
Towards quality inland waterway transport

NAIADES II

{SWD(2013) 324 final}

Towards quality inland waterway transport

NAIADES II

1. INTRODUCTION

The European Union’s inland waterway network spans 20 Member States with about 37 000 kilometres of inland waterways. Every year, these transport around 500 million tons of cargo, in particular in the densely populated and congested areas of Germany, the Netherlands, France and Belgium. These areas are irrigated by the Rhine, Scheldt, Meuse and Seine rivers and are connected with the Danube river. The Inland Waterway Transport sector is small in relative terms but makes nevertheless with 140 billion tonne kilometres a considerable contribution to the EU’s transport system. It plays a significant role in bringing goods between the EU’s busiest ports and the hinterland. The EU’s largest ports would never have developed into the highly efficient logistical hubs they are today without inland navigations' contribution. These ports depend on inland navigation to reduce congestion in their hinterland and to further grow.

Inland navigation transport is energy efficient and contributes to the goals of the low-carbon economy, set out in the EU’s Transport Policy White Paper. Furthermore, low noise levels also make it convenient for freight transport in the densely populated areas they transit in and service. However, inland navigation stands to lose its comparative environmental advantage if no action is taken to further reduce air pollutant emissions, in particular in view of the progress the road transport sector is making due to stringent emissions limits.

The Commission’s NAIADES action programme adopted in 2006 aimed to bolster the advantages of inland waterway transport and tackle a number of obstacles that could prevent it from being used to its full potential. Many measures introduced under the NAIADES programme have been implemented with the support of funding instruments such as TEN-T, Marco Polo, Leonardo Da Vinci, IPA and the Seventh Research Framework Programme. Further measures, such as the harmonisation of technical requirements for vessels, are still being developed by the Commission, while other measures, in particular those relating to harmonisation efforts, have not started.

An appraisal of the current NAIADES programme stated that NAIADES has had a significant mobilising effect in the Member States and amongst the stakeholders. However,
the economic and environmental prospects for inland navigation have continued to worsen and progress in overcoming key infrastructure bottlenecks has been limited. Furthermore, the sector is currently going through difficult times and is suffering from overcapacity in certain segments and from continued fragmentation of market players, on top of the general slowdown of the EU economy since 2008.

Overcapacity in the liquid bulk sector is related to the introduction of the double hull requirement\(^\text{10}\). This led to additional double hull vessels being introduced, without the old single-hull vessels being taken from the market. Overcapacity is expected to ease in 2018 when single hull tank vessels will be phased out. In the large dry bulk vessel segment, however, over-investment and the resulting overcapacity is creating fierce competition, with spill-over effects on other market segments, in particular on the smaller payload market.

Roughly 80% of the fleet is operated by owner-operators who work and live with their families on the vessels. Their supply is fragmented, making it more difficult to match it with demand, which is weakening their position vis-à-vis other market players such as freight forwarders or large shippers. This frail position, together with overcapacity has led to fierce price competition, which results in low earning power, thereby hampering the sector’s ability to reinvest and innovate. Although activity in the sector picked up again in 2011, after having slowed down significantly in 2009 and 2010, indicators for 2012 point downward again for parts of the market. An increasing number of operators have entered into arrangements with their banks to delay payment of interest due\(^\text{11}\).

From a longer-term perspective, it is clear that the sector has experienced a long but steady decline in modal share compared to road transport. It will take time for the current difficult economic situation to reverse. There are however also positive points. For instance, throughput in seaports has been growing steadily again since 2009, and new technologies such as the use of alternative fuels can bring down operational costs and offer new market opportunities. The sector is well-positioned to take advantage of these developments.

In view of the opportunities and challenges that the sector is facing, the Commission has decided to update and renew the NAIADES programme until 2020, and to align it with the Transport White Paper. The NAIADES II programme focuses on making long-term structural changes in the inland waterway transport sector, to enable it to contribute fully to the Europe 2020 strategy, which aims at smart, sustainable and inclusive growth. For this to happen, the quality of the sector’s operating conditions should be improved, including infrastructure, environmental performance, markets and innovation, jobs and skills and integration into the logistics chain. The EU, Member States, regional authorities, River Commissions\(^\text{12}\), other international organisations, and the sector itself all have a role to play.

