

Current state of play in the inland-waterway transport sub-sector and performance on Dnieper river. Short analysis of IWW governance and main institutional challenges



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**TRANSPORT & INFRASTRUCTURE
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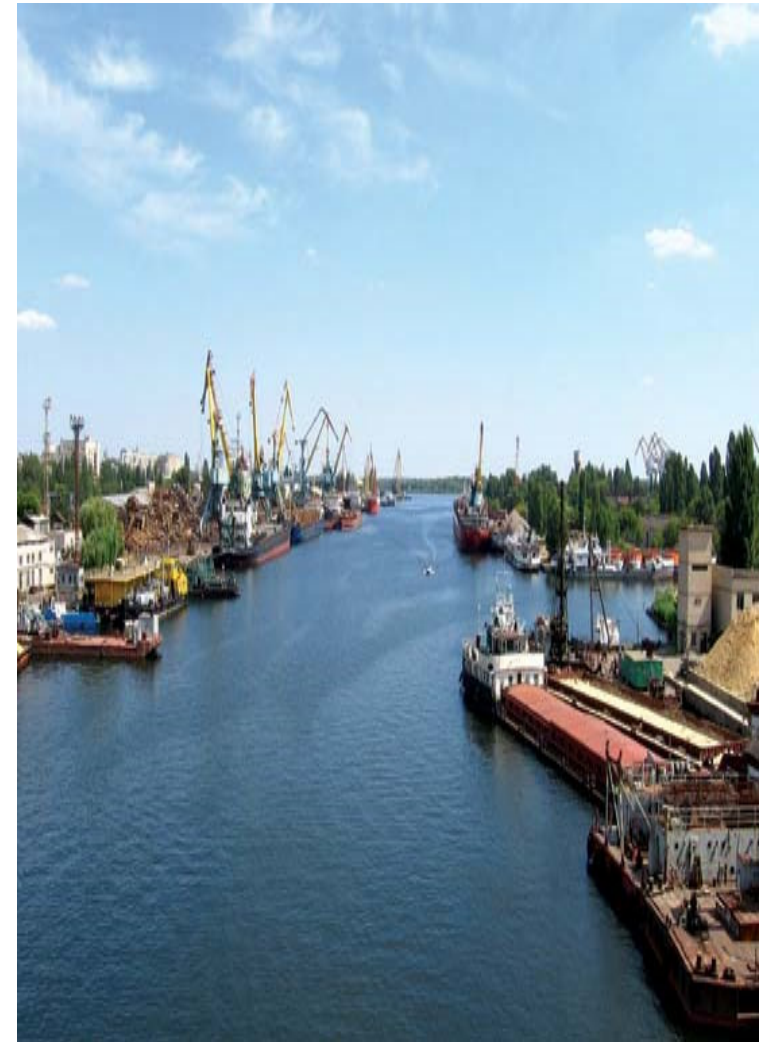


Analysis of the current state of play in the inland waterways transport sub-sector and performance on Dnieper river, and drafting Terms of Reference for a new technical assistance project "Assistance for Dnieper transport development"



Objectives of EU policy in IWW
sub-sector

Initiative of 2011 WHITE PAPER
Roadmap to a Single European
Transport Area





- River Subsector Development Strategic Plan
- National transport strategy
- IWW Draft Law of Ukraine





- Specific deadlines of EU – Ukraine Association Agreement
 - Plans and roadmaps of Ukrainian Government
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- Preparatory stage
- Analytical stage
- Transposition
- Implementation
- Enforcement

Template on supporting the implementation of EU directives and regulations





Rules, rights and obligations of legislation and new policy:

- Cost benefit analysis
- Other instruments
- avoid “gold plating”
- Institutional aspects
- Economic and fiscal impact
- Stakeholders
- Experience of others





- Current assistance
- Planned assistance





- Dnieper River has ample free capacities but several physical bottlenecks causing limitation in full utilisation of the river



The main constraints related to IWW infrastructure are:

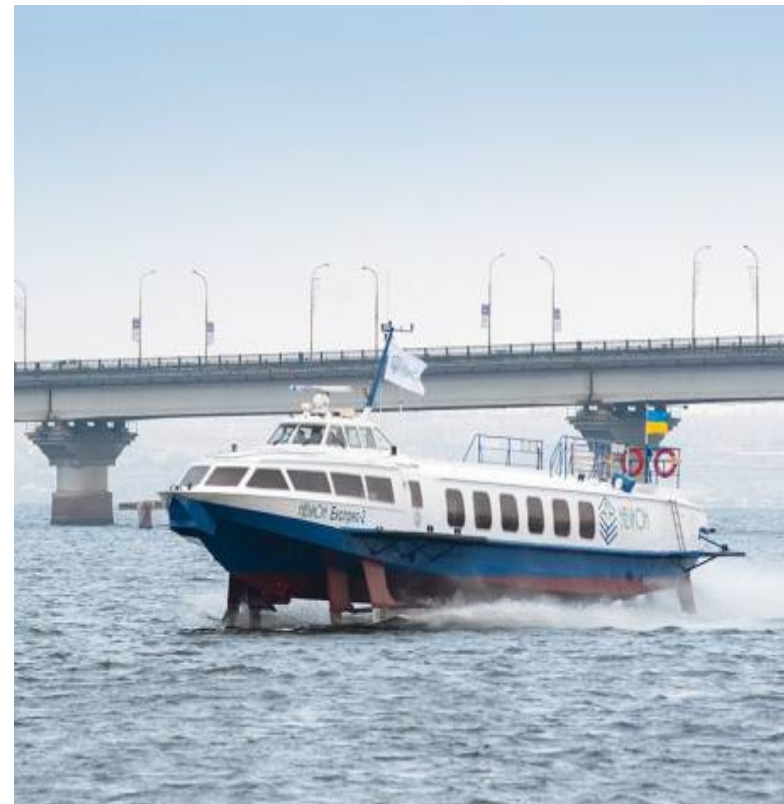
- neglected regular maintenance that resulted with the poor condition of locks
- several obstacles in the fairway
- poor marking system and lack of navigation aids
- outdated way of management combined with a lack of financial resources

