Feasibility study for establishing a permanent network for the competitiveness of multimodality in the South East Europe area

Venice (IT), 20/10/2010

OUTPUT Feasibility study for establishing a permanent network for the competitiveness of multimodality in the South East Europe area

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Part 1 THE PRESENT SITUATION

1.1 Structural features:

> **Key message:** during the first period of its operations, the WATERMODE project has created the basis for robust networking and information activities, achieving part the project's objectives. The sustainability over time is granted by a clear and strong commitment of partner Regions to support the development of activities with an added value and impact on territories also by means of a permanent network.

1.1.1 Brief overview of the project

The WATERMODE project has been set up to promote a better coordination between policy actors and stakeholders of the South East Europe area, to increase the competitiveness of the alternatives to road transport, especially appraising the potential of the water/ground multimodal logistics cooperation. The project has been developed as a response to relevant economic ties among regions of the South Eastern European area, which are on the increase, due to the current organization of the manufacturing production and the relevance of such growing markets. WATERMODE deals with the issue that, while trade relations are mainly organized through road transport, there is a low and insufficient coordination between economic actors, creating a negative impact on the territorial competitiveness and environment of the territories crossed: air pollution, noise and reduced mobility. Therefore, WATERMODE's main goal is to promote the coordination between the private and public actors dealing with logistics and spatial planning, for a better management of the multi-modal transport solutions, with a view to influencing transport policy-making and implementation at regional, transnational and European level.

1.1.2 The sustainability of the project's network

The Project's Network is part and parcel of the territorial cooperation activities and has been working to achieve the foreseen objectives since the inception of WATERMODE. It has been conceived as a method to carry out the WATERMODE-project actions in order to better collect and disseminate the Project outputs and results. The project also envisioned a strategic role of

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the network for the sustainability and the capitalization of the project's results. In this regard, this feasibility study and a concrete proposal to create a permanent network are activities embedded in the project outset, which aim at offering indications on the way forward and follow-up plans of the project itself.

Indeed, the capability to create a sustainable structure, favouring the achievement of results that last beyond the duration of the project itself, is one of the impact indicators of WATERMODE.

Considering the successful progress of activities, good quality of the results achieved, widespread positive image enjoyed by the WATERMODE project, critical step forward regarding the availability of the authorities in the partnership and interested parties to proceed, as already planned in the project, to the establishment of a permanent Network capable of continuing the activities that have been started, of devising new, innovative and relevant approaches and of accomplishing middle/long-term goals. The following part of this feasibility study indicates a possible way to achieve these goals.

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Part 2   THE PROPOSED NETWORK

Key message: network specific purpose are

1. **To promote and disseminate the logistics/transport system and culture, in particular the innovative features and the effectiveness of multimodality in all respects**
    a. **To support and advocate European policy on logistics**
    b. **To promote multimodality**
    c. **To act as privileged interlocutors with EU**
2. **To support public institutions at local, regional, national and European level in their policy making on logistics/transport by advocating and lobbying for multimodality and innovation**
    a. **To become a reference point for consultancy, opinion and expertise**
    b. **To exchange and share experiences**
    c. **To innovate processes, strategies, methodologies, competences**
    d. **To mobilize actors and reinforce relations**
3. **To share strategies, priorities and plans to improve policy and practice and develop, undertake and evaluate actions or projects on specific issues deemed relevant by the partnership and stakeholders**
    a. **To assess collaboration and cooperation opportunities with international actors**
    b. **To harness the network to the private sector of logistics**
    c. **To foster different forms of territorial cooperation and define joint strategies**

2.1   Features of the proposal

The present feasibility study serves as a basis for the concrete proposal of the project's Lead partner, the Venice Port Authority, to establish a permanent network with a view to capitalizing the results, knowledge and expertise acquired during the WATERMODE life cycle, to further promote coordination and coherence of transport policy valuing multimodal transport as a pivotal system for the sustainable competitiveness of the programme area, and finally to following up strategic project outputs.

The network should strive to work at different territorial levels: namely regional, South Eastern European and the whole EU levels to promote the mainstreaming of project results and, more in general, multimodality in transport and logistics policy, and should appraise the added-value of comparing and sharing different approaches of coordination between local stakeholders in these themes developed by the partners.

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2.1.1 Creation of the network: fundamentals

2.1.1.1 Vision

The permanent WATERMODE Network strives to improve strategic and operational knowledge, regional policies, measures and priorities on transport based on multimodality as an alternative to road transport in line with European strategies and programs. It does it with quality standards, according to its founding values and with a view to influencing and advocating local and European policy in the field of multimodal transport.

2.1.1.2 Values

- **Valuing the represented territories, stakeholders and constituencies:** our regions, institutions, stakeholders and citizens are the beneficiaries of our work; we strive to meet their needs and to respond to specific challenges.

- **Innovation and capitalization:** we make every effort to innovate in terms of internal and external procedures and resources. We make the best use of technology and innovative ways to work in order to capitalize our know-how, organizational, human and material resources

- **Partnerships as keys of development:** the diversity of partners, as members of the Network and potential new partners and/or stakeholders--at local, regional, national and European level--is the most significant element that inspires and helps us achieve our mission

- **Clear and accessible communication:** is the key for advocating, appraising and valorizing our work in the manifold contexts and levels of interaction

- **Competent, demand-driven, effective governance:** we work on specific needs and priorities identified by our regions in a timely, effective, synergic and transparent way by means of committed partners, taking into account diversity and relying on competent staff

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- **Excellence in performance and delivery:** we value the professional and personal competences of the staff and partners together with the flexibility and creativity necessary to develop innovative and effective policies, measures and projects

2.1.1.3   Mission

The Permanent WATERMODE Network appraises the project's knowledge and skills and develops—on behalf and with the contribution of its members-- shared objectives, relationships, know-how, expertise and projects in order to contribute to regional policies on multimodal transport and to bring them to the center stage of European policies. We do this in an integrated way focusing on innovation and the improvement of transport and logistics policy in the Regions, according to the regional and local priorities of the partners to increase their competitiveness, and consistently with European priorities and opportunities.

