a particular emphasis on cybersecurity.

The good practice guide aims to:

- Provide an overview of cybersecurity risks, threats, and mitigation measures within the scope of inland navigation ports.
- Enhance the understanding of port stakeholders regarding the motivations and actors behind cyberattacks.
- Highlight the assets of ports that should be considered when evaluating cybersecurity threats and risks.
- Offer an array of good practices for the effective implementation of cybersecurity risk mitigation measures.

The guide is structured into three parts:

1. Cybersecurity threat landscape of inland navigation ports: Describing the port threat landscape, including threat actors, port assets, threat taxonomy, guide, and attack scenarios.
2. Mitigating cybersecurity risks for inland navigation ports: Detailing a portfolio of about 120 tailored mitigation actions to reduce cybersecurity risks for ports.
3. Tips for the implementation of risk mitigation measures: Outlining actionable security hygiene measures as a first step for both IT and non-IT stakeholders.

While the guide predominantly focuses on inland ports, it acknowledges that some aspects and mitigating measures are relevant for other actors in inland navigation, such as waterway authorities or barge operators.

EFIP Activity

- Providing direct input on the draft of the Cyber Security guide
- Dissemination of guide among EFIP members

ENVIRONMENT AND SUSTAINABILITY

03

Alternative Fuels Infrastructure Regulation

In July 2021, the European Commission proposed a revision to the Alternative Fuels Infrastructure Regulation (AFIR) as part of the Fit for 55-package, aiming to establish a framework for the deployment of necessary infrastructure. Following negotiations between the European Parliament and the Council, a final agreement was reached on March 28 2023, setting requirements for alternative fuel infrastructure.

Specifically addressing inland ports, the Commission's proposal stipulated that all core ports must have one Onshore Power Supply (OPS) installation by 2025, and comprehensive ports by 2030. Notably, the use of Liquefied Natural Gas (LNG) in inland ports was deemed insignificant for IWT and was excluded from the requirements.

In the European Parliament's position, concerns raised by inland ports regarding the capacity of the electricity grid for OPS deployment were addressed in Article 10 and Recital 32a. Member States were obligated to ensure sufficient grid capacity, connection, power reserve, and frequency conversion for ports. Failure to achieve this was to be attributed to the Member States rather than the port or ship owner/operator. In the final agreement, the wording was moved to another recital, with no mention of not attributing failure to the port. Instead, it was emphasized that the Member State should rectify grid capacity issues.

The final agreement, outlined in Recital 37a, emphasizes Member States' responsibility to regularly assess the deployment of recharging points, ensuring consistency with grid planning to meet infrastructure requirements. Member States are urged to upgrade and maintain the grid to handle present and future electricity demand from the transport sector.

Article 10, focusing on OPS supply in inland ports, retained the targets set in the Commission's proposal. The deal now awaits formal approval from both co-legislators to enter into force.

For inland ports, the AFIR provides clarity by setting a deadline for all TEN-T inland ports to have shore-side electricity infrastructure by 2030. This milestone supports the decarbonization of inland shipping, a top priority for European inland ports, by enabling OPS to reduce greenhouse gas emissions and improve local air quality. The AFIR ensures that Member States play a role in facilitating the deployment of OPS infrastructure by addressing uncertainties related to grid capacity.

At the end of 2023 the Commission also published its additional guideline on AFIR, clarifying various points.

EFIP Activity

- Long term lobbying on negotiations
- Tracking of implementation and guidelines

Green Inland Ports Study

In November 2022, the European Commission's Directorate-General for Mobility and Transport (DG MOVE) initiated a comprehensive study on the sustainable management and development of inland ports. The study, commissioned to a consortium led by Ecorys, with participation from CE Delft, Panteia, Planco, EICB, Pro Danube, and Erasmus University Rotterdam, aimed to identify and evaluate factors influencing the sustainable development of inland ports. The study spanned three years and included all Trans-European Transport Network (TEN-T) inland ports and their connecting seaports concerning inland waterway transport.

The study's primary objectives involved addressing environmental impacts, legislative and policy frameworks, proposing environmentally sustainable solutions, and identifying good practices. Additionally, it explored the role of inland ports as energy hubs, circular economy practices, and assessed digitalization and potential improvements. Pilot projects implementing environmental and sustainable management systems were conducted in selected inland ports.

EFIP was actively involved, providing input and views on the matter. Members were encouraged to contribute their thoughts to ensure that inland ports' perspectives were well-represented in the study. The study team planned to organize Europe-wide and regional events, particularly in the Rhine and Danube regions, and sought assistance in identifying appropriate dates.

An essential component of the project involved 10 planned workshops, the first of which took place in Belgrade in October. The workshops covered various topics, including the environmental impact of inland ports, solutions for urban and short-range inland waterway transport, and digitalization. The study aimed to develop Environmental and Sustainable Management Systems, to be tested in a pilot phase involving 10 willing inland ports starting in late 2024. The consortium issued an expression of interest for inland ports to participate in this pilot phase.

Notably, EFIP, since 2019, had advocated for the role of inland ports in Europe's energy transition, focusing on hydrogen development, on-shore power supply, and addressing urban logistics challenges. The study aligned with the objectives of the European Green Deal, aiming to reduce transport emissions by 90% by 2050.

