

**ANNUAL EVALUATION REPORT 2005  
FOR THE  
INTERREG IIIB PROJECT  
“NORTHERN MARITIME CORRIDOR”**

**Impacts achieved  
by the NMC-project and  
future perspectives beyond  
the year 2006**

**Final Version (December 2005)**

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## Table of Contents

<b>1 General Introduction</b>	<b>1</b>
<b>2 Brief update of output / result achievement by regional and transnational activities under different strands</b>	<b>2</b>
2.1 Outputs achieved by regional activities under Strands 2 & 3	2
2.2 Results achieved by transnational activities under Strands 2-5	4
<b>3 The likely achievement of impacts under the different thematic NMC-Strands (transnational perspective)</b>	<b>7</b>
3.1 Introductory remarks concerning the assessment of impacts achieved by transnational activities under Strands 2-5	7
3.2 Impacts achieved by transnational activities under Strand 2 & 3	8
3.3 Impacts achieved by transnational activities under Strand 4	11
3.4 Impacts achieved by transnational activities under Strand 5	12
<b>4 The likely manifestation of transnational impacts in different parts covered by the NMC I project (bottom up perspective)</b>	<b>15</b>
4.1 The likely manifestation of impacts in the individual NMC partner areas	15
4.2 The likely manifestation of impacts at the level of the two transnational programme areas (North Sea & Northern Periphery)	31
<b>5 Overall conclusions and recommendations for future activities</b>	<b>33</b>
5.1 Overall conclusions on the impact achievement of the NMC-project	33
5.2 Recommendations for transnational follow-up activities under a future Objective 3 programme	38

# 1

## General Introduction

During the final implementation phase of the INTERREG IIIB project “Northern Maritime Corridor” (NMC), one can realistically assume that NMC-project activities will have achieved most of the prescribed outputs and results. Due to this, and based upon the jointly agreed thematic focus as set out in the Terms of Reference (ToR) for the ongoing evaluation of the INTERREG IIIB project “Northern Maritime Corridor” (NMC), the 3<sup>rd</sup> Annual Evaluation Report 2005 will focus on the following aspects.

**Further completing / updating the assessment of outputs and results achieved by the NMC project during the time period mid-2004/mid-2005 (Chapter 2):** The report will, firstly, look at the output-achievement of regional activities realized under Strands 2 & 3, mainly by up-dating the actual delivery status of formal outputs as required by the initial project application<sup>1</sup>. Secondly, the report will provide a summary assessment of result-achievement realized under each of the 4 thematic NMC-Strands (Strands 2-5), mainly by updating the list of transnational meetings / seminars / workshops and transnational reports / studies<sup>2</sup> as well as by briefly summarizing the transnational pilot projects realized so far.

**Analysing impacts<sup>3</sup> that result from NMC co-operation activities, which are likely to materialize in a medium- and long-term perspective (Chapters 3 & 4 and Section 5.1):** The impact assessment will be carried out in a two-fold perspective: Firstly, an assessment of the likely achievement of impacts under the different thematic Strands of the NMC-project will be realized (transnational perspective). Secondly, the likely manifestation of transnational impacts in the different parts covered by the NMC I project will be assessed (bottom up perspective), i.e. the impacts materialising in each NMC partner area and at the level of the two transnational programme areas (North Sea Area & Northern Periphery). In both cases, the degree of actual impact achievement will be assessed against the set of „impact indicators“ as defined in the initial NMC project application. Due to the nature of these indicators (no quantitative elements foreseen), the overall approach evaluation adopted is of a qualitative nature. Information for both perspectives has been collected through semi-structured phone-interviews (app. 30-45 minutes each) alongside pre-defined questions, which have been realised with regional managers in the NMC partner areas and the transnational managers of Strands 2-4.

**Identifying potential issues / necessary improvements for a continuation of the NMC-project during the EU-Structural Funds programming period 2007-2013, i.e. in the context of transnational co-operation supported under a future Objective 3 programme (Section 5.2):** Based upon the achievements realized by the current under NMC I project, the report will inform about potential perspectives for a future follow-up project under a future Objective 3 programme and make a number of operational recommendations action in this respect. Also here, the main thrust of information was obtained from semi-structured phone-interviews realised with regional managers and the transnational managers of Strands 2-4.

<sup>1</sup> In this respect the report will up-date the overview tables 1 & 2 of the Annual Evaluation Report 2004 and elaborate related comments (see Annual Evaluation Report 2, section 2.1).

<sup>2</sup> In this respect the report will up-date the overview tables 3 & 4 of the Annual Evaluation Report 2004 and elaborate related comments (see Annual Evaluation Report 2, section 2.2).

<sup>3</sup> Impacts are understood as the medium-term / long-term effects that are expected to emerge beyond the more immediate effects generated by NMC-project activities (outputs & results).

## 2

## Brief update of output / result achievement by regional and transnational activities under different strands

### 2.1 Outputs achieved by regional activities under Strands 2 & 3

Regional activities mainly concentrate on Strand 2 (Short Sea Shipping) and Strand 3 (Seafood transport and Logistics). The table below covers all reports and activities that should have been submitted during 2002-2005 by each regional maritime cluster. Our review has mainly been based on checking the reports that are registered on the NMC web portal.

The NMC web portal does however give insufficient information especially regarding activity 2Rf and 2Rg and the assessment on these are based on partly on information gathered during the Bodo conference in September 2005 and by interviews of regional managers.

**Table 1: Output achievement of regional activities under Strand 2a and 2b**

Regional Maritime Cluster	Strand 2a Promote Short Sea Shipping onshore				Strand 2b Develop New Services in the Corridor		
	Act. 2Ra: Description of regional SSS situation	Act. 2Rb: Examination of goods transfer potentials	Act. 2Rc SWOT analyses	Act. 2Rd Action plan	Act. 2Re: Assessment of existing SSS services	Act. 2Rf Suggestions for specific new services	Act. 2Rg Prepare for negotiation of new services
Aberdeenshire	X	X	X		X		
Amsterdam	X	X	X		X		
Cuxhaven	X	X	?		X	X	X
Finnmark	X	X	X	X	X	X	X
Groningen	X	X	X		X	X	X
Highlands & Islands*	X	X	X		X	X	X
Hordaland	X	X	X		X	X	X
Møre og Romsdal	X	X	X		X	X	X
NORA**	X	X	X		X	X	X
Nordland	X	?	?		X	X	X
Nord-Trøndelag***	X	X	X	X	X	X	X
Rogaland	X	X	X	X	X		
Sogn og Fjordane	X	X	X				
Sør-Trøndelag					X	X	X
Troms	X	X	X	X	X	X	X
West and Oost Vlaanderen	X	X	X		X		
Västerbotten ****	X	X	X		X	X	
Amsterdam participates in Strand 2a; Sør-Trøndelag participates in Strand 2b ; Vest-Agder does not participate in Strand 2							
* One report for both SSS and Seafood transport, SWOT and Route Suggestions							
** One report covering both SSS and Seafood transport							
*** Nord-Trøndelag have delivered reports from their regional project NECL instead of the suggested reports							
**** One report covering all aspects							

**Regarding activity 2 Rd**, the intention at the outset (in the project application) was that each regional maritime cluster should develop a co-ordinated action plan by June 2004 in order to promote short sea shipping onshore and to meet the defined challenges and to increase the competitiveness of Short Sea Shipping. Examples of activities could be different measures to improve intermodality, developing and marketing a total concept to goods owners or reorganising the port structure. Rogaland seems to be the only regional maritime cluster that has made such an action plan.

**Regarding activity 2Rg**, the intention at the outset was that contact with maritime charters (ship owners) should be done in order to discuss a development of new services. This activity is a logic follow up of activity 2Rf. Many of the regional maritime clusters have been involved in the preparation work as marked in the table above, but this activity has to a great extent been a task for the transnational Strand 2 group.

The table below (table 2) covers all reports that should have been submitted during 2002-2005. Our review has mainly been based on checking the reports that are registered on the NMC web portal.

**Table 2: Output achievement of regional activities under Strand 3**

	Strand 3 Seafood transport and Logistics			
	Activity 3Ra: Establishment of a seafood branch	Activity 3Rb: Description of existing seafood solutions	Activity 3Rc Development of seafood transport solutions	Activity 3Rd Action plan
Aberdeenshire	X	X	X	
Cuxhaven	X	X	X	
Finnmark	1)	X	X	
Groningen		X	X	X
Highlands & Islands*	X	X		
Hordaland		X	X	X
Møre og Romsdal	X	X	X	X
NORA**	X	X	X	
Nordland	1)	X		
Nord-Trøndelag***	1)			X
Rogaland		X	X	X
Sogn og Fjordane		X		X
Troms	1)	X	X	
West and Oost Vlaanderen	X	X	X	
Västerbotten****	X	X	X	
<i>Amsterdam, Vest-Agder and Sør-Trøndelag are not participating in Strand 3</i>				
<i>1) Lead Partner ( NP) has organised Seafood branches in the 4 northernmost Counties in Norway</i>				
* One report for both SSS and Seafood transport, SWOT and Route Suggestions				
** One report covering both SSS and Seafood transport				
*** Nord-Trøndelag have delivered reports from their regional project NECL instead of the suggested reports				
**** One report covering all aspects				

The regional activities under Strand 3 have to a great extent been integrated with similar activities under Strand 2. The annual evaluation report 2004 and the progress report 2004 / 2005 gives a comprehensive overview of activities and outputs achieved by each regional cluster. There are only minor amendments to these reports mainly regarding some of the regional clusters efforts to develop new services. These efforts are included in the description in chapter 3.

## **2.2 Results achieved by transnational activities under Strands 2-5**

The notion transnational activity is used for activities that are open for / serve the regional maritime clusters in the different NMC partner areas.

- The specific **outputs** generated by transnational activities are among others (1) transnational reports and studies covering theme-specific issues for larger areas as well as (2) transnational meetings, seminars and strand-specific transnational workshops.
- The most important **immediate effects (results)** stemming from these activities and outputs are the general opportunities for further improving / increasing short sea shipping in the NMC (highlighted by several transnational pilot projects realised in the context of Strands 2 & 3).

The table below (table 3) lists transnational reports and studies that can be found on the NMC-web portal.

**Table 3: Transnational reports and studies (2002 – 2005)**

<b>Report / Study</b>	<b>Strand</b>	<b>Date</b>
Data Delivery for the Northern Maritime Corridor	2	April 2003
Further Breakdown of Transport Flow Information for the NMC	2	July 2003
A practical business case on market survey for SSS company Samskip	2	Feb 2004
Viking Cruise Itinerary Study	2	April 2004
Cargo flow analysis for cargo flows between Western Norway, UK and the Continent	2	2004
Requirement specification by ETC – Efficient Transport Chains	2	Sept. 2004
Sub Project Action Plan ( 8 different pilot projects)	2	Nov. 2004
Barents Sea Intermodal Service Draft report	2	July 2005
A review of the disposition and trends in seafood distribution associated with the regions of the Northern Maritime Corridor	3	Sep. 2003
Synopsis of regional reports on the existing situation for the transportation of seafood.	3	Oct. 2003
Analysis of the market for shift from truck to ship or intermodal solutions	3	July 2005
Description of Base – to base Transport	4	May 2003
Description of Petroleum Related Transport in the Barents Sea	4	Sept. 2003
Russian Fact Finding Mission: Main objectives and results	4	Oct. 2003
Russian Fact Finding Mission: Day to day report from Moscow 13 – 17 Oct 2003	4	Oct. 2003
The Official Strategy of Russia for development of the Oil and gas Sector in Northwest Russia for the period till 2020	4	May 2004
Cross Border Strategy Workshop	4	June 2004
Arctic Transportation System of Export of Oil from the Northwest Russia	4	June 2004
Maritime Transportation in the UK and Cross Border Logistics between UK and Norway	4	Draft
Maritime Transportation in the Petroleum Sector: Summing up Activities and Achievements	4	Sept. 2005
Description of risk management strategies	5	March 2003
Assessment of Risk Management Issues	5	Aug. 2003
Germany – Quality shipping	5	Aug. 2003
Overview of responsibilities in Respect to Risk Management	5	Nov. 2003
Risk Management strategies and Issues for Russia	5	May 2004
Safety and sustainability in the corridor Key findings and recommendations	5	Aug. 2005

Many of the transnational **reports and studies for Strand 2 and 3** build on or give the basis for regional reports and studies. The reports and studies give analytical and statistical support to the task of setting up new services in the corridor and of developing new concepts for seafood transport and logistics both within and between regions.

There are however two transnational tasks in each of these strands that still are undone. The first one is the focused impact assessment of some of the proposed new / improved SSS routes (ref. activity 2Tg in the application) that should have been carried out by June 2005. The second one is similar but belongs to Strand 3, i.e. focused impact assessment of new transport solutions for seafood (ref. activity 3Te). These tasks will not be of major importance for the achievement of the goals of the NMC project, but such impact assessments could be a part of the promotion of Short Sea Shipping.

The development of **IT Solution for Shipping Lines and its Agents**<sup>4</sup> is another, not prescribed, result. The NMC-project and the Short-Sea Promotion Centre Norway have been responsible. Three shipping companies have ordered this solution which can be seen as an indication that the application can be a helpful tool for improvement of short sea shipping.

**The reports and studies realised under the transnational Strands 4 and 5** are in line with the prescribed activities and gives a knowledge basis both for the strand specific activities and for further development of maritime transport in the petroleum sector and safety aspects.

The comprehensive collection of transnational reports and studies and the new knowledge and understanding regarding possibilities for short sea shipping constitute an independent and valuable result of the NMC project that could be used outside the NMC project. The NMC web portal and the content here do however have some shortcomings regarding a general overview and a uniform numbering of reports etc. In order to prepare for a more extensive use of reports and statistics by persons and instances outside the NMC-society, collection and systematizing of the reports on a CD-ROM could be an idea.

The table below (table 4) lists transnational meetings, seminars and workshops in the period mid 2004-October 2005 that were arranged by the NMC-project. The table does also indicate to which Strand each activity is linked to.

**Table 4: Transnational meetings / seminars and workshops (mid 2004 – october 2005)**

<b>International meeting / seminar</b>	<b>Date</b>	<b>Str. 2</b>	<b>Str. 3</b>	<b>Str. 4</b>	<b>Str. 5</b>
NMC Barents Sea Scenario Workshop in Stavanger	Aug. 2004			X	
NMC Conference Shetland	Nov. 2004	X	X	X	X
IMG (6) meeting in Shetland	Nov. 2004	X	X	X	X
Strand 2 & strand 3 manager workshop (Stavanger)	Feb. 2005	X	X		
NMC manager progress meeting (Oslo)	March 2004	X	X	X	X
NMC Mission to Archangel	April 2005			X	
NMC Strand 4 workshop (Hammerfest)	June 2005			X	
NMC Conference Bodoe	Sept. 2005	X	X	X	X
IMG (7) meeting in Bodoe	Sept. 2005	X	X	X	X
BASIS meeting in Amsterdam	Sept. 2005	X			
Strand 4 workshop (Nenets)	Oct. 2005			X	

<sup>4</sup> This application is accessible in both the Line and Agent offices. The main focus is that all the staff in the Liner offices and Agent office must share information and data to avoid multiple re-keying of the same data. The IT solution can communicate with Customers and Transport Partners by use of email, Adobe PDF files, Web pages and XML. The main focus is P2P (Port-to-Port) shipments.