2.1.1.4   Scope

The activities of the WATERMODE network range from general to specific themes related to the project's activities, good governance and advocacy of multimodal transport. They will focus on:

- Institutional framework of multimodal transport

- Environment and sustainability of transport

- Economic development

- Policy

- Safety

- Innovation

- Appraisal of human capital

2.1.1.5   General objectives and specific purposes

In order to achieve its mission, the permanent network works on 3 general objectives. To each of these general objectives corresponds a set of specific purposes, namely:

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1. To promote and disseminate the logistics/transport system and culture, in particular the innovative features and the effectiveness of multimodality in all respects

    I.   To support and advocate European policy on logistics

    II. To promote multimodality

    III. To act as privileged interlocutors with EU

2. To support public institutions at local, regional, national and European level in their policy making on logistics/transport by advocating and lobbying for multimodality and innovation

    I.   To become a reference point for consultancy, opinion and expertise

    II. To exchange and share experiences

    III. To innovate processes, strategies, methodologies, competences

    IV. To mobilize actors and reinforce relations

3. To share strategies, priorities and plans to improve policy, practice, to develop, undertake and evaluate actions or projects on specific issues deemed relevant by the partnership and stakeholders

    I.   To assess collaboration and cooperation opportunities with international actors

    II. To harness the network to the private sector of logistics

    III. To foster different forms of territorial cooperation and define joint strategies

2.1.1.6   Approach and types of actions

By and large, the approach that defines the permanent WATERMODE network's purposes and activities can be thus summarized:

- ❖ Development and sharing of good practices and quality knowledge

- ❖ Exchanges on common issues/solutions

- ❖ Further promotion of the network to other relevant partners/regions

- ❖ Creation of a sound system connecting different logistic structures

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❖ Creation of synergy and continuing interaction among partners and connected stakeholders (private sectors, associations, other relevant stakeholders)

❖ Project design and development

In order to achieve specific purposes and general objectives, a synergy of actions is envisioned. All actions appraise the strength of joint, transnational approaches to better deal with relevant issues identified as priorities by the network:

1. To promote the network's "logistics system" and disseminate the culture of multimodal logistics

    a. Integrated marketing and "corporate image" of the logistics system

    b. Use of different communication, informational tools and tactics strategies

    c. Study visits

    d. Workshops, conferences

    e. Promotion of training and information projects/ actions

    f. Collaboration with authorities and specialized companies in the logistics sector

    g. Pave the way to gather and disseminate knowledge on logistics

2. To support public institutions in their policy making

    a. Support to policy planning on logistics, transports and ports

    b. Start discussion processes, peer-review for identifying guidelines for regional, national, European and international logistics as key to strategic development

3. To develop, submit and undertake joint actions and projects

    a. Collaborating with main regional, national and international stakeholders

    b. Lobbying with EU institutions

    c. Activating innovative and specialized service provision

    d. Planning and promotion of logistics

    e. Marketing and any other business relevant to the network's mission

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2.1.2   Strategic issues

> **Key message:** Regions need to prepare for and anticipate the changes that will be all too clear, once the economic stagnation is over. Multimodal transport and logistics policy is certainly not exempt from such changes and plays a significant role in the global economy and interconnections. There is a high demand for good practices and a significant number of regional measures that work, but need more visibility and resources. A network would help share experiences among partners and bring them to the attention of the decision-makers

The establishment of a permanent Network that works on transport and logistics issues, particularly on alternatives to road transport, is advantageous for many a reason.

Sustainable transport and logistics solutions, sustained by far-reaching and long-term policy, maintain a central role in the public debate at global level. It is set to remain so for years to come, for reasons that lie both inside and outside the area of South East Europe. The need to preserve the environment and move away from dependency to fossil fuel, together with an increasing demand for transport and logistics services, poses a challenge for policy makers and stakeholders. The economic stagnation is exacerbating this situation, and regions need to prepare and anticipate the structural changes that the interconnected and ever-changing spatial and economic globalization dynamics are bringing about.

In this scenario, multimodal transport and logistics can represent a valid alternative for the overall competitiveness of the South East Europe area.

While transport and logistics policies require at least a supra-national approach, which is clearly highlighted by the importance paid and investments made by national and European institutions in the current programming period. The local/regional levels--and the way that they have approached mobility issues--highlight the diversity of questions that each different territory has to deal with, and the much needed involvement of regional and local actors, authorities and policy-makers in the development and implementation of European priorities.

In this regard, the permanent Network can become a catalyst of the different regional inputs and make a synthesis on specific issues in order to both find new integrated solutions and to give voice to the demand-driven needs of the territories in high-level debates or strategic decision-making venues.

