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Work Package 3

Activity 3.2 Improve & harmonize port legislation

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Figure 1: Vukovar Port on the Danube River - position

1 Scope of the document

The project is called DAPhNE – Danube Ports Network – and it is funded in the framework of the Danube Transnational Program (DTP). The overall aim of DAPhNE is to facilitate Danube ports to become key-elements of a more efficient and sustainable transport network in the Danube region. The project consists of different work packages dealing with various topics in line with the main objectives of DAPhNE.

The activities included in work package 3 of the DAPhNE project are linked to the regulatory framework of Danube ports. The legal conditions in force as well as the financing and funding possibilities available for Danube ports are investigated and measures are suggested to improve the current situation. An improved regulatory framework will help eliminate the quality gaps in terms of infra- and superstructure which exist between Upper and Middle & Lower Danube sections. One important objective of the work package is to provide inputs for a more harmonized approach in regards to legal port issues. When tackling the legal framework it is important to start from the national level and then move up to identify solutions applicable at regional level.

Six DAPhNE consortium members have overtaken the obligation to coordinate the elaboration of national reports covering the port legal aspects applicable in Austria, Hungary, Croatia, Slovakia, Bulgaria and Romania. The homogenous structure of these reports will allow an easier comparison between the Danube riparian countries and will facilitate the elaboration of a set of recommendations connected to port legislation (output 3.2).

The legal topics chosen to be investigated under the current report contribute to disclose information that will enable the Danube Ports to reach in the long run the following objectives:

- Untap the potential of Danube ports as centres for economic development that are desirable business locations
- Put in place high-quality infra- & super-structure in place all along the Danube ports
- Facilitate cost-effective and easy-to-use port services
- Ensure lowest possible eco-footprint in the construction and operation of Danube ports

Although the consortium members are aware of the variety of functions that ports have (passenger, military, fishing, leisure activities, etc.) the scope of the current report is to focus on those legal aspects that are relevant for transport, logistics and cargo-handling. The legal background for other types of businesses using ports as business locations will also be investigated.

1.1 General terms

For the purpose of the current report the definition of a port as included in the Commission Regulation (EU) 2017/1084 of 14 June 2017 shall be considered as starting point. Each of the

partners in charge of writing the national reports will further explain how ports are defined based on the legal framework in place in their jurisdiction.

Due to the overlap of the function of inland and maritime waterway the legislation applicable to both inland and maritime ports will be considered for analysis for those countries where this is relevant (e.g. Romania).

(154) **“port”** means an area of land and water made up of such infrastructure and equipment, so as to permit the reception of waterborne vessels, their loading and unloading, the storage of goods, the receipt and delivery of those goods and the embarkation and disembarkation of passengers, crew and other persons and any other infrastructure necessary for transport operators in the port;

(155) **“maritime port”** means a port for, principally, the reception of sea-going vessels;

(156) **“inland port”** means a port other than a maritime port, for the reception of inland waterway vessels

1.2 Definitions according to the national legal framework

In Croatian Inland Navigation and Inland Ports Act, Article 4, Par, 1, Subpar. 43 (“Official Gazette” nr. 109/2007, 132/2007, 51A/2013 and 152/2014, further in text: AINIP) port is defined as *“part of the waterway and land area immediately adjacent to it that is designated and equipped for mooring, anchoring and protection of vessels, loading, unloading and storage of goods and embarkation and disembarkation of passengers, where various complementary activities take place which are economically, transport and technologically-wise directly associated to goods or to a vessel.”*

Inland waters are defined as *“rivers, canals and lakes except the rivers of the Adriatic watershed in the part of their course where maritime service is operated. Inland navigation is navigation on inland waters.”* (AINIP Art. 4, Par. 1, Subp. 1 and 2).

2 Description of the current port governance models (if there are more than one)

2.1 Regulatory framework

Existing regulations regarding the inland ports in Croatia:

- **Inland Navigation and Inland Ports Act** (“Official Gazette” nr. 109/2007, 132/2007, 51A/2013 and 152/2014) – regulates navigation on inland waters of the Republic of Croatia, safety of navigation on inland waters, legal status, method of managing waterways and inland ports, substantial law relations with regard to a vessel,

procedures of registration of vessels, carriage and contracting carriage, accidents on inland waters, organization and operation of harbormaster's offices and inspection as well as other issues related to navigation and inland ports (Art. 1 AINIP);

- **Concessions Act** ("Official Gazette" nr. 69/17) – regulates concessions granting procedures, concession contracts, concession termination procedure, legal protection in concessions granting procedures, concession policy and other concession matters (Art. 1 CA);
- **Waters Act** ("Official Gazette" nr. 153/09, 63/11, 130/11, 56/13 and 14/14) – regulates waters legal status, water resources, water buildings, quantity and quality of water management, water protection from nuisance, detailed melioration drainage and irrigation, public water supply and public drainage, special water management activities, institutional organization for those activities and other questions connected with waters and water resources (Art. 1 WA);
- **Public Procurement Act** ("Official Gazette" nr. 120/16) – regulates public procurement procedures for public and sector clients or other subject with purpose to conclude the contract purchase of goods, services and works, framework agreement and design competition procedure (Art. 1 PPA).

Afore mentioned legislation applies to following parties:

a) private sector – port operators, private entities (physical persons) who own the port land within the Vukovar Port area;

b) public sector - port authorities in charge for inland ports and wharfs management, Agency for Inland Waterways, Harbour Masters Offices, Croatian Waters, public/state owned port operators.

Apart from the state laws, there is also secondary legislation, which specifies the laws:

- **Regulation on Technical and Technological Terms for Inland Ports and Navigation Security for Inland Ports and Wharfs** ("Official Gazette" nr. 32/09) – provides terms which inland ports must fulfill before they are open for traffic, procedures for ports opening, criteria for ports and wharfs categorization and inland navigation security conditions in port and wharfs area (Art. 1);
- **Regulation on Inland Navigation Wharfs** ("Official Gazette" nr. 134/08) – defines conditions for wharfs opening, legal bodies in charge for port area defining, for wharfs management and other issues regarding opening and wharfs operation (Art 1);

- **Direction on Ports Due Criteria for Inland Ports and Wharfs** ("Official Gazette" nr. 124/15) – determines criteria for port dues amounts (and maximum amounts) in public and private ports and wharfs (Art. 1);
- **Decree on the Port Due Rates in Vukovar Port** – determines port due rates in Vukovar Port; it is an act of each port authority itself;
- **Ordinance on Concession Rates in Inland Ports and Wharfs** ("Official Gazette" 72/15) – defines criteria for concession fees and other criteria for granting concessions for public services providing in public ports, criteria for economic exploitation of common or other good in port area of private ports and in private wharfs (Art. 1);
- **Ordinance on Shipping Agent Activities** ("Official Gazette" 81/16, 93/17) – defines terms for shipping agent activities, legal rights and obligations of shipping agent and inland navigation shipping agent, exam program and examination procedure for shipping agent certificate gaining (Art. 1);
- **Regulation on Vukovar Port Area Defining** ("Official Gazette" 100/01) – defines port area of Vukovar Port which is situated on two locations, gives the list of its coordinates (Art. 1);
- **Regulation for Inland Port Authorities Managing and Job Conducting** ("Official Gazette" nr. 100/08, 76/12, 31/16) – defines composition and members of port authorities Governing Council, terms of members appointment, suspension and competence of the port authority general manager and other questions regarding port authority activities (Art 1).

EU port legislation is implemented into Croatian jurisdiction by Inland Navigation and Inland Ports Act where is said that it contains provisions harmonized with the following EU documents (Art. 1a):

- Council Regulation (EEC) No: 2919 of October 17, 1985 laying down the conditions for access to the arrangements under the Revised Convention for the navigation of the Rhine relating to vessels belonging to the Rhine Navigation; (31985R2919, Official Journal L 280 OF October 22, 1985),
- Council Regulation (EEC) No: 3921/91 of December 16, 1991 laying down the conditions under which non-resident carriers may transport goods or passengers by inland waterway within the Member State; (31991R3921, Official Journal L 373 of December 31, 1991),
- Council Regulation (EEC) No: 1356/96 of July 8, 1996 on common rules applicable to the transport of goods or passengers by inland waterway between Member States with a view to establishing freedom to provide such transport services; (31996R1356, Official Journal L 175 of July 13, 1996),

- This Act transposes into the legal order of the Republic of Croatia the following European Union Directives:
 - Council Directive 91/672/EEC of 16 December 1991 on the reciprocal recognition of national boatmasters' certificates for the carriage of goods and passengers by inland waterway,
 - Council Directive 96/50/EC of 23 July 1996 on the harmonization of the conditions for obtaining national boatmasters' certificates for the carriage of goods and passengers by inland waterway in the Community,
 - Council Directive 96/75/EC of 19 November 1996 on the systems of chartering and pricing national and international inland waterway transport in the Community,
 - Directive 2005/44/EC of the European parliament and of the Council of 7 September 2005 on harmonized river information services (RIS) on inland waterways in the Community,
 - Directive 2006/87/EC of the European Parliament and of the Council of 12 December 2006 laying down technical requirements for inland waterway vessels and repealing Council Directive 82/714/EEC
 - Commission Directive 2013/49/EU of 11 October 2013 amending Annex II to Directive 2006/87/EC of the European Parliament and of the Council laying down technical requirements for inland waterway vessels and
 - Directive 2009/100/EC of the European Parliament and the Council of 16 September 2009 on reciprocal recognition of navigability licenses for inland waterway vessels.