The annual evaluation report 2004 and the progress report 2004 / 2005 gives a comprehensive overview of activities and outputs achieved by each transnational strand at that time. The immediate effects in transnational Strands 2 and 3 from these activities and outputs and the follow up of these during 2005 appear among other as a number of pilot projects. The table below gives an overview of these.

**Table 5: Transnational pilot-projects (sub-projects) realised under NMC I**

<b>Sub-project</b>	<b>Ship type</b>	<b>Lead Entity</b>	<b>Participating Entities</b>	<b>Strand(s)</b>
1. RoRo Relay Service	RoPax	HIE	Aberdeenshire, NORA, Flanders	2 and 3
2. Mid-Norway – Rosyth RoPax Service (MINORO)	RoPax	Møre og Romsdal	Sør-Trøndelag, Flanders, HIE	3 and 2
3. Barents Sea Intermodal Service (BASIS)	Container or Multi-purpose	Barents Secretariat	LU, Amsterdam, Groningen, Hordaland, Nordland, Murmansk, Arkangelsk,	2 and 3
4. Nor Ferries Cuxhaven – West Coast Norway	RoPax	Rogaland	Cuxhaven, Hordaland, Sogn og Fjordane	3 and 2
5. SeaCargo Service (SC05)	RoRo	Rogaland	Hordaland, Sogn og Fjordane, Møre og Romsdal and Amsterdam	2
6. Samskip North East Scotland Service	Container	Aberdeenshire	NORA, Flanders	3 and 2
7. Smyril Line Extended Service/Viking Cruise	RoPax (Norrøna)	Flanders	HIE	2 and 3
8. Norway-Benelux Intermodal Service for Seafood	RoPax	Landsdelsutvalget	Nordland, Troms, Finnmark, Nord-Trøndelag, Vest-Agder, Groningen, Flanders	3 and 2
9. Test run of Cryo Container (frozen fish)		Groningen		3
10. North West Atlantic Service *		NORA		3 and 2
11. Eimskip Service *		NORA		3 and 2
12. Efficient Transport Chains - ETC				2 and 3
* Pilot projects no. 10 and 11 are not carried out yet – can be considered as project ideas				

### 3

## The likely achievement of impacts under the different thematic NMC-Strands (transnational perspective)

### 3.1 Introductory remarks concerning the assessment of impacts achieved by transnational activities under Strands 2-5

The following sections will assess – on a qualitative basis – the expected wider impacts that are likely to materialise in medium and long-term perspective as a direct effect from transnational activities realised under the different thematic Strands of the NMC-project.

The assessment only covers Strands 2-5 and is based upon in-depth phone interviews that have been realised with the transnational Strand managers. The persons interviewed had been asked to answer to the following questions that directly refer to the statements on expected impacts as formulated in the initial NMC-project application:

- **Strand 2:** *Will increased freight volumes on competitive maritime transport solutions that generate positive gains for the coastal regions and their environment be actually achieved (i.e. improved services and transport solutions, new services / transport solution or new freight contracts that likely will result in increased freight volumes)?*
- **Strand 3:** *Will the establishment of competitive intermodal solutions for seafood transport between seafood producing areas and seafood processing / marketing regions in northern Europe be actually achieved (i.e. improved services and transport solutions, new services / transport solution or new freight contracts that likely will result in competitive intermodal solutions)?*
- **Strand 4:** *Will a chain of petroleum transportation in the NMC be developed that fits into a wider system that has the potential of being efficient, safe and environmentally friendly?*
- **Strand 5:** *Will an improved awareness and preparedness of responsible authorities and transporters in respect to safety in the NMC be actually achieved?*

In addition, all transnational strand managers interviewed have also been asked to identify the most important positive factors / negative factors influencing on the likely achievement / a potential non-achievement of the Strand-related impacts<sup>5</sup>.

Due to the fact that during the operational period of NMC I one can observe a “de-facto merger” of Strands 2 and 3<sup>6</sup>, the impact assessment for both Strands will be realised in one section (section 3.2).

<sup>5</sup> The related interview questions were the following: *What are the most important positive factors influencing on the achievement of the impact? What are the most important negative factors influencing on the non-achievement of the impact?*

<sup>6</sup> Although transnational Strand-specific working group meetings were still held separately, a growing number of workshops or b-2-b event were organized jointly between the Strands and also a larger number of NMC I sub-projects/pilot-projects are Strand combined actions.

### **3.2 Impacts achieved by transnational activities under Strands 2 & 3**

Generating an actual increase of freight volumes on competitive maritime transport solutions that leads to positive gains for coastal regions and their environment (expected impact of Strand 2) and establishing competitive intermodal solutions for seafood transport between seafood producing and seafood processing / marketing areas (expected impact of Strand 3) has appeared in both cases to be a rather complex and difficult processes. The actual level of impact achievement realised under both Strands of NMC I needs therefore to be considered in the present situation and in a short- / medium-term perspective.

At present, NMC-activities have not yet allowed to move significant volumes of cargo from road to sea. Through various sub-projects realised individually or jointly by Strands 2 and 3, NMC has however allowed exploring new solutions for shipping services that are relatively close to market introduction and thus helped preparing the ground for an achievement of the above-mentioned impacts.

In a short-term perspective, the services explored by the sub-projects need further feasibility research / risk evaluation and probably also additional support to make market interests emerge. Once these activities are accomplished and the services should become reality (expected during the next 2 to 4 years), they in deed represent considerable potentials in a medium-term perspective to actually achieve a significant modal shift in general freight transport (as well as in seafood transport), to reduce transport movements and cost for operators/carriers.

According to the interviews realised, the most promising SSS-options resulting from Strand 2 and Strand 3 activities realised under the NMC I project are the following:

- **The planned Mid-Norway - Rosyth RoRo combined RoPax service (MINORO-service):** It will create a new "leg" from mid Norway to Rosyth (UK-Scotland) in order to connect to an already existing daily SSS-service towards Zeebrugge (Belgium). With regard to the concreteness of launching this new shipping service, one can say that the introduction of the MINORO-service is quite well advanced. The participants in the pilot project are working very hard to get an operator and they also consider submitting a proposal to the EU-Marco Polo programme in order to support the launching phase of the service. Once operational, the service will allow transporting tourists and moving a lot of cargo volumes towards sea transport.
- **The intermodal rail-ship service for seafood transport from Norway to Benelux:** The solution plans to charge fresh seafood from Norwegian fish processing industry on existing rail services operating from Narvik (Arctic Railway Express) and Bodo (Nordlandsbanen) in order to transport it further south in Norway over Oslo towards the port of Kristiansand, then using a daily RoRo or RoPax SSS-service towards the distribution ports in the Benelux (Eemshaven-NL & Zeebrugge-B). This combined option is quite valuable in terms of stakeholder involvement<sup>7</sup> and creates a positive advancement in intermodal transport thinking. The sub-project has shown that there are no fundamental technical problems and that the Norway-Benelux intermodal service is relatively close to market introduction. Due to the fact that the service is considered to have important potentials for shifting cargo from road to sea<sup>8</sup> and for avoiding recently emerging transport costs<sup>9</sup>, follow-up activities are already realised in

<sup>7</sup> Involvement of the two Norwegian railway companies.

<sup>8</sup> A critical and decisive issue across these initiatives is however always the volume of seafood that will be transported.

<sup>9</sup> This solution would also help avoiding the recently introduced lorry toll on German highways, which currently appears as a cost factor when seafood is transported by road through Germany.

the new NMC II project.

- **The planned fast RoPax service from Cuxhaven (D) to Western Norway:** From the departure in Germany, the service plans to call the Norwegian ports of Stavanger, Bergen, Alesund and Trondheim (not every port on each trip). Further explored in the BMT-study that was commissioned by the NMC-partner Cuxhaven, the service shows clear potentials for shifting cargo and passenger transport<sup>10</sup> volumes from road to sea and also an interesting perspective for maritime seafood transport.
- **The Sea-Cargo - SCO 5 project:** It is designed to improve the transport bridge between the West Coast of Norway to/from the continent and to/from the east coast of the UK. It will result in a better service/better solution for this precise short sea shipping link, mainly by creating a fast and reliable safe transport corridor, using modern ships providing a high frequency with sufficient capacity for all types of unitised cargo.

Beyond these SSS-options, Strand 3 activities in the context of the **GOCRYO-container initiative** have also allowed testing a new and innovative solution that could actually help improving the quality of long-distance seafood transport services in the NMC.

The most **important factors positively influencing on the overall level of impact achievement** realised under Strands 2 and 3 are the following:

- **Strands 2 & 3:** Strong regional maritime clusters/seafood branches with a considerable involvement of highly skilled persons from the business sector were decisive factors for mobilising regional interests and ideas and for providing a high quality bottom-up input to the transnational work processes under both Strands. This bottom-up approach was also important for creating a wider “ownership” of the NMC-project, both locally and transnationally. In addition, the competence/pro-active attitude of “regional managers” in each partner area was decisive, especially when it came to manage and run the regional maritime clusters. A very supportive aspect has been when “regional managers” were employed on a full-time basis for the NMC-project and therefore could entirely be dedicated to regional and transnational activities.
- **Strands 2 & 3:** The success of the transnational work process under both Strands - and thus also the achievement of impacts - was strongly dependent upon a number of proactive people with a strong technical know-how and/or business-related competences (participants and transnational strand managers). A stable regional representation during the transnational work process (i.e. same persons attending the Strand-specific meetings over time) was in both cases also very decisive for actually achieving the expected impacts.
- **Stand 3:** An aspect that was decisive for achieving the actual level of impacts has been the general willingness of the private economy (especially of major maritime transport companies) to become actively involved in the exploration of new solutions for maritime seafood transport. In this respect the transnational meetings and the Strand 3 work process, but also the organisation of a multilateral business-to-business meeting<sup>11</sup>, have fulfilled an important “arena-setting function” that facilitated

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<sup>10</sup> The planned service should also be able to meet growing mobile home tourist flows from Germany and other continental areas towards the destination Norway.

<sup>11</sup> A transnational inter-trading event was organised in Cuxhaven that has allowed organising joint work among business actors from various NMC areas.

direct interaction between business actors from different NMC partner areas.

- **Strand 2:** Under this strand, the structured transnational work process among the NMC-partners, involving theme-specific studies and reporting on specific regional situations, was important for confronting regional/local ideas with the international transport situation prevailing in the NMC. Especially during the first phase of the NMC-project, the studies realised have made a good input for exploring new potentials for / developing new short sea shipping services, which was subsequently realised in the context of specific pilot projects.
- **Strands 2 & 3:** Both strands have – by acting jointly - reached good momentum in initiating various sub-projects that were realised with an active involvement of different actors from various branches of the maritime industry. The combination of action- and business-oriented sub-projects has proved to be very successful, while other transnational activities lacking such an approach could not generate this much of tangible results. Within this context, one could observe that especially the continental port regions in the NMC project had been business-oriented than NMC partners from the northern range (Scotland, Iceland, Norway etc.). This had much to do with the general position of northern partners as "cargo owners", whereas the southern North Sea partners are mainly those who wish to attract cargo towards their own ports.

The most **important factors that had a somehow negative influence on the overall level of impact achievement** under Strands 2 and 3 are the following:

- **Strands 2 & 3:** Very general aspects that sometimes hampered the overall process of impact achievement were (1) the extreme complexity of aspects related to stimulating modal shift in freight transport, difficult to be fully addressed during the relatively short running period of NMC I, and (2) the still very present "road-transport thinking" especially in the context of seafood transport. Another general aspect that sometimes influenced negatively on the achievement of impacts was the high competition among the continental EU-partners of the NMC project (ports in Germany, the Netherlands and Belgium).
- **Strands 2 & 3:** A more project-specific aspect that sometimes hampered the process of result and impact-achievement was that the area covered by NMC I was very large (North Sea & Northern Periphery) and that too many partners were involved in the project. Both aspects have mobilised considerable energy in order to co-ordinate the entire transnational work process. If this coincided with a lack of human and financial resources, the achievement and the full delivery of results was sometimes hindered (and thus also the achievement of impacts).
- **Strand 2 & 3:** The NMC project was too strongly anchored in the public sector domain and the sometimes very dominant representation of public sector actors in the regional and transnational work processes was not very supportive, especially when it came to achieving business/logistics-oriented results and impacts. In several parts of Norway private sector involvement was actually very weak. In northern Norway, too much "political thinking" had in some cases also prevented the launching of promising new initiatives, whereas in southern Norway partners were more disposed to think in a business-to-business context and all ideas were put to the table for a controversial discussion.
- **Strands 2 & 3:** A strongly variable personal representation of individual NMC-partner regions during the transnational work process (Strand-specific meetings) has in both

cases sometimes considerably hindered the real progress that could have actually been made.

- **Strand 2:** Particular aspects that have hampered the transnational work process under this Strand were delays in the production of own outputs by some partner regions (necessary as “inputs” for efficient transnational work) and – often related to this – the fact that regional managers only worked for the NMC-project on a part-time basis, or even worse, on an ancillary basis in parallel to their main job. Also the “passive position” of some NMC partner regions during the transnational meetings or lengthy presentations and one-way discussions among very few members did actually not enhance the overall work progress.
- **Strand 3:** The long-distance co-operation among the transnational managers of Strand 3 was too complicated and especially the lack of a Strand 3 manager from the North Sea Area (function that should have been accomplished by a representative of Cuxhaven) has hampered the progress in the transnational work process (overload of work that had to be accomplished by the Strand manager of the Northern Periphery). In addition, and despite a transnational business-to-business meeting organised in the context of Strand 3, actors from the private sector have had too little opportunities to jointly work together on a structured basis within the NMC project<sup>12</sup>.

### **3.3 Impacts achieved by transnational activities under Strand 4**

The main objective for Strand 4 at the outset of the NMC project was to create a strategy on how to transfer petroleum-related freight volumes from “wheel to keel”. Hence, the initially expected impact related to an exploitation of oil and gas resources in the North was to develop a chain of petroleum transportation in the NMC that fits into a wider system that has the potential of being efficient, safe and environmentally friendly, especially by involving actors from the transportation sector as well as from oil related industries. The first aspect of this expected impact relates mainly to the situation in the North Sea basin and the Norwegian Sea, while a second aspect relates to the evolving petroleum development in the Barents region.

The main conclusion for **the transfer of petroleum related freight from wheel to keel in the North Sea** is that Strand 4 has not succeeded in getting key actors to implement a strategy for transference of petroleum related freight from wheel to keel in the North Sea region. There are however some amendments and some explanations to that conclusion.

Regarding the transnational situation in the North Sea basin, most all of the petroleum related freight goes already by ship (i.e. between UK and Norway) across the North Sea. Regarding the transportation along the Norwegian coast (i.e. petroleum related equipment and supplies that goes by truck from supply base to supply base), there is a possibility for transference of some volumes if the pilot projects in Strand 2 (i.e. Nor Ferries connection between Cuxhaven and Mid-Norway, the Sea Cargo SC 05 and the Mid-Norway – Rosyth connection) succeeds.