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Foremost, the strategic issues that can make the permanent Network a valuable tool for its members, relate to the concept of "good governance" of transport/logistics realm. These issues need to be inclusive and can be tackled at three different levels:

- ❖ individual level (companies, institutions etc)

- ❖ economy level (macro and micro)

- ❖ policy level (coherence and innovation)

These three levels entail a holistic approach to management, with the capability of regions to identify strategic plans and to implement measures with adequate infrastructures, services, resources, stakeholders and competences. Also, such an approach highlights the necessity to take on the phenomenon from a structural and a socio-economic point of view, using specific tools and resources. Following are the main strategic issues that the permanent Network should focus on:

1. Working for the Regions and territories

2. Implementing Regional priorities

3. Capitalization of best practices

4. Managing integrated transport/logistics systems

5. Promoting alternatives, environmentally-friendly and value-for money solutions

6. Developing human capital and promoting investments in R&D

As the Network's strategic issues need to tackle the multilayered nature of "good governance" as a comprehensive approach to pave the way for a fruitful cooperation, partners of the network need to concentrate on some basic success factors, drawn from the preliminary analysis, for a meaningful and sustainable way to maintain the Network over time, free from negative predicaments. We can summarize key success factors in 5 points:

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Key success factors

1. **Clarity of assumptions and purposes with regard to general objectives and specific priorities**

2. **Partners' strengths and peculiarities**

3. **Pursuit of quality objectives responding to actual needs of the regions**

4. **Flexibility and capability to work on both small-scale and short- term actions, and large-scale, long-term objectives / projects**

5. **Choice of a cooperation formula based on a shared commitment to collaborate on a voluntary and money-for value basis that needs to be periodically revised**

2.2   Features of the network

2.2.1   Main findings on the preliminary analysis of existing European networks focusing on multimodality

In output 4.1 the main European networks on multimodality were analyzed, based on the following set of indicators:

➢ Flexibility

➢ Management costs

➢ Organization

➢ Accessibility

➢ Geographic coverage (Territory Covered)

➢ Thematic relevance (Topics Covered)

The results of the analysis is summarized in the graph (Figure 1) and table (Figure 2).
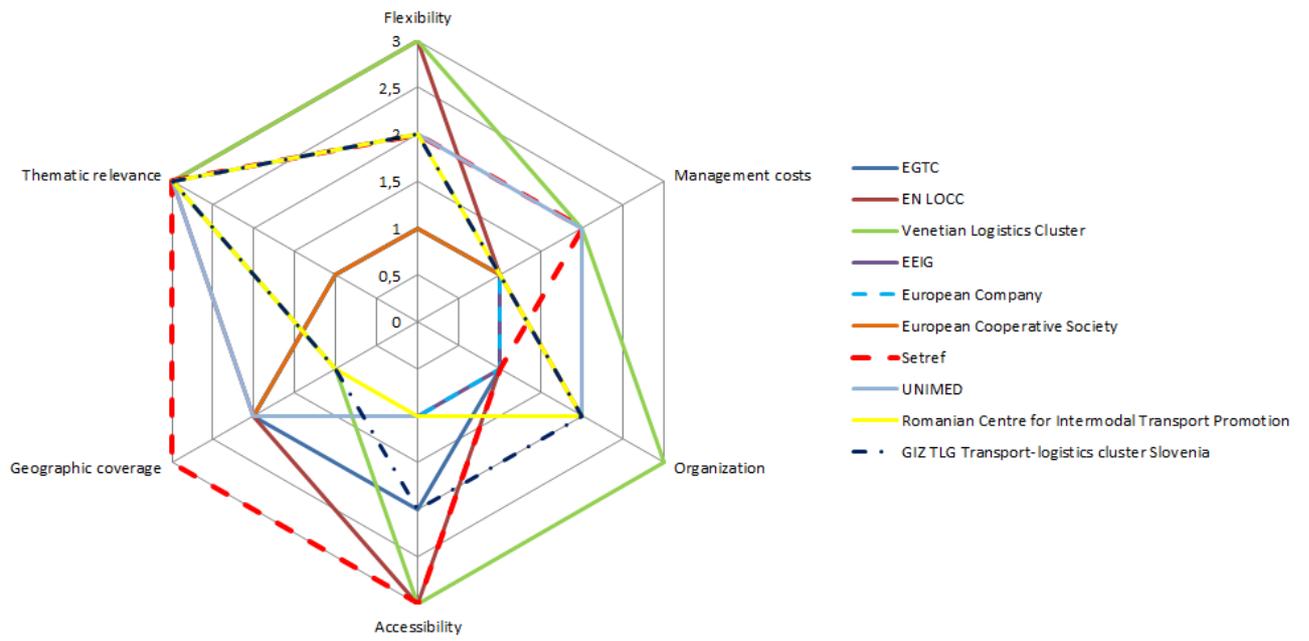
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Figure 1: Best Practices Evaluation

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Type/Example	Flexibility	Management costs	Organization	Accessibility	Geographic coverage	Thematic relevance
European company	Legal form established by notary deed entry in the European company register	Capital of at least €120'000	Complex: President, Administrative board, etc.	Statutory membership constraints of some partners and high fixed costs and liability	European member states only	All
European Cooperative Society	Legal form established by notary deed and enrolment in the member states' registers	Capital of at least €30'000	General assembly, management, control	Statutory membership constraints of some partners and high fixed costs and liability	European member states only	All
EEIG reg. CE 2137/1985	Legal form established by notary deed, every member state is registered	Fixed costs for administration, bodies and secretariat	Board of members, administrators, technical and control bodies	Statutory membership constraints of some partners and high fixed costs and	European only	All
EGTC reg. CE 1082/2006	Legal form established by notary deed	Yes. Fixed costs for headquarters, salaries, social and general costs, membership fees	Complex structure elective offices (Board President), secretariat, financial balance constraint	Statutory membership constraints of some partners	European only	All
EN LOCC Central Europe	No legal form, free membership	Fixed organizational and staff costs	General manager, consultant staff, steering and scientific	Non partnership constraints for membership adhesion and	European only	Logistics and transport only
SETREF: South East European Transport Forum	No-profit, non governmental association governed by statute, no membership fee	no capital required	The Assembly The President (and Presiding Organisation) The Steering Committee	Non partnership constraints for membership adhesion and recession, no obligations towards third parties	South European countries, EU and non-EU	Transport, mostly research
UNIMED Sub-network Transport, Logistics and Multi-modality	Association of Univiersities	dedicated staff	Assembl,y President, Vice-President, Secretary General, Members, Dedicated Staff	partnership open only to Universities or educational and research institutions according to aims of the network	Most countries of the Mediterranean areas EU and non-EU	transport, logistics and multimodality - research
GIZ TLG Transport-logistics cluster Slovenia (no longer active)	economic interest association	fixed management costs, in-kind contribution by Koper port	a project office (secretariat) and a supervisory board	no information	Slovenia	Transport and logistics
Romanian Centre for Intermodal Transport Promotion	Association established under Romanian Law	yes, fixed costs covered by membership fees and other funds	Assembly, managment, etc,	membership fees according to annual turnover of members	Romania	intermodality
Venitian Logistics Cluster Regional law 8/2003	No legal form, free membership	Low: representative and secretary on voluntary basis	Representative elected as delegate and voluntary secretary choose amongst the partners	Non partnership constraints for membership adhesion and recession, no obligations towards third parties	Regional	Logistics and transport only

