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Interreg Europe Policy Learning Platform Peer review for the Region Hauts-de-France

Strategic Port Development Plans and Smart Ports Solutions for Boulogne-sur-mer – Calais Port

Date : 26-27th November 2020

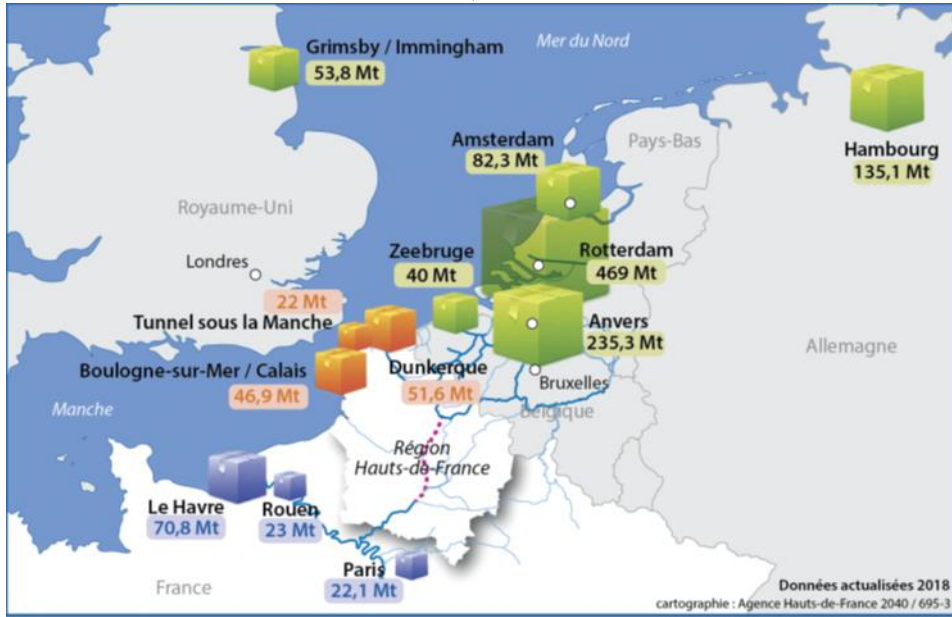
The Region Hauts de France, Port Authority for Boulogne-sur-mer – Calais Port, hosted an online peer review organised in collaboration with Interreg Europe Policy Learning Platform. The objectives were to benefit from other peers' experience on how to design a more innovative smart port development policy.

1. Context

[1.1. Boulogne-sur-Mer-Calais harbour complex: a port that belongs to the Region since 2007](#)

The ports of Boulogne-sur-Mer and Calais are the property of the Hauts-de-France Region since the transfer from the State to the Region in 2007. The two port sites of Calais and Boulogne-sur-Mer have legally constituted a single port since 2015.

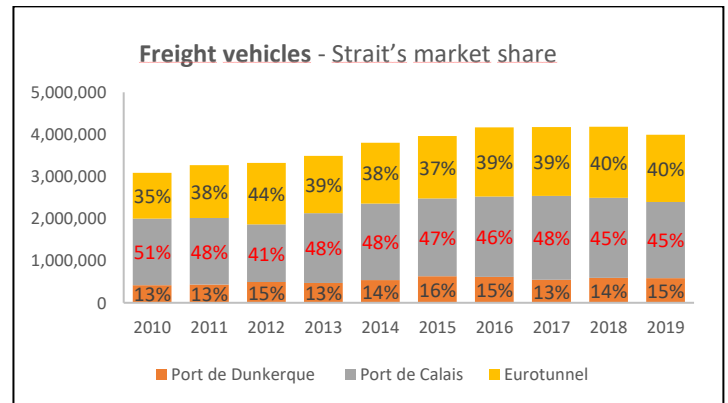
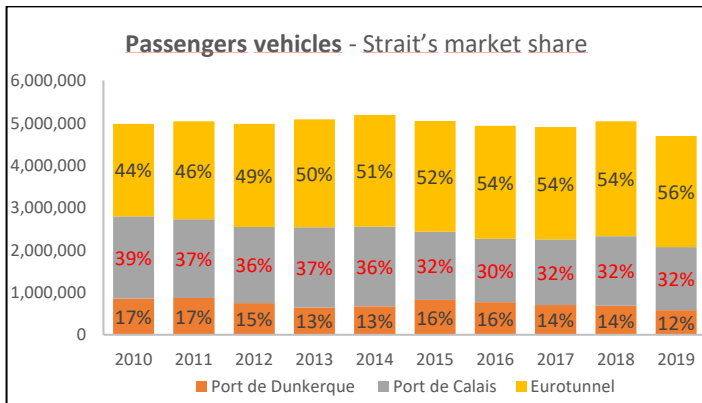
The port ensemble Boulogne-sur-Mer-Calais is located on the straits of Pas-de-Calais (Dover strait), which knows an intense maritime traffic: concentrating 25% of the world's merchant marine traffic and 60% of exchanges with the UK.