There are a number of factors that might help explaining this lack of impact achievement: During the first year of the NMC-project, the initial objective was pursued and recommendations for further work were established. However, the major cargo owners (i.e. oil companies and oil service-companies) were neither enthusiastic nor willing to implement new

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<sup>12</sup> In this respect, a more proactive support from the NMC lead partner to organise more transnational business-to-business meetings would have been useful.

strategies for the transport of equipment and supplies along the Norwegian coast. This was partly due to the negative experiences with previous projects with the same kind of objectives that did not succeed. The major transporters of petroleum-related freight in this area did not either have an economical motivation for changing the transportation mode. The non-Norwegian partners in this Strand did also express that this was more a national affair than a transnational one and were in consequence not willing to put more effort into this issue. The end of the story was that Strand 4 concentrated on the other objective (Barents) and left impact achievement for this objective to Strand 2.

The main conclusion for **the development of an efficient, safe and environmentally friendly transportation chain serving the petroleum development of the Barents region** is that Strand 4 has succeeded in providing (1) a framework for shaping of a consistent transportation chain<sup>13</sup> and (2) an arena and network for exchanging ideas and concepts for such a transport solution. There is however still a way to go before the achieved impacts support meeting the objectives for this strand (i.e. to get the most important stakeholders to commit themselves to a strategy for sustainable transportation in this area). The focus of this part of strand 4 has gradually changed from transportation to regional development in order to adjust to the present contextual situation (limited petroleum development) and the interest of major stakeholders.

**Positive factors influencing the impact achievement under Strand 4** have been the huge interest from both private companies and public authorities in participating in the conferences, workshops and inter-trading events. The general attention in the international society towards the development in the Barents region and especially the apprehension of the prospective economical development in the area has been a driving force behind this interest.

**Negative factors influencing the impact achievement under Strand 4** can be categorized in three groups: (1) The petroleum development in the area is still in its infancy (mainly exploration) and the demand for transportation of equipment and supplies to offshore petroleum developments will not be present in many years yet. (2) The NMC-project itself does not have enough “muscles” to push strategies or commitment by the major stakeholders like oil companies, oil service companies, shipping companies and infrastructure owners. (3) It seems to be difficult to achieve a clear statement from the Russian part with regard to what transport strategy that will be supported.

### **3.4 Impacts achieved by transnational activities under Strand 5**

The overall objective of this NMC-Strand was to contribute to the sustainability of the Northern Maritime Corridor, especially by assessing what changes in risk exposure the NMC will contribute to and by examining what risk management strategies have to be developed and implemented. The initially expected long-term impact was an improved awareness and preparedness by responsible authorities in respect to safety in the NMC<sup>14</sup>.

Strand 5 has realised a comparison of the countries' risk management strategies and could further increase knowledge and awareness on issues related to maritime safety / risk

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<sup>13</sup> The framework consist of requirement specification regarding development of transportation infrastructure in the Barents area, a survey of existing services onshore and offshore and clarification of the possibilities and alternatives for serving the Barents area. The “Barents sea intermodale service report” provides data and analysis that can serve the future decision making in this area.

<sup>14</sup> The work in Strand 5 was originally focused on the sustainability of new services, but it became evident very early that it was just as important to look at safety in the corridor in light of the “Prestige” and other accidents in the corridor.

management of members in the NMC (i.e. through reports, workshops and other events). The strand managers have however experienced difficulties in disseminating results from Strand 5 reports and workshops towards responsible bodies at international level. Strand 5 has however succeeded in disseminating results to international bodies like the North Sea Commission and to national bodies especially in Norway (The National Coastal Administration) and UK (Northern Lighthouse Board and Maritime Coastguard Agency).

Interviews with regional managers indicates that the NMC-project not have been the driving force behind improved awareness and preparedness by responsible authorities in respect to safety. The NMC-projects is however in some of the partner regions a part of a comprehensive and cumulative process (i.e. national and international regulations and bodies, accidents and wreckages, increased publicity regarding specific threats) that together creates improved awareness and preparedness.

A significant result of the Strand 5 activities is **the creation of a network and arena for maritime safety**. This informal arena where participants can exchange experiences and discuss common matters with people they otherwise most likely would not have met has been appreciated by the professional participants and has also contributed to practical improvements<sup>15</sup>.

Another result of the strand 5 activity is the **recommendations** to EMSA and other maritime safety projects<sup>16</sup> for:

- Harmonisation of Risk Management Strategies
- Routing and Safe Seaways
- Safety Awareness and Decision Making
- Petroleum Development and Routing Problems

Each of these sets of recommendations have been split again into where the recommendations should be made, i.e. at international, national or regional level.

Due to the lesson learnt from ongoing Strand 5 activities, the INTERREG IIIB project called **“Safety @ Sea”** has been launched. For the project, in which national bodies with responsibilities for maritime safety will be the main partners, NMC-Strand 5 has been functioning as an experimental platform. The new project, which will also capitalise on already realised Strand 5 activities, can therefore be considered an important indirect result from NMC.

Strand 5 experienced difficulties in the task of making action plans on harmonising the risk management between different countries and on developing a common risk management strategy for the entire NMC-area.

- **Negative factors influencing the non-achievement of such a strategy** was partly the lack of knowledge by Strand 5 working group members regarding the safety regulations in their own country. The main factor was however that maritime safety matters are mainly a national and international responsibility and not a regional responsibility. The lacking competencies of NMC-members can be considered as the most important factor that has been hampering activities and the overall result achievement under this NMC-strand.

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<sup>15</sup> The Barents secretariat has pointed out that the NMC-project arena was the specific reason why Norway and Russia (the Norwegian Ministry of fishing and the Russian Ministry of Transport) established a practical co-operation regarding oil-spill preparedness in the Northern areas.

<sup>16</sup> These recommendations can be found in the report “Safety and Sustainability in the Corridor Key findings and Recommendations”.

- There are however also **two important factors that have positively influenced on the achievement of results and impacts realised** by this Strand. The first one is the professional contribution from the Northern Lighthouse board in Scotland to the strand specific tasks. The second one has been the link to other NMC-strand specific activity and the opportunity to serve as a neutral meeting arena for different stakeholders.

With regard to future co-operation activities, the harmonising of risk management strategies between countries bordering the same maritime transport corridor should remain a priority and responsible authorities should be given this task.

## 4

### The likely manifestation of transnational impacts in different parts covered by the NMC I project (bottom up perspective)

#### 4.1 The likely manifestation of impacts in the individual NMC partner areas

The following section will assess – on a qualitative basis – the expected impacts that are expected to materialise in each area as an effect of realised NMC-activities (regional activities & transnational activities) as well as of outputs/results achieved in a medium and long-term perspective.

The assessment will cover all content-related NMC-Strands (Strands 1-5) and the regional managers interviewed had been asked to answer to the following questions that directly refer to the statements on expected impacts as formulated in the initial NMC-project application:

- **Strand 1:** *Has your area effectively achieved to establish a regional maritime cluster(s) that is able to support the implementation of a consistent and unified transportation system in the NMC (i.e. has your area succeeded in engaging the most important stakeholders in a joint effort to improve short sea shipping?)?*
- **Strand 2:** *Will your area experience increased freight volumes on maritime transport solutions? If yes, in what way has the NMC project contributed to this? What will be the positive gains for the coastal region?*
- **Strand 3:** *Have new or improved competitive intermodal solutions for seafood transport between your area and other NMC partner regions been established or is it likely that such solution will be established in the near future?*
- **Strand 4:** *With regard to maritime transport in the petroleum sector, has your area been involved in developing a transportation chain, which fits into a wider system and is at the same time efficient, safe and environment friendly?*
- **Strand 5:** *With regard to a sustainable and safe NMC, do you have the impression that there is an improved awareness and preparedness of responsible authorities and transporters in your area?*

In addition, regional managers interviewed have also been asked to state on a more general question referring to other types of impacts that will potentially emerge over time in the individual areas<sup>17</sup>. Finally, and mostly due to the fact that the regional maritime clusters / seafood branches (established mainly under Strands 2 and 3) were expected to play a significantly role in the realisation of local and transnational activities (and thus also in the

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<sup>17</sup> The related interview question was the following: *Have the NMC-project contributed to any other practical / specific changes in the regional short sea shipping situation? For example: (a) improved onshore intermodal solutions, (b) business agreements between members of your regional maritime cluster and members in other partner areas and (c) political decisions in favour of increased short sea shipping.*

actual achievement of outputs/results), also their general role in / contribution to the likely achievement of impacts in each NMC partner area was reviewed<sup>18</sup>.

### **Amsterdam**

With respect to **Strand 1**, Amsterdam has achieved to establish a regional maritime cluster that has strongly supported the transnational work within the context of NMC, and thus also the process of implementing first steps for a consistent and unified transportation system in the NMC. Despite this, a stronger transnational networking with companies forming part of maritime clusters in other NMC partner areas would have been an interesting aspect worthwhile to be encouraged under NMC I.

Through NMC-activities in the context of **Strand 2**, one existing short sea shipping service could significantly be improved (i.e. better interlinking of different one-way destinations, improvement of the service quality) and extended, which will certainly impact on increasing maritime transport-related freight volumes. The exact increase of freight volumes expected from this improvement as well as the increase of freight volumes handled in Amsterdam port can however not be indicated at this moment.

The NMC partner Amsterdam port was not involved in **Strand 3** activities (Seafood transport & logistics) and also with regard to **Strand 4** activities (maritime transport in the petroleum sector), Amsterdam followed the issue on a "long-distance" in order to be informed about future developments. Also with regard to a sustainable and safe NMC (**Strand 5**), the related activities did not produce much results/impacts for Amsterdam.

There are also a number of "**other practical / specific changes**" in the regional short sea shipping situation of Amsterdam that are a direct effect of NMC activities. NMC-activities have allowed establishing new business relations between terminal operators in Amsterdam and shipping lines in the NMC area. In addition, the activities promoting NMC as a "Motorway of the Seas" have certainly supported that short sea shipping could be brought more intensively on the political agenda of the Netherlands and supported that more priority is given to Amsterdam as a short sea shipping hub in this context. Although an improvement of onshore intermodal solutions could not be directly realised by the NMC project, there are however some indirect links emerging between NMC and other INTERREG IIIB projects that have a generally positive effect on the area<sup>19</sup>.

### **Aberdeenshire**

With respect to **Strand 1**, the maritime cluster involved a number of key actors in Aberdeenshire<sup>20</sup> and it was certainly useful to get these actors from different sectors of the

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<sup>18</sup> The related interview question was the following: *Has your area effectively contributed to establish a regional maritime cluster (s) that is able to implement a consistent and unified transportation system in the NMC? (i.e. have your area succeeded in engaging the most important stakeholders in a joint effort to improve short sea shipping?).*

<sup>19</sup> In the context of other transnational co-operation projects realised under the INTERREG IIIB programme North-West Europe, for example, onshore intermodal hinterland links could be improved (rail, inland waterway transport). If one links together these "other" improvements with the off-shore achievements of the NMC-project, one can certainly say that from the viewpoint from Amsterdam these activities will certainly have a combined positive impact on the area.

<sup>20</sup> REGIONAL LEAD PARTNER: Aberdeenshire Council. MEMBERS IN CLUSTER: ARR Craib Transport Ltd., Aberdeen City Council, Aberdeen Harbour Board, Aberdeen Service Company (ASCO), Aberdeenshire Council, Concorde Container Line Ltd., Euroline Shipping Co. Ltd., George Geddes, George Noble, Grampian

maritime industry together. The area was however not very successful in keeping all these people involved in the cluster on a steady basis. Some participants have questioned the real outputs that can be delivered by the NMC project and others have even expressed fears about potential “incoming competition” as a consequence of NMC activities.

From **Strand 2** activities, Aberdeenshire does not expect any increase in cargo volumes resulting from maritime transport solutions promoted / initiated under the NMC project. This is mainly due to the fact that many of the NMC-planned short sea shipping services are actually by-passing the North-East of Scotland and thus the port of Aberdeen. But also with respect to **Strand 3** activities, no significant impact is expected to materialise in Aberdeenshire.

The issue of maritime transport in the petroleum sector (**Strand 4**), as dealt with by the NMC project, did not directly concern Aberdeenshire. The strong focus put on the Barents Sea Region / the Russian perspective was not really the main field of interest in this UK-region<sup>21</sup>. Despite this, however, the wider information exchange and the gathering of new insights in this strategic development process had been useful.

From the point of view of Aberdeen port, the issue of a sustainable and safe NMC (**Strand 5**) was not a priority theme. It is not clear whether an improved awareness and preparedness of responsible transporters in the area has taken place, but the port itself was already quite well informed and prepared on these aspects.

Among the “**other practical / specific changes**” in the regional short sea shipping situation of Aberdeenshire, the NMC project has certainly helped to some extent raising the political awareness about the role of maritime transport<sup>22</sup>.

### **Cuxhaven**

With respect to **Strand 1**, Cuxhaven has achieved to establish a maritime cluster that is mostly composed of private actors from various sectors of the local maritime industry<sup>23</sup>. The cluster work has provided a very valuable bottom-up input for the wider transnational work aiming at the implementation of a consistent and unified transportation system in the NMC<sup>24</sup>. Furthermore, the joint work in the cluster has also considerably strengthened the mutual ties and contacts among the different private sector actors in Cuxhaven.

**Strand 2 activities** have not yet contributed to actually generate additional cargo volumes handled in the port of Cuxhaven. A future increase of freight volumes on maritime transport solutions and a significant increase of cargo volumes handled in the port of Cuxhaven is however expected from the planned RoPax SSS-service Cuxhaven-Western Norway<sup>25</sup>

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International Freight Ltd., Gulf Offshore N.S. Ltd., Nor Cargo Limited, Northlink Orkney & Shetland Ferries Ltd., Peterhead Bay Authority, Peterhead Harbour Trustees, Scottish Enterprise Energy Team.

<sup>21</sup> A much more interesting perspective would have been to explore possibilities for serving the Norwegian oil platforms in the North Sea from Scotland. However, the current official Norwegian position does not make possible such activities.

<sup>22</sup> With regard to the other issues (improved onshore intermodal solutions, additional business agreements), no improvements are noticed in the area.

<sup>23</sup> REGIONAL LEAD PARTNER: City of Cuxhaven. MEMBERS IN CLUSTER: Brüssel & Maass Logistik GmbH City of Cuxhaven, Cruise and Ferry Cuxhaven GmbH, CuxPort GmbH, Erwin Gooss GmbH & Co. KG, Hafenwirtschaftsgemeinschaft Cuxhaven e.V., Hussmann & Hahn GmbH & Co., Osterloh, Otto Wulf GmbH & Co.KG, Sea-Airport Flughafen-Betriebsgesellschaft Cuxhaven/Nordholz mbH, Seefischmarkt und Hafenumschlag Cuxhaven GmbH (SHC), Spedition Lühmann GmbH & Co. KG.

<sup>24</sup> The results achieved by the cluster work at local level have provided considerable backing for the regional manager, who was mainly involved in the transnational work-process.

<sup>25</sup> The BMT-study realised under the NMC project, which has been commissioned by Cuxhaven, explored possibilities for establishing a new fast RoPax-service between Cuxhaven and several ports of Western Norway.

(NMC-sub-project), once the service will be operational<sup>26</sup>. A precise quantitative estimation of expected additional cargo volumes could however not be given.

