

Macroregional Transport Action Plan

The seed sown in the ground



From the very start of TransBaltic, our magazine was carefully watching how the project's grows. Now, all of TB's activities and findings have been gathered in a single publication, encompassing a set of policy messages. The "Macroregional Transport Action Plan" (MTAP) is thus meant to suit as a tool, tailoring the transport system to a desired shape.

The MTAP is not just a technical document pointing out areas which are struggling with insufficient interoperability, remoteness or economic backwardness. Suggesting ways how to deal with these problems, the paper also tables a vision for a green and competitive transport system to serve the whole region. If this approach succeeds, the whole EU can take a leaf out of its book. To put it more vividly, the MTAP is a TransBaltic's fruit – raised from a seed and hoped to payoff by multiplying the orchardist's efforts.

Mapping out the future success

The "Macroregional Transport Action Plan" has been focused on interfaces between the national planning frameworks, national/regional competence areas and the administrative territories. The focus on policy

is by no means accidental. In the opinion of TransBaltic, the BSR is in a need of interventions with specific legislation, harmonisation measures, incentives and management schemes if it is to secure the region's prosperity. One evident policy direction is to upgrade and expand the corridor infrastructure so that the strength of individual transport modes is exploited in proper combination (co-modality). In that respect, particular attention should be put to the nodes, as they connect individual modes of transport, consolidate passenger and freight flows as well as generate growth impulses to the surrounding area. This is the case of urban centres and ports/inland intermodal terminals, in particular at the intersections of high volume transport corridors.

Apart from networks and nodes, the policies for an integrated multimodal transport system in the Baltic Sea region ought to address a number of other issues, like:

- ICT solutions (to support better management and integration of transport flows as well as safety and security in supply chains),
- Legislative framework (to promote further market opening and fostering competition in transport),
- Funding issues and incentives (to find resources for sustainable transport, including internalisation of external costs of transport),
- Behaviour (to educate, inform and involve broader public),
- Competence management (to raise and harmonise the competence in the transport and logistics sector),
- Governance (to develop effective and coordinated action of different actors involved at various levels of government in order to avoid conflicting approaches),
- External dimension (to raise awareness of the policy solutions internationally and to ensure further trade exchange with countries outside the BSR).

As the BSR is not homogeneous in terms of development status, the policies shaping the integrated multimodal transport system should respect specificities of individual territories. They need to take into account the socio-economic growth potential, geographical location, quality and distribution of transport infrastructure, facilities and services (e.g. density and capacity of road and rail links, ports, terminals, etc.) or local/regional growth agendas. Therefore, while some policy actions proposed in the "Action Plan" are of general character, some others are place-based and customized to the situation of specific subregions.

All of the policy messages have their particular exemplifications in the MTAP. The list is based on concrete analytical and demonstration work by TransBaltic and the cooperating projects, done together with transport and logistics business stakeholders. The descriptions specify why the given area needs intervention, what should be done, who ought to take up the task and how things should be sorted out

Policy message #1:

Improve interfaces between national networks and transnational corridors (for better TEN-T policy implementation)

The accessibility of some BSR territories such as the Barents area, the three Baltic States and areas in the northern part of Poland may further deteriorate due to e.g. rising transport costs and strategic choices in public expenditures. In addition, other parts of the BSR (the Danish Straits, Gdańsk-Gdynia-Elbląg-Kaliningrad belt, or Russian cluster of ports in the Gulf of Finland) may face serious capacity pressures by 2030. All interested parties as well as EU/national authorities responsible for transport infrastructure and national transport administrations should develop a transnational plan (financial and legal) of investments in the interconnecting infrastructure in order to overcome capacity bottlenecks as soon as by 2020. If the idea lands in a dustbin, the BSR might suffer from lesser competitiveness and downgrading accessibility.

Policy message #2:
Increase potential for intermodal flows (enhanced multi-modal corridor planning)

According to TransBaltic, there is poor knowledge about the impact of infrastructure improvements on logistics operations and it takes considerable amount of time before benefits of such investments can be fully absorbed by the users of infrastructure. In this case the EU/national and corridor management bodies along with private companies ought to start a dialogue as to identify investments crucial for unblocking potential for long-range intermodal operations via transnational corridors. Such investments would effect in mitigating the risk of scattered and ineffective projects. No actions performed might result in hampered development of intermodal solutions and more congested roads, since preference will be still given to road transport.