Figure 2: Best Practices Evaluation Scheme

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2.3 Positioning and institutional relationships

> **Key message: the network's ideal position is as a specialist resource for multimodality policy and capacity building, focusing on specific issues critical for the involved regions. It must position itself as a facilitator for the transferability of regional good practices and policies, for valuing networking and advocacy with other stakeholders, for supporting partners in finding resources to implement regional priorities, policies and measures in line with higher-level (national and European) strategies.**

2.3.1 The image of the network

The context described above offers some important information for the strategic positioning and the image that the future WATERMODE permanent Network should have. Taking into account specific issues that are not covered –or represent the "core business"--of the existing reviewed experiences/bodies, it is important that the WATERMODE network find its optimal "space" of operations that can become the Network's specific "competitive advantage" (what we do best) and can therefore guarantee a leeway for implementing activities and achieve quality results.

The overview of existing networks (SETREF, UNIMED) reveals that most networks working on logistics and transport policy issues focus their activities in studies and data analysis; whose main business is comparative research on such issues in Europe (and beyond). The networks, for their composition, show a strong competitive advantage in this field, possessing strong academic and scientific competences.

Other examined experiences, such as GIZ-TLG in Slovenia, the Romanian Centre for Intermodal Transport Promotion and the Venetian Logistics Cluster have a regional/national dimension and a strong corporate connotation. That is, they tend have a homogeneous nature of partners, but do not cover adjacent territories or other countries.

The European Network of Logistics Competence Centres (Open ENLoCC), established as a transnational network on logistics shares some similarities with WATERMODE's permanent Network. It is advisable to initiate relationships with this network, because it represents a potential source of synergies and enlargement of the WATERMODE Network.

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In light of these general considerations, the identified image and positioning of the Network must differ from the purely theoretical-scientific networks, as well as from structured bodies concentrating on regional/national priorities. It must also differ from a generalist lobbying structure. It should instead present itself as a credible and strong source of lobby, expertise and innovation in the specific field of multimodality, by focusing on the "good governance" of multimodal transport/logistics as a "brand" distinguishing this Network from others.

Partners presently participating in the project—which should be the founding members of the permanent Network -- are representative of three main categories of actors which have a direct stake in governance: 1. logistics policy-making bodies and authorities; 2. logistics public and private companies; 3. scientific partners (Universities, Tech parks etc…).

During the start-up phase, in order to create a balanced representation of regions, it is paramount that in each region/territory covered by the Network, WATERMODE's partners are able to include other territorial actors that are not presently involved in the activities, ensuring that in each area the three main categories of stakeholders become part of the permanent Network. This task is assigned to project partners: identification and involvement of relevant partners in their area.

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Added value

The Network represents an added value if it:

1. has a clear focus on multimodality governance as determinant of local and regional development and focuses on practices, good practices, best practices, strategic planning and policy

2. its image is linked to the political level and priorities of the regions it represents, but has a technical-operative approach to activities, avoiding theoretical approaches and purely political debates

3. is a one-stop platform (virtual and physical) for Regions and local authorities to communicate and collaborate at European level on logistics/transport-related issues, policies and measures; its work is well organized to understand and manage the impact on the territories at economic, social and structural level, that is: on people and on regional systems

4. works in synergy with and complements regional /national organizations working on these issues

5. the partnership is qualitatively and quantitatively significant (if not at the startup, during the consolidation), that is to say, it represents geographically diverse regions—grouped by common interests and is multi-stakeholder in nature

6. becomes a high-profile reference point and set of competencies available to participating Regions that want to seize the opportunities offered by the EU in financial and strategic terms (scouting, lobbying, project designing and promotion)

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2.4   Consistency with the Community framework and national/regional strategies

> **Key message: ….is a top priority of the European agenda and it is related to other issues, such as mobility. Several millions of Euros are available to Regions and local actors for planning and implementing mobility policies …**

In brief, the core European policy directions and priorities that are reflected in the mission of the Network, are analyzed and described in several acts of the Commission, just to mention a few:

❖ Commission Communication - Strategic goals and recommendations for the EU's maritime transport policy until 2018

❖ Commission Communication - an Integrated Maritime Policy for the European Union

❖ Communication and action plan of 21 January 2009 with a view to establishing a European maritime transport space without barriers

❖ Communication from the Commission of 17 January 2006 on the promotion of inland waterway transport "NAIADES": "an Integrated European Action Programme for Inland Waterway Transport"

❖ Communication from the Commission on freight transport logistics in Europe, the key to sustainable mobility

❖ Green Paper of 4 February 2009 - Towards a better integrated transeuropean transport network at the service of the common transport policy

❖ Communication on a European Ports Policy

2.4.1   Opportunities

In terms of opportunities within the Community framework, the structural funds certainly represent a good resource:

❖ European territorial cooperation at cross border and transnational levels;

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❖ Marco Polo II;

❖ ESF (at Regional and National level through operational plans)

❖ PROGRESS (ESF at European level)

It is of utmost importance to maintain close relations with the EU institutions responsible for funding in order to be able to match European and regional needs, priorities and approaches.