With respect to **Strand 3** activities, the above-mentioned RoPax SSS-service that is planned to be established by 2007 between Cuxhaven and several ports in Western Norway will also represent a new intermodal solution for maritime seafood transportation between different NMC partner regions. Beyond the expected impact on increasing cargo volumes handled by the port (e.g. fresh or frozen fish, already processed fish), it is also expected that especially the fish processing industry located in Cuxhaven will benefit from Norwegian fresh fish arriving at the port with this new SSS-service.

Cuxhaven did not participate in **Strand 4** of the NMC project. Although Cuxhaven did participate under **Strand 5**, it has quickly become evident that for a large majority of the local business partners this theme was not of a strategic importance<sup>27</sup>. The issues dealt with are mainly of interest for partners located in the public domain, especially those involved in regulatory issues.

Beyond the expected impacts emerging from Strand 2 & 3 activities, Cuxhaven does not expect many “**other practical / specific changes**” in the regional short sea shipping situation. The NMC project has not contributed to improve onshore intermodal solutions and also an increased political awareness regarding short sea shipping can not be observed. Although NMC has helped to establish a valuable transnational platform that allowed direct face-to-face meetings between different types of maritime business actors, the project could not significantly widen the "business contact portfolio" of local actors in Cuxhaven (i.e. increase of the scope of contacts/agreements compared to the situation before NMC).

### ***Finnmark***

The regional maritime cluster in Finnmark (**Strand 1**) established in the beginning of the project period included both fish exporting companies and public authorities, but not shipping companies (transporters). Generally the belief in achieving the objectives of NMC from cluster members varies, but the majority thinks that the NMC will not lead to immediate changes with regard to moving land-based transport to sea. The cluster does not meet on a regular basis, and there has not been any activity since May 2004. On that basis, one must conclude that Finnmark have not succeeded in establishing a regional maritime cluster that actively is promoting short sea shipping.

With regard to **Strand 2 and Strand 3**, no changes with regard to transport of cargo from and to Finnmark have been implemented so far and the pilot projects will presumably not alter that situation with regard to cargo traffic from Finnmark. Most of the goods (mainly frozen fish) do already go by ship. Sea transport of fresh fish between Finnmark and the continent are not regarded as competitive compared to truck because of the huge distance. A limited possibility does however exist for some minor volumes of fresh fish Finnmark to be connected to the Norway – Benelux project, but this possibility has not been explored yet.

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It is planned that the shipping company NorFerries contracts two high-speed vessels, with each ship making two round trips every week. In western Norway, it is planned that these ships call the ports of Stavanger, Bergen, Alesund and Trondheim, but not every port of each trip.

<sup>26</sup> From the viewpoint of Cuxhaven this new SSS-service could start operating around 2007, if NorFerries realises the additional necessary work for actually taking up the service. Once operating, it is expected that the new SSS-service could be "self-sustainable", i.e. it will not require additional support from further transnational co-operation.

<sup>27</sup> As such, the local business partners in Cuxhaven do consider this theme mostly as an "external framework condition" that is hardly influencable by them.

The Barents Sea Intermodal Service report points at Kirkenes as one of the key harbours besides Murmansk and Archangel that be one linked to a future new northern gateway to Russia. This development is however still in a conceptual phase and tangible impacts can not be expected to occur in a short time perspective.

Finnmark is an important location when comes to **Strand 4** and the development of a transportation chain connecting the Barents region with the North Sea region. Both the ports of Hammerfest and Kirkenes can be a part of such a transport chain. The regional maritime cluster has been involved with the work in strand 4, especially regarding facilitating the international workshop in Hammerfest in June 2005. Focus has however been more on regional development linked to the present petroleum development and to a less degree on the transport solution. The petroleum development in the Barents area seems, at the present stage, to premature to start developing specific transport solutions.

Safety (**Strand 5**) has not been an important issue for the regional maritime cluster in Finnmark. Finnmark does not either report about any other practical / specific changes from the NMC project, may be as a result of limited interest and possibility to participate in many of the international events.

Further development of short sea shipping southbound in the NMC-corridor has to a certain degree been of limited interest for Finnmark, while development of transport corridors eastbound has been more interesting for the fishing industry. The reservation from Finnmark with regard to participation in NMC-II must be viewed in this context.

### ***Groningen Seaports***

With respect to **Strand 1**, the NMC partner Groningen Seaports has achieved to establish a regional maritime cluster including all companies that are present in Eemshaven and in addition also the Chamber of Commerce in Groningen<sup>28</sup>. The members of the cluster have actively provided the NMC-partner with inputs on the development / setting up of new SSS-services in the NMC, thus making a small contribution to support the implementation of a consistent and unified transportation system in the NMC.

As concerns **Strand 2** and **Strand 3 activities**, no direct improvements can be observed by Groningen Seaports at the moment. This year, however, the regional actors have conducted a return cargo research for the Norway Benelux Intermodal Service for Seafood (NMC-pilot project). In relation to this project, it will be possibly that in 2007 a new short sea shipping liner service will be started between Kristiansand and Eemshaven. If the new liner service is running in 2007, then also positive impacts with respect to an increase of freight volumes on maritime transport solutions and with regard to the establishment of a new competitive intermodal solution for seafood transport between Groningen and other NMC partner regions are expected to materialise.

The impacts related to **Strand 4 & 5** activities are rather small for the NMC partner Groningen Seaports, either because the area was not involved in transnational activities (Strand 4) or because an increased awareness / preparedness with respect to maritime safety issues was more an impact related to the implementation of the “International Ship and Port Facility Security Code” (ISPS-Code) of the International Maritime Organization (IMO).

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<sup>28</sup> REGIONAL LEAD PARTNER: Groningen Seaports. MEMBERS IN CLUSTER: BBE - Foundation of Company Interests Eemshaven, Chamber of Commerce Groningen, Groningen Seaports, Port of Harlingen.

## Highlands & Islands

With respect to **Strand 1**, the NMC partner Highlands & Islands has achieved to establish a “poly-nuclear maritime cluster”, consisting of 3 sub-clusters that were set-up in the different areas due to the geographical distances. Although each of the 3 sub-clusters has its own specific interests, there are also a number of shared interests among them. The sub-clusters allowed involving all strategic key actors in the area<sup>29</sup> and during the work process (research activities and pilot actions) one can observe an intensive involvement of these key actors. The actors themselves have developed the regional action plans and also the regional manager responsible for the Highlands & Islands area could provide a high quality input to the cluster work due to his distinct technical experience. This overall result, and especially the strong bottom-up ownership of the action planes, has certainly helped to support the implementation of a consistent and unified transportation system in the NMC.

In the opinion of the Highlands & Islands, a de facto integration of NMC **Strands 2 and 3** has taken place over time. Although NMC-activities under both Strands could not yet contribute to directly move any “real” cargo-volumes from road to sea, there are a number of NMC-pilot projects and other initiatives addressed under Strands 2 and 3 that show significant potentials for doing so in the near future. The most important ones, which are expected to have both a significant impact on modal shift of freight and on the Highlands & Islands area as such, are the following:

- The Highland Intermodal Terminal (HIT) in the Inverness area, which is necessary to further extend sea transport services in the area and to overcome the excessive dependence on long-distance road transport.
- The Orkney international container transshipment terminal (Scapa Flow container terminal): The Scapa Flow container terminal is expected to handle 1 million containers each year (equivalent of 15 million tons of freight). The Arctic crude oil transfer at the Scapa Flow terminal is also expected to reach a volume of around 15 million tons.
- The proposed establishment of a Ro-Ro combined RoPax ferry service between mid Norway and Rosyth in Scotland UK (MINORO-service), the potential establishment of a weekly cruise and fresh seafood RoPax ferry service between Iceland, Faeroe, Shetland and a Benelux seaport (Smyril Extended Service, SES) and the initiative to link 3 fast and frequent Ro-Ro/RoPax services (Smyril Line, Northlink Ferries, Supperfast Ferries) at two strategic hubs for transferring freight (Lerwick in Shetland; Rosyth near Edinburgh) in order to connect strategic ports and markets in the Northern Periphery and the North Sea region (RoRo Relay Service). These localised SSS services are expected - altogether - to handle around 1 million tons of unitised container cargo.

Most of the above-mentioned SSS-services and port terminal projects are expected to be ready for operation in a medium-term perspective. The RoRo Relay Service (Fleet extension), for example, could actually be implemented at around 2007. Despite this, the actions launched under NMC I still need to be taken forward / improved through transnational co-operation during the next Structural Funds programming period (2007-2013). An effective

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<sup>29</sup> REGIONAL LEAD PARTNER: Highlands and Islands Enterprise. MEMBERS IN CLUSTER: Aurora Environmental Ltd., Cromarty Firth Port Authority, Highlands and Islands Enterprise, Inverness Harbour Trust, Lerwick Port Authority, Mott MacDonald, Orkney Island Council, Orkney Islands Council (OIC), Orkney Marine Logistics Ltd., Port Services (Invergordon) Ltd., Ross & Cromarty Enterprise, Scrabster Seafoods Limited, Shetland Island Council, Shetland Island Council, Ports and Harbours Operations, Streamline Shipping Group Ltd., Talisman Energy UK Ltd. - Flotta Terminal, The Highland Council, The Highland Council (Fisheries Activity).

realisation of these projects and the related expectations for modal shift in freight transport will also have a significant impact on the Northern Periphery Area as a whole.

With regard to **Strand 4** activities related to maritime transport in the petroleum sector, the NMC I project has yet mostly allowed the Highlands & Islands area to recognise new strategic opportunities and to establish first contacts with the Russian partners. However, once the infrastructure for extracting oil and gas in the Barents Sea Area will be installed and operations could actually start, then the terminals in Shetland and Orkney are expecting to capture additional volumes of Arctic crude oil in a range of 5 to 20 million tons per year for on-site transshipment<sup>30</sup>. These positive expectations are mainly justified by the fact that the Russians can use available low-cost terminal capacity available in the area.

With regard to a sustainable and safe NMC (**Strand 5**), the project has only made little contributions in the area to improve awareness and preparedness of responsible authorities and transporters. This is mainly due to the fact that regional port authorities are already aware of / prepared for issues related to sustainable and safe maritime transport, as they are at the "cutting edge" of the regulatory dimension in this respect. However, the NMC project has allowed further extending the transnational awareness/knowledge building process on this issue.

As such, there were not many "**other practical / specific changes**" in the regional short sea shipping situation of the Highlands & Islands area that have occurred as a direct effect from NMC activities. In the UK context, the NMC project has however highlighted the lack of national level support for sea transport (priority is mostly given to rail and road) as well as the lack of a comprehensive maritime policy in the context of the Scottish region. As a consequence, there is a clear need to further develop the political awareness on the maritime transport.

### ***Hordaland***

Hordaland has succeeded in shaping a regional maritime cluster (**Strand 1**) that actively promotes short sea shipping. Both shipping liners, port authorities, public authorities, forwarders and some cargo owners meet regularly for discussion about different challenges and opportunities. The NMC-project has created an arena and a network that the major stakeholder supports and wants to maintain.

Hordaland has not yet experienced increased freight volumes on maritime transport solutions (**Strand 2**), but two of the pilot projects will presumably result in increased freight volumes.

- The most promising one is the Sea-Cargo SC 05 project. Sea Cargo has already introduced a new and additional RORO ship to their existing service and thereby increased the direct sailing to/from UK (Immingham and Aberdeen) and the Continent (Amsterdam) from two to three sailings a week and increasing capacity on the route by 400,000 tonnes p.a. Sea Cargo will introduce two new purpose built ships in 2007 that will replace the existing tonnage. Each ship will have a capacity of 35 trailers, 200 containers (teu) and 1850 square meter on deck. The Sea Cargo service will compete with road transport and ferry links through Denmark and has thereby the

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<sup>30</sup> NMC-research suggests that potential export growth of crude oil through Murmansk/Russia could reach 20 million tons per year by 2010 and as much as 45 million tons a year by 2015. More optimistic scenarios speculate that the one young of 80 million pounds per year could be reached sometime between 2010 and 2015. It is anticipated that most of this traffic will be decimated for markets in the UK, the continental EU and the United States).

potential of moving cargo from road to keel. The NMC-project has supported this project among others by financing a cargo flow analysis.

- The second possibility is the plan for a new RoPax service between Cuxhaven and Western Norway that will call Bergen. This initiative comes from Norferries in Cuxhaven and the NMC project has also supported a study for this project.

A representative for the regional maritime cluster in Hordaland participated in the **Strand 4** activities in the starting phase of the project. However, Hordaland felt that the work in this strand became less relevant for the supply base in Hordaland because the initial goals for this strand (move cargo from wheel to keel) were departed from, and the participation in this strand was not prioritised.

Generally safety aspects connected to short sea shipping (**Strand 5**) receive a lot of attention by the relevant authorities and transporters in Hordaland, but the coastal guard, recent accidents and the relevant ministry seems to be most important the driving force behind this attention.

Hordaland does not report about any “**other contributions**” from the NMC-project. The positive experiences, especially with the regional cluster work, have created an interest in the cluster for continuation and maintenance of this work in order to bring forward practical solutions to regional challenges with short sea shipping. The regional response to a more ministry driven NMC II is however somewhat more reluctant.

### ***Møre og Romsdal***

There are three local area-specific clusters in Møre og Romsdal (**Strand 1**) connected to the three major towns in the county. The northernmost cluster includes all the mayor stakeholders including the export industry. This group have established “Møregruppen ltd” with the goal of creating a new service between Kristiansund and UK and the continent. The maritime cluster in Ålesund have not been heavily involved in the promotion of short sea shipping the last year, while the cluster in Molde has been most occupied with the organising of the port districts. All together one could state that there is established three local maritime clusters but the activity are somewhat fluctuating and depends on the actual challenges and possibilities.

Møre og Romsdal has not yet experienced increased freight volumes on maritime transport solutions (**Strand 2**), but two specific possibilities is under development.

- The first one is the Mid-Norway – Rosyth service between Kristiansund and Rosyth in Scotland. This RoPax ferry service will be connected to the existing Superfast service between Rosyth and Zeebrugge. This service can transfer truck-cargo between Gothenburg/Oslo and Møre og Romsdal to the MINORO service. This service can hopefully be started in spring 2007. The NMC project have been heavily involved in the project both in facilitating the meeting with Rosyth, by setting up an action plan and by financial support to the market research.
- The second possibility is the plan for a new RoPax service between Cuxhaven and Western Norway that will call Ålesund. Ålesund is the major fish exporting port in Norway (white fish). To day all fresh fish from Møre og Romsdal goes by truck and this represents a major opportunity for transfer of cargo from road to keel. This initiative comes from Norferries in Cuxhaven and the NMC project has supported a study for this project.

A positive gain for the region in these new services are realised could be increased tourist traffic (passengers from both UK and the continent) and increased trade in the tourist industry.

The regional maritime clusters in Møre og Romsdal has only to a little extent been involved in the **Strand 4** events. The regional maritime cluster has not been heavily engaged in the safety work of **Strand 5**, but members from the cluster was active in the launch of Safety @ Sea and are very well aware of the safety aspects.