In Hauts de France there are three main commercial ports and a « dry port »:

- **Dunkerque**, 3rd French port and 1st national rail freight port, energy platform
- **Boulogne-sur-Mer site**, French No. 1 fishing port and European leader in seafood processing,
- **Calais site**, 1st ro-ro port in France (18.4 million tonnes), 2nd at European level (behind Dover: 24 million tonnes), 1st passenger port in France and 2nd in Europe (1st: Dover)
- **Eurotunnel** dry port, transport of passenger vehicles and trucks using the Channel tunnel

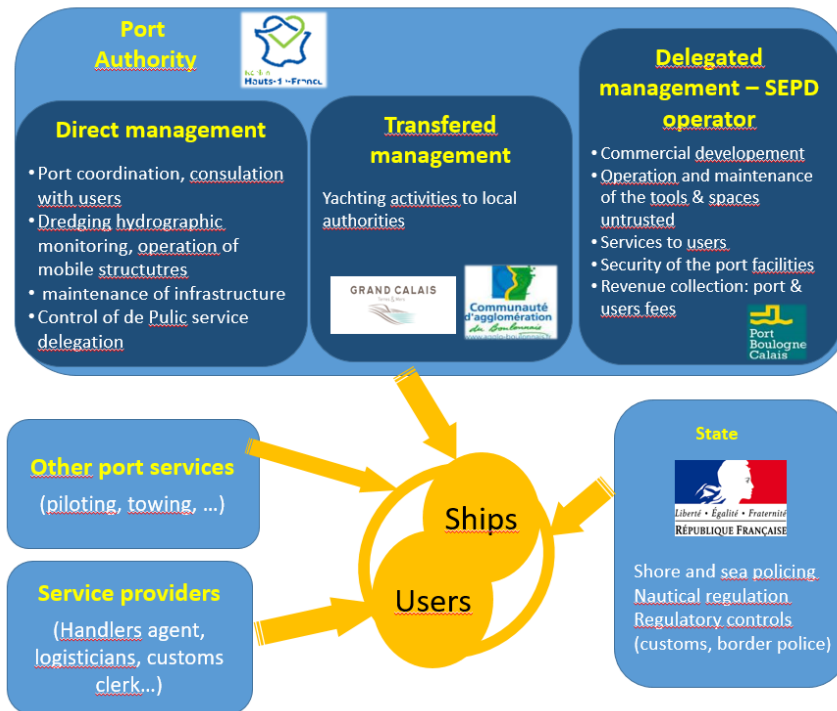
The Boulogne-sur-mer – Calais port derives 90% of its turnover from cross-border activity (Calais site only). Calais shares locally the market with Eurotunnel and Dunkerque. The Hauts de France port complex (Calais, Dunkerque, Eurotunnel) is also in competition with the Benelux ports (Anvers, Zeebrugge)



1.2. Organisation and port management

The Région Hauts-de-France is the port authority for the port of Boulogne-sur-Mer & Calais since 2007. In 2015, the Region delegated the port's development and management to the SEPD (Société d'Exploitation des Ports du Détroit) for a period of 50 years. This is a Public Service Delegation contract and the Region is the port's Authority in charge of the port coordination. The region runs the remaining part of the port not delegated to the SEPD.

The role of each of the main stakeholders in the port organisation is shown below:



1.3. Development perspective: a larger port in 2021

The contract with SEPD includes the construction of the Calais port's extension. This project is called "**Calais Port 2015**" and will be commissioned in October 2021. The objectives of this new high-capacity terminal are to:

- Increase the capacity and efficiency of the port to improve the reliability of the cross – channel link
- Accommodate the future generations of larger ferries,
- Strengthen the development of intermodal solutions (rail, road and sea)
- Improve security and traffic safety
- Optimise the fluidity of traffic and the dwell time
- Contribute to sustainable development

2. Economic issues

Since the start of the public service delegation, the concessionaire has faced several major events that have affected its development:

- MyFerryLink bankruptcy
- Intense migratory flows
- Covid 19 sanitary crisis
- Brexit and impact on border controls, traffic fluidity and business (duty free, custom charges...)



- Business opportunities for the extension of the port of Calais.

To date, these events have resulted in a decrease in traffic, the implementation of costs reduction strategies by operators resulting in a decrease in rotations, additional safety costs, a decline in the ports' business image and a loss of market share.