EU legislation is implemented in all other legal acts that are relevant for inland ports. There are also international agreements, bilateral and multilateral that are ratified and implemented in Croatia.

Legal acts and strategic documents specifically relevant for ports:

- **Transport Development Strategy of the Republic of Croatia 2014-2030** – The Strategy sets out the basic guidelines for the development of the transport sector within the Republic of Croatia over a medium and long-term horizon (2014-2030), aiming to define an overall and coherent framework to ensure the linkage of infrastructure and transport policy and enabling decision-making;
- **Inland navigation Development Strategy for the Republic of Croatia 2008-2018** ("Official Gazette" No. 65/08) – new Strategy is being prepared;
- **Mid-term Development Plan for the Inland Waterways and Ports** is also under preparation (the one for the period 2009-2016 is out of date).

In Croatia following legal entities are in charge for port legislation issuing/updating:

- **Croatian Parliament** – issues and updates legal acts (acts are proposed by the Government);
- **Government of the Republic of Croatia** – issues and updates regulations;
- **Ministry of the Sea, Transport and Infrastructure** – issues and updates ordinances of its competence.

Vukovar Port Authority is a public institution founded by the Republic of Croatia in 2001 for management and development of the Vukovar Port and all wharfs of public interest on Danube River in Croatia. Port Authority is responsible for port management and the functionality of the port.

Port Authority activities:

- Organization and supervision of vessel berthing and maneuvering in the port,
- Control of port traffic, entry and exit of means of transport and cargo to/from the port,
- Maintenance of common port facilities in the port area,
- Maintaining order, high level of safety and environmental protection in the port,
- Construction and modernization of port facilities on behalf of the Republic of Croatia,
- Managing the free zone in the port area established by Decision of the Government of the Republic of Croatia pursuant to regulations governing free zones,
- Carrying out professional tasks in connection with granting of concessions,
- Supervision of the concessionaire's work and performance of obligations under the concession contract,
- Marketing and promotion of the port route in the transport market,
- Promotion of investment on ports based on public-private partnership model,
- Ensuring general interest services providing or services which are not of economic interest for other economic operators,
- Preparation of plans for inland port system development,
- Technical assistance for local self-government bodies on inland ports and wharfs development area,
- Other work defined by law. (Art. 138 AINIP).

Beside the Port Authority there is a **Ministry of the Sea, Transport and Infrastructure** which is responsible for the development strategies, setting up a provisions and measures for the development including fiscal and administrative measures.

Agency for Inland Waterways is a public institution for technical maintenance of the River Danube and other inland waterways in Croatia (Art. 112 AINIP).

Harbor Masters Office Vukovar is responsible for the safety of the navigation and port state control. It is a component of the Ministry of the Sea, Transport and Infrastructure.

Municipality of Vukovar is a local government responsible for implementing policies at the local level.

2.2 Port owner

In Croatian Act on Inland Navigation and Inland Ports there is not a definition of the "port owner" as such. In national public ports there is a definition of the port manager – port authority (Art. 4, Par. 1, Subpar. 52 AINIP). Inland ports are subjects of special economic interest for the Republic of Croatia and they enjoy its protection (Art. 2 AINIP)

For the port area within the national public port, it is defined that it is managed by the port authority (Art. 4, Par. 1, Subpar. 47, AINIP).

There are also private ports. (Article 117, Par. 1 AINIP).

2.3 Types of ports

Regarding the operational structure, in accordance with the main inland navigation and inland ports Act, inland ports in Croatia can be either public or private. Public port can be open for international traffic and for domestic traffic (Art. 117 AINIP).

A public port has to provide, within the limits of available capacities, equal conditions of use for all vessels and all persons, without discrimination (Art. 118 AINIP).

Public ports are, according their significance in the port system, classified as:

- **ports of national significance** – port established by the Republic of Croatia and whose establishment, development and business operations are of interest for Republic of Croatia in terms of transport, economy and other.
- **ports of county significance** – is port established by the county and whose establishment, development and business operations are of interest of the county in terms of transport, economy or other.

Public ports are managed by port authorities. In public ports port authorities are obliged to ensure sustainability of business operations and financial stability by taking into consideration the economic criteria for valuation of the port service market (Art. 119 AINIP).

Every port has a port area which is designated by the Government of the Republic of Croatia by a regulation designating the port area for each port in line with physical planning documents and water management master plan. Designating port area is recorded in land registers. A port area may encompass several port basins or several detached traffic and technology units (terminals) specialised for transshipment of certain type of cargo. The Republic of Croatia is entitled to pre-emption right on properties belonging to port area. (Art. 123 AINIP).

Danube cargo ports in Croatia:

Vukovar Port is the biggest river port on Croatian waterways and, at the same time, the only cargo port on Croatian part of Danube River¹. Vukovar Port is a public port of national significance open for international traffic and port of national significance according to European Agreement on Main Inland Waterways of International Importance.

¹ beside Vukovar cargo port there are other river cargo ports in Croatia which are also ports of specific interest for the State: Sisak and Slavonski Brod (also a core port according to AGN) on Sava river and Osijek on Drava river.



Figure 1: Vukovar Port on the Danube River - position²

The port stretches towards the East and West and it is 1700 meters long and 45 meters wide. The port is very well situated on the Danube which makes it possible for the port to be accessible during the entire year regardless of the water level. This is so even during the period of the lowest water levels.

The entire port was destroyed during the Homeland war. The port was not operational between 1991-1997. It was opened again in 1998.

Port of Vukovar is connected to the cities of Županja, Vinkovci and Brčko (Bosnia and Herzegovina) via M55 road. The same road connects it to the highway E-75 connecting Zagreb and Belgrade (Republic of Serbia). It is also connected with road M2 with city of Osijek and with corridor VC (Budapest-Osijek-Sarajevo-Ploče).

² Source: <http://www.croisieurope.travel/en-gb/cruises/blue-danube-black-sea-through-iron-gates>

The port is located on Danube River that is Pan European corridor VII and it is part of the Rhine-Danube Core Network Corridor. Total port area of Vukovar port is around 26 ha with no space for the further development. The railway infrastructure modernization and electrification project is in progress and it will reduce the existing port area for approximately 5,8 ha. Port of Vukovar is an open shore type port with no port basins. It has a maximum draft of 2,6 meters and a cargo handling capacity of 2 mil. Tons per year. There are no capacities for container handling in the port at this moment. There are capacities for high and heavy and out-of-gauge cargoes.

There are 7 (seven) terminals in the port which all have access to road, rail and IWW:

- Bulk cargo terminal,
- Grains terminal
- Break bulk (general) cargo terminal
- Two liquid cargo terminals
- Multipurpose cargo terminal
- Palletized cargo terminal.

Length of the quay is 1700 m, 260 m is a vertical quay and 1000 m sloped quay. There is also a 400 m of undeveloped quay. Port has 3 road entrances with 6 lanes. Total length of quay side railway track is 800 m, total length of the railway tracks is 3000 m.

Capacity of the storage is 13000 m² for dry bulk and general cargo and 10000 m³ for liquid cargo. Bunker supply is provided in the bunker area. The port has facilities for ship generated waste as well as for the used oil but this equipment is not in operation at the moment.

The New port of Vukovar project encompasses the construction of infrastructural port facilities, vertical bank, road and railway, communal infrastructure, port loading and unloading equipment as well as construction of administration building. At this moment project is under suspension.

3 Investing in ports, construction and permitting

The goal of this chapter is to clarify which legal entity has responsibilities for developing ports and carrying out port investments. In this respect it is also important to find out which permits are required for the construction of new ports as well as for the amendment of existing ports.

In line with Commission Regulation (EU) 2017/1084 of 14 June 2017, the consortium will consider the following definitions as starting points:

(157) “**port infrastructure**” means infrastructure and facilities for the provision of transport related port services, for example berths used for the mooring of ships, quay walls, jetties and floating pontoon ramps in tidal areas, internal basins, backfills and land reclamation, alternative fuel infrastructure and infrastructure for the collection of ship-generated waste and cargo residues;

(158) “**port superstructure**” means surface arrangements (such as for storage), fixed equipment (such as warehouses and terminal buildings) as well as mobile equipment (such as cranes) located in a port for the provision of transport related port services;

3.1 Port infrastructure in line with the national legal framework in force

In Croatian Act on Inland Navigation and Inland Ports there is no specific definition of port infrastructure and superstructure. There is only definition of port buildings/facilities, which are defined as buildings in sense of general building act which purpose is for port activities obtaining (Article 124 AINIP).