Policy message #3:
Increase the intermodal potential of east-west transport corridors linking the northern part of Scandinavia with Russia and Asia

The capacity of the current rail system, linking Scandinavia with Russia and Asia, will be too low to serve the increasing exploitation of natural resources, such as iron ore or timber. In addition, the present transport infrastructure, facilities and other resources in the corridors are not used to the full potential due to weak intermodal offer. Therefore, private companies and public authorities from Sweden, Finland, Norway and Russia should focus on establishing a coordination platform which would streamline different stand-alone supply chains into an effective east-west corridor. Otherwise, we may experience a low share of intermodal transport in the northern part of the BSR as well as suffer from costly alternative options (e.g. a 800 km truck-based detour around the Gulf of Bothnia).

Policy message #4:
Reinforce the role of BSR seaports in the EU TEN-T policy

According to TransBaltic, the TEN-T core network seems to be not well configured for the region as some Baltic main ports (e.g. Trelleborg, Szczecin-Świnoujście, Riga and Klaipėda) are not part of any core network corridor while criteria for corridor designation are unclear. Also there's no core corridor extension to Russia despite its role in the BSR's trade exchange. All EU levels – the Commission, Parliament and the Council – together with national governments, trade organizations and Pan-Baltic organisations should work on a proposition of changes in the TEN-T network, which should be adjusted to maritime transport developments needed in the Baltic area.

Policy message #5:
Exploit benefits of small seaports in the BSR transport system

As much as 66% of ports in the BSR handle less than two million tonnes annually and serve mostly local industries thus also contributing to the evolution of their subregions. Yet, most often they do not have the necessary background to finance infrastructure developments, nor do they have the clout to secure their prosperity on the top EU level. Therefore, all parties involved in small ports' operations should advocate in favour for removing bottlenecks in the free and unrestricted access to the ports, as well as launch a joint transnational cooperation project to assist small ports in strengthening their market position (e.g. by exploring market niches, actively collaborating with local/regional authorities and businesses, establishing strategic partnerships and alliances to offer more complex products).

Policy message #6:
Facilitate the development and operation of Baltic container hub

There are visible trends towards more intensive use of intermodal transport solutions thus enlarging BSR seaports' hinterlands and their role in supply chains from serving only regional/feeder traffic to handling direct calls of main line vessels. Nonetheless, the upkeep of such hub operations requires public support, as exemplified by success stories of container ports like Hamburg or Gothenburg. Therefore, authorities on various levels – local/regional governments, national transport administrations, port authorities, shipping and terminal operators as well as logistics providers should accommodate the hub development perspective in local and regional strategies by preparing a long-term vision of a well-developed port-hinterland system for the most promising BSR container hubs. Such a vision should adopt a system-oriented approach to port development by integrating planning perspectives for a port itself, the port city and satellite intermodal terminals. The plan should also ensure a common-user e-commerce-based administrative and commercial services in the port in order to connect them to the IT networks of other market players and administrations.

Policy message #7:
Implement the dry port concept in the Baltic Sea region

Despite their obvious potential, dry ports are not on the political agenda in the BSR due to low public awareness or good practice information. EU and national transport policy makers, regional and local public administration along with supply chain actors should showcase dry port developments and their positive role in achieving a sustainable transport system (e.g. as derived from the dry port cases in the North Sea area). They should also popularise the dry port concept in European, national and regional plans and strategies, including traffic and land use planning, with a possibility to use high capacity road transport (e.g. duo trailers) in case no rail service is available or economically viable. Meanwhile, some public-private pilot dry ports investments should be launched in different parts of the region (TransBaltic pilot cases). A joint plan for dry ports development would result in increased transport efficiency, expanded areas for seaports with limited space, partly mitigated congestion on access roads to the ports, increased logistics competitiveness of the hinterland and new business models.

Policy message #8:
Increase attractiveness of waterway transport

TransBaltic believes there is a strong development potential for inland waterway transport (IWT), particularly in such countries as Finland, Germany, Russia and Poland. Taking this into account, national and regional public administration, waterway authorities and shipping companies ought to specify major infrastructure and capacity investments to improve quality of IWT services and its better integration with the logistics chains. In this context, inland waterway ports shall be considered as potential intermodal transport nodes along with the dry port concept. This would allow to sufficiently consolidation of goods to obtain economies of scale and develop such ports as industrial, urban and regional growth flywheels. If this succeeds, it will also be easier to achieve EU's transport policy goals (e.g. reduction of harmful emissions).

Policy message #9: Optimise empty container management

The share of empty containers transported across the Baltic region is higher than the global and European average. In the first place, the region requires information campaign directed to the transport sector about negative impacts (noise, air pollution, land use), together with creation of a stakeholder platform to develop optimisation means run by a neutral moderator who could help streamline empty container management. Also, concrete case studies should be provided with financial support while implementing measures to reduce empty flows.

