

Towards green, efficient and competitive river Danube transport

State aid measures and innovative financial instruments

GRENDEL Kick off meeting

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Motivation & goals



- The modernization of the Danube fleet requires significant financial efforts on the side of the vessel operators. Due to unfavourable infrastructure and market situation, the companies will only be able to invest into green technologies when public support is provided through:
 - Favourable regulatory framework with incentives for investing into green technologies
 - Financial support in the kind of non-payable grants in order to reduce capex requirements and to create robust business cases
 - Support in getting access to finance through new/dedicated financing instruments and/or easier access to loan finance (e.g. via loan guarantees).
- Currently, there is no public support for fleet modernization in any of the Danube States especially not on a longer term perspective with a clear and predictable funding scheme whereas other European countries set up State Aid Schemes for fleet modernization.
- Main goal is to create an encouraging framework of a variety of public support measures going beyond national borders and to help national governments to prepare well-designed and targeted public support measures (financial incentives for modernising fleet & fostering personal resources) that will stimulate innovation uptake and greening of fleet.

Activity 5.2: Approach



- Assessment of financial instruments considering options of being created (i) from primarily public sources or (ii) public-private sources in sort of private-public partnership. GRENDEL will address both options.
- Elaboration of a Model State Aid Scheme that can be used by ministries to implement dedicated national State Aid Schemes. Know-how & experience from existing state aid schemes will be consolidated and conclusions drawn; best practice examples from other countries (F, NL, BE, DE, CZ) will be analysed and considered as basis for the widely harmonized model.
- The impact and the compatibility of proposed State Aid measures with State Aid rules will be considered in the draft model. The model scheme will be used to draft a fully- fledged state aid scheme which will be launched in at least one participating countries. The work shall support all the participating Danube States to launch a national State Aid Scheme till the end of the project or immediately after it. The use of EU funds for budgetary coverage of the State Aid Schemes similar to the CZ model shall be explored and prepared.
- Other innovative financial instruments will be exploited in cooperation with Western Europe stakeholders, incl. “IWT Innovation Fund” (or "Sustainability Fund for Inland Shipping"). GRENDEL will support these “European-wide” activities further through involvement and provision of input related to the Danube IWT sector investment priorities.



CZ state aid scheme: goals & targeted activities



Reduction of environmental impacts of waterway transport

Sub-programme 1

Aimed at reducing the environmental impacts of IWT by **reducing emissions of gaseous and particulate pollutants** from internal combustion engines & auxiliary motors, and by implementing other measures with direct environmental benefits.

Eligible costs

- **replacing vessels' engines**: the acquisition of low-emission engines and auxiliary motors; directly related subsequent components (e.g. gearbox), & installation
- converting vessels to a **new fuel**: converting vessels to a new fuel (LNG), incl. acquisition of associated technology (both mono- & dual-fuel)
- **remodelling stern of vessels**: acquiring technology for adjusting the shape of a vessel's stern, including its installation & adjustment of the vessel's stern, incl. acquisition of materials;
- **modernising propulsion equipment**: acquiring propulsion equipment components (propeller, nozzle, shaft), incl. installation costs;



Modernisation of vessels to increase multi-modality of freight transport

Sub-programme 2

Aimed at **increasing the involvement of waterway transport in the multimodal transport chain** by making the vessels more **competitive, operationally flexible and secure** in the context of multimodal transport chain by modernising them

Eligible costs:

- purchasing **lightweight stacking covers** for the hold (cargo compartment), including installation in the vessel
- **raising hatchways**, including the purchase of materials
- horizontally **extending hatchways**, incl. the purchase of materials
- purchasing **transportation frames for passenger cars**
- broadening a vessel (push boats) or prolonging a vessel, incl. materials



Modernisation of vessels leading to increased safety of IWT

Sub-programme 3

Eligible costs

- fitting vessels with **bow steering equipment**, incl. installation
- purchasing and replacing **outer plating**, incl. replacement of affected vessel parts
- adding **radar** equipment, incl. installation
- replacing the **coating of submerged parts** (outer plating) or providing a new surface finish/protection for these parts
- reconstructing the **electrical wiring** on board, incl. purchase of electrical wiring



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GRENDEL “Green and efficient Danube fleet”

Towards modernisation & greening of Danube inland waterborne sector and strengthening its competitiveness

www.interreg-danube.eu/grendel