



# Interreg



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## Danube Transnational Programme

### DAPhNE

## Port management models in inland cargo ports

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**Table of Tables**

**Table 1: figure caption exampe** .....Pogreška! Knjižna oznaka nije definirana.

## 1 Scope of the document

The business strategies applied by the inland cargo ports in the Danube Region are the scope of this document and how efficiently they are implemented are related to the port management models employed all along the river. **When we use the term of ‘ports’ in this document, it only means the inland cargo ports in the Danube Region. If a port is both maritime and inland cargo port, the activities shall be split between the inland and maritime port functions.** In order to ensure a balanced development of the Danube port sector and enable it to become a key element in the EU transport network, first there needs to be a clear analysis performed in regard to the status-quo. This activity will deal with this topic by first assessing the current practices in the Danube region on the port management and operation models applied and providing for a SWOT analysis thereof. In order to present the port management models of European ports, the key definitions of port operation should be presented as follows.

### 1.1 General terms

In the context of the port management models of Danube cargo ports, the key definitions of port operation should be understood as follows according to the Commission Regulation (EU) 2017/1084 of 14 June 2017 as regards aid for port and airport infrastructure.

#### 1.1.1 Port and infrastructure / Definitions

##### Port

‘Port’ means an area of land and water made up of such infrastructure and equipment, so as to permit the reception of waterborne vessels, their loading and unloading, the storage of goods, the receipt and delivery of those goods and the embarkation and disembarkation of passengers, crew and other persons and any other infrastructure necessary for transport operators in the port.

##### Inland port

‘Inland port’ means a port other than a maritime port, for the reception of inland waterway vessels.

##### Port infrastructure

‘Port infrastructure’ means infrastructure and facilities for the provision of transport related port services, for example berths used for the mooring of ships, quay walls, jetties and floating pontoon ramps in tidal areas, internal basins, backfills and land reclamation, alternative fuel infrastructure and infrastructure for the collection of ship-generated waste and cargo residues.

1. **Privatization:** Process of incorporating the private sector into the port operations, administration and investments.
2. **Concession:** Rent or leasing of existing facilities, equipment and infrastructure along with the right to grant services using those assets, and the right to charge for those services. This includes the commitment to make specific investments to improve the quality and amount of those services in a long-term period.

3. **Canon:** Cost to the private agent by the use of facilities or services.
4. **Tariffs:** fee charged to the users of the harbour facilities, for the utilization of the ports services.
5. **Employment agency:** Database that contains personal and professional information of capable people to carry out a determined task and that it can be consulted by the employers according to their necessities.
6. **Stevedore Company:** is a company in charge to carry out the port operations of manipulation of the merchandise. Generally, it holds an administrative concession granted by the corresponding port authority, which authorizes to use, with exclusive character, a space located at wharf edge.

### Port superstructure

‘Port superstructure’ means surface arrangements (such as for storage), fixed equipment (such as warehouses and terminal buildings) as well as mobile equipment (such as cranes) located in a port for the provision of transport related port services.

## 2 Introduction of the Port Management Models

### Main actors of port management and operation

The definitions related to ports might differ from country to country. In case the definition is different in your country, please modify them accordingly.

#### Port owner

‘Port owner’ of a (public) port shall mean the owner / trustee of the port area.

The area of a national public port shall be owned by the state or managed by a trustee company established by decisive state majority. There are also private ports.

#### Port manager

‘Port managers’ of a port shall mean a business company or organization responsible for keeping the entire port in a state suitable for proper operation, as well as for the coordinated operation and development thereof – as owner of the port in case of a public. Port managers’ tasks shall be as follows:

- Tasks of operation, including:
  - organization, operation, and management of port logistics activities;
  - organization, operation, and management of services operations within the port;
  - operation, upkeep, maintenance, and renovation of port facilities as specified in the contract;
  - completion of environment protection tasks in the port;
  - organization and operation of the logistics / information system of the port;
- Completion of tasks related to utilization contracts;

- Performance and management of development tasks, with particular regard to drawing up the principles of further port developments;
- Completion of marketing tasks.

The port managers may also own superstructures within the port area.

### Port operator

A (public) port is most often operated by a business company. The 'port operator' shall be the owner of the floating establishment / port, and any party entitled to operate such floating establishment / port by contract or on any other title. In our wording, this may include the port owner, the port managers, as well as the port operators of the (public) port.