Policy message #10: Establish open ICT platforms to support intermodal transport

Selling intermodal transport services through open Internet platforms does not seem to gain in popularity. Intermodal operators are also focused on their key account clients, making it hard for small enterprises to obtain satisfactory conditions. An open ICT platform should be designed, where smaller shippers could unite and consolidate loads to receive better prices from intermodal service providers. Regional administrations, ICT application operators, confederations of small & medium enterprises, logistics clusters and software companies should communicate success stories to show competitiveness of alternative-to-road modes of transport as well as the scale of potential profits.

Policy message #11: Build a system of backup intermodal terminals in case of rail traffic disruptions

There is a specific concern among shippers regarding rail transport reliability in case of service incidents or when a rail line is closed/burdened with heavy delays. This very much relates to simple information about delays, damages, etc. What is more, intermodal terminals along the rail route could offer extra service capacities e.g. for time-sensitive cargo in case of traffic disruption, which would require formal agreements between train operators, infrastructure managers and terminal operators. The concept would need an operational scheme with deployment criteria (defining the required circumstances), commercial aspects (e.g. handling and access price, dwell time for load units and wagons), responsibilities and routines on rerouting and so forth.

Policy message #12: Facilitate a harmonised traffic information framework via ITS

There are several hindrances against effective deployment of Intelligent Transport Systems (ITS) across Europe. The problems are particularly challenging in trucking sector due to a vast number of actors. For example, the Øresund area with a relatively densely populated region and fast growing long-distance truck traffic sees accessibility and congestion an important policymaking issue, to which an improved traffic information may contribute. Yet, today there are three different ITS systems within 4-5 hours' drive. Transport regulators and traffic management bodies, ITS research and development organizations, finally freight companies themselves, need to create a stakeholder group from the most affected countries (Sweden, Denmark, Germany, Poland) and launch a pilot case on a representative route (like Øresund area) with replication potential to other cross-border territories in the BSR. The final recommendations should help improve punctuality of deliveries, cut down fuel consumption and transport costs.

Policy message #13: Coordinate results of EU-supported transport development initiatives

There are no managerial schemes successfully identifying and transferring outcomes of finished transport development initiatives to the ongoing and future territorial cooperation projects in the BSR. According to TransBaltic, money and human resources allocated to transnational cooperation in the BSR are not optimally exploited with potentially adverse consequences for addressing transport and accessibility challenges by the new generation of programmes. The European Commission (DG Regio), EU Baltic Sea Strategy PA Coordinates, managing bodies of relevant projects and their beneficiaries ought to start a dialogue concerning a more systematic approach as regards compiling achievements of past initiatives (e.g. co-funded by Interreg, Framework Programme, Marco Polo, etc.) and develop relevant frameworks for continued sub-optimisation of performance as well as better value for public funding.

Policy message #14: Prepare for a growing trade exchange with India

A dynamic growth in the UE-India trade volumes (which doubled over 2000-2008) should be further boosted by an upcoming India-UE Free Trade Agreement and the present low India-Baltic, estimated to grow eight times till 2030 (11% annually). Therefore, the Baltic countries and India's national authorities, intergovernmental organisations, universities and research organizations should design a strategic vision and a structured agenda (with pan-Baltic approach) for stronger economic relations between the two areas. This might include transferring experiences in PPP investment models to the Indian ports and hinterland infrastructure; measures stimulating direct infrastructural and technological investments by the Baltic companies in the Indian container port sector or by encouraging direct liner services to BSR ports. In case of no actions, there is a risk of liner services settling down in the Mediterranean, and cargo bound for the BSR being handled by e.g. North Adriatic ports

Policy message #15: Consolidate development initiatives of the regional communities

Past experiences show that planning for more sustainable transport is a systemic thinking process, with many interrelated thematic areas and all relevant stakeholders involved. Yet, some development initiatives tend to concentrate on single aspects of transport sustainability. Individual sustainable transport actions are often fragmented, sub-optimised and may even be contradictory to one another. The region definitely needs an overall vision on how to achieve a sustainable transport system, shared by all involved stakeholders. Such a vision requires a set of objectives followed by a roadmap of technical, spatial and social solutions. Otherwise, we will face fragmented plans regarding e.g. spatial planning, energy use and supply, investments in infrastructure and transport related ICT solutions. This will lead to drawbacks in interconnectivity, interoperability and needed interfaces to achieve sustainability. Expensive, however sub-optimised policy and investment decisions would jeopardize the overall goal of achieving a sustainable transport system in the BSR.

