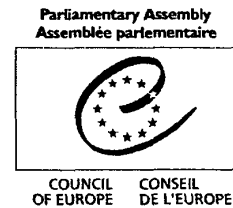


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European waterways: focus on the Danube-Oder-Elbe Canal project

Report
Committee on Economic Affairs and Development
Rapporteur: Mr Márton Braun, Hungary, Group of the European People's Party

Summary

Europe's inland waterways offer a comparatively cheap, energy-efficient, clean, safe and reliable mode of transport. They also play an important role in water management, such as in water and electricity supply, flood prevention, irrigation and tourism. Waterway connections between and within European countries are currently underused and even neglected while roads and skies are becoming increasingly congested. Developing them may therefore contribute to a more balanced and efficient overall traffic flow, not least through combined transport schemes.

The report calls for enhanced interconnections and an extension of the European waterways system. This holds particularly for central Europe where most waterway traffic is concentrated but where much needed links are still missing. Against the background of European Union enlargement and its Common Transport Policy, the feasibility studies and political consultations on the Danube-Oder-Elbe Canal project should be accelerated so that the project can be included in a revised Trans-European Transport Network (TEN-T) priority list.

The report highlights the importance of waterways in making the most of the EU's Internal Market. It also makes a series of recommendations to assist the consultation process launched by the European Commission with a view to establishing a multi-annual integrated action programme for the development of the European waterways transport network.

I. Draft resolution

1. The Parliamentary Assembly of the Council of Europe and the European Conference of Ministers of Transport (ECMT) have repeatedly stressed the importance of improving waterway connections among and within European countries. They have pointed to the value of inland waterways in providing a comparatively cheap, energy-efficient, clean, safe and reliable mode of transport for many goods, especially bulky cargo and raw and intermediate materials, as well as containers. Moreover, waterways play an important role in water management, such as water and electricity supply, the prevention of flooding, irrigation and tourism.

2. While transportation needs across Europe increase by about 2% per year – due to economic growth, intensifying trade and travel, as well as the integration of systems of production – this is met essentially through an expansion of road capacity and air traffic. However, the rising congestion of Europe's roads and, to a certain extent, also airspace, suggests that at least some of the burden should be taken over by railways and waterways which operate well below capacity and hence offer a strong potential for optimising overall traffic, notably through combined transport involving road, rail and waterways.

3. The Assembly therefore believes that there is a strong case for enhancing interconnections and increasing the density of the European waterway network. This holds particularly for central Europe, where most of the inland waterway traffic is concentrated and where important links are missing. The Danube – Europe's second longest river and an artery connecting Germany, Austria, Slovakia, Hungary, Croatia, Serbia and Montenegro, Romania, Bulgaria, Moldova and Ukraine – is rightly recognised, along with the Rhine, as a crucial, though underutilised, part of the inland transport network.

4. Against the background of European Union enlargement and its Common Transport Policy, the Assembly draws particular attention to the Danube-Oder-Elbe Canal project, a corridor foreseen within the framework of the Trans-European Transport Network (TEN-T) and the European Agreement on Main Inland Waterways of International Importance. Although this canal project has not yet been included in a revised TEN-T priority list, it is mentioned in the European Union accession treaty and deserves greater attention as the European Union pursues integration of its new member states and seeks to maximise the benefits of trade and competition under the Internal Market.

5. Taking into account the general importance of promoting multimodal transport and the regional need to enhance waterway navigation in central Europe, the Assembly calls on the member states concerned to accelerate feasibility studies and political consultations on the Danube-Oder-Elbe Canal project, including a thorough cost-benefit analysis and a strategic environmental assessment in line with relevant EU norms and international treaties.

6. The Assembly welcomes the consultation process launched by the European Commission with a view to presenting a Communication on the Promotion of Inland Waterway Transport by the end of 2005, including an action programme for 2006-2013 by the European Community and others. The Assembly asks Council of Europe member states concerned to take an active part in the work on this Communication, especially as regards recommendations for action.

7. More generally, in order to render waterway transport more accessible, efficient, competitive and environmentally sustainable, the Assembly invites the Council of Europe member states to:

7.1. work for the continued improvement of inland navigational infrastructure and technology;

7.2. study the possibilities of having waterway infrastructure make a greater contribution to the protection against flooding, to improved water resources management and to the sustainable development of adjacent regions;

7.3. provide incentives for the development of combined transport services that incorporate waterway segments;

7.4. ensure close co-ordination of measures destined to develop short-sea shipping and river-sea transport systems;

7.5. pursue pan-European harmonisation of technical norms and regulations for inland vessels, loading units and traffic, under the auspices of the United Nations Economic Commission for Europe and the European Union.

