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The role of Mediterranean Regions in the governance of European Transport Policies and in the development of Motorways of the Sea

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EUROPEAN UNION POLICY ON MOTORWAYS OF THE SEA

Background

Maritime transport has always been the backbone of international trade. Presently, the vast capacity it offers is yet to be exploited, while road transport networks are overcrowded. Motorways of the Sea (MOS) could become a veritable alternative to congested roads and a useful way to reduce costs, save energy and improve the environmental impact. The concept of motorways of the sea aims at introducing new, integrated and intermodal maritime-based logistics chains with high quality maritime links to connect the limited number of selected ports that are located at strategic points on European coastlines. In this perspective, the port should become a real highway, where the goods arrive by trucks or containers, then shipped without unnecessary delays, while ensuring all maritime safety rules. By providing a regular and high quality alternative to road transport permitting a massive modal shift of freight traffic from roads to sea routes, this new logistics chain will bring to a structural change to transport organization.

TEN-T policy and Marco Polo II

MOS concept joined the European policy agenda in 2001, when it was plugged into European policies on transport and, specifically, within the framework of the promotion of a trans-European transport network (TEN-T policy).

Adopted by the Council and the European Parliament in 2004, the guide lines of the TEN- T Policy provide the legal framework for the financing of "Motorways of the Sea". Under the legal provisions of Article 12a, MOS projects objectives are the concentration of the freight flow on sea-based logistical routes, the increasing of territorial cohesion and the reduction of road congestion through modal shift.

The four corridors identified for MOS are the Motorway of the Sea of the Baltic Sea (linking the Baltic Sea basin States with Member States in Central and West Africa, including the route between the North Sea and Baltic channel), the MOS of Western Europe (Portugal and Spain via the Atlantic arc to the North Sea and Irish Sea), the MOS of south-east Europe (connecting the Adriatic Sea with the Ionian Sea and the eastern Mediterranean, including Cyprus) and the MOS of south-west (western Mediterranean, connecting Spain, France, Italy, Malta and which connects with the MOS of south-east Europe , including links with the Black Sea).

MOS are also included in the Marco Polo II programme, the European Union funding tool to support intermodal projects for the period 2007-2013, financial continuity or any final independent evaluation of their efficacy.



Other European policies

MOS projects have become a key element also for other European policies such as the European strategy for sustainable development, the Integrated Maritime Policy and the Euro-Mediterranean partnership. In this context the development of MOS has become a fundamental objective of the Union for the Mediterranean launched in 2008 which contains the MEDA-MOS initiative aimed at setting up pilot projects that prefigure the future Motorways of the Sea in the Mediterranean transport network, within the framework of the euro-Mediterranean Regional Transport Action Plan (RTAP) 2007-2013.

Different, but complementary vision

Different, but complementary visions: At European level, MOS are the focus of two different but complementary visions. On the one hand, according to the TEN-T policy approach, they are seen as a way to develop and improve the trans-European transport network and, in particular, to enhance trade flows within the EU and stimulate the integration of maritime and peripheral areas within the single market. In this perspective, MOS should not be seen in competition with road transport. On the other hand, MOS are seen as a part of modal shift policies aimed at reducing road congestion and improve the environmental impact. In this perspective, they are part of a more ambitious vision that aims to change radically the proportion of goods being transported by road consistently decreasing the environmental impact. In this view, MOS are supported by the Marco Polo Programme aiming at creating 'New ways to a green horizon'.

THE PROGRESSIVE TRANSPOSITION OF MOS AT NATIONAL LEVEL

While stressing the importance of MOS, the European Union does not dictate specific rules or guidelines, thus contributing to strengthen the prudent attitude of many States in receiving such projects. Consequently, national policies on transport remained almost unchanged.