2.5   Legal status

> **Key message: The creation of a network including the partners of the WATERMODE project is the starting point for the realization of a more evolved group in both its form and goals/results.**

The establishment of a WATERMODE permanent Network must necessarily include some considerations about the legal status of the Network, considering the possibility of setting up a legal form of the organization, and the consequent actions and resources needed for the official set up of the body.

We said that compared to the elements analyzed in output 4.1 that are listed below:

Flexibility, Management cost, Organization, Accessibility, Geographic coverage, Thematic relevance; none of the best practices studied offered a full satisfaction.

From the aforementioned brief summary, a clear message emerges. The starting point for the construction of the WATERMODE Network is the concept of a "light/simple/flexible" network without legal constraints whose strength is represented by the IDENTITY (where network members are recognizable from the outside, as well) and DYNAMISM (as an organism composed of independent subjects that cooperate for common goals).

Going back to the network proposal, the best form is characterized by an association that is not legally recognized, where the partners collaborate in the pursuit of common goals bounded by a mutual agreement (memorandum or contract goal).

For a greater level of detail of the proposal, see annex 1.

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2.6   Organization

> **Key message:** in order to run the Network, a simple, virtual organization which makes the best of existing resources is needed. Independence and fairness are paramount to the success of the operations.

In order to design an organization of the Network that complies with the mission and the values described above, it is necessary that operations are run with a soft, flexible organization, with accessible and clear guidelines, roles and responsibilities.

It is also necessary to make the best use of the resources available both in terms of new technology and human resources.

The two words that could best describe the organization of the Network are: simple and virtual.

SIMPLE: three levels of hierarchy: board, management, office staff

1. a **steering board**, made up of partner institutions focuses on strategics issues and related decision-making. The manager responds directly to and implements the decisions of the steering board

2. a **manager** coordinates operations, using the human resources available, planning activities carefully--according to the strategic decisions of the board-- and devising a monitoring system to evaluate performance, the manager coordinates seconded staff and (if the case) other staff dedicated to specific activities, fairly but independently

3. in the inception period representations' **staff** are trained on the specific issues of the Network and then carry out administrative and other ordinary activities (lobbying, networking and information) according to the plan set up together with the manager and in accordance with strategic decision-making

Although a physical location for the Network needs to be identified (see next paragraph), today's technologies allow for the efficient running of operations with some affordable and available online tools. The development of the present WATERMODE Resource Network can

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represent the virtual space where most of the Network activities are carried out. The use of internet and intranet tools, along with other available software (also open source or freeware), bestows on the Network the opportunity for the involved staff to work and share tasks and activities from remote locations. A small investment on technology is therefore needed.

The basic technology is described in the next section.

Organizational structure: Adhesion to the network on voluntary basis, open to all subjects with common interests and strategies, coordination and presidency on rotational basis.

2.6.1 Operation

The network is guided by a Steering Committee that is made up of _____ people (1 representative per member). The president whose term of office is at most 6 months, on a rotational basis between its members.

The Steering Committee is regulated by internal rules that refer to the Cooperation Agreement, focal point of the network's procedures, signed by all those who intend to adhere to the network on voluntary basis.

The Steering Committee must hold a meeting at least once a year and every time there is a formal meeting request signed by at least 5 partners.

The chief tasks of the Steering Committee is to coordinate the working groups' activities, established for the various issues and organize the assembly meetings.

The Steering Committee is responsible for the decision making process at the strategic level. The Steering Committee members work and make decisions during the plenary sessions that are held in the partner's operational headquarters or with the attendees dislocated in various areas near or far with an audio and video connection, as long as collegiality and principles of trust and equal treatment of the members are maintained, thus making use of technological and web instruments.

1. The Steering Committee will nominate, according to the rotational system, a President, Vice-president and Secretary, elected among the different network partners, with a one year term of office. The charge will be free (without monetary remuneration). It will perform the following tasks:

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- Decide on new member admission

- Determine the three year action plan, rules of operation and annual plan

- Decide on Memorandum amendments

2. The president and vice-president will organize and implement network activities, including development projects, lobby groups, fund raising, communications, organizational and network member support.

3. A task force or Working group will be established to guarantee a coherent and shared methodology in carrying out strategic activities. These groups will be made up of at least 4 experts, nominated by the members and coordinated by the president on a few guidelines, for example:

- Regulation Standardization (taxes, customs, technological, security)

- Standardization of technological tools (platforms, software)

- Strategic development

- Multimodal transport

- Environment and transport sustainability

- Economic development

- Innovation

- Development of human resources

- Security

- Governing of regulatory issues (policy)

The Working groups meet every time the need arises upon convocation of the Working group or Steering Committee representative.

The Network will equip itself with its own website for the development of its activities and in order to accomplish its goals. The web site must host a "Resource Centre" section for the collection of information, references, documents, research papers, etc.

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The Working groups will submit a report to the Steering Committee every three months to update its activity progress.

4. The official language used by members at the meetings will be English.

5. The members may participate at the meeting in person or through the video conference instrument.

6. In order to make decisions on the future development of the network, the regulation should include recommendations and guidelines on:

- Rules and regulations on the formal institution and legal status of the network.

- Roles and obligations requested of the partners in terms of financial and human resources, in kind contributions.

- Administrative, financial and operational management roles within the network along with its physical and virtual structures.

- Strategic guide for the development and implementation of the action plan (based on EU policy and program relations)

Network assembly

The Network assembly:

- Elects the president, determines the his/her term of office and competences

- Decides on the admission of new members

- Decides on the three year activities plan, the rules of operation plan (if applicable) an the yearly plan

- Decides on proposed changes to the Memorandum, with a majority of at least 2/3 of member votes.