The sector operates in liberalised markets in which the possibilities for public intervention are limited. In fact, heavy-handed public intervention may negatively interfere with market players’ future business decisions and with the restructuring effects of market forces. The Commission is aware of the difficulties that parts of the inland waterway transport industry are facing as a result of the economic crisis. To help deal with the current difficult economic situation, the Commission is engaged, with the representative organisations of the sector and

---


\(^{12}\) Central Commission for the Navigation of the Rhine, Danube Commission, International Sava River Basin Commission and Moselle Commission
the Member States concerned, in discussions about suitable measures to overcome the situation. These measures need to be adequate, effective and in accordance with the applicable rules. Furthermore, the Commission will undertake short-term actions consistent with the principles of liberalised markets. For instance, it will re-examine technical requirements for vessels to check that the right balance between safety risk and compliance cost was struck when the transitional provisions were established. Furthermore, it will encourage the early uptake of the use of Liquid Natural Gas (LNG) as an alternative fuel, which has significant long-term cost-saving potential, and will facilitate the sector’s actions to reduce fragmentation among market players.

The Communication establishing the NAIADES II programme is accompanied by two measures, which represent the first step towards implementation:

- Legislative proposal amending Council Regulation No 718/1999 on a Community fleet capacity policy to promote inland waterway transport.

2. OBJECTIVE OF NAIADES II

The objective of NAIADES II is to create the conditions for inland navigation transport to become a quality mode of transport: well-governed, efficient, safe, integrated into the intermodal chain, with quality jobs occupied by a skilled workforce, and adhering to high environmental standards.

If the sector pursues quality while remaining cost-effective, it should be able to break out of the vicious circle of low earning power, under-investment, lack of innovation and locked-in markets. It needs to pursue quality to achieve the targets set out in the EU Transport White Paper on shifting freight transport to rail and waterborne transport and reducing emissions by inland waterway transport.

3. NAIADES ACTION PROGRAMME 2014-2020: QUALITY THROUGH KEY AREAS OF INTERVENTION

• Quality infrastructure

The EU’s inland waterway infrastructure is insufficiently interconnected and integrated with other modes of transport. Inland waterways are in many cases not connected with logistics centres. Significant bottlenecks in the form of inadequately dimensioned locks, bridges or fairways and missing links such as the connection between the Seine and the Scheldt river systems are hampering the sector’s full development potential. To respond to this, the TEN-T guidelines proposal focuses its inland waterway priorities on filling missing links, clearing important bottlenecks, deploying innovative technology, improving intermodal connections and developing smart infrastructure. Sea and inland ports will receive particular attention: a well-dimensioned network of core network ports with inland waterway-friendly access and facilities is a pre-condition for increasing the sector’s share in transport. The Commission encourages the ports sector to strengthen cooperation and coordinate investment across corridors and to examine and promote an exchange of best practice on inland waterway-friendly port design and operations.

13 COM/2011/0650 final
Inland waterways are moreover an important component of six out of nine TEN-T core network corridors\textsuperscript{14}. Sector-specific aspects will be dealt with in a coherent way across the corridors to facilitate the planning and monitoring of TEN-T corridor implementation from an inland waterway perspective.

Following the publication of the Commission staff working document ‘Towards NAIADES II’, sector representatives have on, a voluntary basis, prepared a partial overview of the infrastructure project pipeline for the 2014–2020 financial framework. This should be completed, complemented with information on the status, maturity and planning of the projects, and be kept up to date in order to support the implementation of the TEN-T corridors.

**Specific actions until 2016**

Integration of inland waterway transport into the multimodal corridors:

– 2013: Launch the corridor implementation through the TEN-T Corridor Communication, subject to the adoption by the co-legislators of the TEN-T guidelines, including guidance on integrating the various modes of transport, including inland waterways, into the TEN-T multimodal corridors (lead actor: Commission)

– 2014-2015: Adopt multimodal corridor work plans and proceed with corridor implementation (to be done by key stakeholders, including sea and inland ports, inland waterways transport infrastructure managers, River Commissions, representatives of ship operators, workers’ representatives and the transport user community, under the auspices of European coordinators\textsuperscript{15} working closely with the Member States and in consultation with the corridor platforms to be set up)

**Orientation for 2017-2020**

Full implementation of the TEN-T corridors, where necessary strengthening the tools and processes for the integration of inland navigation in the TEN-T core network with regard to data provision or analytical capabilities

Step up action and investments to overcome key infrastructure bottlenecks in inland waterway transport (Member States with EU support)

- **Quality through innovation**

The rate of innovation in the sector is low compared to other modes of transport. The longevity of the equipment\textsuperscript{16}, fragmentation of the market, lack of innovation culture and the weakening financial situation of inland waterway operators are all contributing factors.