3.1.1 Responsibilities for infrastructure investments in ports

In Croatian public inland ports port authorities are in charge for the port infrastructure investments.

For Vukovar Port, only Croatian Danube Port:

Port Authority Vukovar
Parobrodarska 5
32000 Vukovar
Croatia
+38532450255
<http://www.port-authority-vukovar.hr>
e-mail:office@luv.hr

The Port Authority must elaborate proposal of the Mid-term Development Plan in the part relating to ports and wharfs within its competence in the form of developmental study with evaluation of financial and economic effect. The proposal for the Mid-term plan has to include parts of port area, port activities and port facilities for which the concession is to be granted, as well as planned income from concessions and expenditure for concessions, estimate of expected economic benefit from the planned concessions and other elements in accordance with the Act on Concessions (Art. 127, par. 1 and 2 AINIP).

3.2 Port superstructure in line with the national legal framework in force

n/a see 3.1.

3.2.1 Responsibilities for superstructure investments in ports

Although port superstructure is not clearly indicated in AINIP, the concession grant contracts are mostly based on the practice that port operators are entitled for port superstructure building, reconstruction, and maintenance in public ports. Division on the port infrastructure and superstructure was defined in Act on Inland Ports ("Official Gazette" no 142/98) which was in force until 2007 when actual AINIP entered into force.

Most of concession grant contracts for port services were concluded before 2007. Contracts were based on business plans of port operators, which proposed also the investment plans for port superstructure.

Our opinion is that division on port infrastructure and superstructure must be clearly defined in order to divide responsibilities between port authority and port operators.

3.3 Construction and Permitting of Ports

In order to build a new port or to reconstruct the existing one the investment or reconstruction plan should be in line with existing transport and river traffic strategic documents and with Mid-term Development Plan.

The port could be built only within the port area, so if the new part of the existing port or the new port is not embraced within the existing port area – it should be extended.

"A port is opened and classified by virtue of a decision issued by Minister. Prior to issuing the decision the port area has to be determined." (Art. 120, par 1 and 4 AINIP).

AINIP Art. 4 par. 1, subpar. 47 defines the port area: *"Port area represents the area of the port administrated by port administrator and used for carrying out port activities, where special regime of inspection of vessel arrivals and departures applies, as well as of entrance and exit of vehicles and persons."*

Art. 123 AINIP:

"(1) A port area may encompass several port basins or several detached traffic and technology units (terminals) specialized for transshipment of certain type of cargo."

(2) A port area should be designated by the Government of the Republic of Croatia by a regulation designating the port area for each port in line with physical planning documents and water management master plan. Designating the port area shall be recorded in land registers.

(3) The port administrator must propose amendments to the act designating the port area where the scope of economic use of port has been changed.

(4) The Republic of Croatia shall be entitled to pre-emption right on properties belonging to port area.

(5) For plots in public ports owned by the Republic of Croatia a mark shall be entered in the sheet "B" (title deed) indicating that they are administrated by the competent port authority.

(6) For all plots of land which are part of port area of public ports, but are not owned by the Republic of Croatia, the pre-emption right of the Republic of Croatia shall be registered in sheet "C".

For the extension of the existing port area, or for new port area defining, geodetic base should be prepared with all included plots list and ownership information, with surface amounts of land and water included in future port area.

In public ports, only port authority is authorized to propose extension of the existing port or new port building in accordance with States strategies and other development plans.

Private ports also have a port area but their building and port area defining is financed by the private means.

As already mentioned, construction in ports has to be in line with development plans and with concessionaire business plan. Port can only be developed within the defined port area.

In Vukovar Port amount of the port area is only 26 ha and it is to be expected that it will be even decreased soon (for cca 5 ha) due to railway electrification and reconstruction project.

There is a Port Authority Decree which limits the number of the liquid cargo terminals up to two (2).

For the public inland ports and wharfs, which are considered to be of the state importance, the Ministry of Construction and Physical Planning is in charge for construction permit issuing (Regulation on Buildings, Other Architectural Operations and Spatial of State and Regional Importance "Official Gazette" no. 37/14 and 154/14).

"Port facilities are operational quay, breakwaters and other hydraulic engineering infrastructural facilities in the port, as well as roads and railway lines inside the port, water supply and sewage network, power grid, navigational safety facilities in the port, administrative buildings, warehouses, silos and tanks." (Art. 4, par 2, subp. 50 AINIP).

Port facilities are defined as "*facilities within the meaning of general construction law used for carrying out port activities.*" (Art. 124 AINIP). The construction of port facilities in public ports shall be in the interest of the Republic of Croatia and for the sake of their construction, the application for expropriation may be filed directly pursuant to provisions of the Expropriation Act. (Art. 125 AINIP). Any investment in port facilities designated for the provision of port services in the port or wharf of national or county significance, regardless of legal status of the investor, when made in accordance with Mid-term development plan, shall be deemed to be in the interest and serving the needs of the Republic of Croatia (Art. 126 AINIP).

The Operative program of construction and modernization of port facilities maintenance shall be enacted by port authority with approval of the Minister. A private port administrator must elaborate and forward to the Ministry the port development plan for a period from the Mid-term plan and concession grants plan based on it. (Art. 127, par. 3 and 4 AINIP).

Construction Permits

Construction Act ("Official Gazette" no.153/13, 20/17) defines planning, construction, usage and maintenance of the buildings and conduction of the administrative and other connected procedures for the area protection and design in line with planning regulations and ensuring the basic terms for buildings implementation (Art. 1 CA).

Construction Act is applied for all buildings in Croatia, for their reconstruction, maintenance, and demolition (Art. 2 CA).

For some buildings there is only location permit that has to be procured and for more complexed buildings building permission is issued after fulfilling all conditions.

Building projects are divided and they can be:

- Master project – contains architect project, structural design project, electrical project, mechanical engineering project. There is also division on Master project for which precedes the Location permit and Master project for buildings where the Location permit is not foreseen (Art. 68 CA);
- Detailed design project – provides detailed technical arrangement given in the Master project and it must be in line with it (Art. 74 CA);
- Type project – for projects of a certain type for which the Ministry has already given the decision which is applied for all projects of this type;
- Building demolition project – provides a technical overview, procedure and method for removal of buildings etc. (Art. 76 par. 1 CA)

For the projects/buildings where Location permit is not needed investor must provide special building conditions issued by the authorized public bodies and institutions. List of the public bodies and institutions, which are authorized to issue special conditions, can be provided by the Ministry (Art. 80 CA). Master project must be in line with special conditions defined and public body has to check the Master project if it is in line with given conditions (Art. 83 CA).

For the projects for which the Location permit is needed special conditions are defined within the Location permit and Master project has to be in line with it (Art. 89 CA).

Building permit is issued by the Ministry of the Construction and Physical Planning or the governing body of the major city or county (Art. 99 CA). Building permit has to be issued within the 30 days after the request is given.

Investor is authorized to apply for the Building permission and, once issued. Building permission is valid for next three years (Art. 123 CA). There are also buildings for which the Building permit is not necessary (defined as less complexed) according to the special Regulation on Elemental Buildings ("Official Gazette" no. 112/17). For elemental buildings only, Location permit is needed (Physical Planning Act "Official Gazette" no. 153/13, 65/17).

For the start of usage of the building, the operational license is to be issued after the technical control is done (Art. 136 CA).

According to Physical Planning Act for the development stages type of building and for physical interventions that cannot be considered as building only Location permit is to be issued (Art. 125, par. 1, point 3 and 4 PPA).

For inland ports all afore mentioned is to be applied with one exception - that for floating object registration Location permit must be issued (Art. 39, par. 2 AINIP). So, when building in port includes floating object installation, Location permit must be issued although by the CA Location permit would not be needed. Our opinion is that revision of this regulation should be considered.

Special Operating License/Plant Permits/Business Premises Authorization

There are no special permits demanded by the inland navigation regulations. Every port operator, when investing/building and starts its activity in port has to get all necessary permits that differ depending on type of his future activity (eg. oil products, grains etc.).

Water Regulations

Croatian Water Act is a general act towards the AINIP, which is a special act. That is confirmed by the provision which defines that management of public water welfare within the port area same as exploitation of a public water welfare for economic or personal needs including rentals, lease, easement and building, and other disposals except ownership disposals, is to be regulated by the inland navigation and ports regulations. (Art. 15a WA).

It is important to underline that this is only relevant for the port area. The Croatian Waters have the jurisdiction on the rest of the Danube River.

Environmental (Impact) Assessment for Port Construction

Environmental Impact Assessment Regulation ("Official Gazette" no. 61/14, 3/17) defines interventions for which the Environmental assessment is necessary, contents, timeframe and methodology of the Environmental assessment preparation and other information with this regard.

Ministry of the Environment and Energy is institution in charge for the Environmental assessment conducting.