**Other contributions** from the NMC-project were the following: The local maritime cluster has also been involved in the current establishment of one port service for the Romsdal region and has also provided input to the national transport plan regarding the maritime transport infrastructure in this region. A result from one of the B-2-B trips was a business agreement between some Norwegian fish farmers and the industry in Oostende. Finally, another contribution from the NMC-project is in general more focus on freight transport by the regional politicians and among others a decision on participation in NMC II.

### **NORA**

With respect to **Strand 1**, the NORA area has achieved to set up a maritime cluster despite the difficult geographical situation (i.e. long distances between the different NORA sub-areas and difficulties for actually running the sub-clusters established in the sub-areas). The cluster-based work has demonstrated the "willingness" of specific key stakeholders from the shipping sector, who previously did not speak very much with each other<sup>31</sup>, to get involved in exploring new opportunities. The work process allowed initiating valuable discussions on topics such as an improvement of maritime transport, a consideration of new routings and an introduction of new techniques for fish transport.

The issue of increasing freight volumes on maritime transport solutions (**Strand 2**) is not of significant importance to the NORA area, as nearby 100% of transport is already realised by the sea. A relatively similar observation can be made for increasing seafood volumes distributed by means of maritime transport (**Strand 3**), as seafood transport from the NORA area towards other NMC areas is already realised to around 100% by ship. The primary focus of NORA within Strand 3 was therefore mostly on improving existing short sea shipping services that have come up during recent years. Key aspects in this respect have been an increasing time-efficiency in maritime seafood transport and the exploration of new cooling techniques/preservation techniques for maritime seafood transport. These issues have been successfully introduced in some of the NMC pilot projects that were carried out in the western part of the corridor.

With regard to maritime transport in the petroleum sector (**Strand 4**), it was important for the NORA area to take into consideration the wider perspectives of this strategic development. However, the area did not get out much of the NMC I approach adopted. In the future, NORA expects also own oil and gas exploration to be developed. Therefore, the petroleum strand in the NMC should be kept under a future NMC-project, however with a less pronounced emphasis on the Barents Sea Area.

Sustainable and safe maritime transport in the NMC (**Strand 5**) was a key issue for the NORA area. The activities of the NMC I project have improved the awareness and

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<sup>31</sup> One has to take into consideration that these key actors from the shipping sector in NORA still are fiercely competing among each other.

preparedness of responsible authorities in the NORA area. A proof for this is that all NORA authorities are partners in the new INTERREG IIIB project "Safety at Sea", which can be considered a spin-off of NMC I.

There are also a number of “**other practical / specific changes**” in the regional short sea shipping situation of NORA area that are a direct effect of NMC activities. The project has contributed to considerably improve business contacts, especially in the seafood sector, for which the B-2-B component of NMC I was very decisive. In addition, NMC I has also increased the political awareness in the NORA-area on the issue related to sustainable and safe maritime transport, which is reflected in the extensive participation of NORA-partners in the "Safety at Sea" project (see above).

### **Nordland**

Although Nordland is very a long stretched county with long distances between ports and adherent towns, one has managed to run and maintain a regional maritime cluster with representatives for the major transporters and the major ports (**Strand 1**). The inclusion of the major goods owners (i.e. fish exporters) in the cluster has however been more problematic. Still one can state that an important network for the promotion of short Sea shipping is functioning in Nordland. The NMC-project has contributed to shape a national and international arena and network for discussion of different strategies for promotion of short sea shipping and solutions to specific challenges.

With regard to **Strands 2 and 3** Nordland does already experience increased volumes of maritime transport since a new service for transport of between Mosjøen (in Nordland) and Island has been established to serve the aluminium industry. This service can also be open for third parts cargo (spot market). The NMC project has not contributed directly to the establishment of this specific service, but the NMC-project has contributed to an increased focus on short sea shipping and thereby shaped an interest and will in this area to look into different opportunities to increase the volumes on ship (ref annual evaluation report 2004).

The Norway – Benelux Intermodal Service for Seafood represents most prominent possibility of transference of volumes from truck to ship for Nordland. Cargo train with fresh fish every weekday from Bodo and Narvik to Kristiansand and further with ship to the continent will move many trailers from the roads both in Norway, Sweden, Denmark and Germany. Both fish farming and regular catch from Nordland and Troms will create the volumes southbound. Currently different feeder solutions to the railway hubs (Narvik and Bodo) are being analysed and assessed<sup>32</sup>. This project is a true NMC project where different NMC-partners finances, analyses, organise and carry out the work.

The regional maritime cluster in Nordland has not been involved in the development of a transportation chain for the petroleum sector (**Strand 4**). This work has been left to the transnational strand managers. With regard to **Strand 5** and safety, an increase awareness and interest especially regarding safety matters can be recognised both at the political level and by the news agencies. The NMC project is a part of this picture, but the increase in oil transport from Russia has been the major driving force for this awareness.

**Other contributions** from the NMC project were an increased focus on how to organise transport from fish farming areas located far from main roads and also to reveal a competition between different district municipalities and different ports on achieving the best

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<sup>32</sup> This includes both transport modes like ferry, catamarans and truck and an assessment of the possibilities of special priority for seafood transport on ferries.

transport solution. The NMC project has also been a stimulus for the county politicians to launch another transport project for export of fish to Eastern Europe. Generally the project has created more attention on intermodal solutions.

### **North West Russia**

Both private and public enterprises in North West Russia, i.e. Murmansk, Archangel and Nenets oblasts have attended meetings and seminars in the NMC-project. The Barents Secretariat<sup>33</sup>, located in Finnmark County in Norway, is an associated member of the NMC project and has facilitated meetings, workshops, visits and seminars in NW-Russia and the participation from Russian enterprises in NMC-events.

With respect to **Strand 1**, the cluster structure in NW-Russia is somewhat different from the situation in the other regional partner areas, whereas the Murmansk Shipping Company, the Northern Shipping Company (Archangel) and the Trans NAO, encompass many of the functions that are present in the other regional maritime clusters<sup>34</sup>. One could therefore state that the regional maritime clusters are already present in NW-Russia.

The vision of the Northern Maritime Corridor is from a Russian point of view, very interesting especially linked to the ongoing development of the Northern Sea Route. The coast outside NW Russia constitutes the western end of the Northern Sea Route and at the same time the north-east end of the Northern Maritime Corridor.

The most important results of the NMC-project seems however to be the networking activity between different industrial clusters/key stake, and/or also between government authorities in different countries and between authorities and business interests. Russian enterprises have been actively participating in all strands especially during the last year of the NMC project. The focus on business to business activities, regional development and networking activities all together have created an arena for business and regional/international relations that potentially will lay the ground for business, cooperation and coordination efficiency.

The Russian enterprises have not entered into the NMC projects with the same point of departure as the other partners and the NMC-targeted outputs, results and impacts have not been pursued in the same way as in the other areas. Specific results or impacts related to the main goals of the NMC-project have not occurred yet. The basis for business agreements and for development of new services between NW-Russia and other regions along the NMC are however established.

### **Rogaland**

Rogaland has in principle managed to establish and maintain a regional maritime cluster that can promote short sea shipping with participants from port authorities, transporters, shipping companies and cargo owners (**Strand 1**). The cluster has met quite regularly the last year (2004). Towards the end of 2004 the private partners attended the meetings to a lesser degree. The cluster thinks that Rogaland is too small as a maritime cluster to have a significant impact on the development of short sea shipping<sup>35</sup>. The collaboration and joint meetings especially with Hordaland, Sogn og Fjordane and Møre og Romsdal counties have

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<sup>33</sup> An interview with the Barents secretariat and reports from NMC-events are the main information sources for the description of manifestation of results and impacts in NW Russia.

<sup>34</sup> These shipping companies can to a certain extent be considered as regional monopolies

<sup>35</sup> The onshore situation is not regarded as a relevant issue for the maritime cluster, but instead an issue for the public authorities and especially for the ports.

therefore been appreciated.

Rogaland has not yet experienced increased freight volumes on maritime transport due to the NMC project (**Strand 2**)<sup>36</sup>, but two of the pilot projects will presumably result in increased freight volumes. The most promising one is the Sea-Cargo SC 05 project. The Sea Cargo service will compete with road transport and ferry links through Denmark and has thereby the potential of moving cargo from road to keel. The NMC-project has supported this project among others by financing a cargo flow analysis. The second possibility is the plan for a new RoPax service between Cuxhaven and Western Norway that will call Bergen. This initiative comes from Norferries in Cuxhaven and the NMC project has also supported a study for this project.

The regional maritime cluster in Rogaland has not been directly engaged with **Strand 4** activities in the regular meetings in the cluster. These issues in strand 4 have been handled by the strand 4 manager situated in Rogaland.

There is an increased awareness with regard to safety aspects in short sea shipping at county level in Rogaland (**Strand 5**) and the NMC-project has been one of the driving forces behind this development, but the safety aspects has not been considered explicitly at cluster meetings.

In addition, the NMC-project has in **general contributed** to increased focus on the opportunities of intermodale transport and short sea shipping by regional authorities has also created a general positive attitude to maritime transport. The international perspectives of NMC have also supported the current development of Risavika port in the Stavanger region as one important port on the south-west coast of Norway.

### **Sogn og Fjordane**

Sogn og Fjordane has not managed to establish a regional maritime cluster that can promote short sea shipping (**Strand 1**). Potential member (i.e. exporting industries and ports) has been difficult to engage – they are all too busy – and does not believe that the NMC project will result in any difference. There are however an informal network between some of the stakeholders.

With respect to **Strand 2**, one has to observe that a major part of the export from Sogn og Fjordane does already go by ship and the development of maritime freight transport is generally positive. Sogn og Fjordane has not been directly involved in any of the pilot project, although some of these can have an impact also for maritime transport from Sogn og Fjordane.

Sogn og Fjordane has relatively small ports and is sceptical to the plans for development of few large ports at the coast of western Norway. The development of the road infrastructure in the county the last 20 years has been linked to the development of the ports in order to shape good conditions for intermodale freight transport. The existing short sea shipping services to the ports in the county with a speed of approximately 13 knots per hour is viewed both environmentally friendly and an economically preferable solution compared to faster ships.

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<sup>36</sup> Color Line has however recently started a new RoPax service between Bergen, Stavanger and Hirtshals (Denmark) with three calls per week that can serve as a competitor to the existing RoPax service between Kristiansand and Hirtshals and the one between Bergen, Egersund (Sør- Rogaland) and Hanstholm.

Sogn og Fjordane has only to a little extent participated in the **Strand 4** events. There has been some discussion about the potential for serving the northern part of the UK petroleum sector from the supply base in Sogn og Fjordane, but this has not resulted in any NMC.-activity yet.

**Other contributions** from the NMC project were the following: The politicians in Sogn og Fjordane is occupied with safety matters and considers maritime freight transport in general to be preferable to road haulage with respect to safety. The NMC-project has been a part of the basis for this awareness. The NMC-project has contributed to an increased attention on maritime freight transport in the county administration. Many reports and analyses of statistical data have been produced in order to prepare a correct knowledge basis when comes to freight statistics for the NMC project.

### **Troms**

The regional maritime cluster of Troms (**Strand 1**) can be said to consist of a loosely coupled network of ports and transporters from Tromsøe that meet occasionally. The local partners represent the maritime transport sector in Troms County. The resources for regional networking and participation in NMC-events have been limited and regular cluster meetings have not been arranged last year.

Troms has not experienced increased freight volumes on maritime transport yet (**Strand 2**). The situation is partly the same as for Finnmark (i.e. most frozen fish already by ship and fresh fish goes by lorry due to long distances). The Norway – Benelux project does however represent a possibility for feeder transport of fresh fish to rail connections either via Narvik or via Bodoë from fish farming areas and fish landing areas in Troms. This possibility is currently being explored. Some of the major maritime transporters are upgrading and modernising the transport concept (i.e. cold storage and diversification of goods) in order to make the service more competitive but the NMC can not be regarded as a direct cause of this.

The regional maritime cluster in Troms is well aware of the development in the petroleum sector in the Barents Sea (**Strand 4**). Troms has actively participated in the development of preliminary concepts and strategies for how the onshore transport infrastructure (i.e. supply base in Harstad and the port in Tromsøe) can serve the petroleum development in the Barents Sea. The focus has however also been on regional development and not solely on maritime transport since the specific petroleum development that can create a new demand for short sea shipping not is foreseen to appear in a short time.

With regard to the awareness of a sustainable and safe NMC (**Strand 5**), one can state that the awareness generally is very high – mostly because the increasing transport of Russian oil just outside the coast and some recent accidents. The activities of Strand 5 of the NMC project represent a part of this contribution to the increased awareness.

**Additional contributions from the NMC project** were an increased attention on maritime transport, especially at the county level. This is reflected both in transport planning at county level as well as in the comments to the national transport plan.

With regard to participation in the NMC II project there seems to be limited resources generally in the Northern Periphery to participate, but Troms is interested in following the project and if possible, participate in the most relevant parts of the project.

### **Trøndelag (Nord Trøndelag og Sør Trøndelag)**

With respect to **Strand 1**, one has to remark that the goods owner alliance headed by Norske Skog was established before the NMC project and has together with representatives of the ports and the counties constituted the regional maritime cluster. There is presently very little activity in the cluster, but the partners can be activated if needed.

As regards **Strand 2**, the situation in the cluster reflects that the most important job is already done (i.e. the replacement of one way bulk ships transporting paper with intermodal two ways services with capacity to transport different kinds of cargo). The new service, the Lys Line (Skogn – Rotterdam – Tilbury (London) is already running and the plans for phase 2 and phase 3 (i.e. escalation and more modern ships) are already decided upon. The service has contributed to an increase in the freight volumes on maritime transport especially northbound (an increase of approximately 80 – 100 teu pr. week). Many containers transported with ship from the continent to Oslo and Gothenburg and further with truck to Trøndelag, are now transported all the way with ship. The NMC project has supported the establishment of the new service by financial support to a market survey and to the running of the network. The goods owner alliance headed by Norske Skog has however been the entrepreneur behind the establishment of the new service.

The Mid-Norway – Rosyth project can, if realised, also contribute to increased freight volumes by maritime transport between Trøndelag and UK. Some of the cluster members (port of Trondheim and Trondheim Municipality) contribute financially to the market research, but the rest of the cluster are not so enthusiastic about this service. .

With regard to **Strand 3**, the Norway – Benelux Intermodal Service for Seafood can also be feasible for the fish farming industry in Nord-Trøndelag. The lack of terminals in Nord-Trøndelag for transference of containers from truck to rail does however represent a constraint at the present moment.

The regional maritime cluster in Trøndelag has not been participating in the **Strand 4** events. The safety aspects (**Strand 5**) with regard to short sea shipping along the coast have not been in the core of the clusters attention, but there has been a general awareness regarding safety aspect in the cluster.

### **Västerbotten**

The E12 Alliansen comprises the regional transport cluster in Västerbotten County, North-Sweden. Public enterprises, transport carriers and goods owners along the E12 are members of the E12 Alliansen. The E12 is the mail road linking St Petersburg, Russia, Helsinki in Finland with Mo i Rana in Norway. Regarding **Strand 1**, the E12 Alliansen can be viewed as a permanent structure working for infrastructure improvements and increased cargo flow in the east – west transport corridor between North Norway and Västerbotten.