II. Explanatory Memorandum, by Mr Braun, Rapporteur

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1. INTRODUCTION

1. In November 2003, several members of the Assembly presented a motion for a recommendation on the integration of European waterways (Doc. 10005). The motion calls for a vast European inland waterway network, "a combination of natural rivers and man-made canals". It should form a key part of the European transport system and have a huge potential for cargo shipments, recreational activities and in some cases power generation. However, given the under-development of the eastern sections of the network, much work remains to be done in order to revitalize and expand the use of waterways. The authors of the motion single out the importance of the Danube-Oder-Elbe Canal project, whose renovation, they say, would "serve to fill the gap in the centre of the network and provide a missing link between the Northern sea ports of Germany and Poland and the waterway system of the Danube".

2. We should, in this context, also recall the Assembly's regular reporting on the European transport policies and in particular its last Resolution 1321 (2003), which called on the member states of the European Conference of Ministers of Transport (ECMT) to "improve, and in particular ensure links between, waterways, which alone are capable of offering a completely environmentally-friendly response to growth in the transport of heavy materials, or transport by container".

3. Recently, much attention has also been given to the opening for navigation of the first part of the Bystroe Canal¹ in the ecologically sensitive Danube Delta, much of which is a protected UNESCO World Heritage area. Despite calls by Romania and the European Commission for Ukraine to delay the project until an environmental impact assessment in accordance with international rules and conventions can be carried out, the results of these efforts are limited and relations between the parties have remained strained on the issue. The Assembly's Committee on the Environment, Agriculture and Local and Regional Affairs has prepared a report on the protection of European deltas, in which the environmental aspects associated with the Bystroe Canal are also addressed (see Doc. 10542; Resolution 1444 (2005)).

4. The Rapporteur of the Economic Committee intends to present a general overview of European inland waterways and to review the latest developments regarding two specific projects: the Danube-Oder-Elbe Canal and the Bystroe Canal. His report draws in particular on information from the ECMT.

¹ The first section was inaugurated on 26 August 2004.

2. ECONOMIC PERSPECTIVES OF EUROPE'S WATERWAYS

5. Waterways are generally valued for providing a cheap, energy-efficient, clean, safe and reliable mode of transport² that can accommodate many customer requirements and is considerably underused at present. Inland navigation is seen as particularly suitable for transporting bulky items and raw materials, as well as containers. The 'multi-functionality' of waterways should also be considered. The role of waterways is particularly important with regard to water management, such as in drinking water and electricity supply, flood prevention, irrigation and tourism.

6. However, the development of Europe's waterway network has been lagging behind the expectations of both policy-makers and users. If over the last three decades transport markets – boosted by economic growth, trade, and integration of production across Europe – on average grew by about 2% a year, much of this expansion benefited road and air transport while the extent of waterways and rail traffic has remained more or less stable. It is estimated that waterways currently represent about 7% of traffic in western Europe but only 3% in central and eastern Europe, although the figures for traffic intensity in certain transport corridors and countries³ are much higher.

7. Increasingly frequent congestion on Europe's roads and to a certain extent also on aviation 'highways' suggest that at least some of the freight load could be taken on by railways and waterways, notably through combined transport schemes. The latter modes of transport are operating well below their capacity and hence offer a strong potential for optimising overall traffic and logistical chains. Waterway transport is particularly suitable whenever regular services and low costs are more important than speed. New market shares can be gained by offering more appropriate loading facilities, a wider network and diversified services, as well as by developing new market niches (such as for the transport of cars, consumer goods, food, waste and materials for recycling).

8. In realising the potential of waterways, several areas of action should be considered. They include technical-engineering interventions for better interconnections and increased density of the network, as well as regulation measures, policy framework and marketing services to support the operational side. Due to the nature of most inland waterways in Europe, the sector involves many small operators – leading to certain structural weaknesses in shaping logistical chains and networks. One supplementary difficulty is that the sector's main competitors are railways rather than roads. It is estimated that 70% of the investment to complete the trans-European transport network in the EU are related to railway infrastructure. Despite a welcome opening for navigation of the Rhine-Main-Danube Canal in recent years, the integration of the waterways of the EU's new and candidate member states with the existing EU network is an important challenge.

