

PORTS AS NODES OF SUSTAINABLE GROWTH

The Commission is prioritising alternative fuel infrastructure and climate change resilience projects, writes **Isabelle Ryckbost**, secretary general, ESPO

In the next weeks and months, European policy makers will be intensively discussing at different levels and in different fora for the budget for the next financial period 2021 to 2027.

The Commission tabled its general budget proposal, the so-called Multi-Annual Financial Framework, on 2 May and clarified which envelope it proposes to reserve for Transport. Beginning of June, the Commission issued its "Connecting Europe Facility II", the proposal outlining the priorities for financing transport projects for the next years.

BUDGET CONSTRAINTS

Considering the budget constraints that result from Brexit and the many different policy challenges with which transport has to compete, I think we should embrace the €24.1 billion that has so far been reserved for transport.

It remains to be seen how the new additional envelope of €6.5 billion that has been foreseen for making Europe's transport infrastructure better prepared for the movement of military transport and assets will be spent. Given the "dual use" criterion, whereby only investments that serve both military and civil purposes will get support, we must see to what extent this budget can be considered as an additional 20% for transport.

Moreover, consistency with the Union and national energy and climate plans is the common thread through the new Connecting Europe Facility (CEF) proposal. Like all other lines of the European budget, 25% of the CEF expenditures must support climate objectives.

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European ports are facing huge investments. The study 'The infrastructure investments and financing challenge of European ports' commissioned by ESPO, reveals that the ports' investment needs amount up to €48 billion for the coming ten years.

IMPORTANT DRIVER

Even if investing in basic infrastructure remains a first priority, sustainability is becoming an increasingly important driver of port investments. The decarbonisation agenda, building resilience to climate change, green services to vessels (OPS, LNG), mitigation of air emissions from shipping and land-based sources, increasing pressure from the city obliging the port to move further out and greening of hinterland connections, are all high on the investment priorities of European ports.

In view of the limited resources and the huge investment needs across all modes, the Commission is putting a lot of effort in directing ports towards innovative financing instruments.



Photo: Port of Gothenburg

As ESPO we are convinced that these new financial instruments can play a role but we are equally convinced that many of the environmental investments in ports are having a high societal value, but only a limited and slow return on investment.

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For these investments, grants remain vital. The investments in Onshore Power Supply (OPS) are a good example. Investing in OPS, means for many ports, not only investing in the needed equipment on the quay side but also paying often high fees for connection to the grid. Undoubtedly, a good way to lower shipping emissions at berth and to make maritime and port operations more sustainable and more acceptable for the people around the port. But it takes two to tango, the ships must use the installations. Very often, OPS is not a business case as it costs more than burning fuel on board. Land-based energy is taxed whereas ship-generated energy is exempted. And even without taxes, sometimes there is a price difference in favour of the marine fuel.

SUSTAINABLE GROWTH

But there is more. We believe that it is time to recognise the role European ports have and can play as nodes of energy, industry and blue economy; to support European ports as the ideal stage director for developing port areas into nodes of sustainable growth. So far Europe's Transport Infrastructure policy is very much geared to prioritising cross-border projects. Ports risk missing the boat since, situated in one Member State, they are not perceived as cross-border. Ports however do not only have a huge cross-border impact but also an important cross-sector impact linking transport, energy, industry and blue economy. In view of Europe's decarbonisation agenda, it is time to see how ports can be a spider in the web for guiding Europe through the energy transition.