Several minor projects aiming at increasing of the cargo-transport between Mo i Rana and different areas in Västerbotten have been carried out since 2002. The cargo flow is slowly increasing. Some of these projects incorporate transport with ship to ports in North-Norway and use of the port of Mo i Rana as storage facility<sup>37</sup>. These minor projects and the plan for establishing a daily part-load traffic between Sweden (Storuman) and Mo i Rana can be seen as a part of business development in the east – west corridor. An upgrading and re-vitalising of the east-west transport corridor from the coast of North-Norway to Västerbotten and further to Finland and Russia is seem as a long term potential of these efforts.

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<sup>37</sup> The possibilities for collecting metal scrap from Svalbard and further transport to Mo i Rana or Bodoë is being investigated into. Transport of plastic pipes, drainpipes and road cylinders from Lycksele (Sweden) to Mo i Rana and further to Iceland with ship is another possibility.

### **Vest-Agder**

Vest Agder has managed to establish regional maritime cluster comprising all major actor categories (**Strand 1**), i.e. port authorities, terminal operators, shipping lines, rail operators, cargo owners and public authorities. This has now become a permanent structure that can promote short sea shipping and function as a network and arena to discuss specific challenges and to respond to the industrial demands for efficient cargo transport.

Vest Agder are not aware of any forecasts indicating increased maritime freight volumes in their region (**Strands 2 & 3**). New service has not been established yet, but it is possible that a new sea service between the Port of Kristiansands and Emshaven can be established as a part of the Norway – Benelux project. The ports of Kristiansand and Emshaven are currently having talks with the Shipping line Fast Lane about the possible inauguration of such a service. More specifically the discussion is about the possibilities of establishing a new fast service doing Kristiansand – Emshaven on 9 hours, compared to 15 -16 hrs with conventional vessels. This project is a true NMC project where different NMC-partners finances, analyses, organise and carry out the work.

The activity in **Strand 4** is not perceived to be particularly relevant for Vest Agder and the region does not either subscribe to this strand.

Regarding the safety aspects (**Strand 5**), there is an impression that the awareness and preparedness have been improved as a result of the Fjord Campion incident outside the coast of Søgne last March. This incident in particular highlighted the need for improved tug-boat capacity in our region. The NMC project (strand 5) has not contributed substantially to this development.

When comes to **other practical changes derived from the NMC project** three points could be made:

- Through the regional maritime cluster, Vest Agder County became aware of the need for improved road access to CargoNets rail terminal outside Kristiansand, and filed a recommendation on this as a part of the response to the Action Plan of the National Transport Plan.
- The participation in the NMC has inspired Vest Agder County to highlight recommendations in favour of increased short sea shipping as a part of the response to the National Transport Plan.
- Input & recommendations from the NMC project was also included in the North Sea Commision's response to the EU Commission consultation on MoS last fall.

### **West Vlaanderen**

With respect to **Strand 1**, the maritime cluster in Flanders has brought together a wide range of different key actors from the maritime economy<sup>38</sup>. Its work process has allowed to reveal options/alternatives for short sea shipping services that need however to be further explored

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<sup>38</sup> REGIONAL LEAD PARTNER: Provincie West-Vlaanderen. MEMBERS IN CLUSTER Haven Gent, Haven Gent - Astral Logistics NV, Haven Gent - CMB NV, Haven Gent - Citrusco Europe NV, Haven Gent - Ensagent NV, Haven Gent - Euro Silo 2, Haven Gent - Euro-Silo 1, Haven Gent - Lemahieu NV, Haven Gent - Manuport NV, Haven Gent - Oil Tanking Ghent NV, Haven Gent - Transport and Storage, Haven Gent - van Hoorebeke Timber, Haven Oostende, Haven Oostende – Plassendale, Haven Oostende - Vismijn Fish Auction, Haven Zeebrugge, Haven Zeebrugge – APZI, Haven Zeebrugge - Fluxys VN, Provincie Oost-Vlaanderen, Provincie West-Vlaanderen.

under the currently ongoing NMC II project. Beyond this, one can also affirm that the NMC I project has considerably contributed to facilitate inter-cluster co-operation in the transnational dimension. Considering this, the partner region is rather satisfied with the outcomes of the NMC I project. The biggest future need that has however become evident during the current cluster-based work process is the improvement of planning. Some of the regional/local actors involved in the cluster have entered their ideas on new short sea shipping services quite late in the stage of the NMC project. This should have taken place earlier. Sometimes, shortages in available human resources and time have also slightly hampered the cluster based work process. In addition, private sector dynamics were somehow difficult to coordinate with public sector acting.

As regards the potentials for increasing freight volumes on maritime transport solutions (**Strand 2**), the NMC sub-projects realised in the western part of the corridor have been more concrete, very productive and are expected to produce direct regional/local impacts in Flanders (e.g. Smyril extended service, RoRo Relay service). With respect to the sub-projects realised on the east side of the corridor the expected impact for Flanders is however less evident. There was much more talking and paperwork to do and the precise benefits from the planned Norway-Benelux intermodal service for seafood are not yet this evident (see below).

With respect to the establishment of new or improved competitive intermodal solutions for seafood transport between different NMC partner regions (**Strand 3**), there might be some real potentials emerging from the planned Norway-Benelux intermodal service. These potentials are currently more concrete for the Dutch partners, as in Flanders the organisations involved are still exploring / evaluating more in detail some basic transport problems<sup>39</sup> and issues related to an efficient operation of service towards the Belgian seaports (aspects of costs and time). Despite this intermediary position, one can clearly say that NMC I has opened up a "western trade link" for Flanders with regard to seafood, mainly involving Scotland and parts of the NORA area. Still 2 to 3 years behind, this western trade link did not exist as such.

With regard to maritime transport in the petroleum sector (**Strand 4**), the position of Flanders was mainly to grasp a view on this particular long-term development process that is taking place up north. As regards the issue of sustainable and safe maritime transport in the NMC (**Strand 5**), the project did not provide new insights for the Flanders region. This was mainly due to the fact that EU-regions are already much more aware of / prepared for issues related to safety at sea.

**An "other practical / specific change"** in the regional short sea shipping situation of Flanders, which was a direct effect of NMC activities, has been the considerably widened business agreements between actors from the Flemish region and other organisations/members of the NMC project. The NMC I project has however not contributed to improve onshore intermodal solutions in Flanders and also with respect to the political domain, the marketing efforts of NMC were not very convincing.

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<sup>39</sup> In southern Norway, there seem to be difficulties for transporting seafood from the main logistics hub Oslo further southwards to the port of Kristiansand.

## **4.2 The likely manifestation of impacts at the level of the two transnational programme areas (North Sea & Northern Periphery)**

The manifestation of impacts across the two program areas and the participation between partner regions across the program areas indicates that the joint operation and merging of transnational activities of the two Interreg IIIB NMC projects have been fruitful and also justified.

When comes to the manifestation of impacts of the two transnational program areas (NS-program area and NP program area) we will introduce a sub-division in the short summarising of impacts below (i.e. Continental, UK and West-Norway in the NS program area and western areas and Northern Norway in the NP program area)

### *Manifestation of impacts in the North Sea Program Area*

The establishment of regional maritime clusters that can promote short sea shipping is with one exception achieved throughout the whole program area.

With regard to manifestation of impacts from strand 2 and strand 3, three of the regions have already experienced increased freight volumes on maritime transport solutions (Vlaanderen, Amsterdam and Sør-Trøndelag), while the majority of the other regions expect to achieve such impacts in a medium term perspective. It should be noted that three of the launched SSS-projects actually will connect partner regions in West Norway with partner regions at the continent. A forth project will connect West Norway with UK. All together one could state that the likely manifestation of strand 2 and strand 3 impacts in the North Sea program area seems quite impressive. Only two partner regions have or does expect no or low impact from these strands.

The manifestation of impacts from the petroleum strand and the safety strand in the partner regions of the North Sea Program area seems however to be very limited. Three of the partner regions in Norway expect to improve the onshore intermodal solution partly as a result of the activity in the regional maritime cluster. When comes to business relations between different cluster members two of the continental partners and one of the Norwegian partners reports about such positive outcome. The NMC project has also generated political decisions in favour of short sea shipping in half of the partner regions in the North Sea program area.

### *Manifestation of impacts in the Northern Periphery Program Area*

The establishment of regional maritime clusters that can promote short sea shipping is clearly achieved in some partner areas (especially Highlands and Islands and Nordland), while some of the partner areas have to a less degree succeeded.

With regard to manifestation of impacts from strand 2 and strand 3, two of the regions have already experienced increased freight volumes on maritime transport solutions (Nord-Trøndelag and NORA), while the majority of the other regions expect to achieve such impacts in a medium term perspective. The intermodal rail-ship service for seafood transport is likely to connect Northern part of Norway to Benelux in the North Sea Program area. The Smyril Extended Service and the RoRo Relay Service are likely to create improved maritime connections both in the western part of the program area and between this part and the continent / UK.

The manifestation of impacts from the petroleum strand will presumably be achieved in three of the partner regions dependent on the development of the Barents Petroleum activity. The manifestation of impacts from the safety strand is already achieved in the NORA region and partly in the northern part of Norway.

Only one region in the program area reports on positive impacts from the NMC-project with regard to the development of onshore intermodal transport solutions. The NMC project has generated business relations between cluster members in two partner regions, while political decisions in favour of short sea shipping is a result in half of the partner regions in the Northern Periphery Program area.

If one should compare impact achievement between the two program areas, it becomes evident that the North Sea Region has profited most from Strand 2 and 3, while The Northern Periphery has profited most from strand 4 and strand 5.

## 5

### Overall conclusions and recommendations for future activities

#### **5.1 Overall conclusions on the impact achievement of the NMC-project**

The INTERREG IIIB project “Northern Maritime Corridor” (NMC) could, at the outset, be regarded as a high risk project with regard to its ability to result in tangible impacts especially since impacts included actions and investments to were expected to be taken by actors from the private sector. Other projects with similar objectives had not managed to succeed and many stakeholders were sceptical regarding this new initiative. The composition of the regional maritime clusters with both private and public partners and the merge of the two Interreg projects for the North Sea region and the Northern Periphery with totally 20 partners constituted also severe challenges with respect to transnational administration and co-ordination of the overall NMC project.

**However, the sum of impacts achieved by the NMC project at regional and transnational level seems in such a perspective quite impressive (see also summary overview table below on transnational impact achievement and area-specific manifestation of impacts).**

The basis for this overall conclusion will be further elaborated further in the next paragraphs.

The overall majority of regional partners have managed to establish and maintain a regional maritime cluster (**Strand 1**) that is able to promote the establishment of new short sea shipping services and to improve existing services<sup>40</sup>. The regional maritime clusters have constituted an essential arena for discussion, for cooperation between partners and for provision of ideas for improvements regarding maritime cargo transport. Both the established network at regional level but may be more important, the huge international network these clusters form a part of, can be regarded as a valuable impact from the project. These networks that - in sum - have an updated knowledge regarding short sea shipping especially in the NMC corridor are likely to be sustainable beyond the project period.

By the end of the project period (2005), the NMC project can not document impacts like an immediate increased freight volumes on competitive maritime solutions (**Strand 2**) or already fully operating competitive intermodal solutions for seafood transport between producing and processing marketing regions (**Strand 3**). The NMC-project has however initiated several sub-projects that, in a medium-term perspective (2 – 4 years), are likely to achieve the above mentioned impacts. These projects are:

- The planned Mid-Norway - Rosyth RoRo combined RoPax service
- The intermodal rail-ship service for seafood transport from Northern part of Norway to Benelux
- The planned fast RoPax service from Cuxhaven (D) to Western Norway

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<sup>40</sup> A combination of a weak representation of potential cluster members in the region and the comprehension of a limited potential to achieve regional impacts, seems to be general explanations for those partner areas that have experienced difficulties in the establishment and running of maritime clusters.

- The Sea-Cargo - SCO 5 project for improvement of the transport bridge between the West Coast of Norway to UK and the continent.
- The Smyril Extended Service: a weekly cruise and fresh seafood RoPax ferry service between Iceland, Faeroe, Shetland and a Benelux seaport
- The RoRo Relay Service: link of 3 fast and frequent Ro-Ro/RoPax services (Smyril Line, Northlink Ferries, Superfast Ferries) at two strategic hubs for transferring freight (Lerwick in Shetland; Rosyth near Edinburgh) in order to connect strategic ports and markets in the Northern Periphery and the North Sea region).

Another kind of impact that can be derived from Strand 2 and Strand 3, especially if the SSS sub-projects succeed, is the conceptualisation of the NMC-line of action (approach) for the establishment of new / improved services.

Beyond these SSS-options, Strand 3 activities in the context of the GOCRYO-container initiative have also allowed testing a new and innovative solution that could actually help improving the quality of long-distance seafood transport services in the NMC.

The development of IT Solution for Shipping Lines and its Agents is another result from the NMC-project. The NMC-project and the Shortsea Promotion Centre Norway have been responsible. Three shipping companies have ordered this solution so far, which can be seen as an indication that the application can be a helpful tool for improvement of short sea shipping.

**The main conclusion for Strands 2 and 3** is that the initially targeted impacts are not yet achieved, but that the potentials for reaching the initial targets of the Strands are relatively high in a 2 – 4 years perspective. In order to actually realise the expected impacts from these sub-projects mentioned above, transnational co-operation between the partner regions should be continued during the coming years.

**Strand 4** has only partly reached the initially expected impact, which was the development of a petroleum transportation system in the NMC that has the potential of being efficient, safe and environmentally friendly. Strand 4 activities have not succeeded in getting key actors to implement of a strategy for transferring freight volumes related to petroleum extraction from wheel to keel in the North Sea region. This is mainly due to the unwillingness from the major cargo owners to implement new strategies for the transport of petroleum related equipment and supplies. At date, they still are transported by truck along the west coast of Norway and it seems that the NMC project does not have means “forcing” the industry to adopt new solutions. Strand 4 has however succeeded in providing a framework for shaping a consistent transportation chain for the petroleum development in the Barents region and an arena and network for exchanging ideas and concepts for such a transport solution. The existing contextual situation (the petroleum development in this region is still at its very beginnings) does - in our opinion - not allow making any major step forward in achieving impacts at the present stage or even in a medium term perspective (2-4 years). As an **overall conclusion regarding the impact achievement under Strand 4**, we can state the following: This NMC-strand has not reached its initially expected impacts, but it has shown an ability to adjust strategies according to the contextual constraints and thus has achieved impacts that were actually obtainable under the conditions of the present situation.

**Strand 5** has only partly reached the initially expected impact, which was an improved awareness and preparedness of responsible authorities and transporters in respect to safety in the NMC. This is mainly due to the fact that maritime safety is a national and international responsibility and not a regional responsibility – and that the national & international instances were not partners in the NMC-project. Strand 5 has however created an informal network and an arena for maritime safety issues that has generated as a practical result the

cooperation between Norway and Russia. Despite this relatively limited success, one has to stress that especially the INTERREG IIIB project “Safety@Sea” does constitute the most important spin off from this Strand. All together and by taking into consideration the limited resources for this Strand, the impact achievement can be regarded as relatively satisfactory.