The legal recognition of MOS

In France MOS have been mentioned for the first time in official governmental statements in 2003 within the Inter-Ministerial Committee of the Sea and the Interministerial Commission for Development and Territorial Planning. In particular, this latter has proposed to create a MOS between France and Spain across the Atlantic Ocean, announcing also the launching of preparatory studies in the perspective of a future similar project in the Mediterranean Sea. MOS have been legally recognized in 2008 through their inclusion in the environmental integrated strategy, the so-called 'Grenelle for Environment' law. In the French perspective, therefore, MOS are included in the national strategy on the environment, but the degree of their integration into the transport policies remains quite weak.

In Italy, however, there is still no specific national legal framework covering MOS, although there are acts that, in general, refer to shipping routes. MOS are supported mainly through the mechanism of ecobonus, incentives to road haulage to shift their traffic from the road only to a mix between road and sea, but also through facilities to shipping enterprises and public authorities to develop the short sea shipping, or through the creation of Rete Autostrade Mediterranee S.p.A. to realize MOS projects in the Mediterranean basin.

Despite these efforts, road transport in Europe continues to prevail on the sea routes. The promotion of alternative ways requires, therefore, the adoption of a completely new and different approach, oriented to the creation of favorable logistical conditions able to push the transport companies to choose the MOS as the best solution. It is a complex logistics revolution that cannot be accomplished in a short time.



Defining the Decision Making Process

THE SPECIFIC CONTRIBUTION OF REGIONS TO MOS

In most European member States, transport has become mainly a regional competence. However, their influence on national decisions varies according to the institutional national context. In France, for example, regions have little influence on national policy on transport, unlike in Spain and Italy.

Initially, maritime regions, especially the Mediterranean ones, were enthusiastic about MOS concept. They saw the motorways of the sea as an excellent opportunity to develop additional transport infrastructures, reduce road congestion and improve the environmental impact.

From the beginning, many regions, alone or networked with other regions, have sought an active involvement in the MOS policies both through the action of the Committee of Regions and by sending contributions to the various green papers prepared by the European Commission. In addition, an important role is also played by the Conference of Peripheral Maritime Regions (CPMR), which, through its Transport Commission, has repeatedly reaffirmed its resolve to make the region become a leading partner in the implementation of the innovative concept of MOS. The CPMR, in particular, has played a relevant role on two important issues related to the European policy-making: the inclusion of MOS in the financial system of the TEN-T policy (from which they were excluded until 2004) and the establishment of a European coordinator specifically devoted to MOS, with the task to annually evaluate the attained progress.

THE GOVERNANCE OF THE IMPLEMENTATION PHASE

Those for the MOS are, by their nature, complex projects involving different actors, both private and public authorities, and different levels of decision. In this framework, it is possible to distinguish between public and private spheres of action.

The public sphere

Public actors represent a large proportion of all actors involved in the implementation of MOS projects. In the public sphere, different visions and different systems interact, involving different types of actors at different levels of action.

European policies

The two European programs supporting MOS, TEN-T Policy and Marco Polo, have, each, their own financial system and their eligibility criteria, both, according to many actors involved, very complex from the bureaucratic point of view.

Within the TEN-T policy, a dedicated budget of 310 million euros has been allocated for the period 2006-2013. The grants cover 20% of the cost of the infrastructures, the remaining 80% must be supported by the State or by individual private companies. To be eligible, projects must involve the development of facilities (logistic systems, electronic management, security) and infrastructures (ports) within two member States and promote intermodal transport with a view to reducing road congestion. Grants may not be used to finance mobile infrastructures such as ships, trains or planes.

The Marco Polo programme requires a continuity of involvement in the project of 5 years, with about 1 billion 250 million miles. Grants of this programme do not exceed 35% of the costs. The Marco Polo differs from the TEN-T policy as it is characterized by a bottom-up approach based on private enterprise: projects are submitted directly by the operators, often being shipping companies. In this context, public authorities are barely involved, contrary to what happens in the case of the TEN-T policy in which the main actors are the national States (top-down approach).

The key role of Member States

In the Mediterranean, two interesting initiatives are to be observed. The first, launched in 2009, is the creation of a "Med West Corridor" between France, Italy and Malta aimed at identifying ideas or projects on the possible connections between these three countries.