Facilities for which the Environmental impact assessment is needed are defined in the Addendum of the afore mentioned Regulation. Under 1.5 River facilities - inland ports and inland waterways (rivers and canals) are specified.

There are no penalties for non-compliance foreseen.

Public Procurement

Public Procurement Law ("Official Gazette" no. 120/16) does not have any special regulations that should be applied for the inland ports in Croatia.

Economic needs test

In the Art. 127, par. 2 AINIP it is defined that the proposal of the Mid-term development plan for inland ports should contain the sections of the port area for which concession is to be granted, port activities and port buildings description, planned concession revenues and expenditures, planned concessions economic benefit assessment and other elements in accordance with Concession Act.

Concessionaires mostly invest in port buildings that can be defined as port superstructure (although not defined as such with AINIP) and economic justifiability assessment is to be prepared by the port authority before tender for concession granting is public (Concession Act, Art. 14, par 3). It is mostly done by the external experts. The economic needs another factor should be previously researched and part of the feasibility studies for the port development etc.

Expropriation

AINIP foresees possibility for expropriation when the building of the port facilities is done within the public port area (Art. 125. AINIP). The expropriation should be in accordance with the Expropriation and Compensation Fee Defining Act ("Official Gazette" no. 74/14, 69/17).

There are two types of expropriation:

a) fully expropriation – when the real estate by the expropriation becomes the property of the expropriation user (Art. 5 EA);

b) partial expropriation – when the ownership rights are limited by the establishing of the lease or the easement (Art. 6 EA).

For the expropriated real estate, the owner receives the compensation or the other real estate (Art. 11 EA). Together with the expropriation request, the following evidences have to be delivered: evidence that the expropriation user had tried to, with the real estate owner, establish the agreement; evidence of the Republic of Croatia public interest for the expropriation; real estate value assessment; evidence that the expropriation user has a financial means for the expropriation on the bank account; valid Location permit for the building; dividing up of land elaborate (Art. 30 EA).

Expropriation procedure is done by the local Office of the State Administration (Art. 16 EA).

Public-private Partnership

Port activities in public ports and wharfs can be carried out based on concession, specifically:

- Concession for public services, for the performance of public services,
- Concession for the right to exploit a common good or other goods,
- Concession for public works, for construction of port facilities, in accordance with regulations on public-private partnership (Art.143. AINIP).

Concession for public works where concession is granted for construction of port facilities, according to the public-private partnership model – up to 30years, and with consent of the Government of the Republic of Croatia up to 50 years (Art. 144, par. 1, point 3 AINIP).

General regulation is covered by the Public-Private Partnership Act (“Official Gazette” no. 78/12, 152/14) which defines proposing and approval procedure for public-private partnership projects, monitoring public-private partnership models, contract contents, small public-private partnership issues and Agency for Investments and Competitiveness competences (Art, 1 PPPA).

Termination of operation of ports/demolition of ports

There is no specific regulation of termination of the operation of ports.

3.4 Port financing: Rules & Practices

This section shall deal with the financial sources available for developing port infrastructure and superstructure needed in the Danube ports. In this respect, financing is used as a general term, which includes both public and private sources, while the term funding refers to government subsidies or other public funds available via national or European programs.

Financial sources

Port investments should be in line with relevant strategic documents and with Mid-term Development Plan for inland ports.

Port investments can be:

- a) Private – done by the port operator in accordance with concession agreement and for the port superstructure
- b) Public – done by the port authority with public capital funds, with revenues from port dues or by a credit; they are mostly for port infrastructure
- c) Public-private investments – done together by a private and public investor.

Art. 140. AINIP:

(1) The activity of a port authority shall be financed from its revenues consisting of the following:

- 1. port fees,*
- 2. funds from state budget and county budget as well as the budget of units of local and regional self-government,*
- 3. revenues referred to in Article 133 (port dues),*
- 4. other revenues.*

(2) Funds referred to under paragraph 1, item 2 of this Article shall be used for financing and modernization of port facilities according to the plan referred to under Article 103 of this Act (port development Mid-term plan and concessions).

National Programs for Port Investments

Port capital investments are financed by the State through capital donations that go through Ministry of Sea, Transport and Infrastructure. The donations are given year by year.

Operational Programme Competitiveness and Cohesion 2014 - 2020 (OPKK)

The basis of the Operational Programme Competitiveness and Cohesion 2014 - 2020 (OPKK) is analysis of the socioeconomic situation, identification of obstacles for growth in the context of the Partnership Agreement (SP), relevant Union strategy and national strategies, their related goals and core strategic provisions. Total OP Budget amounts 8,036,770,938.00 €. Total EU contribution amounts 6,831,255,232.00 €. Funds allocated from EFRR amount to about 4.3 billion €, together with 2.6 billion € from the Cohesion Fund. The main objectives of the program are to stimulate economic competitiveness, support EU environmental compatibility, transport infrastructure investment (TEN-T) and network infrastructure. In the transport sector, EFRR and the Cohesion Fund will strengthen the connectivity of the country and the regions with trans-European networks (railways, inland waterways and roads), support the modernization of the Dubrovnik airport, connect islands with the mainland, develop sustainable urban mobility in big cities and increase road safety. Thematic priorities:

TA - Technical Assistance

TO1 - Research and innovation

TO10 - Education and training

TO2 - Information and communication technologies

TO3 - SMEs competitiveness

TO4 - Low-carbon economy

TO5 - Climate change and risk prevention

TO6 - Environment and resource efficiency

TO7 - Transport and energy networks

TO9 - Social inclusion

Under Priority Axis 7, 9.25% of EFRR and 35.6% of funds from the Cohesion Fund will be allocated to Investment Priorities 7i, 7b, 7ii and 7iii. The financial allocation reflects the priority of reducing greenhouse gas emissions in line with the Europe 2020 Strategy and the Commission recommendations.

Total amount available under this priority is 60.000.000 euros.

Eligible sector and activities

Under the TO 7 "Transport and energy networks", investment priority 7i there is a specific objective 7i1 whose name is "increase of freight traffic on inland waterways". This specific objective aims to removing bottlenecks in the basic TEN-T inland waterway network (including the Rhine-Danube Core Network) to increase mobility and sustainability of international freight transit through Croatia. It will increase the role of ports in basic (i.e. Vukovar and Slavonski Brod) and the comprehensive TEN-T network (i.e. Osijek) by modernizing them and by improving the access and mobility of the TEN-T inland waterway corridors and cargo nodes through Croatia. The following results are expected to be achieved:

- Improved international connectivity of Croatian inland waterway TEN-T networks;
- Increased ability to perform national and international trade in key ports of inland waterways of the TEN-T network

Eligible applicants are public and private companies such as: river port authorities, companies that deal with river freight transport, public transport companies.

Eligible activities:

- Development of port infrastructure: construction or modernization of infrastructure intended for inland waterway ports operation, including direct access and connectivity with other modes of transport (modernization and construction of new facilities in order to increase the capacity of existing ports, modernization of railway and road infrastructure connections, construction of a port pool and development of business zones, construction bulk cargo terminal, construction and reconstruction of the existing coast, modernization of the infrastructure of the base port and security systems
- Improvement of river navigability: Improvement of the navigability of inland waterways with an emphasis on the Sava River (in order to fulfil the sailing conditions for the Sava River). Increase the dimensions of the waterways and remove the bottlenecks in order to ensure the Danube and Drava navigability as international rivers in accordance with the required level of navigability according to the European Agreement on Mainland Waterways of International Importance.
- Preparation of project documentation
- Port of Sisak or Vukovar can request funds for equipment that will enhance safety.

Specific guiding principles:

- the project must comply with the relevant comprehensive traffic plan prepared and adopted by the competent authorities and with the relevant river basin management plan

- must comply with EU environmental legislation and the principles governing NATURA 2000 areas, in accordance with Directive 2000/60 / EC of the European Parliament and of the Council of 23 October 2000 establishing a Community action framework in the field of water policy
- must be located on the TEN-T network or fill missing parts of infrastructure or remove bottlenecks on TEN-T networks inland waterway
- must have an analysis of long-term demand justifying the planned use of newly built or modernized inland navigation infrastructure.

European Programs for Port Investments

International funding instruments available:

- Instrument for Pre-accession Assistance (IPA II);
- European Investment Bank (EIB),
- European Regional Development Fund,
- Cohesion fund,
- INTERREG EUROPE,
- Connecting Europe Facility (CEF).

4 Port Authority/Administration

Ports usually have a governing body referred to as the Port Authority, Port Management or Port Administration. "Port Authority" is used widely to indicate any of these three terms.

Therefore, it makes sense to start this section with definitions of the terms:

- port administration
- port authority
- port management

and in contrary to the "port authority" the "port operator" provides logistics services and can be either private or public.