When comes to the **policy level** and the process of influencing transport politics, the NMC projects has generated many political decisions at regional level that promotes short sea shipping. The Northern Maritime Corridor is mentioned as an important corridor for future development in 4 Norwegian White Papers and one Green Paper<sup>41</sup>. More important, though, seems the fact that the Norwegian Government explicitly promotes the Northern Maritime Corridor in two separate consultation papers to the EU and that the Northern Maritime Corridor is commented in at least two EU working documents<sup>42</sup>

If one considers the overall aim of the NMC project, which was to develop efficient and sustainable maritime transport solutions connecting the coastal regions bordering the Northern Periphery area and the North Sea basin as well as connecting manufacturing industries in the North Sea basin with industrial development in the Barents region, and bears in mind the project-internal challenges / the external constraints in running this such an extensive transnational co-operation initiative, the **following overall conclusion on the overall impact achievement of NMC can be made:** At the present moment, the overall level of impact achievement is more than satisfactory. If the majority of the SSS-projects are realised, the NMC project has then contributed to produce significant changes with regard to the short sea shipping situation in the corridor, which in turn allows concluding that the level of impact achievement would even be “very good”.

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<sup>41</sup> The national white papers are: (1) Stortingsmelding 24 Nasjonal Transportplan 2006-2015 – Norwegian White Paper on Transport, (2) Stortingsmelding nr 14 På den sikre siden- sjøsikkerhet og oljevernberedskap- Norwegian White Paper on Sea Safety, (3) Stortingsmelding nr 25 Om regionalpolitikken- Norwegian White paper on Spatial Planning (4) Stortingsmelding nr 30 Muligheter og utfordringer i nord – Norwegian White Paper on the Barents Region. The green paper is NOU 2003:3 Mot nord! Utfordringer og muligheter i nordområdene- Norwegian Green Paper on the Barents Region

<sup>42</sup> The two consultation papers are: (1) Consultation Document Regarding Motorways of the Sea, Implementation through Article 12a TEN-T and (2) The TEN-T Public consultation on the extension of the major Trans-European transport axes to the neighbouring countries and regions. The working document is: EU Commission working document COM (2003) 343 final The Second Northern Dimension Action Plan, 2004-06

<b>Summary overview on transnational impact achievement and area-specific manifestation of impacts</b>								
	Strand-specific impacts, as stated in the initial NMC-project proposal					Other changes in the regions		
	Established regional maritime cluster that is able to support the implementation of a consistent and unified transportation system in the NMC	Increased freight volumes on competitive maritime transport solutions that generate positive gains for coastal regions and their environment	Establishment of competitive intermodal solutions for seafood transport between producing and processing / marketing regions	Develop petroleum transportation system in the NMC that has the potential of being efficient, safe and environmentally friendly	Improved awareness and preparedness of responsible authorities and transporters in respect to safety in the NMC	Improved onshore intermodal solutions	Business relations between cluster members of different NMC-partner areas	Political decisions in favour of increased short sea shipping / other aspects
<b>Level of overall transnational impact achievement for ...</b>								
... Strand 2 in total	NR/NI	+++/MTP	+++/MTP	NR/NI	NR/NI	0/+	+++	++
... Strand 3 in total	NR/NI	+++/MTP	+++/MTP	NR/NI	NR/NI	0/+	+++	0/+
... Strand 4 in total	NR/NI	NR/NI	NR/NI	+/MTP	NR/NI	NR/NI	+++	+
... Strand 5 in total	NR/NI	NR/NI	NR/NI	NR/NI	+/A	NR/NI	NR/NI	++
<b>Level of likely manifestation of transnational impacts for ...</b>								
<b>INTERREG IIIB North Sea Area</b>	<b>++/A</b>	<b>++/MTP</b>	<b>++/MTP</b>	<b>0/+</b>	<b>+</b>	<b>+/MTP</b>	<b>+</b>	<b>++</b>
Aberdeenshire	++/A	0/+	0/+	0/+	0/+	0/+	0/+	++
Amsterdam	+++/A	++	NR/NI	NR/NI, (+)	0/+	0/+	+++	+++
Cuxhaven	+++/A	+++/MTP	+++/MTP	NR/NI	0/+	0/+	0/+	0/+
Groningen	+++/A	+++/MTP	+++/MTP	NR/NI	0/+	0/+	0/+	0/+
Hordaland	+++/A	+++/MTP	+++/MTP	0/+	0/+	0/+	0/+	0/+
Møre og Romsdal	+++/A	+++/MTP	+++/MTP	0/+	0/+	++/MTP	++	+++
Rogaland	++/A	+++/MTP	+++/MTP	0/+	++/A	0/+	0/+	++
Sogn og Fjordane	0/A	+/MTP	+/MTP	0/+	0/+	0/+	0/+	++
Sør-Trøndelag	++/A	+++/A*)	NR/NI	NR/NI	0/+	++/MTP	0/+	0/+
Vest-Agder	+++/A	++/MTP	NR/NI	NR/NI	0/+	++/MTP	0/+	+++
West and Oost Vlaanderen	+++/A	+++/A	++/MTP	0/+	0/+	0/+	+++	0/+
<p style="text-align: center;">0/+ = none or low      ++ = medium      +++ = strong/significant  <b>A</b> = actually achieved      <b>MTP</b> = achievable in a medium-term perspective (2-4 years)      <b>NR/NI</b> = not relevant/not involved</p>								

\*) The NMC project supported a market survey, but the goods owner alliance headed by Norske Skog was the entrepreneur behind the new service.

<b>Summary overview (continuing)</b>								
	Strand-specific impacts, as stated in the initial NMC-project proposal					Other changes in the regions		
	Established regional maritime cluster that is able to support the implementation of a consistent and unified transportation system in the NMC	Increased freight volumes on competitive maritime transport solutions that generate positive gains for coastal regions and their environment	Establishment of competitive intermodal solutions for seafood transport between producing and processing / marketing regions	Develop petroleum transportation system in the NMC that has the potential of being efficient, safe and environmentally friendly	Improved awareness and preparedness of responsible authorities and transporters in respect to safety in the NMC	Improved onshore intermodal solutions	Business relations between cluster members of different NMC-partner areas	Political decisions in favour of increased short sea shipping / other aspects
<b>Level of likely manifestation of transnational impacts for ...</b>								
<b>INTERREG IIIB Northern Periphery Area as a whole</b>	<b>++/A</b>	<b>++/MTP</b>	<b>++/MTP</b>	<b>+/MTP</b>	<b>+/A</b>	<b>+/MTP</b>	<b>+</b>	<b>+</b>
Finnmark	+/A	+/MTP	+/MTP	++/MTP	0/+	0/+	0/+	0/+
Highlands & Islands	+++/A	+++/MTP	+++/MTP	++/MTP	+/A	0/+	0/+	0/+
NORA	++/A	0/+	++/A	0/+	+++/A	0/+	+++	+++
Nordland	+++/A	++/MTP	+++/MTP	0/+	++/A	++/MTP	++	++
Nord-Trøndelag	++/A	++/A*)	++/MTP	NR/NI	0/+	+/MTP	0/+	0/+
North-West Russia	+++/A	++/MTP	NR/NI	++/MTP	++/A	+/MTP	++	++
Troms	+/A	+/MTP	++/MTP	++/MTP	++/A	+/MTP	0/+	++
Västerbotten	++/A	NR/NI	NR/NI	NR/NI	NR/NI	+	++	NR/NI
<p><b>0/+ = none or low      ++ = medium      +++ = strong/significant</b>  <b>A = actually achieved      MTP = achievable in a medium-term perspective (2-4 years)      NR/NI = not relevant/not involved</b></p>								

\*) The NMC project supported a market survey, but the goods owner alliance headed by Norske Skog was the entrepreneur behind the new service.

- The assignment of scores (0/+, ++, +++) is mainly based on the interviews and reviewed documents / reports and can be seen as the evaluators subjective interpretation. New facts and documentation can give a basis for altering this score table.

## **5.2 Recommendations for transnational follow-up activities under a future Objective 3 programme**

This final section of the Annual Evaluation Report 2005 will present an outlook on the near future of transnational co-operation, which might potentially also involve a continuation of the generally successful NMC I project. The following paragraphs will

- familiarises the reader with the very basic settings that are to govern the EU-Structural Funds during the years 2007-2013<sup>43</sup>
- and elaborate a number of recommendations that should be observed if a new NMC-follow up project will be launched during the forthcoming programming period.

In July 2004 the European Commission published the draft regulations that set down the rules for the **next Structural Funds programming period (2007-2013)**. The draft regulations include a “**General Regulation**”<sup>44</sup> that defines common principles, rules and standards for the implementation of the Structural Funds as well as 3 specific regulations for each of the component funds (ERDF, ESF, Cohesion Fund)<sup>45</sup> and one over-arching regulation on a legal instrument supporting cross-border co-operation, which are:

- **Regulation on the European Regional Development Fund (ERDF):** The role of the ERDF is to promote investment and to help reduce regional imbalances across the Union. Funding priorities would include research, innovation, environmental issues and risk-prevention, while infrastructure retains an important role, especially in the least developed regions.
- **Regulation on the European Social Fund (ESF):** The ESF supports policies and priorities aimed to achieve progress towards full employment, to improve quality and productivity at work, and to promote social inclusion and cohesion. The fund’s actions are in line with the guidelines and recommendations under the European Employment Strategy (EES).
- **Regulation on the Cohesion Fund:** The Cohesion Fund contributes to interventions in the field of the environment and trans-European networks. It applies to Member States with a Gross National Income (GNI) of less than 90% of the Community average. The 10 new Member States as well as Greece and Portugal will benefit from this fund. In the future, the Cohesion Fund will no longer be based on a project approach, but instead form part of multi-annual programmes in the field of transport and environment.
- **Regulation on a European Grouping of Cross-border Co-operation (EGCC):** Based on Article 159 of the Treaty and with the aim to overcome existing obstacles hindering cross-border co-operation, a new legal instrument will be introduced to create European co-operative groupings. These will be invested with legal personality for the implementation of co-operation programmes and based on an optional

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<sup>43</sup> [http://europa.eu.int/comm/regional\\_policy/sources/docoffic/official/regulation/newregl0713\\_en.htm](http://europa.eu.int/comm/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm) (contains more information on the new Structural Funds regulations).

<sup>44</sup> The new general regulation is based on the principle of shared management between Commission, Member States and regions. This regulation describes programming requirements, as well as common standards for financial management, control and evaluation. The reformed delivery system will provide for a simpler, proportional and more decentralised management of Structural Funds and instruments.

<sup>45</sup> In parallel, but not as a part of the Structural Funds, there are two other funds proposed: one for rural development that incorporates the Leader Programme, entitled the “European Agricultural Fund for Rural Development (EAFRD)” and another entitled “European Fund for Fisheries (EFF)”.

convention of participating regional, local and other public authorities.

The EU Member States and the European Commission are currently agreeing these regulations and the related guidelines that will determine the spending of the fourth round of Structural Funds support.

**The draft Structural Funds regulations from the European Commission propose three objectives:**

- **Objective 1:** Convergence (to speed up the economic convergence of less developed regions of the EU), (Funded by the Cohesion Fund, ERDF and ESF),
- **Objective 2:** Regional competitiveness and employment (Funded by the ERDF and ESF), and
- **Objective 3:** European Territorial Co-operation (Funded by the ERDF). Types of projects currently supported by the running INTERREG IIIB programmes will be most probably addressed under the new Objective 3.

In the initial Commission proposal for the regulations governing the programming period 2007-13, also **more detailed principles / guidelines for transnational co-operation under the future Objective 3** had been elaborated.<sup>46</sup> During the discussions with the Member States representatives, either in the context of the negotiation of the regulations or in the seminar on trans-national cooperation (18/19-04-2005), it appeared that they were rather reluctant to follow a more ambitious and strategic approach. As a consequence, there was a radical reduction of the financial resources for this strand of co-operation in the Luxembourg compromise, which means even less funds than in the current period. On the basis of the above mentioned discussions and written positions sent by the EU-Member States, the Commission proposes a new framework for transnational cooperation, based on the following elements (adjustment of the Commission's proposal):

- A reduced financial envelope, as proposed by the Luxembourg Presidency (from initially EUR 7000 Mio to around EUR 1300 Mio).
- Canceling investment projects for the TEN missing links (budgetary reasons), but maintain a network approach for the projects with some flexibility.
- Propose options for some rationalization of the geographic scope of the existing zones but only when really necessary.
- Flexibility for the structure of the programs, allowing the possibility to define sub-programs.
- Possibility of rotation of the Management Authorities, when necessary, in order to improve efficiency of the programmes (see in chapter 1 the high diversity of management quality).

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<sup>46</sup> More financial resources - about EUR 7000 Mio. – and a more strategic approach with a limited number of priorities and some geographic adjustments of the zones. Geographic flexibility to allocate about 20% of the financial envelope of each zone to partners in other zones. Four thematic priorities, i.e. (1) accessibility with an accent on the missing links of Trans-European Networks, (2) water management, (3) risk prevention and (4) R&D networks, which are to be implemented in integrated programmes on the basis of a limited number of strategic projects (either small investments or networks) having a sustainable impact for the zone. A new configuration of the zones extending the possibilities of strategic projects, reducing excessive overlapping (some Member States being eligible simultaneously in three zones) and rationalizing the dimension of some zones.

- Maintain the focus on the priorities of the Lisbon Strategy as initially proposed and privilege three major themes: (1) networks of R&D/innovation including SMEs, (2) prevention against natural risk and (3) integrated maritime co-operation and maritime safety.

With respect to the **new configuration of transnational co-operation spaces**, also some modifications are currently discussed that might slightly change the current INTERREG IIIB programme areas and thus affect also a future NMC follow-up project.

- As concerns the current “**North Sea Area**”, different options are proposed for the future: Option 1 advocates for keeping the North Sea Space as it is now, with a thematic focus on maritime security and RDT/innovation. Option 2 proposes to set-up a North Sea and Channel zone strongly integrated on its maritime dimension, which means an enlargement of the present North Sea Space to the Western French regions and UK Southern regions bordering the Channel.
- As concerns the current “**Northern Periphery Area**”, it is proposed to keep the current co-operation space and to add Western and Northern regions of Ireland and include all Scotland regions that share peripheral character. The strategic priorities are not easy to define in this Space except for RTD/innovation related to sparsely populated areas.

While considering these still provisional “settings” for transnational co-operation during the 2007-2013 Structural Funds programming period, **we now elaborate recommendations for a potential NMC follow up project** that partly reflect the overall conclusions drawn from the assessment of the likely achievement of impacts (see section 5.1) and partly the answers given to a specific question<sup>47</sup> that has been presented to the interviewees.

**Recommendation No. 1:**

***Reconsider and clarify the size of the area to be covered by a future NMC follow-up project that could be initiated during the next programming period.***

For some of the interviewees, the overall size of the area covered by the NMC I project was appropriate, whereas for others the co-operation area to be covered by a future project should be reduced. In the opinion of some, also the current strong orientation towards the northern part of Russia should not be continued in this intensity under a new project<sup>48</sup>. There are however some interviewees who suggest developing / considering an even further extended perspective towards other transnational areas (e.g. the Baltic Sea Region and also further eastbound) or global macro-regions (e.g. United States of America, especially in the field of maritime petroleum transport) or to use more permeable borders (i.e. to allow for flexibility based on topic for co-operation). Therefore, a discussion on the geographical scope to be covered by future project activities should at least help to reconsider / clarify the issue.