The idea is to involve at least two ports in two different countries, and one maritime transport operator. The projects are to be presented in the first instance to the Member States and then to the TEN-T and Marco Polo for a possible co-financing. Another similar initiative covers the eastern part of the Mediterranean basin, the "East Med MOS" which would connect Italy, Slovenia, Greece and Malta.

Sources of funding

In addition to the TEN-T funds and those provided by Marco Polo programme, Member States shall promote and support the creation of MOS with its own financial resources. In Italy, for example, RAM S.p.A was created in 2004. It is integrated into the Ministry of Economy and Finance and it is the operational arm of the Ministry of Transport and Infrastructure. It is the main structure that deals with MOS, manages its governance, and is responsible for relations with national and international levels. It also manages the incentives (ecobonus) and implement researches and analysis to identify priority action programs. In France, on the contrary, there is not a unique system dealing with MOS. MOS issue is handled differently between the Mediterranean and the Atlantic Coast, bringing to a different degree of financial involvement of the national authority.

The role of Regions

As far as the implementation of MOS projects is concerned, regions are not a leading stakeholder. Nevertheless, their contribution should not be over-looked in terms of financial participation but also in terms of contribution to the expertise process.

In many European countries regions are the actors with the competences required by MOS projects, such as transport, spatial planning and economic development. The role that regions play is very different according to the national contest. In Italy, for example, they have an important role in the creation of the MOS since they are the body responsible for approving the schemes of port planning, essential for all future projects of MOS. In 2007 the Liguria Region, the authorities of the Ligurian port and the RAM company signed a memorandum for revitalizing the MOS as part of a funding programme for the future. In France, since 2000 regional councils have full authority with regard to public transport within a single region, but they are not key players in the development of MOS projects. Contrary to the Italian experience, PACA regions have not created any joint initiative to implement MOS. In contrast, regions can play an important role in the financial participation as in the case of the connection between Toulon and Civitavecchia, funded from 2005 to 2008 by a PACA regional council.

THE PRIVATE SPHERE: COMPANIES AS THE END-USERS AND ULTIMATE DECISION TAKERS

Private companies are the key actors involved in MOS projects. Among these, a key role is played by the ship owning companies. Most of the connections between Spain and Italy, for example, have been created and promoted by those actors, supported by funds from the Marco Polo programme.

An important role is played also by road transport companies and freight brokers, who ultimately decide to use or not MOS connections, on the basis of the reliability in terms of timetables, safety of cargos and goods shipped. Sometimes, they can also initiate projects on their own, as in the case of the connection Marseille-Savona. For these actors, MOS may have advantages in terms of diversification of logistics solutions, thereby reducing dependence on road transport and the risks of transporting dangerous goods. Moreover, they are pushed to develop MOS projects by a series of incentives and funds provided by the Marco Polo programme. Despite this, however, transport companies are still reluctant to MOS and they show little confidence towards a so complex system and still at its first steps.



EVALUATION OF THE GOVERNANCE OF MOS PROJECTS

The introduction of MOS necessarily imposes a significant evolution, if not revolution, in the logistics chain: in particular, to prepare and implement these projects a high degree of coordination among the different stakeholders is required, so that everything runs quickly and safely. Today, this degree of coordination does not exist and each actor in the chain has its own timing and procedures, making the system as a whole less fluid than required by MOS projects.

The 'governance gap'

The MOS projects governance involve several actors (State, local and regional players, transportation and logistics companies, port authorities, experts, chambers of commerce etc ...) which are generally gathered in a Steering Committee. Nevertheless, governance related to each project remains intricate and complex. In The words of Mr. Vanderhaegen of the DG TREN: "The governance of MOS suffers from the lack of cooperation between private and public actors. Public and private actors behave as if they belonged to different worlds and do not trust one another". Many stakeholders underline the gap between the complexity of MOS projects and the limited system of governance created for their implementation. The above mentioned project launched in 2009 by Italy, France and Malta, for example, involves only three actors: a shipping company and two port authorities. Such a small level of governance excludes many other key players, and aspects of their expertise, from a project of which they are still implicitly part and that will involve them closely.