### Public and Private Participation

- a. Please indicate the cargo volumes operated during the 2010 on: terminals run by private entities; in public ports terminals that have been given in concession; and in not conceded state ports (run by the state or through stevedores companies)

Tons per year	Private Ports	Terminals Concession-granted	Ports not given in concession
<i>Solid bulk cargo</i>			
<i>Liquid bulk cargo</i>			
<i>Containers</i>			
<i>General bulk cargo</i>			

- b. Calculate and explain what is the relative participation of the ports (at national level) in which operates the private sector.

### Port authority

The 'port authority' is the organisation responsible for the planning, authorisation, coordination and control of services within the port. In some instances, it also provides services.

The port landlord is the entity that owns the land on which the port is constructed and will usually own the essential infrastructure (e.g. the quays and breakwaters) as well. The port landlord is the entity practising the ownership rights: therefore, it is the owner itself or somebody entitled by the owner. Typically, the port authority is also the port landlord, although the landlord may be a separate entity.

### Port service providers

In order to use a port, a range of intermediary services is often required, which can be provided by the port itself or by independent intermediary parties.

- Towing is a service provided by tug boats which move larger ships that either should not or cannot power themselves.
- Cargo-handling involves the movement of cargo in and around a port. This includes marshalling services (the receipt, storage, assembly and sorting of cargo in preparation for delivery to a ship's berth) and stevedoring services (the loading of cargo onto and discharging cargo from ships).

### **Do you have a Commercial Disbursement?**

- Cash management services
- Port coast solutions
- Port suppliers contract management

### **Do you have a E- customs, digitalization and automation? If yes, please describe it.**

### **Do you have information sharing platforms? Port communication & information exchange? If yes, please describe it.**

### **Do you have in your country clearness, transparency and partnership with the private sector? If yes, please describe it.**

#### **Port users**

A wide range of customers make use of ports, including freight shippers, ferries, cruise ship operators and private vessels. Depending on the specific port, users may access different parts of the port.

#### **End-customers**

The ultimate users of port services are passengers or freight customers who consume a good that has been shipped through a port. Freight forwarders are companies that specialise in arranging shipping services for their customers and thus act as intermediaries to the ultimate consumers of the freight goods. The area in which these customers are located is known as the port hinterland.

In order to better understand the particularities and specialties of different port management and operation models, in the Danube region countries, it is of high importance to analyse in detail how the operation and management structure is set up in the different inland cargo ports.

As defined in the previous chapter there are many different roles and thus actors in most of the ports who mostly define the given operation structure individually?

**Public and Private Roles in Port Management:** There are five main port management models based upon the respective responsibility of the public and private sectors. They include the public service port, the tool port, the landlord port, the corporatized port and the private service port. Each of these models concerns ports that have different characteristics concerning the ownership of infrastructure, equipment, terminal operation and who provides port services such as pilotage and towing. While service and tool ports mostly exist to



promote public interests, landlord ports attempt to balance public and private interests. At the other end of the spectrum, private service ports are maximizing the interests of their shareholders.

- **Public service ports.** The port authority of public service ports performs the whole range of port related services, in addition of owning all the infrastructure. They are commonly a branch of a government ministry and most of their employees are civil servants. Some ancillary services can be left to private companies. Because of the inefficiencies they are related with, the number of public service ports has declined.
- **Tool ports.** Similar in every aspect to a public service port, the tool port differs only by the private handling of its cargo operations, albeit the terminal equipment is still owned by the port authority. In several cases, a tool port is a transitional form between a public service port and a landlord port.
- **Landlord ports.** Represents the most common management model where infrastructure, particularly terminals, are leased to private operating companies with the port authority retaining ownership of the land. The most common form of lease is a concession agreement where a private company is granted a long term lease in exchange of a rent that is commonly a function of the size of the facility as well as the investment required to build, renovate or expand the terminal. The private operator is also responsible to provide terminal equipment so that operating standards are maintained.
- **Corporatized ports.** Concerns ports that have almost entirely been privatized, with the exception that ownership remains public and often assumed as a majority shareholder. The port authority essentially behaves as a private enterprise. This management model is unique since it is the only one where ownership and control are separated, which lessens "public good" pressures landlord port authority are facing and "shareholder value" pressures private ports are facing.
- **Private service ports.** The outcome of a complete privatization of the port facility with a mandate that the facilities retain their maritime role. The port authority is entirely privatized with almost all the port functions under private control with the public sector retaining a standard regulatory oversight. Still, public entities can be shareholders and thus gear the port towards strategies that are deemed to be of public interest.



## 2.2 Analysis of the port management and operation model in

### 2.2.1 Characteristics of the operation models

Please evaluate the main tendencies in the operational structures of Danube ports in your country based on the information provided in the above table.