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<sup>47</sup> The related interview question was the following: *EU's new funding of Interreg-like activities during the years 2007-2013 will probably be more strategic, span over a longer time period, have a considerably larger financial scale and include investments in infrastructure etc. Maritime transport (short sea shipping) is likely to be prioritised. In such a perspective, will a continuation of transnational co-operation be of interest? And if so, what kind of specific activities (including investments) and eventually new partners should be included in a new co-operation project in order to further deepen the already achieved impact or to fully accomplish the not yet realised impact?*

<sup>48</sup> It is mostly considered a "political game" and not this much a key issue related to maritime transport as such.

In our opinion, however, transnational co-operation across the entire maritime corridor is vital, wherefore the current large-scale co-operation covering the North Sea Area and the Northern Periphery Area should be maintained. Such a large-scale co-operation is particularly necessary in the field of maritime transport, as cost-efficient and competitive short sea shipping lines (in comparison to the option of road transport by lorries) only tend to emerge if one considers a distance beyond 500 km. An even further extended perspective should however only be considered in those exceptional cases where it is of strategic relevance for the NMC. But also co-operation on a smaller geographical scale would make sense, however only in the context of specific sub-projects that could – again – be implemented among a more limited number of partners in a future NMC-project.

**Recommendation No. 2:**

***Reconsider and clarify the number of main partners to be included in a future NMC follow-up project that could be initiated during the next programming period.***

For some of the interviewees the overall number of partner regions involved in the NMC I project was too big.<sup>49</sup> Other interviewees do actually opt for further extending a future project partnership, either for including strategic partners who were actually “lacking” in the current project (e.g. partners from Denmark or the southern UK) or for better balancing the very dominant Norwegian position under the current NMC I project<sup>50</sup>. Also here, a discussion on the size of the future project partnership should at least help to reconsider / clarify these issues.

In our opinion, however, more or less efficient transnational co-operation is not necessarily correlated to the overall size of a project partnership<sup>51</sup>, but rather to the way how the transnational project is actually managed, co-ordinated and animated as such (i.e. it is mostly related to the overall quality of the transnational management team. Due to this, a debate on the size of the future project partnership should mostly focus on “operational necessities” in order to further increase the strategic relevance of the NMC as such.

**Recommendation No. 3:**

***Reconsider the strategic themes on which a future NMC follow-up project should focus on and review the type of activities that should be implemented by a follow-up project during the next programming period.***

A majority of interviewees is of the opinion that the scope of strategic themes, currently covered by the NMC I project, should be reduced. The main themes that should be kept under a future co-operation project are clearly those currently covered by Strands 2 & 3 and several persons even suggest a “merger” between both Strands under a NMC follow-up project. Future project activities should focus on delivering the activities mentioned in the “regional action plans”, on implementing / further developing the market-oriented sub-projects initiated under NMC I as well as on launching new initiatives.

With respect to the themes currently covered by Strands 4 and 5, the interviewees are often

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<sup>49</sup> This could also considerably lower co-ordination and administration costs, which are currently necessary for making co-operation happen among 20 main partners.

<sup>50</sup> Some of the Norwegian partners have been in favour of a closer cooperation and a merge between neighbouring regions in order to have a significant impact on short sea shipping.

<sup>51</sup> Although we acknowledge of course that that many partners do actually require a lot more of administrative or co-ordination-related work than a few partners.

of the opinion that they are not any longer of a strategic relevance<sup>52</sup> or that they partly cover aspects that are too specific for being integrated into general SSS-initiatives<sup>53</sup>. In general, it is often argued that the related issues should be covered by other independent project initiatives with other types of partners involved.<sup>54</sup>

Only a few interviewees argue in favour of maintaining all themes currently dealt with by NMC I, however by structuring and organising them more efficiently and differently under a future follow-up project. If the Strand 4 theme is continued, future activities should further deepen the achievements of NMC I. Future Strand 5 activities should concentrate more work on emissions, energy consumption and aspects related to environmental impact assessment.

In our opinion, it could be wise discussing all of the following suggestions in order to define the “overall architecture” of a future NMC follow-up project:

- Future transnational co-operation could either adopt the form of an "umbrella project", continuing co-operation among a wide range of partners from the two transnational areas alongside a limited number of strategic themes (similar to NMC I), or be continued in the context of a number of stand-alone projects (independent "spin-offs"<sup>55</sup>) that deepen particular aspects previously dealt with by NMC I in the context of smaller and purpose-oriented partnerships or at a reduced geographical scale.
- Based upon the outcomes of NMC I, but also upon the experiences made under other NMC-spin-offs such as “Safety@Sea” or “NMC II” that are currently implemented under INTERREG IIIB (see text boxes below), a future follow-up project could address / further deepen a number of strategic themes that are closely related to the overall topic "NMC - a Motorway of the Seas".
- Port development-related issues should be considered as a new horizontal theme by a future follow-up project. As NMC I highlighted an evident need for further port-related investment especially in Norway, a transnational exchange of good practice in the field of port development could be realised under the future project. In this respect, also comprehensive approaches for a sustainable and integrated development of ports and port cities could be developed. In such a context other partners like the public road and rail administration should be on board of the partnership. Another issue that could be explored in this context is "port mobility on a global scale"<sup>56</sup> and the impacts of this trend on the NMC area.
- While continuing and further deepening these themes, a future co-operation project should be even more business- and action oriented than NMC I and also continue realising theme-specific sub-projects in order to produce tangible output and results. In addition, the project should initiate specific activities that help to further raise the awareness of the political decision makers at all levels (European, national, regional / local) with regard to the advantages of maritime transport (as an alternative to road transport) and / or with respect to a sustainable / safe maritime transport in the NMC.

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<sup>52</sup> They have already been extensively dealt with under the current NMC-project, wherefore a future continuation of transnational co-operation is not considered very useful.

<sup>53</sup> Due to the fact that oil and gas as well as the extraction equipment are relatively different commodities (high-value commodities requiring fast and absolutely reliable RoRo shipping services), no transnational co-operation is needed for structuring their effective maritime transport. The oil and gas companies do actually have sufficient money available to hire at any occasion, at any price and at any place the ships needed for fulfilling emerging needs.

<sup>54</sup> With respect to sustainable maritime transport within the NMC, for example, the partners needed for efficient transnational co-operation strongly differ from those to be involved in the field of SSS and seafood transport.

<sup>55</sup> Examples are the currently implemented INTERREG IIIB projects “Safety@Sea” and the NMC-project “NMC II”.

<sup>56</sup> Ports are becoming increasingly mobile and to a lesser extent location fixed.

The **INTERREG IIIB project NMC II** aims principally at promoting the Northern Maritime Corridor (NMC) as Motorway of the Northern Sea and integrating it into the Trans-European Transport Network (TEN-T). Apart from that, its aim is to continue NMC work by initiating new and improved intermodal Short Sea Shipping services, connections in ports and terminals, and land transport links. Furthermore, the project hopes to help solving problems created by increased traffic and to reduce congestion on road systems by developing competitive intermodal transport solutions enabling cargo transfer from road to ship.

The project is structured in one horizontal work package and 4 thematic work packages, of which 3 are characterised as strategic.

- The “Motorway of the Northern Seas work package” is an overall one, supervising work of the other 4 thematic work packages and binding results together into a framework of NMC as a Motorway of the Sea in the TEN-T network.
- The first thematic work package (strategic) compiles general requirements to the Motorway of the Sea as part of a continuous intermodal transport chain with the purpose to link NMC to the Motorway of the Baltic Sea and Motorway of the Sea Western Europe. It also creates a strategic plan for developing the NMC with regard to Short Sea Shipping services as well as connections to ports and terminals, linkage to rail and road.
- The second thematic work package (strategic) is Technological Development and ICT Tools, which aims at increasing the use of suitable and compatible information systems and at promoting common standards for electronic transmission of relevant data.
- The third thematic work package (strategic), Polycentric Port Scenarios and Framework Conditions for Short Sea Shipping, develops scenarios for future container transport that is expected to grow in the coming years. It also studies the framework conditions for sea based and intermodal transport in the North Sea countries, with particular emphasis on fees and other conditions that are disfavouring sea based and intermodal transport.
- Finally, the fifth thematic work package is Market Communication and New Short Sea Shipping Services. It constitutes a direct follow-up of the present NMC project and is designed to make a basis for the present NMC partners to pursue initiatives for Short Sea Shipping services and other initiatives taken in the NMC project.

The **INTERREG IIIB project Safety at Sea** brings together more than 20 organisations from countries surrounding the North Sea that have joined forces to face the related challenges in a trans-national perspective and to improve maritime safety in the North Sea region. The objective is to stimulate the national, regional and local governments to co-operate and to find common strategies and best available methodologies and practises to reduce the risk and impact of accidents. The 3-year project, which is managed by the Norwegian Coastal Administration and was officially kicked off in September 2004, will realise a number of demonstration projects and cross-country activities that are related to the following topics:

- Harmonised risk management strategies, methods and terminology – a common framework for risk assessment and strategy development.
- Inventory, classification and risk assessment of oil transport in the North Sea region.
- Combination of AIS data with a tool for risk assessment of navigational safety.
- Harmonised methodology and guidelines for emergency preparedness arrangements.
- Offshore wind farm development.
- Marine Rescue Coordination Centres (MRCC).
- Safety awareness.

Beyond the main results of the project, which will be a policy paper containing recommendations on harmonising best practice safety measures in the countries around the North Sea, other results expected from the project are the following: an updated risk assessment of oil transport in the North Sea region, new and innovative use of AIS technology to improve navigation, improved procedures for oil spill preparedness, risk assessment of forecasted offshore wind farms, improved decision support for marine rescue co-ordination centres and finally increased knowledge about safety measures for small and high speed crafts in the North Sea.

**Recommendation No. 4:**

***Sharpen the focus of the current Strand 2 theme under a future NMC follow-up project***

With respect to the promotion of short sea shipping and the development of new shipping services in the NMC, the interviewees have suggested changing the basic perspective of future activities and including additional sub-themes / aspects that were not addressed under the current NMC I project.

In our opinion, it could be wise discussing all of the following suggestions in order to sharpen the overall profile of this strategic theme:

- The future project should realise a shift towards a more "integrated thinking" with regard to transport, as especially the Norwegian partners are still lagging behind in this particular question. This shift should give up the current short sea shipping and port-to-port perspective and move towards an intermodal thinking and a door-to-door approach. Due to the fact that the issue of intermodal transport is very complex and that information flows and transport flows are currently not always compatible or realised at the same speed, also aspects related to innovation in the field of intermodal transport should be included in a future project (e.g. transport telematics). As a part of such a project one of the interviewees propose to include a start-up aid for new intermodal routes including investments in ports and terminal facilities, information systems and in access infrastructure.
- A closer look should be taken on the long-term trends in the development of ship technology and ship development. Based upon some kind of long-term oriented scenario-building with respect to the potential impact of these structural changes on maritime transport flows or port-related logistics, necessary adaptations could be explored in order to give an answer to the question "how (maritime) transportation in the NMC will be delivered in the future".

**Recommendation No. 5:**

***Maintain the current Strand 3 theme under a future NMC follow-up project should focus on during the next programming period.***

Although most of the interviewees state that the current NMC-Strands 2 and 3 should adopt a more integrated approach under a future project or even merge, a few persons interviewed are of the opinion that a full merger is somehow questionable.

In our opinion, it could be wise maintaining a kind of separation between both Strands as there are still some issues that are very specific to the seafood transport theme that would still require a separate approach to be adopted under a future project (i.e. technological issues in relation to seafood transport).

**Recommendation No. 6:**

***Review the general appropriateness of transnational working mechanisms under a future NMC follow-up project.***

In the opinion of most interviewees, a considerable degree of transnational co-operation remains important under a future NMC project. With respect to the current NMC I project, they enumerate various shortcomings that need however to be reviewed and corrected in the

future<sup>57</sup>.

In our opinion, the following aspects should be considered under a future follow-up project if one intends to set up an efficient transnational work process that is to bring about more concrete joint benefits:

- Under a future NMC project, the transnational work process needs to be made more interactive and based upon a real partnership (e.g. through establishing new forms of working or specific project modules).
- The project-internal information flows need to be further improved in order to keep all partners well informed.
- Although important, content-oriented reporting or study work should be reduced in general e.g. by commissioning a limited number of major high-quality reports / studies with a strategic relevance that are complementary and well-interlinked (e.g. according to a pre-defined study programme).
- More importance (and time) should be dedicated to content-oriented transnational activities if transnational co-operation in the field of transport is to be successful. A stronger real connection to the business world needs to be established, i.e. by including more business partners and key stakeholders from the transport sector in the transnational work process and / or by stronger supporting a transnational clustering of companies across the NMC. Finally, the business-to-business oriented work and the transnational implementation of new / innovative sub-projects needs to be better structured and receive more transnational backing.<sup>58</sup>

**Recommendation No. 7:**

***Review the general appropriateness of regional/local working mechanisms in the individual partner areas under a future NMC follow-up project.***

Although a large number of interviewees generally recognise that the NMC I approach of establishing “regional maritime clusters / seafood branches” was very decisive for achieving tangible results and impacts, some are of the opinion that a future use of the maritime cluster approach needs to be reviewed for certain areas (especially in the partner areas that are characterised by considerable geographical distances). In addition, there are also a number of interviewees who think that the current over-representation of public partners in some of the regional clusters should be reduced and that – in these cases - the number of private business partners needs definitively to be further increased.

In our opinion, the regional cluster approach should generally be maintained and continue to receive further support under a future follow-up project. As stated above (see also 5.1), the clusters were among the most important driving forces under NMC I for achieving concrete results and impacts at transnational level. We do however also recommend to slightly

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<sup>57</sup> Currently, NMC I has mostly realised a transnational network of governmental actors (mostly municipalities and counties are represented) and thus very frequently “administrative transnational meetings”. The lacking balance between public and private actors in the different transnational working bodies needs to be corrected, i.e. through a stronger inclusion of expertise in the field of transport/logistics. The internal information flows under the current project are not optimal. The current project does not minimise project administration to the necessary formal requirements. The amount of regional content-oriented reporting is too great.

<sup>58</sup> A more intensive support should come from both, future transnational strand managers and the overall transnational NMC management (they have to ensure that the “pressure” / momentum in such activities is maintained).

reviewing the cluster-approach: It should be a mandatory element in those of the future NMC partner areas, which are characterised by a relative "closeness" among the different members of their regional cluster. In areas characterised by considerable geographical distances, it might be wise allowing another type of co-operation among the local actors from the maritime sector (e.g. loose networking; network of mandated consultants etc). In addition, we also recommend further improving the quality of the cluster-partnerships in future NMC-partner areas, i.e. by ensuring a greater balance between public and private actors<sup>59</sup> and by further extending the partnership to other types of actors that are of a strategic relevance for future work<sup>60</sup>.

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<sup>59</sup> Avoid the current over-representation of public partners in some clusters especially by enhancing a stronger / more complete inclusion of partners from different sectors of the maritime business.

<sup>60</sup> More key stakeholders from the transport sector: stronger inclusion of private sector expertise in the field of transport/logistics