Policy message #16:
Develop a dedicated assessment and promotion mechanism for green transport policies

In the opinion of TransBaltic, we can observe an insufficient level of knowledge among transport decision makers about consequences of applying EU transport policy measures in the specific conditions of the Baltic Sea region. Also, there is a varying market demand in the BSR for environmentally-friendly transport solutions. The framework of the EU Baltic Sea Strategy should be used to launch a dialogue among the transport/logistics stakeholders on customising the EU transport greening policy proposals to different parts of the BSR. The dialogue should also incorporate education and promotion measures (e.g. success stories in combining green production with green logistics) as well as harmonisation measures between the EU and its eastern neighbours (Russia, Belarus, Ukraine). This can cover e.g. the issues of certification, product labelling of terminals and particular services, common cargo safety standards and faster, less complicated customs procedures. All of this would help to achieve the EU Commission's 2030 targets concerning transport and better develop Pan-Baltic transport system.

Policy message #17:
Establish a transnational competence management system for labour force in port logistics

Investments in human resources and securing the so-called social sustainability are essential to satisfy the demand for qualified labour. We can see also the demand for labour flexicurity (flexibility and security) in port-related container logistics, but the need to keep the qualified staff during off-peak periods on the one hand and the international regulations and standards on the other challenge economic stability of port companies. The European Qualifications Framework (EQF) makes national qualification systems comparable throughout the EU and thus promotes cross-border mobility and life-long learning of workers. However, BSR seaports regulate their VET needs (vocation, education, training) individually, with little transnational compatibility. Currently, we do not have any quantitative data with regard to attribution of employee numbers to the EQF reference levels. In order to improve the situation, there's a need for a comparative review of the existing training and regulatory standards. A BSR platform should be established for interested stakeholders to discuss specific measures matching skills of port workers to the global logistics demands. Last but not least, the current demo of the transnational competence management system developed by TransBaltic should be extended to an operational form. In the end, the attained flexicurity of BSR ports in terms of human resources will lead to a greater adaptation to changing conditions of logistics.

Policy message #18:
Improve cooperation between the intermodal supply chain parties

Due to high complexity plus an ongoing transition process to a fully commercial market, international intermodal transport is not perceived with full trust. As for now, there is also little interest in obtaining formal education regarding intermodal transport solutions. As TransBaltic sees it, workshops should be arranged to identify critical success factors and propose necessary information and education actions to make intermodality it more competitive to trucking. Meanwhile, we also need a joint information strategy highlighting the benefits and best practices, and a formalised platform to improve knowledge exchange in the supply chain.

Policy message #19:
Set up governance structures for transnational corridors

Transnational corridors are vital for the competitiveness of the European transport sector, but they need a long-term support from different stakeholders, both from the public and private side, and require also a competitive edge over other cargo routes. Accumulated experience with corridor governance in the BSR (e.g. EWTC Association, the "Green Corridor Manual") may help to create management schemes for the sake of the core TEN-T. The evolution of corridors necessities also a single point of coordination which delegate tasks to the relevant stakeholders as well as puts forward a strategy for all parties within the corridor's partnership. Without harmonization, the freight corridors are doomed because there will be no common procedures for identifying bottlenecks and the whole concept will perish due to self-interest actions performed by countries along the corridor.



Putting the "Action Plan" into action

The MTAP has a rolling character, meaning that it will be systematically updated and adjusted (e.g. thematic extent and content of the policy actions) to available financial and human resources. Inputs in such areas as new fuel and vehicle technologies, clean shipping, passenger services, local and regional transport, air transport, etc., could be delivered by the ongoing and future transnational and cross-border projects in the BSR. The MTAP implementation progress will be reported on a periodical basis to the Policy Area 11 coordinators of the EU Baltic Sea Strategy.

However, the introduction of the MTAP will face some serious challenges. Despite the long-lasting and intensive cooperation over the state borders around the Baltic Sea, very little attention has been paid to absorbing findings from joint transnational projects into the national transport planning procedures. No mechanisms have been created to embed results of jointly prepared strategic documents in political and administrative structures to avoid revisiting of the initiatives in effect of new political elections or organisational changes.

The main aim of the project's follow-up initiative – BSR TransGovernance – which rests on results of TransBaltic, East West Transport Corridor II and Scandria, will be to develop methods of building trust and commitments among various stakeholders interested in performing a joint action for the sake of the Baltic Sea region. Its objective is to demonstrate how multi-level governance models, tools and approaches can contribute to a better alignment of transport policies in the BSR at various administrative levels. This is expected to increase the commitment of both public and private stakeholders in achieving a greener and more efficient transport system in the BSR.

Even so TransBaltic finalized its activities, the "Macroregional Transport Action Plan" stays to keep an eye on the project's garden. Another people will come and hopefully pick the ripest apples, carrying the seeds to be planted in other parts of the world. ■

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The article is based upon the "Macroregional Transport Action Plan" authored by TransBaltic. The full document, covering the whole index of concrete policy actions, can be downloaded from the project's website www.transbaltic.eu