Port Administration, Port Authority and Port Management Definitions in National Legislation

Art 130. AINIP:

"(1) Administering the public ports shall involve following tasks:

- 1. supervision and recording of arrivals and departures of vessels, transshipment and transport,*
- 2. ensuring continuity of providing port activities,*
- 3. reception of water, faecal, bilge and oily waters from vessels,*
- 4. enforcing order in port and supervision over carrying out the port activities,*
- 5. regular maintenance of port facilities, except port facilities whose maintenance is the concessionaire's responsibility,*
- 6. regular maintenance of aquatorium and navigation safety facilities in the port area,*
- 7. management of public water domain in the port area.*

(2) Administering the port constitutes a public service.

(3) The tasks of administering the port shall be provided by port authority with the exception of tasks referred in paragraph 1, item 6 of this article should be carried out by the Agency (for inland waterways)."

Activities on administering the ports and wharfs shall be run by port authorities as public entities. Public Institution Vukovar Port Authority will head office in Vukovar – for the area of territorial competence of Vukovar harbourmaster's office. Founder's rights in port authorities shall be held by the Republic of Croatia, while rights and duties of the founders shall be exercised by the Ministry. Should port authority make profit in performing its activity, profit accrual must be used for development of proper activity. Port authority is managed by the Management council, and operations shall be managed by director. (Art.137. AINIP).

4.1 Port administrations & responsibilities

Port owner is not defined in Croatian regulation in public port – it cannot be the subject of ownership. There are various land owners within the Vukovar Port, mostly Republic of Croatia, local Municipality and private owners. The land in private ports can be owned by the private operator but there is also no term of private owner of the private port – just private port administrator (Art. 127, par 4 AINIP).

Port administering activities are defined in AINIP, but port administration bodies are not specifically defined as such, but it arises from the regulative that port administration is:

- a) Port Authority (Vukovar for Danube River) and**
- b) Agency for Inland Waterways.**

Port Authority Vukovar is a public institution founded by the Republic of Croatia in 2001 for management and development of the Vukovar Port and all wharfs of public interest on Danube River in Croatia. Port Authority is responsible for port management and the functionality of the port.

Activities of Port Authority:

- Organization and supervision of vessel berthing and maneuvering in the port,
- Control of port traffic, entry and exit of means of transport and cargo to/from the port,
- Maintenance of common port facilities in the port area,
- Maintaining order, high level of safety and environmental protection in the port,
- Construction and modernization of port facilities on behalf of the Republic of Croatia,
- Managing the free zone in the port area established by Decision of the Government of the Republic of Croatia pursuant to regulations governing free zones,
- Carrying out professional tasks in connection with granting of concessions,
- Supervision of the concessionaire's work and performance of obligations under the concession contract,
- Marketing and promotion of the port route in the transport market,
- Promotion of investment on ports based on public-private partnership model,
- Ensuring general interest services providing or services which are not of economic interest for other economic operators,
- Preparation of plans for inland port system development,
- Technical assistance for local self-government bodies on inland ports and wharfs development area,
- Other work defined by law. (Art. 138. AINIP).

The Port Authority has public authorities prescribed by the AINIP in Art. 131 as follows:

- Management of the real estate owned by the Republic of Croatia which are part of port areas of public ports,
- Granting of the right to rental, lease, establishment of easement or right construction on public water domain in a port area,
- Changing of the port dues,
- Granting concessions for public services, for performance of port services,
- Granting concessions for use of common or other resources in the port area for an economic purpose,
- Granting concessions for public works and for construction of port facilities, in accordance with the regulations on public-private partnership,
- Concluding of concession contracts,
- Collection of concession fee,
- Verification and publication of port rates,
- Inspection of business and financial documents of port users.

Within the scope of its public authorities, the port authority issues administrative and other and decides on matters of significance for port development

Agency for Inland Waterways performs following activities:

- Drafting national mid-term plans related to inland waterways,
- Construction, technical improvement and traffic-technological modernization of inland waterways,
- Technical maintenance of inland waterways,
- Repairing river training structures damaged by natural disaster or other unexpected events,
- Providing full operations of River Information Services,
- Observation and control of the condition of inland waterways (Art. 114. AINIP).

Afore mentioned public organizations are public institutions established in accordance with Public Institutions Act ("Official Gazette" no. 76/93, 29/97, 47/99, 35/08). They have a legal entity registered by the Commercial Court. Registration is done based on the Statute as constitutional act confirmed by the minister of the Ministry of the Sea, Transport and Infrastructure.

4.2 Services provided by the port administrations

Legally required port services

In every port, manager has to ensure following services for the users:

- Berth and unbearth for the vessel;

- Loading, unloading and transshipment, transfer, storage and other transport services depending on cargo type and port type;
- Embark and disembark of passengers if the port is for passengers;
- Information service within the River Information Service (RIS);
- Fuel, lubricant, water and electrical energy supply for the vessels;
- Waste reception;
- Emergency medical service. (Art. 4, par. 1 Regulation on Technical and Technological Terms for Inland Ports and Navigation Security for Inland Ports and Wharfs).

Besides those requirements, international port manager has to provide users also with following services:

- Tug boat services;
- Acceptance and serving vessels on anchorage;
- Control service for docking, maneuvering and vessel stay control in the port area;
- Supply service for crew and passengers;
- Hygienics-disease prevention, disinfection, fumigation and deratization service (Art. 4, par. 2 RTTSIPNS).

Moorings

In inland waterways it is forbidden to moor and anchor a floating establishment which has not been entered in the register of floating establishments of the competent harbormaster's office.

In Croatian legislation, mooring of vessel is mostly the navigation security question and according to that, harbormaster's office's competence.

It is forbidden to change the mooring or anchoring position of a registered floating establishment without the approval of the competent harbormaster's office.

Prior to mooring or anchoring a floating establishment, the owner of a registered floating establishment shall obtain approval from the competent harbormaster's office, in which the nautical-technical conditions for mooring or anchoring of a floating establishment shall be determined.

Location permit and documents prescribed by a special regulation on waters shall be enclosed with the application for issuing approval for each change of mooring or anchoring position. (Art. 39, PAR 3,4,5 AINIP).

Mooring and unmooring of vessels is a nautical public service for which concession can be granted (Art. 141, par 2, subpar. 2a AINIP).

Port authority in public port and port manager in private port is responsible for maintenance of the port in order to ensure safe mooring for vessels (Art. 160, par 3 AINIP). Same entities are

responsible for providing the certificate of maximum load of the mooring devices (Art. 167, par. 1 AINIP).

Vessel in port must be moored on the adequate and safe moorings. During the storm (water level revulsion, ice, wind, waves) vessels moored or anchorage in port have to reinforce their moorings or anchor numbers or, by the harbormaster's order emerge out of port or move to a safer place. If the vessel does not have enough means for the safer mooring or anchor it shall have to leave the port (Art. 32 RTTSIPNS).

Safety requirements

Winter wharf is a safety navigation facility designated and arranged for protection of vessels from ice and other perils (Art. 4, par. 1, subpar. 46 AINIP).

Safety of navigation entails the set of conditions and measures to be complied with by the vessel, crew on board, waterways and ports. (Art. 5. AINIP).

Vessel operator, boat master, port administrator, harbormaster's office as a body competent for the affairs of safety of navigation and the Inland Waterways Agency must organize and permanently supervise the operations related safety of navigation and in that sense keep records and registers with prescribed data. Vessel operator, boat master, port administrator and the Inland Waterways Agency must notify the competent harbormaster's office any change occurring on the waterway and navigational safety facilities affecting the safety of navigation. Harbormaster's office may, for the sake of navigation, adopt acts restricting navigation on inland waters, or lay down special conditions of navigation with the aim of protection of human lives, banks, environment, and other assets. (Art. 6 AINIP).

Damaged, stranded, or sunken vessels which hinder or threaten safety of navigation or present a threat of pollution must, by the order of a competent harbormaster's office, be removed from the inland waters. (Art. 13, par 1 AINIP).

Boat master is responsible for security and order on the vessel (Art. 61, AINIP). The boat master vessel operator must as soon as possible notify competent body or harbormaster's office on the events in connection with discharge of oil threat or threat of discharge of oil and other dangerous substances. (Art. 66, par 5 AINIP).

Port manager is obligated to implement the order regulations in port in line with navigation security conditions in ports and wharfs. Port manger is obligated to prepare and put in force a regulation about port order rules (Art. 14, par 1 and 2 RTTSIPNS). In Vukovar Port there is Ordinance on Port Order in force and it is available for public (on Port Authority website).

Legal prohibitions

Any activity in port which endangers the safety of people or vessels, pollutes the environment as well as any other activity which is contrary to prescribed requirements concerning the order in port shall be prohibited. (Art. 161. Par. 1 AINIP). It is prohibited for a vessel arriving from abroad to get in contact with other vessels or persons on shore prior to completing border control and procuring the approval from competent harbormaster's office for free trade with the shore (Art. 163, par. 3 AINIP).

It is also prohibited to carry out the port activities outside the port area (Art. 168, par 1 AINIP).