9. Most of the inland waterway network (rivers and canals) is concentrated in central Europe, with 98 inland ports (plus 40 mixed inland/maritime ports) and a total length of about 10 800 km, of which nearly half (4 800km) is situated in the EU's new and candidate member states. Over 36,000 kilometres of waterways and more than 300 inland ports serve major economic areas in Europe. However, waterway infrastructure conditions vary widely between countries and regions. Bottlenecks occur in large parts of the network, thereby limiting competitiveness of inland navigation, especially on the upper and middle Danube and on the Oder and the Elbe. In the EU-25 plus Bulgaria and Romania, 84% of total inland freight transport takes place in the 'old' EU-15.

² The EU's White paper "European transport policy for 2010: time to decide" labels the inland navigation system as the most sustainable and safest mode of transport with considerable energy efficiency and growth potential.

³ Compared to roads and rail for cargo transport in 2000, waterways had a market share of 53.4% in the Netherlands, 24.8% in Luxembourg, 15.7% in Germany, 10.7% in Belgium, 14% in Serbia and Montenegro, 8.6% in Romania, 7.1% in Ukraine, 4.5% in the Russian Federation, 4.2% in Hungary and 4.1% in Slovakia.

10. In July 2005 the European Commission launched a consultation process with a view to presenting a Communication on the Promotion of Inland Waterway Transport by the end of 2005. This forthcoming Communication will review the strategic areas considered essential for the development of waterway transport (conditions for service provision, fleet modernisation, jobs and skills in navigation, image and co-operation, infrastructure and institutional network) and will set out an integrated action programme for the 2006-2013 period.

11. Investment in developing waterway network in the EU is estimated at about € 5.1 billion between 2002 and 2010, with France alone investing €2.7 billion of that amount. Among the new EU member states, the Czech Republic and Slovakia will invest the largest sums in their inland waterway infrastructure. However, the investment already decided in waterway development represents only about 0.2% of the total transport-related investment in the EU member states. 95% of the inland waterway investment needs to be made available in addition to the reported investment in the new and candidate countries of the EU.

12. If vessels are to move across European countries unhindered, we will need not only smooth interconnections but also the best possible regulatory environment. This means that not only norms for inland navigation and vessels should be harmonised as far as possible but also that the legal and regulatory interface between short-sea shipping and inland waterway transport should be rendered more seamless. Considering the similarities between the two forms of shipping, closer integration of maritime and continental transport modes should be sought in the framework of inter-modal transport systems. Useful work in that direction is carried out by the United Nations Economic Commission for Europe (UNECE) and the EU. It is to be hoped that this can lead to more co-ordinated measures for the development of these two modes of transport and improved conditions for inter-modal competition (notably with railways, which are still heavily subsidised in many countries) under increasingly deregulated market conditions.

3. THE DANUBE-ODER-ELBE CANAL: THE BACKGROUND

13. The Danube is the second longest river in Europe after the Volga. It represents the main inland waterway linking western and eastern Europe via the Rhine, the Main and the Rhine-Main-Danube canal. The Danube flows through Germany, Austria, Slovakia, Hungary, Croatia, Serbia and Montenegro, Romania, Bulgaria, Moldova and Ukraine. Although plans to construct the Danube-Oder-Elbe Canal (DOEC) date back hundreds of years - already in 1653 the Moravian nobles agreed to canalize the river - they have never materialized. Progress was made at certain times, such as through the Waterways Law (passed in Austria in 1901) and the Czechoslovak-German agreement about the construction of the Danube-Oder link (1938). Some short sections of the D-O-E waterway were actually built at that time, including the Koblov weir near Ostrava on the Oder, forming the first water expanse on this interconnection. About 6km of canal had been completed by 1941.

14. After World War II all previous designs and projects were considered anew and the importance of the canal was stressed in international documents. Still, no practical steps were taken towards its realization, largely on account of administrative complications in countries like the then Czechoslovakia and Poland. Interest re-awoke in 1950s, when the governments concerned decided on the unification of waterways within the framework of the communist-era COMECON (Council for Mutual Economic Aid) context. Over and above the mere transport function, a by-project was suggested for transferring water from the Danube to the Moravia, Oder and Elbe basins. This undertaking was completed in 1988. The UNECE study of 1981 (amended in 1993) recommended to the (then) Czechoslovak, as well as the Austrian and Polish governments to take concrete steps for the preparation of the project.