Each partner has the right to participate in the assembly's decision making process and its vote is in proportion to its participation in the network.

Each partner has the faculty of being represented in the assembly by another partner through written proxy.

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The presidential and steering committee components exercise their duties free of change, with the exception of a different deliberation of the assembly.

In the event of death, resignation, suspension/termination of office or impossibility of carrying out the assignment on behalf of one or more members, the President may integrate the vacant seats by cooptation until the natural expiry of the term of office. The president's appointments are based on the indications supplied by the partner represented by the member that is unable to continue his/her assignment.

A member's term of office is indicated by the regulation at the moment in which they are nominated.

The assembly meeting is convened by the president at least once a year for the approval of the activity plans, and any time s/he sees fit, or upon the written request by at least half of the group members.

The assembly meeting is presided by the president in office, that will nominate a Secretary, whose task is to keep the minutes of the meeting.

In order to retain the assembly meeting valid, there must be half plus one voting partners (even by written proxy) present.

The assembly meeting may take place in different distant locations with an audio video connection, as long as collegiality, the principles of trust and equal treatment of the members are guaranteed.

Regulation, changes to the memorandum and dissolution

The Steering Committee may work out internal regulations that better discipline and coordinate partner relations, whose goal is to achieve a better realization of the goals and purposes of the group. This regulation must be approved by the assembly with majority votes (as applied to the assembly).

2.6.2   Members/partners

There is no maximum limit on the number of partners involved in the network, but there is a minimum of at least three.

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The network is open for adhesion to all public or mixed bodies or companies; the partners must exercise activities in the infrastructure, logistics, transport or port sector.

In any case, partners subject to bankruptcy procedures cannot be granted membership status.

The admission of new partners who fulfill the membership criteria, depends on the presentation of the potential member by at least two founding members and the favourable vote of 50% of the founding partners in the assembly

The companies/bodies that want to gain admission as members must present a written application to the Steering Committee. The application must contain the acceptance, without conditions or reserves, of the rules and regulations of the Network's memorandum and Rules of operations, if applicable.

The network members must comply with the group principles and rules.

With regards to internal relations, each partner is liable exclusively for its own costs, thus discharging the other partners from any liability for these activities.

The network members' status may be as follows:

1. Full member

2. Associate member

3. Observers

Full member: participate in the network for a minimum period of 2 years, is a member of the Steering Committee and participates actively in the decision making process and in the different activities of the Network (meetings, research, focus groups, conferences, etc.)

Associate member: participates in the Network only as an observer, may not be admitted to the Steering Committee as a member, but may suggest activities and ideas to the Steering Committee.

The amount deriving from the membership fees may be used by the network for managing and financing expenses, controlled by the president.

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Observer: status of all those subjects whom are not legally recognized (for example: informal networks or associations).

The Full and Associate members are legally constituted according to the laws and customs of their country of origin and active on national territory.
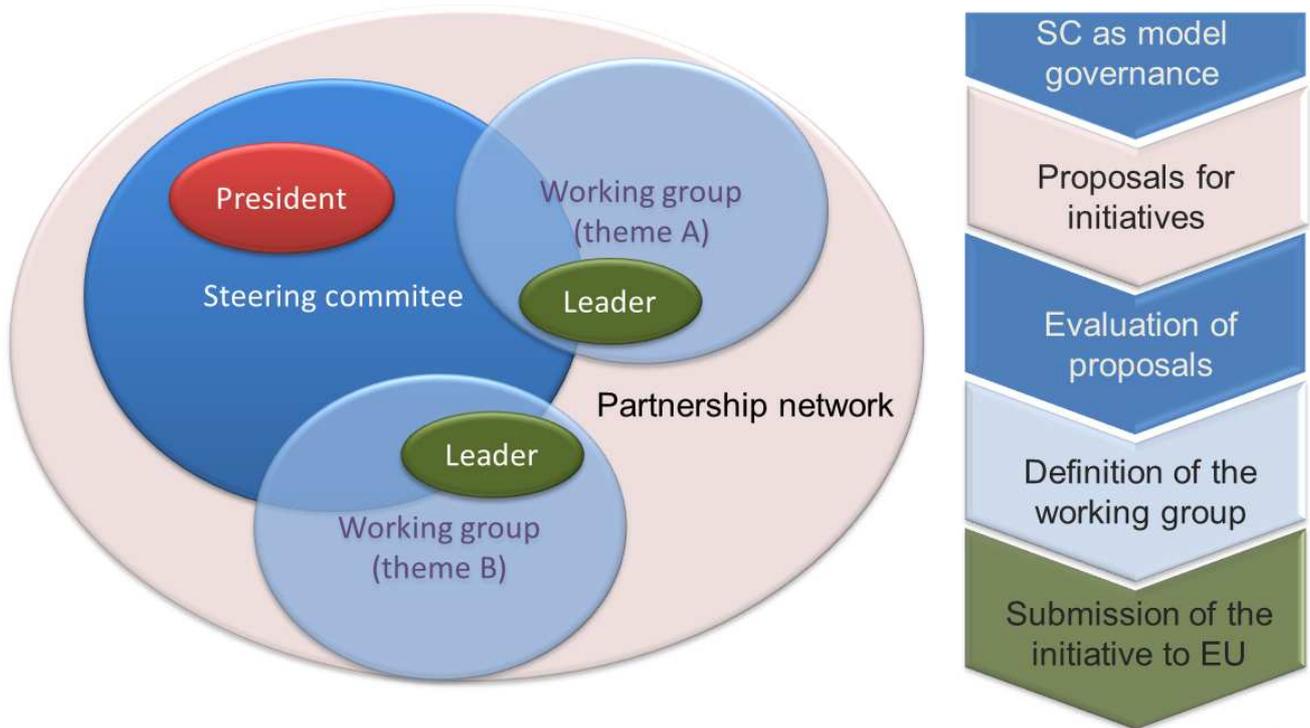

Figure 3 Proposed Network Structure

2.7 Resources

> **Key message:** the participation and sharing of highly specialized professionals that every partner will put in the system, ensuring the creation of an efficient work group that enhances human resources and stimulates active participation in network activities.