MOS AND REGIONS: THE END OF GREAT EXPECTATIONS?

MOS: progressive desillusion of regions

As we have seen, at the beginning regions raised great enthusiasm toward MOS, especially the Mediterranean ones. Today a gradual disillusionment and a growing scepticism characterizes the regions attitude, due to the fact that regions are increasingly aware of the complexities linked to the governance of these projects and conscious of not being able to play a leading role in their development.

A limited development

Generally, if we look at the official statements, MOS are presented as the 'future' of the Mediterranean regions. The European Commission, for example, stated its desire to strengthen the Union for the Mediterranean also through the MOS. If these claims, on the one hand, indicate that MOS are not a reality yet, but a plan for the future, on the other hand it is not possible to forget the various voluntary initiatives inspired by MOS that are being born in some Countries, as the case with many new connections between Spain and Italy.

European funding

It is true, however, that the development of MOS is still limited due to a range of complex and intertwined reasons. First, the European Commission often encounters difficulties to identify a really mature MOS project. Consequently, a large sum of EU funds remain unused. Of the 310 millions euros made available for the period 2007-2013, today 280 have remained untouched. The same is true for the Marco Polo programme through which 25 intermodal transfer projects were funded, only one of which is a MOS.

The success of short sea shipping connections

Another cause of development of MOS is the persistent increasing and the prevalence of the limited the short-sea connections, mostly in the Mediterranean. The Italian case escapes, in part, to this logic: MOS in Italy have increased their traffic thanks to their convenience and competitiveness, fueled by the State mechanism of ecobonuses. Thanks to these incentives and to European funds, for example, the Grimaldi company has created 18 new lines, thus doubling its flows between Italy and Greece.



Previous experiences

In addition, past experiences proved unsuccessful. The case, for example, of the line Toulon-Civitavecchia has left bad memories in the PACA regions, highlighting the internal gaps of regional authorities regarding MOS projects and underlining the lack of internal expertise and the difficulties to follow-up projects in the long run.

The role of national policies on transport

The development of MOS is also limited by national policies on transport and pricing policies they supported. In particular, they generally continue not to promote alternatives to road transport nor intermodal transport. Many stakeholders underline that the pricing policy on the carriage in many countries massively favors road transport, and that in transport costs, the costs related to the negative externalities are not included. The lower prices of road transport compared to the other ways of transport is reinforced by a sort of competition to the downside, due to the arrival of many drivers from Eastern Europe who carry out the same service at a lower cost, making road transport even cheaper.

European barriers on public aids

Finally, even the strict European regulations on State aid to private companies have a negative impact on the development of MOS. Public bodies, such as the European Commission, Member States or regional and local authorities, may only minimally and through complex procedures encourage private actors to financially invest in MOS or similar projects, thereby limiting their development. According to some experts, a real development of MOS may only occur with a more massive participation of the public sector and, in this perspective, MOS should be considered a real public service, a service of general economic interest (SGEI) rather than a private operation. This new definition would allow to escape from the limits (rate, duration, ceiling) imposed by the Marco Polo and the TEN-T rules that hardly restraint the capacity of modal shift. In the framework of the TEN-T policy, as we have seen, it is not possible to finance the construction of mobile infrastructure such as ships. Define MOS as a SGEI would allow that, as a vital step in building a real infrastructure of general economic interest.

LEVERS OF REGIONAL INFLUENCE ON NATIONAL AND EUROPEAN UNION TRANSPORT POLICIES

Lack of visibility

The regional influence on national and European policies on transport remains rather limited. In fact, regional actors have little visibility and they are relegated to a marginal role. And that is clearly visible in the numerous reports, including the European Union ones, dealing with MOS, as well as in various meetings on both national and Community level.

