



Interreg



Danube Transnational Programme DIONYSUS

**Integrating Danube Region into Smart & Sustainable
Multi-modal & Intermodal Transport Chains**

Output: T 3.2

Three (3) National/Regional Stakeholder Working Meetings and one (1) International event

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1 Description of the Output [Application Form]

▪ **Event’s purpose, goals, and objectives:**

DR has great potential for agricultural production and river transport, yet there are a number of constraints to tap this potential. The competitiveness and modal split share of IWT for this segment are highly dependent on the DR ports’ capabilities to address logistics-related challenges and to meet the transport and logistics needs of this sector.

The International Event organized during the Reporting Period 5 under the responsibility of HFIP aimed to present the findings of the Reports and Case Studies on Agricultural Products Traffic in the Danube Region.

The purpose of the international conference was, among other things, to put the crown on the three regional workshops which were organised for the Lower-, Middle- and Upper-Danube Region countries on the topic of “Ports and Agricultural Traffic” during the DIONYSUS project. The main conclusion of the workshops was presented as well as relevant case studies from the region by excellent keynote speakers.

Interested key stakeholders attended these events and provided important and valuable feedback for the design and operation of potential new cross-border/cross-Black Sea transport links.

▪ **Event’s main topics:**

- The purpose and history of the conference and DIONYSUS project
- Introduction of the new EU shipping qualification standards in Hungary
- Trends and current affairs in the field of grain trade in an international context
- Trends in the transport market for agricultural products
- Export of agricultural products without water – sectoral challenges
- Conclusions of the Regional workshops
- Challenges, future expectations, innovations regarding Agricultural products in the Danube Region
- Strategy & recommendations for optimizing the waterborne transport of agricultural products in the Danube Region

▪ **Event’s policy context:**

To further strengthen the efficiency of existing and future connections between EUSDR countries and EU Eastern Partnership and Black Sea riparian countries, the Project aims to contribute by addressing one of the commonly identified challenges at EU/EUSDR level, namely transport infrastructure connectivity. To this end, the project’s activities should contribute towards further connecting the Trans-European Network for Transport (TEN-

T) with networks in the EU Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova & Ukraine) and with Black Sea riparian countries (Russian Federation & Turkey).

The EU has extended the Trans-European Network for Transport (TEN-T) to Western Balkans countries and recently agreed on the extension of the TEN-T with six Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine). Therefore, possible solutions for enhancing the Danube Corridor's connectivity with non-EU countries part of the EU Eastern Partnership will be identified, analyzed and proposed.

▪ **Event's expected outcome:**

The findings of the Reports and Case Studies on Agricultural Products Traffic in the Danube Region, product flows, trade flows, road, rail accessibility and fairway conditions, strategic steps taken to further development of ports to increased agricultural production and transport were presented in the International Event serving as the Closing Conference of DIONYSUS project.

▪ **Target audience:**

Business support organization, infrastructure and (public) service provider, international organization under international law, local public authority, National public authority and Other – IWT and port operators, SME – private port operators and SMEs

▪ **Event's type:** Conference

▪ **Event's format:** Personal Event (alternatively online)

▪ **Contributing deliverables to the Output:** DT 3.2.2 and DT 3.2.3.

2 Abbreviations

Abbreviation	Explanation
AAOPFR	Romanian River Ship Owners and Port Operators Association
EUSDR	European Union Strategy for the Danube Region
HFIP	Hungarian Federation of Danube Ports
IWT	Inland Waterway Transport
PGA	Port Governance Agency (Republic of Serbia)
SME	Small and medium-sized enterprises
WConsR	Wieser Consult S.R.L.