Innovation cannot be ‘imposed’ from outside. NAIADES II calls upon the sector to take more ownership of research, development and innovation (RDI) initiatives. The sector needs to first and foremost develop a **roadmap for RDI**. This includes determining priorities, coordinating their implementation and planning for their uptake in the market. This process should include

\textsuperscript{14} North Sea – Baltic, Mediterranean, Orient/East-Med, Rhine-Alpine, North Sea – Mediterranean and Rhine – Danube Corridors

\textsuperscript{15} Designated by the Commission in accordance with the TEN-T Regulation

\textsuperscript{16} For instance, the average age of a vessel on the Rhine is 50 and 35 years for a dry and liquid bulk vessel respectively (source http://ec.europa.eu/transport/modes/inland/studies/doc/2013-06-03-contribution-to-impact-assessment-of-measures-for-reducing-emissions-of-inland-navigation.pdf)
operators, shipbuilding, equipment manufacturers, inland and seaport authorities, terminal operators, freight forwarders and logistic integrators. RDI for greening the fleets should feature high on the agenda. Certifying technologies may also facilitate further market take-up and help prioritise the provision of market incentives. The Commission is keen to facilitate this process, but the sector should be at the helm to build ownership and ensure subsequent implementation. The sector is called upon to strengthen their coordination for this purpose through their European branch organisations. The roadmap developed by the sector would help to identify European, national and private research and innovation priorities. EU support would focus on the roadmap priorities that contribute to the NAIADES II objectives.

Specific actions until 2016

2014: Prepare roadmap for RDI in the inland waterway transport sector (sector: including ship operators, shipbuilding industry, equipment manufacturers and service providers, data service providers, logistics service providers, terminal operators, port authorities, freight forwarders, waterway authorities, worker's representatives)

2014: Organise market observation services, including the provision of data on traffic and transport volumes, modal shift towards inland navigation, supply and demand and labour markets, innovation uptake and the integration of waterway transport sector into the multimodal logistics chains (Commission)

Orientation for 2017-2020

Regularly review the implementation of the roadmap for research and innovation in the sector, focusing on innovation uptake and deployment (sector)

Smooth functioning of the market

The inland waterway transport market is fully liberalised. However, certain rules are still set at regional or Member State level, for instance for manning of ships or for working time of crew. Lack of harmonisation in these areas may represent barriers for the functioning the internal market.

Problems such as the lack of internalisation of external costs, lack of monitoring or lack of level playing field may justify or even require action from the public authorities. Commission action will include: reviewing the transitional provisions for the technical requirements of vessels, continuing analysis of market developments to inform policy-making. Conversely, fragmentation of the market and associated problems with matching supply and demand need to be addressed primarily by market players. The Commission will nevertheless support this process by supporting further harmonisation and by facilitating sector initiatives aimed at reducing fragmentation of the inland waterway supply side and fostering synergy between market players.

The Commission's inventory of measures for internalising external costs in transport provides the knowledge basis for a future consultation on the use of infrastructure charging for internalising external costs in inland waterway transport.

Inland ports are not covered by the Commission Communication on ports and by the Proposal for a Regulation on market access to port services and financial transparency of

---

17 http://ec.europa.eu/transport/themes/sustainable/studies/sustainable.en.htm
18 COM(2013)295 final
ports. While seaports are the major entry and exit gateways for goods and/or hubs for short sea shipping, inland ports perform functions more akin to multimodal terminals and face different constraints. The Commission will consult with the sector and examine the need for any rules to assist the inland ports.

**Specific actions until 2016**

2014: In line with progress in other transport modes, start a consultation on the use of infrastructure charging to help achieve internalisation of external costs in inland waterway transport (Commission)

2014: Review of certain technical requirements for vessels with respect to cost/safety aspects (Commission)

2016: Assess barriers for the further development of inland ports and the need for a legislative framework to address these (Commission)

**Orientation for 2017-2020**

Review of options for the use of infrastructure charging to help achieve internalisation of external costs in inland waterway transport (Commission)

- **Environmental quality through low emissions**

  Compared to other land-based modes of transport, inland waterway transport is energy-efficient, safe, almost congestion-free and silent. However, progress on reducing air pollutants has been out of tune with this otherwise favourable trend. Less stringent emission limits for inland navigation and the longevity of engines are the main causes of this important shortcoming.