- what is the dominant set up of a management and operation structure if there is any?

Please provide information/ analysis on the background of the main tendencies. E.g: in case port owners and port managers are the same entity in each of the Danube ports in your country, what is the reason behind and what are the consequences of it?

### 2.2.2 Nature and content of the contractual relationships

Please describe the contractual relationships between the main actors of ports.

- what sort of contracts lay down the operational rules in the ports?
- are there differences between ports in this regard?

### 2.2.3 Rules and legislation

Please describe the main rules that determine the operation of the ports.

- and who define these rules? (e.g. rules of the ports, rules of the relevant authorities, rules of the municipalities)
- what are the downsides or burdens of any rules?

#### 2.2.3.1 Relevance of Regulation (EU) 2017/352

The Regulation (EU) 2017/352 was issued in 2017 after several years of preparation and consultation with various stakeholders of the European port industry. This regulation has a binding force only on maritime ports, the inland ports are not covered by the legislation. However, rules similar to those laid down in this legal act, might have relevance in the IWW sector. In frame of the current activity, we would like to assess the scale and scope of applicability of these rules for Danube ports in the participating countries.

For this purpose, each project partner should evaluate of applicability of Regulation (EU) 2017/352 - specific to maritime ports - for inland freight ports of their country. For each of the regulatory items below, please explain whether in your country there is already a regulation in place for the specific topic described by the Regulation (EU) 2017/352 according to the following (The entire legislation is at the following link: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R0352>):

Regulation (EU) 2017/352	Regulatory item	Answer	Comments
Article 4 (1)	<i>“According to the regulation the managing body of the port, or the competent authority, may require providers of port services, including subcontractors, to comply with minimum requirements for the performance of the corresponding port service.”</i>	Yes/Partially/No	
Article 4 (2)	In your country is there any minimum criteria determined by the managing body of the port, or the competent authority in relation to the following: (a) the professional qualifications of the provider of port services, its personnel or the natural persons who actually and continuously manage the activities of the provider of port services;	Yes/Partially/No	
Article 4 (2)	(b) the financial capacity of the provider of port services;	Yes/Partially/No	
Article 4 (2)	(c) the equipment needed to provide the relevant port service in normal and safe conditions and the capacity to maintain this equipment at the required level;	Yes/Partially/No	
Article 4 (2)	(d) the availability of the relevant port service to all users, at all berths and without interruptions, day and night, throughout the year;	Yes/Partially/No	
Article 4 (2)	(e) compliance with requirements on maritime safety or the safety and security of the port or access to it, its installations, equipment and workers and other persons;	Yes/Partially/No	
Article 4 (2)	(f) compliance with local, national, Union and international environmental requirements;	Yes/Partially/No	
Article 4 (2)	(g) compliance with obligations in the field of social and labour law that apply in the Member State of the port concerned, including the terms of applicable collective agreements, manning requirements and requirements relating to hours of work and hours of rest for seafarers, and with applicable rules on labour inspections;	Yes/Partially/No	

Article 4 (2)	(h) the good repute of the port service provider, as determined in accordance with any applicable national law on good repute, taking into consideration any compelling grounds to doubt the reliability of the provider of port services.	Yes/Partially/No	
Article 4 (3)	Does a flag requirement exist for waterborne vessels predominantly used for towage or mooring operations in ports located on its territory?	Yes/Partially/No	
Article 4 (4)	Shall the minimum requirements: (a) be transparent, objective, non-discriminatory, proportionate, and relevant to the category and nature of the port service concerned;	Yes/Partially/No	
Article 4 (4)	(b) be complied with until the right to provide a port service expires?	Yes/Partially/No	
Article 4 (5)	Where the minimum requirements include specific knowledge of local conditions, shall the managing body of the port, or the competent authority ensure adequate access to information, under transparent and non-discriminatory conditions?	Yes/Partially/No	
Article 5 (1)	Shall the managing body of the port, or the competent authority treat providers of port services in a transparent, objective, non-discriminatory and proportionate manner?	Yes/Partially/No	
Article 5 (1)	Shall the managing body of the port, or the competent authority grant or refuse the right to provide port services on the basis of the minimum requirements established in accordance with Article 4 within a reasonable period?	Yes/Partially/No	
Article 5 (1)	If yes, shall any such refusal, by the managing body of the port, or by the competent authority, be duly justified?	Yes/Partially/No	
Article 5 (1)	or shall any limitation or termination by the managing body of the port, or the competent authority, of the right to provide a port service be duly justified?	Yes/Partially/No	