The resources of the Network shall come from the following sources:

- Direct or indirect contributions of its member Organizations and/or individuals in accordance with the goals indicated in Part 2. "Indirect" / in kind in this sense means

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"paying for personnel's time, travel, renting of space and other facilities, photocopying, and other expenses for Forum activities, from their own budget.

- Contributions from interested National / International, public or private organizations

- The resources of the Forum shall be used solely to achieve the objectives set out in Part. 2. So far as possible they shall also be used to encourage international research activities in the countries of South East Europe.

- Resources deriving from the participation in European programs and projects.

2.8 Risk management

> **Key message: it is important to evaluate risks at the time of planning strategies and operations of the Network. The main risks are: funding opportunities, weak or fragmented organization's method, effective performance's evaluation and staff appraisal, stakeholders' management**

The development and the success of the Network, like any other enterprise, deals with the capability of the partners to demonstrate good governance of the processes, consideration and activity planning according to variables that can affect the implementation of strategies and actions.

It is therefore necessary to identify, analyze and to manage risks connected with strategic and operation choices.

In this section the risk management process is briefly described, in order to offer some guidelines for the drafting of the corporate plan and the strategic decision-making processes that must inform the creation of the center.

2.8.1 Analysis and management of the risks

The SWOT analysis has identified risks connected with internal and external contexts of the Network. Broadly, the risks can be categorized in 6 groups. For each risk group, it is necessary to analyze the likelihood of occurrence of the risks and to plan solutions:

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Category	Identified risk	H	M	L	Management
FINANCIAL	The funding opportunities available are potential, not certain		X		- close contact with sponsors (EU institutions) to assess compatibility of projects with priorities - commitment of partners through adequate membership fees at least for the whole duration of the start-up phase
ORGANIZATIONAL	The specialization and the activities of the Network are not clear and manageable			X	- the business plan needs to be specific, including indicators of performance, clear timeframe and financial and technical monitoring and evaluation systems devised - the management staff selected and possess proven competences
	Diversification of Network from existing bodies is hard to make out		X		- constant relationship with existing bodies (representations, other networks…) to plan synergic actions - clear division of role and responsibilities
STRATEGIC	The Network carries out duplicate actions		X		- communication tools and strategies devised to maintain flow of information among Network and representations
	The Network's activities are limited by contrasting political interests and diverse partnership	X			- clearly define in the memorandum the political and the technical nature of the Network, set relationship and responsibilities structure - agree on basic framework of operations and allow for different action lines
REPUTATION	The Network's activities have little visibility and/or impact on	X			- develop a communication system (also technology based) to make Network's activities relevant to the territories

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	the territories of the partners			
SERVICE DELIVERY	High competition from other bodies not handled		X		- ensure technical and relational competences in staff and establish clear roles and responsibilities - ensure flexibility of organization to carry out unforeseen activities
	Seconded personnel has not specific competences required		X		- selection process needs to be followed by training and development actions
STAKE HOLDERS' MANAGEMENT	Low commitment of partner regions		X		- dialogue and systematic report and update on results and activities - involvement of regions in all communication-promotion activities
	EU priorities different from specific region's needs			X	- avoid critical issues that are not in line with EU priorities

2.9 Conclusions and final recommendations

In a moment of profound crisis, international commercial exchanges represent the driving force that will help the economy pick up at strategic, tactical and operational level.

The globalization process in which economic, political and social relations are extended to more and more vast geographic areas, modifies the entire goods supply chain.

Changes in the geographic area of demand, creation of new logistics poles, continuous alterations of costs contribute to create a situation that is continually transforming, forcing companies to change their network configurations.

Summing up the economic context, represented by an offer surplus and high degree of competition, impossibility of acting on the price leverage and continually shrinking financial

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investment resources force businesses to concentrate their attentions on costs and the proper management of these resources through the application of support policies.

These factors along with pressing market requests make the need to unite and cooperate with companies connected by a network, the chief viable solution in order to maintain a good level of market competitiveness.

The creation of a network based on the willingness to produce an alliance that will collaborate to obtain a common advantage as an instrument that generates value.
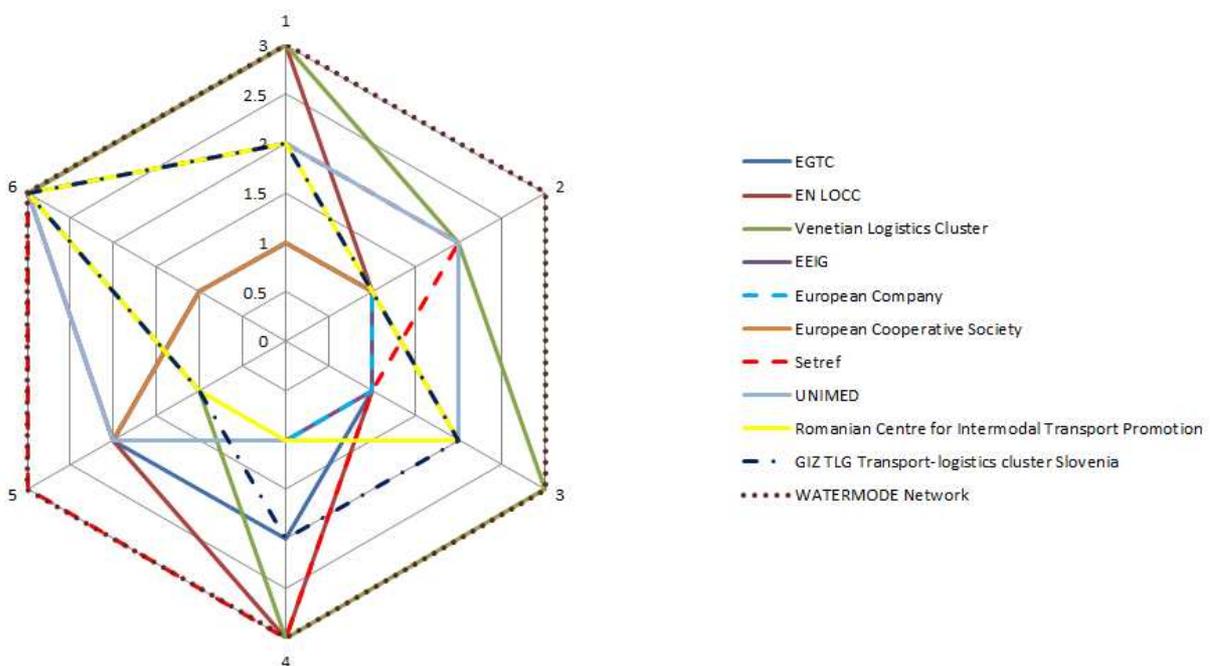