  Emission limits for vessel engines are set in EU legislation. Limits for new and existing engines are established respectively in Directives 97/68/EC and 2006/87/EC. When comparing various levels of ambition as regards the establishment of emission limits, it appears from the accompanying staff working document that two approaches with varying ambition levels have similar cost/benefit ratios. A more ambitious "innovation" approach covering both existing and new engines requires more upfront investment in low-emission technologies but may reap significant cost savings over the entire lifetime of the investment and allows achieving pollutant emission limits equivalent to the level of road transport. A more "conservative" approach covers new engines only, requires less upfront investment but would not allow inland navigation to catch up with road as regards air pollutants emissions.

  The approach to be adopted on emission limits should be strictly technology neutral from the perspective of engine technology and fuel choice. Due to this, it is assumed that the technology with the best cost/benefit characteristics would prevail. For instance, based on the current state of technology, Liquefied Natural Gas (LNG) fuelled ships would considerably contribute to achieving emission limits for the more ambitious approach. However, the uptake of LNG by the sector is currently hampered by regulatory, financial, technical and infrastructural barriers. Urgent action is therefore needed to overcome these barriers, so that LNG can be used by 2016 at the latest. The implementation of the European alternative fuel strategy as set out in the Commission’s Clean Power for Transport Communication will play a key role in this as well as regulatory action to allow the use and transportation of LNG. Furthermore, this package also includes a proposal to amend the Council Regulation (EC) No

---

19 COM(2013)296 final
22 COM(2013) 17 final
Council Regulation (EC) No 718/1999 on a Community-fleet capacity policy to promote inland waterway transport to mobilise its financial resources amongst others for environmental measures.

When defining new emission limits for the IWT engines, it may be necessary to differentiate between small and large vessels and between existing and new engines because of the technological and economic limitations that existing engines and small vessels face. The Commission is also aware that sufficient time must be allowed for the sector to adapt to more ambitious emission limits.

The ultimate decision on the proposal for legislative measures, stringency and date of entry into force of such possible measures on emission limits will be made in the framework of the subsequent impact assessment work for the relevant legislative proposals. The accompanying staff working document on emission limits for inland navigation is a contribution to this process.

### Specific actions until 2016

#### Regulatory framework

2014: Adopt proposal for emission limits for new engines (Commission)

2015/16: Explore further emission limits for existing engines (Commission)

2014: Amend the rules to allow the transportation of LNG (UN-ECE, Member States and Commission)

#### Making infrastructure ready for LNG use

2014: Deploy the EU’s alternative fuel strategy, including adoption of technical standards for inland waterway LNG bunkering and use of LNG as a fuel (Member States and sector, in particular ports, waterway authorities, bunker station operators, bunker providers, ship operators, classification societies, River Commissions)

#### Financial incentives

2014: Secure financial support from EU programmes, national programmes and the sector’s reserve fund to support investment in reducing emissions (part of NAIADES II package) (Commission, Member States and sector)

- **Skilled workforce and quality jobs**

Too many barriers still exist for access to the profession and for the recognition of qualifications of inland waterway transport workers. Procedures to prove experience and qualifications are burdensome and/or easy to circumvent. The fragmented legal framework governing skills and qualifications in the sector needs to be revised. The Commission is currently reviewing the Council Directive 96/50/EC on the harmonisation of the conditions for obtaining national boatmasters' certificates for the carriage of goods and passengers by inland waterway in the Community, with a view to modernising and streamlining the regulatory framework for workers’ professional qualifications.

The attempt to revise the boat masters Directive under NAIADES I focused on recognition of certificates for boat masters only and could not demonstrate significant economic and social impacts. The ongoing review is broader in scope, covering numerous aspects of professional

---

23 Council Regulation (EC) No 718/1999
24 established in the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways
25 Connecting Europe Facility (COM/2011/0665 final) and Horizon 2020 (COM(2011) 809 final)
qualifications for all crew members. Indeed, the creation of a consistent framework for
governing qualifications using modern tools is expected to improve quality and reduce
administrative burden and costs. The broader framework on recognition of professional
qualifications established by Directive 2005/36/EC\(^\text{26}\) serves mainly the purpose of market
opening while for transport professions not only market access is to be considered but also the
safety aspect. Therefore separate sectoral legislation similar to Directive 96/50/EC is the most
appropriate way forward to address the problem. Social dialogue is one of the tools that can
improve working conditions and the quality of jobs. Following the signing of a European
agreement on certain aspects of organising working time in inland waterway transport on 15
February 2012, the European social partners requested that the Commission work towards the
agreement being implemented by a Council decision according to Article 155(2) TFEU. The
Commission is currently assessing the agreement.