3 Target Groups

3.1 Event #1: 1st Regional Workshop on Ports & Agricultural Products Traffic in the Lower Danube Region Countries [RO / BG / MD / UA]

		Number of Participants
1.	Business support organization	20
2.	Higher education and research	4
3.	Infrastructure and (public) service provider	22
4.	International organization under international law	4
5.	Local public authority	4
6.	National public authority	9
7.	Other – IWT and port operators	18
8.	SME – private port operators and SMEs	1
9.	TOTAL	82

3.2 Event #2: 2nd Regional Workshop on Ports & Agricultural Products Traffic in the Middle Danube Region Countries [HU / HR / RS]

		Number of Participants
1.	Business support organization	5
2.	Higher education and research	4
3.	Infrastructure and (public) service provider	-
4.	International organization under international law	18
5.	Local public authority	-
6.	National public authority	14
7.	Other – IWT and port operators	4
8.	SME – private port operators and SMEs	-
9.	TOTAL	45

Event #3: 3rd Regional Workshop on Ports & Agricultural Products Traffic in the Upper Danube Region Countries [DE / AT / SK]

		Number of Participants
1.	Business support organization	10
2.	Higher education and research	2
3.	Infrastructure and (public) service provider	3
4.	International organization under international law	4
5.	Local public authority	-
6.	National public authority	9
7.	Other – IWT and port operators	7
8.	SME – private port operators and SMEs	10
9.	TOTAL	45

3.3 Event #4: International Conference: Agricultural Products Traffic in the Danube Region Countries

		Number of Participants
1.	Business support organization	10
2.	Higher education and research	-
3.	Infrastructure and (public) service provider	2
4.	International organization under international law	4
5.	Local public authority	-
6.	National public authority	1
7.	Other – IWT and port operators	24
8.	SME – private port operators and SMEs	13
9.	TOTAL	54

4 Conclusions & Lessons Learnt

4.1 Event #1: 1st Regional Workshop on Ports & Agricultural Products Traffic in the Lower Danube Region Countries [RO / BG / MD / UA]

- Post-event reports (Summary of the main results, conclusions, recommendations, and lessons learnt)
- Input provided to various project activities, deliverables, or policy initiatives (national, EU, regional level) in line with the topics discussed and conclusions delivered by participants
- Follow-up measures and activities
- Any other relevant information

The main flows of goods (cereals) on the lower Danube and the transport by barge to the port of Constanta is ensured by the production from Romania (the largest) Hungary and Serbia. The production of cereals increased from 9 million tons in 2009 to 30 million tons in 2021.

In order to cope with the increase in the volume of goods it is necessary:

- to ensure the minimum navigation depths on the navigable signal throughout the year;
- to develop port infrastructure;
- to modernize and develop the railway and road system both inside the ports and the public one;
- to modernize river transport vessels;
- to increase the speed of the loading/unloading activity in ports.

In order to achieve these goals, funds are needed that the private sector cannot provide.

If, in accordance with Community policy, part of the volume of goods is to be transferred to water transport, at European level an amount of approximately EUR 47 billion is needed to modernize and develop the infrastructure.

To result in the transformation of ports into high-performance and integrated hubs is necessary:

- to create a dedicated EU inland fund for IWT;
- identify the most necessary investment;
- to establish a coordinated public funding system to support the sector.

4.2 Event #2: 2nd Regional Workshop on Ports & Agricultural Products Traffic in the Middle Danube Region Countries [HU / HR / RS]

- Post-event reports (Summary of the main results, conclusions, recommendations, and lessons learnt)
- Input provided to various project activities, deliverables, or policy initiatives (national, EU, regional level) in line with the topics discussed and conclusions delivered by participants
- Follow-up measures and activities
- Any other relevant information

During the event, participants gave an overview of strategies and policies, the structure of agriculture products in the Middle Danube Region and their trade flows.

Also, IWT infrastructure works and main ports for transshipment of agriculture products were presented. It was underlined that according to the data of the Danube Commission, agricultural products were dominant type of cargo in RS, HR and HU in previous years.