EFIP Activity

- Organising first workshop with the Consortium
- Supporting the planning of other workshops at member events

Inland Port Hydrogen Position

Hydrogen has emerged as a significant contender for decarbonizing various sectors, including transportation, industry, and heating. In Europe, the European Union's (EU) strategy for achieving carbon neutrality by 2050 places a strong emphasis on developing hydrogen as an energy carrier. The EU's Hydrogen Strategy sets a target of deploying at least 40 gigawatts of electrolysers, producing green hydrogen from renewable electricity, by 2030. European countries are also individually committing to ambitious hydrogen strategies, investing in research, development, and deployment of hydrogen technologies.

Inland ports, strategically positioned within the European network to link the hinterland with seaports, are recognized as crucial components in the Trans-European Network for Transport (TEN-T). These multimodal hubs integrate various transportation modes, such as road, rail, and inland shipping. As part of efforts to reduce greenhouse gas emissions and air pollution, inland shipping is anticipated to transition to sustainable hydrogen as a fuel.

Deploying sustainable hydrogen technologies in inland ports is envisioned to efficiently decarbonize industry and logistics, fostering economic development and job creation. Hydrogen's potential as a fuel for low- and zero-emission vehicles, including inland vessels, trucks, trains, and equipment, is highlighted. Inland ports, serving as major industrial and logistical hubs, are well-positioned to address high energy demands sustainably.

Incorporating hydrogen infrastructure into operations allows inland ports to become integral to the hydrogen supply network. They can function as local and hinterland suppliers of hydrogen, contributing to the creation of hydrogen valleys –geographic areas with extensive deployment of hydrogen technologies, fostering local hydrogen economies.

However, challenges hinder the deployment of hydrogen solutions in inland ports. Issues include limited space for hydrogen storage and refuelling facilities in crowded port environments, safety concerns requiring significant investment, financing challenges due to the lack of established business models, legislative uncertainty, complex permitting procedures, and the challenge of achieving scale.

To overcome these challenges, recommendations include ensuring a coherent legal framework, developing a comprehensive strategy for hydrogen deployment in inland ports, supporting public-private partnerships to attract hydrogen experts, ensuring reliable avenues of investment, and promoting innovative solutions. A collaborative, system-wide approach involving national competent authorities, corridor coordinators, and both sea and inland ports is crucial to successfully integrate hydrogen into the European energy landscape.

EFIP Activity

- 3 Hydrogen workshops in cooperation with Think Port VIENNA
- Desimination and presentations at sector events

(c) Diein Loubi

Count Emissions EU

As part of the Greening of Freight package the Count Emissions EU initiative is geared towards overcoming obstacles hindering the harmonization of greenhouse gas (GHG) emissions measurement and calculation, aiming to facilitate its integration into the transport sector. The framework introduces a standardized formula, based on the ISO standard, enabling companies to calculate their GHG emissions. This standard establishes uniform rules and principles for emissions calculation in transport operations, incorporating the 'well-to-wheel' concept, encompassing both vehicle usage and vehicle energy provision emissions.

Key points of the regulation:

- Applicability: The regulation applies to entities providing or organizing freight or passenger services within the European Union, calculating GHG emissions for transport services starting or ending in the Union territory, including emissions from hub operations facilitating freight or passenger transfers.
- Mandatory Framework: While accounting or publishing of emissions is not obligatory, the new EU framework becomes mandatory for companies choosing to publish or share their emissions.
- Calculation Method: Article 4 establishes the method for calculating GHG emissions, proposing the use of the methodology from the new standard EN ISO 14083:2023. This standard covers operational GHG emissions from hubs, including ports, throughout the transport chain, excluding offsetting from the calculation.
- Output Data: Minimum output data includes total CO2e mass per transport service, with additional metrics for specific transport services, such as mass CO2e per tonne-kilometer for freight transport or mass CO2e per passenger-kilometer for passenger transport.
- Verification: A "Conformity Assessment Body" will verify the reliability, credibility, compliance, and accuracy of covered entities' output data.
- Data Use: Article 5 outlines rules for using primary and secondary data, prioritizing primary data for more reliable results and allowing secondary data under specific conditions.
- Certification for Tools: External calculation tools, commercial or non-commercial, must comply with CountEmissions EU framework requirements and be certified for use.
- Evaluation: The Commission will assess the rules five years after the full application of the Regulation to gauge the initiative's success.

From a port perspective many questions still arise from this proposal. In particular the untransparent ISO standard employed and possible future expansion is worrying.

NEWS

EFIP Events

EFIP General Assembly in Vienna

On 28 April 2023, EFIP members gathered in Vienna (Austria) for their annual General Assembly meeting. The meeting was hosted by the Port of Vienna (Hafen Wien). The focus of the event was the ongoing Trans-European Network – Transport (TEN-T) revision currently ongoing.

Workshop on the realisation of hydrogen in inland ports

Hydrogen has been identified by the EU as one of the primary energy carriers of the future that will help realise the green energy transition. EFIP and thinkport Vienna organised a workshop series on the realisation of hydrogen in inland ports.

EFIP Executive committee in Belgrade

On 20 October 2023, EFIP members gathered in Belgrade for their annual Executive Committee meeting. The meeting was hosted by the Port Governance Agency (PGA).

EFIP Events

Greening of Inland Ports

On 19 October 2023, the European Federation of Inland Ports (EFIP) met for the first time with the Ecorys' consortium for the study on Greening of Inland Ports.

European Week of Cities and Regions (ITEM)

On 27 September 2023, EFIP spoke at the European Week of Cities and Regions.

EFIP also partcicipated:

- 24-04 Advisory Board Pioneers Meeting
- 02-10 HYMANTOVALLEY Launch conference
- 10-10 IWW Workshop Transport Community Western Balkans
- ....

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