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Motorways of the Sea – general objective

• Are considered the maritime pillar of the Trans-European Transport Network [...] contributing towards the achievement of a European Maritime Transport Space without barriers for Short Sea Shipping, connecting the Core Network Corridors by integrating the maritime leg and also facilitating maritime freight transport with neighbouring countries [...] They shall also promote sustainable shipping concepts.

• In line with 3 pillars of MoS Detailed Implementation Plan
MoS Detailed Implementation Plan – next steps

- **Ongoing consultations with Member States and industry stakeholders.**

- **Aim:** to present a more specific/focused proposal together with available data on ports.

- **Adequate budget.**
MoS specific objectives

• Deploying an alternative clean fuels infrastructure and developing environmentally sustainable shipping (DIP Pillar I)

• Improving maritime transport integration in the door-to-door logistics chain (DIP Pillar II)

• Upgrading or establishing new maritime links, including combined investments in ports (DIP Pillar II)

• Promoting wider benefits such as Maritime Safety, Traffic Management, Human Element/Training (DIP Pillar III)
MoS Pillar I – Deployment of alternative clean fuels and green shipping 1/2

- Technologies reducing CO2 (climate change)
- Facilities for LNG, methanol and other clean fuels in ports and aboard vessels incl. bunkering barges
- Technologies reducing NOx emissions
- On-shore power supply systems for ships
- Batteries (fuel cell)
- Energy efficiency measures on ships (hull, propellers, re-blading etc)
- Scrubbers only for installations going beyond the scope of current legislation
MoS Pillar I – Deployment of alternative clean fuels and green shipping 2/2

- Facilities for **oil and other ship waste** in ports
- Facilities for **sludge from scrubbers**
- **Waste water** treatment systems on ships
- **Ballast water** treatment systems
MoS Pillar II - Port infrastructure development & upgrade of maritime links

• Develop the **port infrastructure**, handling facilities, freight terminals, logistic platforms and freight villages together with improved port access

• Develop reliable short sea shipping transport services **integrated** within door-to-door **logistics chains** and connecting **core network corridors**

• Improve logistics and administrative **ICT** management **systems**

• Increase **safety and security** during port handling operations

• Increase the **environmental performance of ships** on dedicated MoS links
MoS Pillar III – Safety/Human Element/Traffic Management

- Safety operations (icebreaking, surveying, AIS, vessel control)
- Vocational training
- VTMS
- Single windows for maritime administrations (in line with COM specifications)
MoS in 2016/2017: key actions

- Wider benefit actions
  Addressing industry needs widely (e.g. coherent investments in a group of ports for LNG filling stations or coherent set of investments in port reception facilities in a region)

- Implementation works
  Upgrade of maritime links (minimum ship and port investments combined)

- Pilot actions:
  Projects testing or deploying new technological solutions in operational conditions - Particular conditions apply

- Studies
  Not supported in 2016/2017
MoS co-financing rates in 2016

• 30% for infrastructure works and facilities (implementation projects)

• 50% for pilot actions

• Up to 85% for all type of projects in Cohesion Countries
Indicative MoS 2016 Budget

• 40 million euros within general envelope

• 20 million euros for Cohesion Countries

Previous CEF calls

2014: 250 million (gen) + 100 million (cohesion)
2015: 130 (gen) + 150 million (cohesion)
Specific Conditions for MoS 1/2

• Submission by at least two applicants from two different Member States (and support of those)

• Upgrade of maritime link: Involvement of at least 1 core port, 1 comprehensive port and 1 maritime operator on the link concerned
  
  • Only dedicated lines serving the applying ports
  
  • Vessel upgrades are limited to the additional efforts for environmental purposes or other ancillary investments
  
  • Ships to serve the MoS line for 5 years after end of Action
  
  • Involvement of ports demonstrated by appropriate investment activities /50% of project budget/
Specific Conditions for MoS 2/2

- **Superstructure:** not supported
- No support for **fleet of vessels** (including aggregated applications from the same shipowner)
- Project extension to a **neighbouring non-EU country** requires additional governmental endorsement from that country and the Member State(s) concerned (participation of that third country possible in pilot actions only)
- **Pilot actions:** testing new technology in operational conditions. Innovative and unique.
- For large multi-beneficiary projects, recommended submission by **European Economic Interest Groupings**
Issues from selection process 1/4

- High rejection rate of scrubber proposals (only 1 recommended by external experts).

- Limited environmental impact

- CBA issues

- Scrubbers constituting even 85% of total MoS link upgrade project costs

- No modulation of funding rate due to the funding gap, according to CBA.
• **Unbalanced or inappropriate involvement of ports vs ship investments in link proposals**
  - bus purchase in a port,
  - LED bulbs in ports,
  - training in a port,
  - LNG docking for bunkering barge in a port without involvement of LNG vessel,
  - port efficiency improvement study,
  - recreational areas for staff and offices in ports,
  - excessive dredging not corresponding to vessel needs,
  - no ship involvement.
Issues from selection process 3/4

• **Requests for excessive or non-related superstructure** (panamax cranes for small vessels; pure superstructure project in two ports; 27 units for a small link)

• **Academic/market/feasibility studies missing the call requirements** (KPIs analysis, concept study for maritime service to a third country, ICT sustainability, tidal predictions, marine biology for ballast waters, shore-side electricity for cruise vessels)
Issues from selection process 4/4

• *Involvement of beneficiaries without real implementation roles* (beneficiary with 12,000 for project management)

• *Fleet funding* (4 out of 5 ships for one shipowner)

• *Services with limited operations in the EU* (fleet bound for USA)
CBA concerns

• Significant issues with scrubber type projects
• CBAs lacking details and necessary parameters to assess the economic and financial viability of the proposal
• Not meaningful, combines retrofitting of vessels with port investments
• Profitable, no funding gap, no reductions in tariffs proposed
• Socio-economic effects originating from operational fuel savings rather than from scrubber installation. No added environmental benefits towards existing legislation such as NOx or CO2 reduction.
Examples of MoS 'ideal' proposals

• Upgrade of MoS link including installation of LNG propulsion on ro-ro ship, construction of new railway access to core port X and extending a ro-ro terminal in comprehensive port Y. (Two EU countries)
• Upgrade of VTMS systems in the Mediterranean Sea countries
• Construction of LNG bunkering facilities in the cluster of ports in the North Sea
• Pilot action on testing innovative systems for ballast water exchange
Examples of proposals with limited relevance

• Feasibility or market studies which analyse setting a new MoS link
• Installation of scrubbers aboard vessels in SECA area
• Upgrade of a maritime link between two comprehensive ports
• LNG bunkering installations in selected core ports of only one Member State
• Installation of scrubbers on 20 vessels of the same shipowner
• Unfocused proposals (many beneficiaries with unclear roles and activities not clearly linked to objectives)
Thank you for your attention!