Brexit impact

Calais' attractiveness is based on its proximity to the UK with a high frequency rotation comparable to a "maritime conveyor belt". The Calais-Dover route is the shortest between the UK and EU and is considered a very profitable maritime route for ferry companies.

Even with the Brexit deal concluded in December 2020, Brexit will have impacts on Calais' competitiveness:

- Customs and health checks affect the ports (Calais & Dover) and hinterland's fluidity which increases cross-border delays,
- UK's industrial strategies to be less dependent on the channel and specifically Dover-Calais route

Boulogne-Sur-Mer's port will be impacted by the new fishing rules in the UK's fishing zone (25% drop in catch quotas) which will be renegotiated in 2026.

3. Upcoming challenges

« Calais Port 2015 » has needed to adapt its strategy and business model to reflect the current context in the Straits of Pas-de-Calais. Brexit, Covid and the future port and its high level of service will have a massive influence on the strategy.

The current priorities mean that the port must generate sufficient traffic and revenue to cover its investments costs. The port has to develop its competitiveness and gain market share and attract new markets by:

- Maintaining Calais' traffic fluidity despite extra controls with induced costs, stops and complex paperwork ;
- Increasing new markets (new routes, unaccompanied trailer traffic...);
- Maintain its position a major fishing and processing location (improve traceability and expand value added services).

Since 2015 the port has strongly invested into physical infrastructures (Calais Port 2015, rail-motorway terminal, new fishing industry related equipment, boat lifting tools, trade cranes etc....).

These "operating tools" need to be completed by "smart port" solutions in order to:

- Improve the general exploitation and maintenance of the port, through real time data acquisition and monitoring
- Enhance the port fluidity (on land and on sea)
- Cooperate better with local stakeholders to develop new services to the port users (passengers, fishermen, cargo ships)
- Communicate better with the supply chain
- Monitor the port's impact and sustainability regarding environmental measures
- Interact with the « city » (local authorities, citizens, firms), integrate the concerns of the port's territory and its key stakeholders.



4. An interregional peer review

4.1 Motivations

The Region wishes to stimulate and support the dynamics of innovation and strengthen the leadership of the port of Boulogne-sur-Mer - Calais at the service of employment, the regional territory and its inhabitants.

Therefore the Region wanted to exchange with European peers (ports, local authorities, ports authority) that have already started this transformation and have already developed innovating tools.

In order to design a smart port policy, we wanted to benefit from other peers' experience with view to :

- Get information of the general digital architecture developed in other ports;
- Understand and share the benefits of a smart port strategy;
- Be aware of the risks and possible drawbacks;
- Share the peer experiences (advantages & disadvantages, feedback) and the stakeholders' expectations;
- Consider their major recommendations in terms of methods, tools, cybersecurity; and
- Understand how such investments are prioritised.

4.2. Participating peers and stakeholders

A call was launched by the Interreg Europe Policy Learning Platform to select the following peers from Santander Port, Thessaloniki Port, Livorno Port and Hamburg Port backgrounds



- Jorge Muyo, DG Innovation, Regional Government of Cantabria (Santander Port)
- Prof. Aristotelis Naniopoulos, Transport Systems Research Group, Aristotle University of Thessaloniki
- Silvia Ferrini, Livorno Port Authority
- Johannes Betz, Project Manager, Hafen Hamburg Marketing
- Gunnar Platz, Managing Partner of PLANCO Consulting, Hamburg

These partners have very different profiles, which made it possible to have complementary views and contributions: some very operational in the port and maritime domain, some on advice and methodological support and others oriented towards the construction of supportive public policy.

The host invited several stakeholders to participate in these two days of exchanges, they represented:



- SEPD operator
- Local authorities and economic development agencies
- Regional policy makers (Region Hauts de France)
- Customs services and port officer
- Shipping companies (P&O, DFDS)

4.3 Main recommendations

The European partners presented very advanced approaches to the ports of Livorno and Hamburg as well as an innovation support policy led by the Cantabrian government and relayed by the Region of Cantabria, as well as advice resulting from European research projects led by the Transport Systems Research Group located in Greece (Thessaloniki).

4.3.1. Strategic recommendations:

First, peers made strategic governance recommendations (strategic planning, governance, stakeholders' involvement) on how we should initiate / define our strategy:

- Develop a long-term strategy (10-15 years), mission-oriented with defined priorities, under the direction of the Port Authority;
- Involve very broadly the stakeholders, once the strategy's main priorities have been determined. The success of the approach depends on the end use. For this, it is essential to involve the stakeholders from the start in a bottom-up approach with a strong management of the port authority;
- Share, understand stakeholders' motivation and identify small scale projects, that fully meet the needs of the port area and comply with the priorities, to stimulate their involvement and a "project community"
- Use EU funds (Digital Europe programme 2021-2027) to initiate the involvement of stakeholders and learn to work together and understand each other
- Set up a think tank involving stakeholders in various fields and not just technological ones.