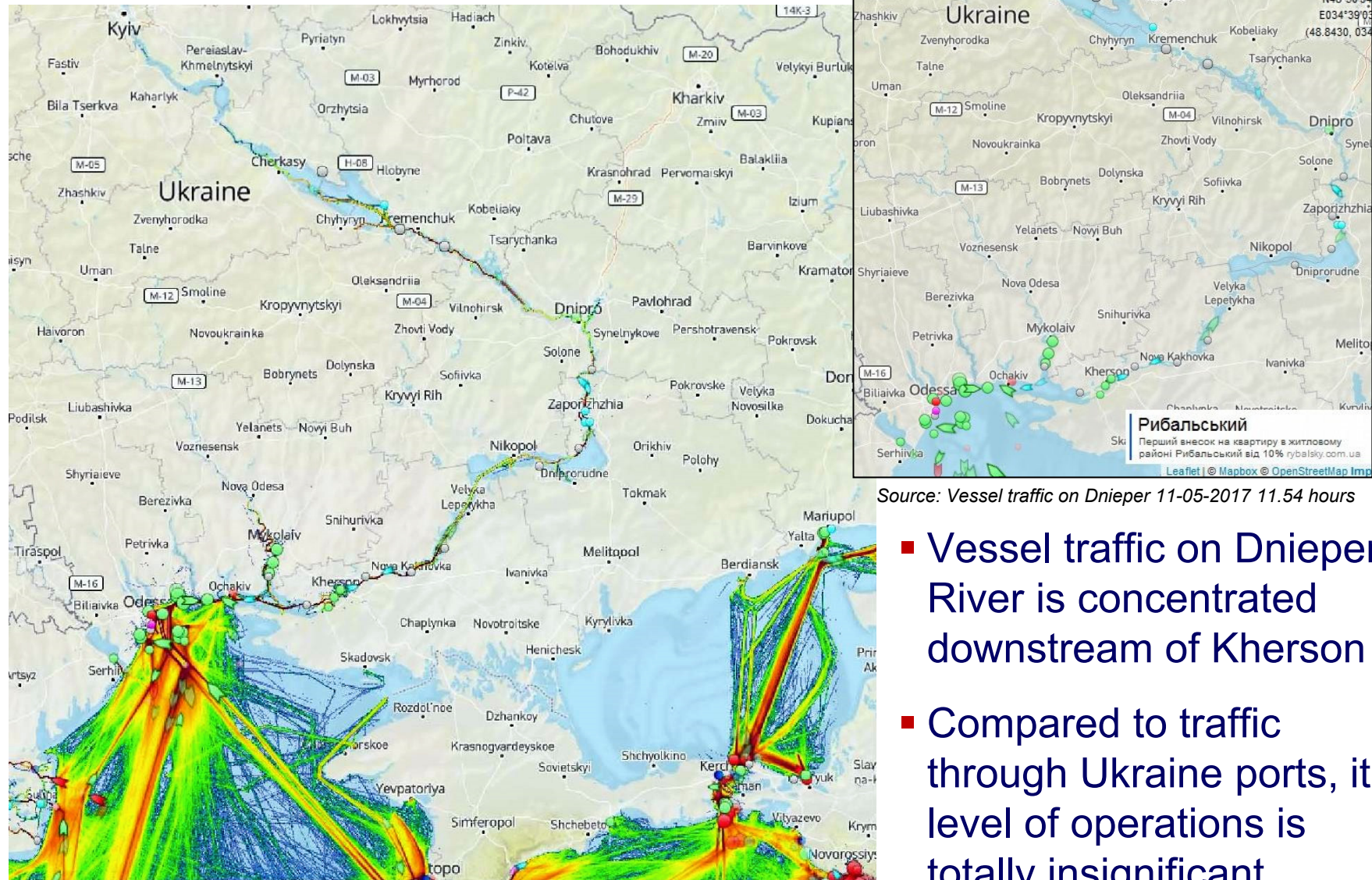


- Clarify responsibilities
- Create centralised institution
- Authorise this centralised institution
- Introduce promotional activities
- Integrate port aspects into navigation law

Main challenges in process of revitalisation of IWW transport on Dnieper River:

- Time frame for strengthening of professional capacity of waterway institutional structure
- Setting up organisational structures of key entities and their positioning within state and sub-national (local) governments
- Strictly following results of several studies currently in progress





Source: Vessel traffic on Dnieper 11-05-2017 11.54 hours

- Vessel traffic on Dnieper River is concentrated downstream of Kherson
- Compared to traffic through Ukraine ports, its level of operations is totally insignificant



STRENGTHS

- Lowest unitary cost
- Old tradition
- Environmental efficiency

OPPORTUNITIES

- Potential to increase efficiency
- Change in tariffs technically relatively simple
- Improved regulation can improve quality of services even without significant investments

WEAKNESSES

- Unclear public/private roles
- Outdated infrastructure and management
- Challenging organization
- Due to freezing, navigation is prohibited in winter, when demand is highest

THREATS

- Outdated infrastructure requires significant investments
- Tariffs and operations create obstacles to private sector investment



The proposal to draft Law on Inland Waterways of Ukraine is in line with adopted European Union practice regarding legal framework in IWW-subsector. More specifically, at European Union level, such laws are already in force in the Netherlands, Germany, France, Hungary, Bulgaria and Serbia (which is an accession country)

⇒ So the approach taken by Ukraine is correct

However, first findings regarding the IWW Draft Law could be summarised as follows:

Drafters should respect the main principle of the EU acquis in IWW legislation as follows:

- Principles of reciprocity
- Freedom of navigation
- Fair competition and equal treatment of inland waterway users



1. Provisions of IWW Draft Law should be precise, clear and consistent. Relevant definitions shall be in place for IWW Draft Law to be comprehensive.
2. Legislator should be aware of functions and activities of subordinates to “*central executive body that forms and implement state policy in the sphere of sea and river transport*”
=> avoid double tasks & responsibilities, improve interaction among different administrations.
3. Some provisions (e.g. regarding Administration of Inland Waterways of Ukraine, “*central executive body that forms and implement state policy in the sphere of sea and river transport*” and pilotage) should be removed from IWW Draft Law and incorporated or redrafted as part of Structural Regulation or Regulation.



4. “Administrative-Penal Provisions” should be included in IWW Draft Law, as long as it is not in breach with the Ukrainian legal system.
5. IWW Draft Law should be consistent with existing legislation in Ukraine => avoid collision between different laws and regulations.
6. Stakeholders’ comments, remarks and recommendations should be taken into account at any stage of adoption of IWW Draft Law => work in close cooperation with them.
7. Important definitions should be included or well defined, e.g. “central executive body that forms and implement state policy in the sphere of sea and river transport”



8. IWW Law needs to be clear in application area
9. IWW Draft Law needs to be clear in explanation of separate institutions' role regarding maintenance and development of IWW, mixing competences and obligations between two or even more governmental bodies
10. The development of measures, plans and procedures needs to be adapted to related standards, i.e. existing European IWWs.
11. The mandatory use of RIS by skippers should be fixed in the IWW Draft Law, as well as by port and terminal operators.



- Finding the best institutional model by taking into account the current situation in Ukraine and the commitments following by the provisional application of EU AA (1 November 2014 [Titles III, V, VI, and VII to the extent it is EU competence] and 1 January 2016 [Title IV, to the extent it is EU competence])
- Avoiding dubbing of activities and functions of MoI subordinates
- Creating (organising) if not already in place agencies or institutions following best EU practices in IWW sub-sector