15. The idea of connecting the Danube waterway with the North Sea and the Baltic Sea through an artificial canal and the Elbe and Oder rivers was revived in the 1990s, against the background of EU enlargement and the EU's common transport policy. It is strongly desired by Czech, Slovak and Austrian planners. Better known as a possible transport corridor under the 'TEN-T' (Trans-European Transport Network) and the European Agreement on Main Inland Waterways of International Importance, the

project is part of a European initiative to better link all means of transportation especially between western and eastern Europe. EU enlargement towards central and eastern Europe requires a substantial increase of transport links between the old member states and the new member countries, as well as among the latter group of countries themselves. This should in turn lead to a better functioning Internal Market and maximised trade.

16. Since 1996, the European Commission has worked to develop a coherent enlarged transport network, largely through the Transport Infrastructure Needs Assessment (TINA). A committee has been set up in Vienna (Austria), with the mission to ensure coherence among existing European networks. The TINA process has come up with a network proposal covering 18,000 km of roads, 20,000 km of railway, 38 airports, 13 sea ports and 49 river ports. In 2003, the European Commission supplemented the list with new projects, with a view to extending the TEN-T network to the new member states and enabling it to ease congestion due to persistent bottlenecks, missing links and the lack of interoperability, and to promote a better balance between different modes of transport. Although the DOEC project has not yet been included in a revised TEN-T priority list, it is mentioned in the EU accession treaty (Annex II).

17. Under the inland waterways outline scheme, the Danube-Oder-Elbe canal and the Oder-Warta-Vistula-Bug canal are two of the proposed projects, in addition to the so called 'Project 17' in Germany, which connects the Rhine via Berlin to the Oder. These canals are to be connected also to existing waterways, that is, the Rhine via the Danube-Main-Rhine canal and the Danube. Special attention is given to four cities which will be turned into major harbours: Stettin, Wroclaw, Bratislava and Prag. It is planned to bring all the waterways up to a sufficient size in order to allow navigation by pushed convoys measuring 185 m in length, 11.4 m in width and 2.8 m in depth.

18. Over the longer term it is foreseen that the central European network will be connected to areas outside the Union. This network of inland waterways is part of a European Commission' strategy by which freight transport should be moved away from roads to railways and waterways. This is especially for environmental reasons, as road transport is seen as a key contributor to air pollution, noise, and landscape degradation.

19. The total length of the D-O-E waterway (499 km without adjacent stretches of the Oder and Elbe) is comparable with the length of the Rhine-Main-Danube waterway between Aschaffenburg and Regensburg. The number of locks would be lower and navigation conditions therefore better than on the Rhine-Danube route. The major part of the D-O-E route would cross the territory of the Czech Republic, with shorter sections in Austria and in Poland. In conformity with the Classification of European Waterways prepared by the United Nations Economic Commission for Europe (UN-ECE), the D-O-E link complies with the parameters of the 'waterway class V.b' and would therefore be accessible for pushed convoys with deadweight of up to 4000 tons. The major part of the route is covered by digital maps, and the project can be realized in stages. (See the section on costs below).

3.1 Benefits and drawbacks

20. The contribution of the D-O-E canal to the European network is demonstrated particularly well in the European Agreement on Main Inland Waterways of International Importance. This link belongs to the so-called 'trunk waterways' and is one of the most badly missing links in the European network. It can substantially shorten the connection between the Danube and main European seaports, thereby bringing useful added value to the Danube (see the appendix). The waterway crosses the main European watershed at the most convenient points. The canal can also offer important non-transport functions, such as flood protection, thereby increasing the value of adjoining land.

21. Nevertheless, a number of these waterway projects are severely criticized by certain NGOs. They claim, for instance, that preparations for the D-O-E project could threaten important nature areas along the Danube, Morava, Oder and Elbe rivers. Although waterway transportation is environmentally friendlier than road transportation, there are major concerns related to regulating rivers for navigation purposes. It is feared that this could destroy adjoining wetlands and put biodiversity and freshwater resources at risk.

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N.B: The names of the members who took part in the meeting are printed in bold

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