It is prohibited to discharge the leftovers, cargo residues and liquids and other agents discharge (Art. 22 Ordinance of Order in Port).

Penalties

There is a fine of HRK 5,000 to 100,000 for a misdemeanor to be imposed on a legal person if it moors or anchors, in inland waters, a floating establishments kept by the competent harbormaster's office, or if it changes the place of mooring or anchoring of a registered floating establishment without the approval of the competent harbormaster's office or fails to maintain the port, or wharf, in such way as to ensure safe mooring of a vessel (Art. 227, par 1, subapar. 3 and 4).

A fine of HRK 3,000 to 80,000 for a misdemeanor to be imposed on a legal person which carries out an activity in port which endangers the safety of people or vessels, pollutes the environment as well as any other activity which is contrary to prescribed requirements concerning the order in port (Art. 228, Par 1, subpar. 10 AINIP).

A vessel arriving from abroad which gets in contact with other vessels or persons on shore prior to completing border control and procuring the approval from competent harbormaster's office for free trade with the shore can be penalized with fine of HRK 1,000 to 5,000 (Art. 231, par. 1, subpar. 11).

4.3 Finance of services

The exercising of public service shall be financed from funds accrued by payment of port fees. Port fees comprise port dues and concession fees. Port dues are payed by the operator of the vessel which uses the port and the wharf. Concession fee is payed by the port operator and/or port user in accordance with the concession agreement. Negative differences between the revenue and expenditure of performance of public service are compensated in the state budget for ports of national significance. Port authority is responsible for keeping separate records of revenue and expenditure for each individual port and wharf in the area of its competence (Art.132, AINIP).

Port dues are paid directly (by the inland navigation agent) to port authority and concession fees are also paid directly to the port authority.

4.4 Port fees

According to Art. 133 AINIP types of port dues are following:

- 1) Fee for using the river bank or pontoon,
- 2) Demurrage,
- 3) Berthage.

Fee for using the river bank or pontoon is payable by a vessel using the port for the purpose of loading or unloading of cargo or embarkation or disembarkation of passengers.

Demurrage is payable by a vessel using the port for any other purpose except as referred to above mentioned. Berthage is payable by a vessel using a port.

Foreign and national vessels shall be accorded equal treatment with regard to payment obligations and the amount of port dues (Art. 134 AINIP). Croatian public and military vessels are exempt from payment of port dues (Art. 135. AINIP).

Port dues shall be fixed and publicly announced by port authority with approval of the Minister, on the basis of criteria for establishing the amount of port dues prescribed by the Minister. (Art. 136 AINIP). Minister prescribed the Order on Port Dues Amounts in Inland Ports and Wharfs ("Official Gazette" no 124/15, 128/15). Each port authority defines amounts of port dues for ports of its jurisdiction and it is updated when necessary.

The concession fee for performance of port services in public ports and public wharfs comprises a fixed and a variable part. The fixed part of the fee shall be payable for use of port area, as a one-off annual amount. The variable part of the fee shall be payable depending on the realized business activity of the concessionaire as a percentage of realized income. The Ordinance on Concession Fees in Ports and Wharfs Criteria ("Official Gazette" no 72/15) defines criteria for above mentioned fees.

4.5 Port bylaws

For the scope of the current document bylaws shall refer to the rules or laws established by an organization or community to regulate itself, as allowed or provided for by some higher authority.

Port bylaws lay down rules in respect of order, safety and environment in the port and its surroundings and the quality of the services in the port. Port bylaws can also be described as port regulations.

AINIP foresees that port administrator must adopt the ordinance on the order in port prior to adopting the act on opening the port. The Ordinance specifying the order in port shall be published. (Art. 161 AINIP). General provisions about order in port are defined in AINIP in Articles 160-169.

Besides port ordinance, it is defined that the port administrator is bound to, subject to prior approval of harbormaster's office and other competent bodies, designate the area in the port where handling of dangerous substances is allowed. The port administrator shall be authorized to restrict quantity-wise and by types the handling of dangerous substances in port, in accordance with equipment and spatial possibilities in the port. (Art. 166 AINIP).

Regarding the afore mentioned **Ordinance on the Order in Vukovar Port** is in force and also **Ordinance on the Type and Quantity of Dangerous Goods Which Can Be Handled in Vukovar Port, on Which the Vessel Can Enter the Port.**

There is also **Ordinance on Dangerous Goods Handling in the Vukovar Port Area.**

Besides mentioned, **Ordinance on Fire Protection in Vukovar Port** is also an obligatory document.

4.5.1 Entity issuing the port bylaws

Afore mentioned bylaws are prepared by the Port Authority Vukovar or specialized experts and they are adopted by a Governing Council of Port Authority. Ordinance on Order is adopted with previous approval of Harbormaster's Office.

Ordinance on the Type and Quantity of Dangerous Goods Which Can Be Handled in Vukovar Port has to be approved by the national Ministry of Interior, Ministry of Environmental Protection and Energetics, Ministry of Health and Ministry of Sea, Transport and Infrastructure.

Procedure for update/revision of bylaws is the same as for the adoption.

4.5.2 Area of application of bylaws

Ordinance on the Order in Vukovar Port

Applies to Port Authority Vukovar and all port users of the Vukovar Port area. The Ordinance regulates the following: arrival and mooring of the vessels; port of Vukovar ordinance rules; leaving and unmooring the vessels; exceptional circumstances measures.

Ordinance on the Type and Quantity of Dangerous Goods Which Can Be Handled in Vukovar Port

Defines types and quantities of dangerous good that can be handled in Vukovar Port that is with which vessel can enter the port.

This Ordinance prohibits larger amounts of dangerous goods to enter the port than defined. It also prohibits other types of dangerous goods to be handled than ones allowed by this act. Places for dangerous goods handling are marked on the map which is part of this Ordinance.

Ordinance on Dangerous Goods Handling in the Vukovar Port Area

This act defines handling of dangerous goods in Vukovar port area. It gives the general provisions for dangerous goods handling, special provisions for packed dangerous goods handling, security measures for handling of oils which a transported in special built vessels, and measures for spreading prevention for leaked oil, security measures for diffused dangerous chemicals which are transported in special vessels, security measures for handling with gases which are transported with special vessels, storage of the dangerous goods in port warehouses, inspection.

Ordinance on Fire Protection in Vukovar Port

Regulates fire protection organization and legal entities and concessionaire's obligations for the fire protection in the Vukovar Port area.

4.5.3 Environmental requirements included in the port bylaws

Port bylaws of Vukovar Port Authority do not foresee any specific requirements for aspects dealing with pollution prevention aspects such as: air emissions, alternative fuels, etc.

4.6 Rules and Procedures regarding the Harbormaster

Harbormaster's offices are territorial units of the Ministry having no capacity of a legal person. Harbormasters offices perform the tasks of inspection of safety of navigation, coordination of rescue of vessels, floating establishments and assemblies of floating material and persons on board vessels, floating establishments and assemblies of floating material on inland waterways in the event of accident in navigation, conduct investigations of accidents on inland waters, perform inspection tasks, tasks of determining the worthiness of small crafts for navigation except small crafts for public use and economic use for the carriage of passengers and goods,

tasks of ascertaining professional competency of crewmembers for acquiring the certification in inland navigation, technical and other technical tasks concerning safety of navigation as placed under the responsibility in AINIP or other provisions. (Art. 203, par. 1 and 2 AINIP).

Harbormaster's offices shall also conduct administrative tasks within their competence, especially registering and deletion of vessels, floating establishments, and assemblies of floating material and in that sense keep the prescribed official records, tasks of issuing prescribed certificates and books, personal certificates of crewmembers, decide on misdemeanors procedures and also perform other administrative tasks placed under their responsibility. (Art. 203, par. 3 AINIP).

Vukovar Harbormaster's office, with head office in Vukovar, on the waterway of Danube River from border with the Republic of Hungary 1433 to the border with the Republic of Serbia – rkm 1295,5 and inland waterways area in Vukovar-Srijem County (except territories of the city of Županja and territories of municipalities Babina Greda, Gradište, Bošnjaci, Drenovci, Gunja and Vrbanja), and territories of municipalities of Draž, Erdut from Osijek-Baranja County.

5 Rules and regulations to become a port operator

Public port

The port authority for different port activities gives concession contracts. Concession in inland ports can be given for:

- a) port services,
- b) for the right to exploit common good and
- c) for public works.

Port Authority prepares and adopts a concession plans (for 3 years ahead and for every year itself). The term for which concession is granted in public ports shall be determined based on the type of concession and planning documents based on which the concession is granted (Art. 144 AINIP).

Port activities include port services and other economic activities carried out in a port area. Port services:

1. nautical services: mooring and unmooring of vessels, port towing service, reception and servicing of vessel at anchorage, supplying of a vessel, crew and passengers, receipting of regular waste generated on board vessel, which includes the activity of waste collection in accordance with a special regulation regulating sustainable waste management;
2. transport services: cargo loading, unloading, transshipment and stowage, storage, depositing and transport operations depending on cargo type, preparation and grouping the cargo for transport, services for reception and conveying of passengers, forwarding services and port agency;
3. Other economic activities involving cargo distribution and logistics, processing and improving of goods, industrial activities, including production, which render possible better economic exploitation port capacities and activities of waste usage and disposal. (Article 141 AINIP).