Article 6 (1)	May the managing body of the port, or the competent authority limit the number of providers of port services for a given port service for one or more of the following reasons: (a) the scarcity or reserved use of land or waterside space, provided that the limitation is in accordance with the decisions or plans agreed by the managing body of the port and, where appropriate, any other public authorities competent in accordance with the national law;	Yes/Partially/No	
Article 6 (1)	(b) the absence of such a limitation is obstructing the performance of public service obligations as provided for in Article 7, including when such absence leads to excessively high costs related to the performance of such obligations for the managing body of the port, the competent authority, or the port users;	Yes/Partially/No	
Article 6 (1)	(c) the absence of such a limitation runs counter to the need to ensure safe, secure or environmentally sustainable port operations;	Yes/Partially/No	
Article 6 (1)	(d) the characteristics of the port infrastructure or the nature of the port traffic are such that the operations of multiple providers of port services in the port would not be possible;	Yes/Partially/No	
Article 6 (1)	(e) where it has been established pursuant to Article 35 of Directive 2014/25/EU that a port sector or subsector, together with its port services, within a Member State carries out an activity that is directly exposed to competition in accordance with Article 34 of that Directive. In such cases, paragraphs 2 and 3 of this Article shall not apply?	Yes/Partially/No	
Article 7 (1)	May the Member States decide to impose public service obligations related to port services on providers of port services and may entrust the right to impose such obligations to the managing body of the port, or to the competent authority, in order to ensure at least one of the following:  (a) the availability of the port service to all port users, at all berths, without interruption, day and night, throughout the year;	Yes/Partially/No	
Article 7 (1)	(b) the availability of the service to all users on equal terms;	Yes/Partially/No	
Article 7 (1)	(c) the affordability of the service for certain categories of users;	Yes/Partially/No	

Article 7 (1)	(d) the safety, security or environmental sustainability of port operations;	Yes/Partially/No	
Article 7 (1)	(e) the provision of adequate transport services to the public; and	Yes/Partially/No	
Article 7 (1)	(f) territorial cohesion?	Yes/Partially/No	
Article 7 (1)	Besides the above mentioned is there any rule or regulation concerning the following fields regarding the inland cargo ports in your country?	Yes/Partially/No	
Article 9	Safeguarding of employees' rights	Yes/Partially/No	
Article 11	Transparency of financial relations	Yes/Partially/No	
Article 12	Port service charges	Yes/Partially/No	
Article 13	Port infrastructure charges	Yes/Partially/No	
Article 14	Training of staff	Yes/Partially/No	
Article 15	Consultation of port users and other stakeholders	Yes/Partially/No	
Article 16	Handling of complaints	Yes/Partially/No	

## 2.3 SWOT - analysis of Port Management Models

Please identify the maximum three most frequent models of your country and assess them by means of a SWOT-analysis.

### 2.3.1 SWOT analysis of port management model 1

STRENGTHS	WEAKNESSES
•	•
OPPORTUNITIES	THREATS
•	•

### 2.3.2 SWOT analysis of port management model 2

STRENGTHS	WEAKNESSES
•	•
OPPORTUNITIES	THREATS
•	•

## 2.4 Potential success factors

In course of the analysis of the different management and operation models, especially when meeting and contacting any actors of ports (owners, authorities, port managers, etc.), interview them about their opinion on the success factors of a management model.

Based on the information you gathered from stakeholders and from other sources during the analysis, please identify **at least 5 success factors**, which could objectively indicate the success of a port management and operation model. Please justify each of these and indicate how they could be measured.

### 2.4.1 Success factor 1

Description of the success factor

Measurement method

### 2.4.2 Success factor 2

Description of the success factor

Measurement method

### 2.4.3 Success factor 3

Description of the success factor

Measurement method

### 2.4.4 Success factor 4

Description of the success factor

Measurement method

### 2.4.5 Success factor 5

Description of the success factor

Measurement method



## 2.5 Applicability of the identified success factors for best practices on port management and operation model

Please evaluate the above identified success factors based on the following criteria:

### 2.5.1 Relevance

Their relevance to the performance of a management model.

### 2.5.2 Applicability

How they can be measured.

### 2.5.3 Comparability

Are they comparable between the different countries?

## 3 Best practices

After you collect the success factors of the operation and management of inland cargo ports in the Danube Region, please present best practices providing **min. two examples in your country** taking into account parts of models (e.g. structures, procedures etc.) as well. Please explain why you choose them and justify the criteria you take into account.