Participants stated that presently, the IWT has only 3 per cent of share in total transport, and that it is planned that, by the end of 2030, 10 per cent of share must be achieved. The question was raised what can be done in this regard, to achieve this planned share. Participants concluded that the answer is global market but also that the better connectivity between relevant subjects and whole Danube region, as well as investments in IWT are important steps to achieve this goal.

In terms of logistics it was stressed that it is very important for ports to be equipped and ready to respond fast to the demand (load, reload, administrative procedures).

Participants agreed that it is crucial to ensure navigability of the Danube river during the whole year, with the minimal draft of 2.5 meters.

Also, the new initiatives in regard to the solving of administrative barriers in the Danube region were announced.

4.3 Event #3: 3rd Regional Workshop on Ports & Agricultural Products Traffic in the Upper Danube Region Countries [DE / AT / SK]

- Post-event reports (Summary of the main results, conclusions, recommendations, and lessons learnt)

The post-event report included the meeting minutes with detailed information about the presentations held, main topics, opportunities and recommendations made by the involved stakeholders. The meeting minutes are attached to this document.

- Input provided to various project activities, deliverables, or policy initiatives (national, EU, regional level) in line with the topics discussed and conclusions delivered by participants

The workshop analyzed the existing transport infrastructure together with the status-quo of the on-going and planned infrastructure projects. The workshop generated input for further activities of the Dionysus project, mainly for the elaboration of scenarios on potential traffic and trade agricultural flows of the Danube ports.

- Follow-up measures and activities

After the realisation of the Regional Workshops there will be initiated Industry Reference Groups for the next development phase of port infrastructure. The findings of the National Country Reports & Case Studies: “Agricultural Products Traffic in the Danube Region” will be presented during an International Event in Hungary, under the responsibility of Hungarian Federation of the Danube Ports.

4.4 Event #4: International Conference: Agricultural Products Traffic in the Danube Region

- Post-event reports (Summary of the main results, conclusions, recommendations, and lessons learnt)

During the Conference in the framework of new EU shipping qualification standards, the IWT labor market, European harmonization process, directives and standards, transposition into national legislation, tasks to be completed and digitalization aspects were presented.

Trends in grain trade in an international context:

- market cannot be prepared for anything
- long-term visions might help
- new ideas are necessary

- affecting factors: weather, supply and demand, logistics, politics
- weather
 - o in the 90s weather had the greatest impact, since then, especially nowadays, other factors have more impact
 - o producers holding back the product increased the prices
 - o demand is decreasing
 - o farmers sit on the product and become wealthy
 - o aflatoxin became a huge problem
 - o Romanian, Serbian and Croatian products are risky to import, while Ukrainian maize is good quality
 - o for 2023, weather conditions seem fine
 - o fertilizers and other chemicals have a huge impact: lack of fertilizer results lower yields and smaller crops
- supply and demand
 - o Early 90s: actors knew the market and figures were the same for years
 - o Last 2-5 years: supply demand changes, e.g., China feeds hogs resulting a 10-million-ton difference
 - o EU produces less and import from Ukraine and Brazil: new channel on the world market: EU competes with China on the Brazilian market
 - o No tendencies in wheat market
 - o Bad economic environment, recession
 - o Long lasting war
 - o High raw material prices, high costs, high energy (maintenance) prices
 - o consumers are not ready to pay higher price, resulting the change of consumer habits
- logistics
 - o All the ships went to China
 - o 300 vessels were waiting in the Bosphorus
 - o if Ukrainian goods can't be exported through Ukrainian ports, EU solidarity lanes, with an export capacity of 1.5 million megatons

Trends in the transport market for agricultural products:

- political and covid-related impacts &
- industrial, infrastructural impacts &
- investment related factors
 - o low water level
 - o favorable policy initiatives e.g., Green Deal
 - o bottlenecks e.g., Gabcikovo-Nagymaros, Central-Hungary, Romanian-Bulgarian border section, various depth from Germany to Romania