Besides the afore mentioned, activities in ports open for public traffic other activities may be carried out as well which are usually carried out along with port activities (Art. 142 AINIP).

The term for which concession is granted in public ports and public wharfs shall be determined based on the type of concession and planning documents on the basis of which the concession is granted, but no longer than:

1. Concessions for public services, for the performance of public services: for nautical services up to 5 years; for transport services up to 15 years.
2. Concession for the right to exploit a common good or other goods, for other economic activities performed in the port area – up to 25 years.

3. Concession for public works where concession is granted for construction of port facilities, according to the public-private partnership model – up to 30 years, and with consent of the Government of the Republic of Croatia up to 50 years. (Art. 144, par. 1 AINIP).

Port operators apply to public open tender procedure for concession. Port Authority is in charge for public tendering procedure conducting and implementing. The procedure can last from 40-60 days. After concession award is prepared, Ministry of the Sea, Transport and Infrastructure gives its approval on it (Art. 143. Par. 4. AINIP). Based on the decision on granting a concession, the port authority enters into concession agreement with the concessionaire (Art. 144 Par. 3 AINIP).

The concession contracts regulate as follows: activities that are subject of the concession and that operator is allowed and obliged to perform, term of validity for the contract, fixed and variable fee amounts, obligations regarding the concessionaire business plan achieving, reporting obligations for the operator, tariffs defining, maintenance of the port buildings and equipment, environmental protection provisions, rules for the joint port buildings - their building and maintenance, insurance regulations, contract supervision, contract terminating rules etc.

For the performance of forwarding services and shipping agency services in the port area no concession is needed (Art. 143. Par. 6. AINIP). It is required, for the port operator, to have oneself entered in the list of providers of the mentioned services, which is kept and published by the Port Authority (Art. 144a. par. 1 AINIP). No fee for these activities shall be paid. The entry in the list referred of providers shall be decided by the Port Authority by a virtue of a decision which represents an administrative act (Art. 144a. par. 3. AINIP).

Private ports

There are also private ports – ports that do not provide public services but are rather used by the port user for performance of their basic economic activity (Article 117. Par. 1. Subpar. 2.). Port services in private ports and private wharfs are carried out based on concession for the right to exploit common good or other goods (Art. 143. Par. 2. AINIP). The Port Authority with the approval of Ministry grants concession (Art. 143. Par. 4. AINIP).

The concession fee for economic use of common or other resource in the port area of private ports area shall be payable as fixed part, which shall correspond to the basis for calculation of concession fees. The basic criteria for determining the bases of fixed part of concession fee shall be the costs of administering the port falling within the competence of the port authority (Art. 136b. AINIP). Operators do not pay variable fee in private ports.

The time limit for granting of concession for port services in private ports and private wharfs which are carried out based on a concession for economic use of common or other resource shall be determined in accordance with the duration of the economic activity which is the basis for granting of concession, but no longer than 50 years. (Art. 144, par. 2 AINIP).

The concession for private port is granted directly upon application of an economic operator if such operator's existing and/or planned economic activity at a certain location and the subject of concession being applied for comprise an indivisible technological or functional unit, and the concession is used solely for the performance of that economic activity. The applicant has to submit evidence of having resolved property adjustment relations for the area for which concession is requested (Art. 146. Par 3. and 4. AINIP).

All port users must keep separate accounts for each port activity they have been granted the concession for and keep separate accounting records of the revenue from port activities and other revenue. (Art. 155. AINIP).

Croatian public procurement legislation does not foresee any regulations about port operation. There are no restrictions or limitations as to who can operate a port in Croatia.

A public port has to provide, within the limits of available capacities, equal conditions of use for all vessels and all persons, without discrimination (Art. 118. AINIP).

6 Rules and regulations for using port locations for economic activities other than port services

This chapter will address the legal framework applicable to those economic entities that are interested in carrying out economic activities that are not related to port services. The rules and procedures applied will be explained in a comprehensive manner along with the entities involved in each of the stages of these procedures. The port area can be used to carry out activities that are not only related to port operations and services. It is the responsibility of the port administration to manage the port land and to carry out procedures that result in the concession / lease of the port land for different purposes. Since there are specific authorities that have responsibilities according to the legislation applicable to ports we are interested in all types of procurement/ concession procedures they have power over as long as they are related to the port land. Consequently, we also want to know additional details about what it entails starting new types of economic activities in ports, other than those related to port services.

AINIP defines other economic activities as: cargo distribution and logistics, processing and improving of goods, industrial activities including production, which render possible better economic exploitation of port capacities and activities of waste usage and disposal. (Art. 141, par. 3 AINIP). Besides those activities, in ports open to public traffic, other activities may be carried out as well which are usually carried out along with port activities. (Art. 142 AINIP).

All activities in public ports can be done only with concession. There is no further specific regulation about the procedure for such activities, so it is implied that standard tendering procedure should be done. Regulation on Criteria for Concession Fees Defining defines coefficient for calculation of fixed concession fee for "Other port activities" (Art. 4, par.4). That

is only applicable when such activities involve usage of the port land. When no port land is used (for example quality control activities) no tendering procedure is needed, and no concession fee is payed. Companies only need to deliver their request for the activity obtaining, registration document, tax administration confirmation and port authority shall register them for performing activity in port area under its administering.

7 Incentives for the reduction of the port eco-footprint

This chapter includes details about rules and regulations in force in the Danube ports in your jurisdiction regarding the reduction of the eco-footprint of the activities carried out in the port area. Many emission-producing sources are directly and indirectly related to port operations. These emission sources include port administration vehicles, power plants providing power for administration offices, tenant buildings, electrified cargo handling equipment, fuel-powered cargo handling equipment, ships, harbor craft, trucks, rail locomotives, etc. These sources produce greenhouse gases and other negative emissions harmful to people and environment. The relationships of these sources to the port administrative bodies vary by source type and between individual ports.

There are no special environmental protection programs regarding air, water or soil pollution for Vukovar Port or for any inland public port in Croatia.

Green vessels (*eg LNG powered vessels, vessels with exhaust emission treatment devices, etc*) do not have any benefits connected to less pollution, they pay same fees like other vessels. All port concessionaires are in the same position with no regard of technology they use.

LNG terminals are in the state of incentive for the Danube Ports in accordance with Directive 2014/94/EU from October 22nd 2014 which is about implementing alternative fuels infrastructure. By the December 31st 2030 there should be certain number of supply points in inland ports in order to enable inland or seagoing vessels to navigate within the TEN-T network. In line with afore mentioned Directive Government of Republic of Croatia had prepared an Decision of National Politics Framework for Establishing and Development of Alternative Fuels Market, where in point 5.3.1 is said that liquid gas infrastructure should be available in Vukovar and Slavonski Brod inland ports. Act that regulates this materia is currently under development.

Incentives for simplified procedures for the award of the port land for such refueling stations, reduced port taxes, spatial planning done to accommodate such bunkering stations should only be developed.

7.1 Incentives for port users & port operators

There are no special incentives applicable for port users and port operators in Vukovar port. Mid-term Development Plan is still under preparation and this document should foresee the ideas for port area development.

7.2 Incentives for investors in ports

There are no special incentives applicable for investors in Vukovar port. Mid-term Development Plan is still under preparation and this document should foresee the ideas for port area development.

8 Annexes

Annex 1: List of all Danube ports

Cargo ports:

1. Port of Vukovar

Annex 2: List of fees applicable in all Danube ports

<http://www.port-authority-vukovar.hr/userdocsimages/PDF/Odluka%20o%20visini%20lu%C4%8Dkih%20pristojbi.pdf>

On the basis of Art. 136 of the Navigation and Inland Waterways Law (National Gazette No. 109/2007, 132/07, 51/2013 and 152/2014), Article 8. of the Regulation on Management and Operation of Inland Waterways Ports (National Gazette No. 100/2008, 76/2012), Regulation on criteria for determining the height of port dues in inland waterway ports and quays (National Gazette No. 124/2015 and 128/2015), the Governing Council of the Port authority Vukovar on its thirtieth (30th) session held on 9th December 2015, issued :

REGULATION ON HEIGHT OF PORT DUES IN INLAND WATERWAY PORTS AND QUAYS

Introductory regulation

Article 1.

This Decision sets the height of port dues in ports and inland waterway quays, which are within the area of responsibility of the Port Authority of Vukovar (hereafter referred to as 'the Port Authority'), the port-duesman, as well as the nature and conditions under which they are charged by the Port administration.

Port fees under this Decision will be in the form of a fee for the use of the coast or the pontoon, the demurrage and the berthing fees.

Fee for the use of the coast or the pontoon

Article 2.