Figure 4: WATERMODE Network

Flexibility: The element highlights the fact that the WATERMODE Network, not having legal personality, allows every partner to adhere to it through a simple instrument (memorandum), without having to resort to notary or partner deeds, binding partners to complex procedures. Score:3

Management costs: The hypothesis foresees low managing costs, through the inkind human resources that each partner provides.

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Score:3

Organization: The hypothesis foresees a light, minimal organizational structure, without maintenance costs but appropriate start up and managing costs.

Score:3

Accessibility: The WATERMODE network does not set any constraints on membership and allows anyone with common interests to adhere; this element is confirmed by the high degree of flexibility of the network.

Score:3

Geographic coverage (Territory Covered): The network does not set any territorial constraints and is addressed to both EU and non-EU partners.

Score:3

Thematic relevance (Topics Covered): The topics covered in the WATERMODE network hypothesis, are perfectly aligned with the normal activities carried out by each partner.

Score:3

Part 3 – MEMORANDUM STRUCTURE

2.10   Name

Gives the official name of the Network, object of this memorandum, and any acronyms that may be used to identify it. It may indicate the legal form, basis of the constitution of the network, if it applies.

2.11   Network seat and domicile

Defines the network seat and domicile and gives the guidelines for the institution of secondary offices, agencies and other local units.

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2.12   Goals and objectives

This section defines the main goals and reasons behind the institution of the network itself: definition of the mission. Both the primary and secondary objectives are listed here, along with any constraints on the activities carried out by the network, giving a clear and concise description of the network's activities.

2.13   Duration

Indicates the planned duration of the network along with any factors that may influence the planned network lifetime (duration extension, early dissolution).

2.14   Partner requisites, membership and member obligations

Defines the requisites the applicant must possess in order to apply for network membership: legal status, geographic allocation, sectors/areas of interest or operation and any constraints that may apply. Limitations on the number of members for the institution of the network, if it applies.

This section also regulates types or grouping of its members (founding members, groupings by geographic allocation or areas of interest, for example), along with membership obligations and responsibilities.

2.15   Financial resources and contributions

Describes the sources of funds for the network: public funding, membership fees, etc. It also describes the network's financial resources and how they are to be managed.

2.16   Governing bodies

Lists the decision making and governing organs of the network.

2.17   President

Describes in what manner the president is appointed along with the tasks that s/he must carry out: responsibilities, role, and functions. It also describes the president's representation obligations, executive powers and how to exert them.

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2.18   Assembly

Describes the general provisions: composition, number of representatives appointed by each member, assembly member voting rights, frequency of meetings, modality of meeting convocation, quorum condition requirements and the possibility of having observers present at assembly meetings.

Describes the responsibilities and actions that must be carried out: determining the general network policy and procedures, such as election of the president, budget approval, amending of the memorandum, etc.

Describes the voting rules: what members have voting rights, how the voting must take place, number of votes needed for a resolution to pass, etc.

In general this section describes the Assembly's role and responsibilities; its executive powers and the possibilities of delegation of responsibilities.

2.19   Steering committee

Describes the general provisions: composition, number of members and their roles within the Steering Committee, meeting attendance obligations and how this governing body should interact with the other organs: president and assembly.

This section describes the Steering Committee's function, responsibilities, role and executive powers in general.

2.20   Internal control body

Describes the role, function and responsibilities of the internal control body, along with the modality and periods these controls are to be carried out.

2.21   Secretariat

Describes the regulation of the secretariat (permanent or rotating secretariat); its duties, role and obligations.

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2.22   Activities, budget and financial management

Describes the categorization of the activities carried out by the network and how they are financed; budget make-up, what costs are covered by each budget item and the definition of the network's financial year. This section also describes the modality of financial management and which governing body is responsible for the administration of network funds.

2.23   Member withdrawal and exclusion

Describes the modality with which a member may withdraw from the network, along with any constraints that may apply, such as how the withdrawal must be communicated and to whom (president, assembly, secretariat, etc.) .

Describes the conditions that will lead to the exclusion from the network, which governing body is responsible for detecting, examining and deciding upon the exclusion of a member from the network.

2.24   Regulations, changes to the memorandum, dissolution and liquidation

Describes any internal rules and regulations within the network such as coordination between members and governing bodies. It also describes the conditions and formalities that must be applied in the following cases: changes to the memorandum, dissolution and liquidation of the network.

2.25   General rules and regulations

Describes the rules and regulations that apply in case there is no explicit regulation contained in the memorandum as well as the memorandum's legal interpretation.

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