- where to increase the share of IWT in the modal split?
- traffic volume trend goes down vs. policy objective to raise
- less coal and mineral products transshipped and transported if EU turns greener
- Ukraine crisis, low water level causing nearly impossible situation for pulling grain out of Ukraine resulting difficult to conclude and predict future trends on the market

Infrastructural lacks and bottlenecks:

- Gabčíkovo-Nagymaros barrage and dams need to be built not only for navigation, but also to have drinking water, for irrigation, to export, to have clean energy production, logistics services, shipping, and because of fishermen and tourism.
- waters to be held back: water retention, water management, more water leaves the country than flows in

Hungary's three-year-old National Port Development Strategy has an international impact through aiming increasing the share of IWT among transport modes:

- aims to have developed, efficient ports and such cargo base contributing to a multimodal logistics chain
 - pries modal shift in cargo logistics and more demand to be generated
 - facilitates workforce development and sustainable legislation framework to be updated
 - 39 actions: KIR (national Port Management System), Market observatory, conferences, development of the Freeport of Budapest, training of port operators: done and ongoing
 - Soft items shall be implemented easily but several actions need to be completed in the mid-term.
- Input provided to various project activities, deliverables, or policy initiatives (national, EU, regional level) in line with the topics discussed and conclusions delivered by participants
 - to raise motivation of stakeholders,
 - to have adequate water management (for the sake of having drinking water and navigable Danube as well),
 - liquid markets and good crops,
 - well maintained waterways which is the highway for ships,
 - to raise the attractiveness from the sectors of other worlds.
 - Innovation: maintenance is not enough concerning navigation conditions and fairway.
 - training and carrying future generations' shipping staff

- Attitude and the way of arguing shall be changed when convincing greens on the sustainability of IWT: regulating rivers not equal to dredging, water management for drinking water, tourism etc. and navigation as well.

On the Danube region level:

- practical actions are needed to be taken,
- water management shall be part of education, Danube countries shall be trained to keep the water (not only Danube, but waters in general)
- Sustainability related objectives are important. Though, one third of products carried on IWW is agricultural goods, other cargo is also needed to save the industry: if coal and minerals disappear from the formula, IWT becomes unaffordable and financially unsustainable.

On national level:

- ministry for transportation is essential

On the EU level:

- Commission regulations are against EU to remain grain exporter.
- In 10 years, the EU might become importer.

Competitiveness of IWT is low:

- railway is so well-developed in Austria for instance, it needs 6 months maximum to totally turn to rail once IWT becomes unsustainable, and waters disappear
- railway is half price compared to IWT due to pure costs and transshipping costs

5 Annexes

5.1 Event #1: 1st Regional Workshop on Ports & Agricultural Products Traffic in the Lower Danube Region Countries [RO / BG / MD / UA]

ZIP file with the following documents/files:

- ✓ Agenda
- ✓ List of Participants
- ✓ Meeting Minutes
- ✓ Presentations
- ✓ Screenshots

5.2 Event #2: 2nd Regional Workshop on Ports & Agricultural Products Traffic in the Middle Danube Region Countries [HU / HR / RS]

ZIP file with the following documents/files:

- ✓ Agenda
- ✓ List of Participants
- ✓ Meeting Minutes
- ✓ Presentations
- ✓ Screenshots

5.3 Event #3: 3rd Regional Workshop on Ports & Agricultural Products Traffic in the Upper Danube Region Countries [DE / AT / SK]

ZIP file with the following documents/files:

- ✓ Agenda
- ✓ List of Participants
- ✓ Meeting Minutes
- ✓ Presentations
- ✓ Screenshots

5.4 Event #4: International Conference: Agricultural Products Traffic in the Danube Region

ZIP file with the following documents/files:

- ✓ Agenda
- ✓ List of Participants
- ✓ Meeting Minutes
- ✓ Presentations
- ✓ Photos of the event