Fee for using the coast or the pontoon is paid for a vessel which is using the port or the quay for the purpose of loading/unloading cargo, embarking and/or disembarking passengers, supplying vessels with fuel, lubricant, water, food.

The fee for the use of the coast or the pontoon is not paid by Croatian public and military vessels.

Article 3.

Port-duesman is the shipowner or shipping company. Fees are charged directly, through a representative or other person who represents the shipowner or the shipping company.

The shipowner, his representative or the other person representing the shipowner are obliged to provide the Port Authority with credible cargo or passengers data in writing (waybill, bill of lading, etc.).

The fee for the use of the coast is calculated and paid on the gross weight of the cargo, ie on the loaded / unloaded indivisible cargo.

The fee for containers is expressed in TEU.

The fee for passenger ships is calculated and paid according to the number of passengers.

The fee for using the coast or the quay for passenger ships is determined according to the number of passengers embarking or disembarking the ship in case of passenger ships which are used for transport of passengers on panoramic routes.

If a passenger ship carrying passengers on panoramic routes takes on board or disembarks less than 10 passengers on that occasion, a fee of 10 passengers may be charged. If a cruise ship has less than 30 passengers on board, a fee of 30 passengers may be charged.

The fee for the use of the coast or the quay applies to ships that are berthed to the coast or to the passenger port, as well as to ships that are berthed alongside the other ship, provided that ships can be berthed to their side. In case the other vessels can not be berthed to ships that are connected to the coast or the passenger port, fees may be charged up to 100% of the basic charge.

The cancellation fee in international shipping will not be charged in exceptional circumstances and force majeure (in the case of death, illness or medical care of persons on board, in adverse weather conditions - ice, low or high water levels or the sailing suspension issued by the competent authorities and in case of any kind of danger to passengers aboard or vessels).

Article 4.

The fee for vessels using the coast or the quay solely for supplying vessels with fuel, lubricant, water and food is determined by the indivisible meter of boat length.

Demurrage

Article 5.

Demurrage fee is charged for vessels using the public port or the public quay for any other purpose besides actions referred to in the Article 1. of this Regulation or when using the port for the above mentioned services longer than necessary for the departure after completion of the transshipment or, for a passenger ship, after expiration of the announced scheduled time for using the port.

Article 6.

Vessels using the port due to bad weather conditions, repairs, damage or due to the sealing of the waterway may be charged with a fee in the height of 50% of the basic amount

For vessels permanently situated in the port for the purpose of pursuing an economic activity, the demurrage may be determined based on a special contract which is increased up to 100% of the maximum amount from Annexes 1., 2. and 3. of this Regulation.

For vessels docking with the concessionaire of the port or quay, the demurrage is not charged.

Berthing fee

Article 7.

Berthing fee is paid for a vessel using the public quay permanently (annually) or periodically (daily or monthly).

For laid up vessels a berth fee of up to 50% of the full amount can be determined.

A user of the public quay who does not own a vessel, but has booked a berth at a public quay pays a flat rate berthing fee. If he comes into possession or sells a boat during the year, the flat rate fee will be calculated proportionally to the number of days in the year for which the booking has been made.

Provisional and final ruling

Article 8.

Port fee prices are expressed in Croatian kunas (HRK) and, if necessary, for foreign vessels invoices are converted in Euros (€) according to the middle exchange rate of Croatian National Bank on the date of issuing of invoice.

Article 9.

The heights of the port fee for using the cost /pontoon, demurrage and berth are set forth in the chart which is an integral part of this Regulation.

Article 10.

This Regulation shall be submitted to the Minister of Maritime Affairs, Transport and Infrastructure, and shall come into force on the day of receipt of the consent to the Port Authority.

The Regulations and Consents to the Regulations are published on the bulletin board and the Port Authority website.

Article 11.

Coming into force of this Regulation shall dismiss:

- Regulation on height of port fees in inland waterway ports and quays, number: UV-09-11/02 issued on 22nd July, 2009
- Regulation on amendments to the Regulation on the height of port dues in inland waterway ports and quays, number: UV-10-13/02 issued on 30th April, 2010
- Regulation on addendum to the Regulation on the height of port dues in inland waterway ports and quays, number: UV-12-13/01 issued on 6th December, 2012

Clarification:

Pursuant to Article 10 of the Regulation criteria for setting the height of port fees in inland waterway ports and quays (Official Gazette No. 124/2015 and No. 128/2015), the Governing Council of the Port Authority Vukovar on its thirtieth (30th) session held on 9th December, 2015, issued Regulation on height of port dues in inland waterway ports and quays, Number: UV-15-13/01.

Port fees made under this Regulation will be charged to users of ports and inland waterways located in the area of responsibility of the Port Authority of Vukovar.

The height of the port fees is determined by the maximum port fees prescribed by the Port Regulation criteria for setting the height of port fees in inland waterway ports and quays. Following the trend of developing new types of inland waterway transport, new paragraphs which refer to passengers handling for domestic guests and the cancellation fee for passenger ships in international voyage have been added.

Number: UV-15-13/01
Vukovar, December 9th 2015

Chairman of the Governing Council

ANNEX 1 - PORT FEES OVERVIEW

CARGO VESSELS			
No	Port due basis	Unit	Per unit
			HRK
BULK CARGO LOADING/UNLOADING			
1.	a) Coal, iron ore, clay, kaolin, bitumen, fireclay, cement, coke,	tons	2,30
	b) Fertilizers, phosphate product, salt, sulphur	tons	2,30
	c) Iron waste	tons	2,30
	d) Natural gravel, gravel and stone aggregates, iron slag, sand	tons	1,00
	e) Grain and oilseeds granulated and in common post industrial processing state	tons	2,30
	f) Other bulk cargo	tons	2,30
LIQUID CARGO LOADING/UNLOADING			
2.	a) Oil and oil derivatives, bioethanol, ethanol	tons	3,20
	b) Vine, vinegar, vine condensate, liquid bitumen, oil, lubricants, lubricants and grease of vegetable and mineral origination, latex, chemicals and molasses	tons	3,0
	c) Other liquid cargo	tons	2,80
GENERAL CARGO LOADING/UNLOADING			
3.	a) Concrete iron, pipes, angular iron, metal plates, iron coils, iron, beams, ingot steel, pig iron	tons	2,50
	c) Wood, logs, cut timber, wooden products	tons	2,50
	d) Packaged products (packages, cardboards, cases)	tons	2,50
	e) Palletized cargo	tons	2,50
	f) Bagged cargo	tons	2,50
	g) Vehicles, motorcycles	tons	22,20
	h) Containers – empty	TEU	11,00
	i) Containers – loaded	TEU	52,00
	j) Heavy cargo over 40 t	tons	10,00
	k) Other general cargo	tons	2,50
	4.	DANGEROUS GOODS LOADING/UNLOADING (fuel excluded)	tons
5.	SHIP SUPPLYING	meter	10,00
PASSENGER VESSELS			
1.	PASSENGERS HANDLING ON INTERNATIONAL VOYAGE	passenger	15,00
2.	PASSENGERS HANDLING ON DOMESTIC VOYAGE	passenger	5,00

3.	SHIP SUPPLYING	meter	15,00
4.	BOOKING CANCELLATION	Per vessel	1.5000,00

ANNEX 2.

DEMURRAGE FEE OVERVIEW

DEMURRAGE FEE		
RATE	BASIS	Amount HRK
Cargo vessels	Indivisible 24 hour day and indivisible meter of vessel length	30,00 x m x days
Cruisers on international round trips	Indivisible 24 hour day and indivisible meter of vessel length	50,00 x m x days

ANNEX 3.

BERTH FEE OVERVIEW

PERMANENT BERTH (annually)			
No.	RATE	BASIS	Amount HRK
1.	Vessels up to 5m length	per vessel	600,00
2.	Vessels from 5m to 12m length	per vessel	900,00
3.	Vessels from 12 to 20m length	per vessel	1200,00
4.	Vessels over 20m length	per vessel	150,00xm
PERIODICAL BERTH (monthly)			
1.	Vessels up to 5m length	per vessel	200,00
2.	Vessels from 5m to 12m length	per vessel	300,00
3.	Vessels from 12 to 20m length	per vessel	400,00

4.	Vessels over 20m length	indivisible meter of vessel length	50,00xm
PERIODICAL BERTH (daily)			
1.	Vessels up to 5m length	per vessel	100,00
2.	Vessels from 5m to 12m length	per vessel	200,00
3.	Vessels from 12 to 20m length	per vessel	300,00
4.	Vessels over 20m length	per vessel	30xm

Chairman of the Governing Council

Annex 3: List of port bylaws of the Danube ports

1. Ordinance on the Order in Vukovar Port
2. Ordinance on the Type and Quantity of Dangerous Goods Which Can Be Handled in Vukovar Port
3. Ordinance on Dangerous Goods Handling in the Vukovar Port Area
4. Ordinance on Fire Protection in Vukovar Port