The new framework presented under NAIADIES II aims to significantly reduce barriers to
labour access and mobility, valorise qualifications and careers in the sector, and create a level
playing field. It also considers introducing electronic instruments to register and monitor ship
and crew sailing time and would extend the implementation of the new approach to
governance (set out in chapter 5 below) to jobs and skills.

Recognising the difficulty of organising vocational training for inland waterway workers, the
Commission encourages Member States to use the European Social Fund for training of
inland navigation workers, and in particular to exchange best practise and qualifications in the
field of inland waterway transport and logistics and to stimulate the use of innovative
technologies and entrepreneurial skills.

### Specific actions until 2016

2013/2014: Review framework on the harmonisation and modernisation of professional
qualifications in the sector, including considering possible initiative on recording equipment
of crew and ship sailing time/experience (Commission)

2014: Foster entrepreneurial skills and skills in using innovative technologies in the sector
(Member States and sector, possibly with EU financial support)

### Orientation for 2017-20

Complete framework for professional qualifications through elaboration of technical
standards

- **Integration of inland waterway transport into the multimodal logistics chain**

Integration of this transport mode into the multimodal logistics chain requires infrastructure,
services and information streams to be integrated:

- Integration of infrastructure is pursued under the first action area on infrastructure
described above.

- Integrating services requires in the first place a more proactive approach from the
sector. Identifying and disseminating best practices may help. Where appropriate,
public authorities should keep aside or make available through land use planning
enough land along rivers to support inland waterway transport-based logistics
activities. Cities should take freight and waste by inland waterway transport fully

into account in their Sustainable Urban Mobility Plans and strategies on city logistics.

As regards the integration of information streams, the Commission has initiated an evaluation of the implementation of Directive 2005/44/EC on harmonised river information services (RIS). RIS services are currently mainly used for traffic management, infrastructure management or safety purpose. The data exchange currently taking place could be expanded and integrated with information streams of other transport modes, taking into account the e-freight concept. As foreseen in the Directive, the Commission will report to the European Parliament and to the Council to take stock of progress in RIS deployment, identify further development orientations and to examine how to facilitate the adaptation of the technical standards to technical progress in a dynamic way. The process will be monitored by the joint RIS Steering platform.

### Specific actions until 2016

2014: Review and identification of future orientations for RIS (Commission)

2015: Identification, dissemination and uptake of best practice on integrating inland waterway transport services into the multimodal logistic chains (sector, possibly with EU financial support)

### Orientation for 2017-20

Integrate RIS, inland waterway transport market observation data and TEN-T corridor tools to support integrated multimodal transport governance

---

4. **DIFERENTIATED RESPONSIBILITIES FOR IMPLEMENTATION AREAS**

Quality in the sector can only be achieved through coordinated action by the sector and public authorities at Member State, European and international levels. Differentiated responsibilities can be identified for the following areas:

- **Quality infrastructure that is reliable, well-connected and ensures a good navigation status:** responsibility at EU and Member State levels

Public authorities already invest substantial resources in maintaining and developing inland waterway transport. At EU level, actions focus on the TEN-T core network and will be strengthened with the implementation of the TEN-T multimodal corridor.

The Commission calls upon Member States to support and invest in projects with high EU added value, and to continue to develop and maintain good navigation status on their inland waterway transport networks.

- **A quality regulatory framework that creates a level playing field:** responsibility at EU, international and Member State levels

Over 75% of inland navigation in the EU consists of cross-border transport. Harmonised rules are needed across the EU to reap the full benefits of the internal market. However, rules have developed in various international bodies over a long period of time. Although fleet safety has remained high, complex structures have made it difficult to adapt rules to technological progress, creating barriers to innovation. Despite progress made under NAIADES I, certain areas are still not harmonised, which makes rules more difficult to observe and enforce. This

---

27 Action 7 of the EU's Transport Policy White Paper
allows certain operators to lower their cost base, fuelling price competition and reducing the sector’s overall earning power.

The Commission intends to improve international cooperation, modernise and streamline the regulatory framework for inland waterways, and facilitate enforcement.