The interregional cooperation bodies

Another factor limiting the regional influence is the lack of capacity and competences of the interregional cooperation bodies. For example, the working group of the Inter-Mediterranean Commission of the CPMR did not create a framework for the MOS nor a defined position, partly because of the the central position of some regions such as Aragon, that focus on other types of transport, in this case the trans-Pyrenean connections, rather than on maritime projects and MOS.

The private lobbies

Contrary to regions, private lobbies are very influential on European policies on transport, particularly within the DG TREN. This influence is due to their organization, efficiency, flexibility and availability of resources and also to the constant contact with the different EU institutions through detailed reports and documents.



France and PACA

A LACK OF MATURITY OF MANY REGIONAL AUTHORITIES

The contribution of regions to national and European policies on transport is concentrated mainly in the preparation phase, rather than on the implementation of the project; and this is paradoxical since the implementation phase seems the most consistent with regional competences.

One of the reasons for the limited regional influence is related to the fact that, as we have seen, MOS projects inevitably require a channel logistically very complex that involve many actors in the region, who must know how to coordinate each other and with other actors, both public and private ones. To this end, regional actors should develop a strategy on transport, embedded in a broader strategy linked to spatial planning and economic development, too. In many cases, however, this strategy on transport does not exist, as in the case of the Lazio Region, which has only prepared the guidelines, or is very limited and, in this case, the MOS have a marginal space or no space, as in the case of Liguria Region. Apart from the lack of a clear transport strategy at regional level, many authors also highlight the lack of skills and expertise, especially in the Mediterranean regions, and the lack of human resources specifically devoted to these projects. Finally, to further complicate a so intricate picture, there is an evident lack of dialogue between the various actors in the project.

RECOMMENDATIONS

Centrality of MOS for the development of the transport sector

The introduction of the innovative concept of MOS, with its consequences in terms of logistics, has been differently accepted by different European Countries and, within them, by various public and private actors. But, the common trait is that intermodal transport is still limited compared to the traditional one.

Like many new and innovative concepts, MOS will require additional time and resources to be implemented. The precondition for this to happen is that States and all involved actors become aware and, then, witnesses of the centrality that MOS project play and will play in the future development of transport in the Mediterranean area. Intermodal transport should be developed and strengthened, thus providing a preferable alternative to road transport, in terms of economic and technical benefits.

Interregional cooperation

The development of the transport sector requires the strengthening of interregional cooperation, both at the institutional level, in the definition of a common interest strategy, and operational one in order to expand the operativeness of the single regional action and increase the cost-effectiveness of interventions.

Regions and EU programs and

Regional actors should seek a greater visibility and new ways to gain more influence on national and European policies on transports, not only in the preparatory phase, but also in the practical implementation of the project, also by enhancing their skills and expertise. Regional actors should pay a greater attention to EU Commission programs and policies, in order to make use of the resources it makes available but largely unused.

Coordination among public actors

Finally, the governance of MOS project is too complex yet. There are heterogeneous actors, public and private players, each with its own need and priority, and often suspicious towards each other. It is therefore necessary to improve coordination among the different public actors in order to promote a productive dialogue with the private players.



CONCLUSIONS

Motorways of the Sea are an innovative concept that requires above all a reflection on an important way of transport which is much more than that, given the benefits it can bring: less congested roads, prevention of the accidents, lower environmental pollution, a new way of eco-friendly living. In the same time, it is an idea that requires a huge logistics evolution that not all Countries are ready to implement or have immediate interest to do. It is also a central issue for the interests of a puzzle of very different actors, each with its own priorities and often uncoordinated each other. The concept presents challenges that are certainly important, as well as relevant are the benefits that will accrue in terms of economic competitiveness, development of the common market and economic and social cohesion.

THI POLICY BRIEF

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RESOURCES

For bibliographical resources, please refer to Institut de la Méditerranée: **"The role of the role of Mediterranean regions in the governance of European Transport Policies and in the Development of Motoways of the Sea"**

[http://www.medgov.net/sites/default/files/thematic_report_transport\[1\].pdf](http://www.medgov.net/sites/default/files/thematic_report_transport[1].pdf)

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