



European Federation of Inland Ports

Position of the European Federation of Inland Ports (EFIP) on the Alternative Fuels Infrastructure Directive

Europe's inland ports, as **Enablers of Green Logistics**, welcome the chance to evaluate the Alternative Fuels Infrastructure Directive. As the unique representative of inland ports in Europe since 1994 – constituting of nearly 200 inland ports located in 18 Member States of the EU and Switzerland, Serbia and Ukraine – EFIP underlines that this Directive is a key piece of the green transition, which will be hugely significant for the sector in the years to come. Inland ports can play a vital role not only as providers of alternative fuels, but also as green energy hubs, supplying industry, citizens and inland waterway transport.

EFIP considers two measures paramount for the successful development of Alternative Fuels Infrastructure going forward: the adoption of a **goal-based solution** - so that uptake is based on Green Deal emissions reduction goals and technological neutrality - supported by an **axis approach** to ensure infrastructure rollout goes ahead as efficiently as possible. Only through the implementation of these two approaches - alongside the **vital support of national and European funding instruments** - can inland ports ensure progress in alternative fuels infrastructure uptake and broader European climate goals.

Goal-based Solution

Inland ports believe that the current Directive does not fulfil two core tenets of European transport policy: goal-based emissions reduction and technology neutrality. By providing prescriptive (and in part arbitrary) timelines for the deployment of certain alternative fuels over others - LNG for inland waterways by 2030, but no specific targets, for instance, on hydrogen for inland waterways - the wrong signal is sent in terms of both technology neutrality and climate goals: not only have many inland ports expressed disquiet over the medium-term economic and environmental benefits of LNG, but the legislation seems to bind the sector to only one energy solution.

Inland ports suggest that the most **appropriate approach going forward is a goal-based one.** The aim of the Directive is to open the door for alternative fuels, but the Directive in its current form does not facilitate this goal. Prescriptive requirements for specific alternative fuels should be done away with, to give way for sector-specific targets aligned to the European Green Deal. In order to achieve those aims, **inland ports would propose a target of zero-emissions for vessels at berth by 2030.** This would avoid the problems of stranded costs inherent in prescriptive requirements and deadlines for infrastructure, while allowing ports the largest amount of flexibility to navigate their way towards emissions reductions.

Furthermore, to support the development of alternative fuels, **legislative action on technical and safety regulations must follow the pace of technological development.** In particular, **the ADN**



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treaty should be revised as a matter of urgency to facilitate the development of hydrogen as a fuel for inland vessels. Other legislation must also be enacted to approve and harmonise safety regulations around storage of alternative fuels in port areas.

Axis Approach

The AFID legislation currently requires all ports along the TEN-T network to install alternative fuels infrastructure. Practically, this is unfeasible for inland ports: fixed alternative fuels infrastructure would lead to oversupply in some areas and undersupply in others, as inland ports are not evenly distributed enough for fixed targets in all ports to make economic sense. A study conducted by the EICB for Dutch inland ports demonstrated that this approach would lead to a large amount of stranded assets in the case of LNG bunkering. EFIP thus emphasises that **alignment of alternative fuels infrastructure targets to the TEN-T network is not feasible**; another approach must be taken.

The legislation will only be successful on the back of an axis approach which aims to ensure that the relevant alternative fuels infrastructure is available to all users **while not forcing it to be present at every port or shore-side location**.

This requires stakeholders along each corridor to enter into dialogue to create roadmaps for infrastructure uptake per axis. A number of examples of this type of dialogue already in practise - including Rhone basin hydrogen plans, consultative platforms in the Seine-Scheldt corridor and the Dutch Green Deals approach - demonstrate that such platforms are the most efficient route to the uptake of alternative fuels infrastructure. Roadmaps would include all actors to create the greatest level of stakeholder buy-in possible, reflecting not only the significance of investment costs but the great benefits that economies of scale would bring to alternative fuels development.

It is important to keep in mind that it is almost certain that there will be no single alternative fuel in use along the European inland waterway network. Even in the short-term, it is highly probable that there will be fragmentation in alternative fuels across the network (H₂ along the Rhone, bioLNG in the Danube). In order to **prevent this fragmentation** and ensure the coherence of alternative fuels infrastructure for operators navigating across river corridors, **the axis approach will require European coordination**. A bottom-up approach led from stakeholders from the axes will ensure progress, but existing European platforms must coordinate the roadmaps and **ensure the highest possible interoperability**. Each regional plan would thus take into account the needs of traffic that crosses river corridors, and provides for installations corresponding to that traffic. This will ensure IWT operations have flexibility in their fuel choice, while at the same time economies of scale are facilitated to improve the competitiveness of alternative fuels.

The **current approach based on national policy frameworks has been unsuccessful** in accounting for the cross-border challenges of inland waterway transport. The axis approach could join the work of national authorities or may take a more grass-roots approach including actors along each corridor. Either way, the emphasis must be on effective dialogue, and must result in achievable roadmaps in line with the European Green Deal.



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The **axis approach** would also relieve some of the pressure on first movers, by ensuring buy-in from other stakeholders to follow the same technological routes. EFIP also underlines the **usefulness of mobile infrastructure**, particularly mobile OPS, which may be part of a 'step-by-step' approach taken by each axis towards the uptake of alternative fuels infrastructure, based on Best Available Technology (BAT) options.

But while a collaborative axis approach would reduce commercial constraints, **national and European funding instruments remain key** to ensure the sector can achieve sustainability goals. In areas where the business case is not yet mature, making attaining funding support difficult, joint applications along corridors to scale up infrastructure would be much more attractive. Indeed, **funding mechanisms such as CEF are central to enable the inland waterway sector - traditionally peopled by small companies with limited resources - to invest in, and aid the development of, alternative fuels**. Uptake of alternative fuels has so far been hindered in part by the financial models of IWT. This has meant innovations key for the commercial development of alternative fuels, such as retrofitting diesel engines for hydrogen use, have not been realised. Funding mechanisms are therefore essential not just for the long-term environmental viability of the sector, but also for the evolution of those alternative fuels to commercial feasibility.

Similarly, in cases of collaboration across actors including the public sector in large projects concerning an alternative fuel, **state aid rules must not hinder the development of alternative fuels infrastructure**. If necessary, the Commission should facilitate the classification of projects to do with alternative fuels as Projects of Common Interest (PCIs).

Finally, the legislation must realise the different alternative fuels paths of inland and maritime transport. To reflect inland waterway's difference in terms of energy exigencies, EFIP **recommends decoupling maritime and inland waterway transport** in the legislation. Ever more so in the future, fuel options will be different for inland vessels and maritime vessels. The legislation should thus reflect these very different set of challenges faced by the two sectors.