- **Quality through innovation: an inclusive approach to identifying research and innovation needs and uptake of innovation: responsibility at sector level**

Under the NAIADES I programme, research bodies and institutes identified research needs, but not enough research led to market innovation. NAIADES II calls upon the industry and market players to become directly and pro-actively involved in RDI prioritisation, planning and market deployment.

- **Achieving quality in the market through transparency and fair competition: responsibility at sector level**

Private sector initiatives can significantly improve the smooth functioning of the inland waterway transport market: electronic marketplaces to match supply and demand have been set up and can increase market transparency. Synergies between small players can be pursued, for instance through joint purchasing, joint innovation actions or further consolidation. Cooperation with other modes of transport can be enhanced to better integrate inland waterway transport into the multi-modal logistics chains. Furthermore, there could be significantly more sharing and exchanging of information between all actors in the logistical chains, which would render the market more transparent and integrated.

5. **Quality of Governance**

Under NAIADES II, a new approach to governance will be put in place to address the overlap of legal frameworks and competencies in the inland waterway sector. It entails institutional and legislative measures and will take account of the entry into force of the Lisbon Treaty, which provides for new rules on delegated and implementing powers and on the coordination of the Union's position for the adoption of acts with legal effect in international bodies.

The approach is backed up by an administrative arrangement between the Commission services and the CCNR Secretariat that was signed on 22 May 2013 and provides for a more targeted cooperation compared with the general administrative agreement in place since 2003. Under the new approach, uniform standards will step by step replace the different sets of standards maintained under various legal regimes which operate according to their own rules and procedures. The process will start with the technical requirements for inland waterway vessels, and will be extended, in the second phase, to certain other areas, such as professional qualifications.

Firstly, existing frameworks need to be adapted to allow enacting the same uniform standards into law. This is the subject of the legislative proposal for a Directive laying down technical requirements for inland waterway vessels and repealing Directive 2006/87/EC.

As a second step, the administrative arrangement between the Commission services and the CCNR secretariat foresees the drawing up of technical standards in the field of inland navigation under the auspices of the CCNR. A dedicated Committee involving Member States of the EU and of the Central Commission for Navigation on the Rhine (CCNR), will associate the Commission and be open to the United Nations’ Economic Commission for Europe (UN/ECE), the River Commissions, as well as to key stakeholders, including the European social partners. The goal is for this Committee to become the European technical committee of reference for developing standards in certain areas of inland waterway transport. As such, it
should replace various existing groups currently dealing with these areas, avoiding duplication of work and incoherence.

Finally, full uniformity of standards could be achieved between the legal regimes of the EU and the Rhine when, in accordance with the administrative arrangement of 22 May 2013, the CCNR would adapt the Rhine Vessel Inspection Regulation to allow this Regulation to refer also to the standards of this Committee. The other River Commissions as well as the UN/ECE are invited to join this approach so as to come to a fully coherent body of standards in certain areas of inland waterway transport.

**Specific actions until 2016**

2013: New legislative proposal for a Directive replacing Directive 2006/87/EC and allowing to enact uniform standards (part of NAIADES II Package)

6. **FINANCING**

Implementation of NAIADES II requires financing for policy support actions (coordination, governance and preparatory actions), research and innovation, infrastructure and the greening of the fleet.

At EU level, financing will be provided by the Connecting Europe Facility (CEF) for infrastructure investments, by HORIZON 2020 for research, development and innovation and by the CEF and HORIZON 2020 programmes for NAIADES II policy support actions and for deployment of innovation, including for the greening of the fleet. Member States should include inland waterways in their integrated territorial investment strategies and projects, and plan for support from the European Regional Development Fund, the European Social Fund and the Cohesion Funds. Where appropriate, the use of innovative financial instruments will be encouraged, in particular for the transition to using LNG.

A staff working document on NAIADES financing will be prepared once the CEF and HORIZON 2020 programmes are adopted and further progress is made on programming these instruments.

7. **CONCLUSION**

NAIADES II steps up the ambition for the inland waterway transport sector by focusing on areas with the highest added-value for strengthening inland navigation’s contribution to the EU’s transport policy. By providing a clear differentiation of responsibilities between the EU and international levels, Member State and regional levels and the sector, overall governance can be improved. In 2017, the Commission will report on the progress achieved and will set out specific actions for further implementation of NAIADES II until 2020. Preparations for NAIADES II are already under way and the EU financing instruments to support NAIADES II are being put in place. The work towards quality inland waterway transport in Europe has started.