4.3.2 Specific recommendations

The peers made also specific recommendations regarding the development of smart port strategies, digital tools, monitoring tools and approaches, based on their experiences and feedback:

Development and smart port strategies

- Develop port identities and complementarities built on the strengths / assets of each port
- Include entrepreneurial and innovation dimensions, the plan should not focus only on technological aspects. It is about including new areas of activity in the implementation of technological solutions
- Invest in research and innovation, the port needs to anticipate innovation, always remaining on the "technological frontier" and focused on strengths and potentials.
- Develop an innovation center for HDF ports, it can rely on initiatives such as hackathons led by local authorities
- Develop an approach focused on strategic objectives to establish a specific roadmap. Ensure that digital tools do not replace objectives



- Include the determinants of the transition as pillars of the strategic project: innovation, circular economy, territorial impact, human resources and skills

Digital tools

- Avoid duplicating the databases, create common databases, virtualize data and ensure that everyone has access to the same data (while respecting confidentiality through restricted access)
- Develop digital tools, owned by the port authority but jointly developed with local stakeholders
- Develop a Port Community System to share information: connect all the individuals IS to a central platform allowing the port to act as a single entity. It is fundamental and prior to a smart port
- Avoid technological locks and make sure you have ownership or availability of the source code of digital solutions (favor open sources)
- Invest in cyber security

Monitoring

- Develop tools for port monitoring and management: real-time detection of operating indicators, emissions, etc.
- Select the right indicators in line with the defined missions and priorities to map the initial state and then establish quantitative or qualitative benchmarks
- Use a limited number of indicators: 10 or 12 main indicators focused primarily on productivity, efficiency and / or impact
- Information must be shared with stakeholders and promote actions and good practices of stakeholders

5. Follow up actions

5.1 Definition and implementation of a smart port strategy

Set up an internal project team in the Hauts-de-France Region.

This team will have to mobilise the skills of the Port Authority and other services from Region Hauts-de-France (digital transition, third industrial revolution, etc.).

The first half of 2021 (before the regional elections) will be devoted to defining the terms / conditions of governance of the project:

- Piloting (Port Authority with the 2 communities),
- Place of the SEPD,
- Stakeholders to be involved,
- Identification of the pre-existing governance bodies on which to rely at a double level: Steering / consultative level (Port Council, Capécure zone committee, operations committee, CSI, etc.)

The project team will have to define Smart Port related objectives and priorities for the Port Authority.

Constitute a resource "toolbox"

- Deepen the smart port benchmark at the French level on smart port strategy and the establishment of a Port Community System (PCS)



- Identify the initiatives (ex: hackathons) present in the two territories on which to build upon to ensure regional technology ideas are reviewed
Review relevant European programmes that may support Smart Port initiatives

Involve key stakeholders

Set up a working group with key stakeholders and draw up an inventory:

- Needs and expectations of stakeholders in order to identify common priorities
- Tools and hooks for engaging in a Port Community System
- Operationalisation of the agreed objectives and priorities, taking into account the peers' specific recommendations on smart port development, digital tools and monitoring
- Projects to be set up independently of the PCS in order to stimulate stakeholder involvement to the overall project
 - Specify the contracting authorities (not all projects will be developed by the Port Authority)
- Define a common communication plan so that everyone finds their place and can contribute at their own level and develop trust between stakeholders and Port Authority actors

5.2 Study visits and collaboration

Exchanges and study visits may be organised with stakeholders in order to explore certain topics in depth. Thus, certain projects presented during the peer review, or those resulting from the benchmark, could be studied in depth with the partners. But before that, it is necessary that the Port Authority and its stakeholders (SEPD, local authorities) define their Smart Port project and the key steps to achieve it.

Conclusions

The peer review process has allowed the Hauts de France port community to recognise that this is a project to be considered in the **long term** which requires a **substantial budget** (in Livorno they started the PCS in 2012 with a 2M€ cost and the MONICA system based on their PCS cost 800k€) and above all a significant amount of **involvement work** within the region services (several skills to be mobilized) and especially **towards stakeholders** with their own governance and decision-making processes (partnership complexity not to be overlooked).

These two days helped to forge partnerships with:

- Local stakeholders and in particular local authorities who seem very interested in the process;
- European partners and these contacts will make it possible to deepen some topics, as well as to submit European projects for the financing of some operations; and
- Triggered discussions both within the Region and with peers that can result in longer term cooperation actions.