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EUROPEAN UNION

Danube Transnational Programme

DAPhNE

Output 3.2 – Port legislation recommendations & state-aid model

Work Package 3 Port Legislation & Funding

PP responsible: PDI & HFIP

Date: 29/06/2018

Version 1.0 (final)

Project co-funded by European Union funds (ERDF, IPA)

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Danube Transnational Programme
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Scope of the document

The Danube Ports Network project (DAPhNE) is co-funded by European Union Funds (ERDF, IPA) under the Danube Transnational Programme and it aims at facilitating a balanced development of Danube Ports as eco-friendly, well accessible multimodal hubs for the transport system of the region and to turn them into buzzing economic centers, functioning as catalysts for economic growth and creation of high value jobs. In a permanent cooperation, public & private entities along the Danube contribute to the achievement of the project goal.

The activities included in work package 3 of the DAPhNE project are linked to the regulatory framework of Danube ports and to the funding possibilities available for Danube ports (State Aid Schemes and Public-Private Partnership Models). One important objective is to provide inputs for a more harmonized approach in regard to these issues.

To tackle the legal framework and the state-aid issues, the current situation was analyzed at national level as a first step. The DAPhNE consortium members elaborated national reports covering the port legal aspects and the state-aid schemes applicable in Austria, Slovakia, Hungary, Croatia, Bulgaria and Romania. In addition, workshops were held in Slovakia, Hungary, Croatia, Bulgaria and Romania to inform the stakeholders about the issues identified, possible solutions and suggestions for improvement. Workshops were not organized in Austria due to the clear regulatory framework. National recommendations were elaborated by the consortium members following these workshops, on the basis of the discussions held.

In a second step, port legislation recommendations (first part of the Output 3.2) and a synthesis of national state aid reports and recommendations (second part of the Output 3.2) were elaborated. These two parts constitute the Output 3.2.

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Danube Transnational Programme

DAPhNE

Output 3.2 – Part on port legislation recommendations

Work Package 3

Activity 3.2 Improve & harmonize port legislation

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Contributing Authors

Name	Organisation	Email
Werner Auer	EHOO (AT)	w.auer@ennshafen.at
Manfred Seitz	PDI (AT)	Seitz@prodanube.eu
Reinhard Vorderwinkler	PDI (AT)	Vorderwinkler@prodanube.eu
Ruxandra Florescu	PDI (AT)	Florescu@prodanube.eu
Charlotte Siot	PDI (AT)	Siot@prodanube.eu
Vasil Hadzhiev	BPICo (BG)	v.hadzhiev@bgports.bg
Iva Horvat	PAV (HR)	iva.horvat@luv.hr
Monika Thury	HFIP (HU)	popeiproject@gmail.com
Luminița Meternă	CN APDM SA Galați (RO)	daphne@apdmgalati.ro
Andra Opreanu	MPAC (RO)	aopreanu@constantza-port.ro
Monica Patrichi	MT (RO)	monica.patrichi@mt.ro
Silviu Meterna	PDR (RO)	meterna@prodanube.ro
Tomáš Červeňák	VP, a.s. (SK)	tomas.cervenak@vpas.sk

This report was elaborated by Schönherr Rechtsanwälte on behalf of PDI.

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1 Scope of the document

The project is called DAPhNE – Danube Ports Network – and it is funded in the framework of the Danube Transnational Programme (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 regard 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. Therefore, in a first step six DAPhNE consortium members have elaborated national reports covering the port legal aspects applicable in Austria, Slovakia, Hungary, Croatia, Bulgaria and Romania. These reports allow a comparison between the Danube riparian countries and are the basis for the elaboration of a set of recommendations connected to port legislation. In addition, workshops were held in Slovakia, Hungary, Croatia, Bulgaria and Romania and national recommendations were elaborated by the consortium members.

The legal topics which have been investigated in the national reports contribute to disclose information that will enable the Danube Ports to reach, in the long run, the following objectives:

- Uncap the potential of Danube ports as hubs for economic development that are desirable business locations
- Put in place high-quality infra- & superstructure 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

In a second step this final report on "port legislation recommendations" was elaborated. The recommendations are based on the national reports covering the port legal aspects applicable in Austria, Slovakia, Hungary, Croatia, Bulgaria and Romania. The recommendations also rely on the feedback received through the national workshops. In general, the information was collected at national level (national reports, national recommendations) and starting from this basis possible improvements and solutions which might be feasible at regional level have been identified. The aim of this final report is to elaborate recommendations for the harmonization of the port legislation in the Danube region.

The recommendations are addressed to all the Danube riparian countries involved in the DAPhNE project. The suggested recommendations and harmonization aspects should provide a guidance document by which the national legislation can be reviewed and where appropriate adapted. It can further be used as guidance for port operation in practice.

2 Port governance model

2.1 Definition

The national reports have shown that there are different definitions of the term "port" applicable in the Danube riparian countries. Therefore, a harmonized definition of ports should be found in order to be implemented in the national legislation as a base for the further harmonization of the port legislation in the Danube region. The general definition of "port" of the Commission Regulation (EU) 2017/1084 of 14 June 2017 can be used as a guidance in this respect.

A general definition of "port" should imply that ports are areas for the purpose of cargo-handling as well as embarkation and disembarkation of passengers, crew and other persons. The port area (land and water) should be made up of such infrastructure and equipment necessary for transport operators and thus should provide for the reception and mooring of waterborne vessels, their supply and the further distribution of the shipped cargo goods.

This basic understanding of ports should be applied to maritime as well as to inland ports with the possibility of further specifications. A port definition may be expressed in conjunction with the definition of the Commission Regulation (EU) 2017/1084 of 14 June 2017 in these terms:

> *"A port is an area of land and water equipped with facilities for the mooring of vessels for the purpose of cargo-handling, supply and protection.*
>
> *Ports provide for 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."*

2.2 Regulatory framework

A review of the national reports has shown that not all Danube riparian countries have a unified national regulatory framework for port legislation in place.

To achieve an improvement of the current legal conditions as well as the financing and funding possibilities available for Danube ports and in order to eliminate the quality gaps in terms of infra- and superstructure which exist between Upper and Middle & Lower Danube sections it is advisable to have a unified national regulatory framework containing all general regulations of port legislation on the level of primary law.

The framework should govern all general regulatory aspects of navigation and port law and should apply to parties from the private and public sector.

On the level of secondary legislation, the primary legislation should be specified especially in relation to the operation and use of shipping facilities as well as port fees. Furthermore, the secondary legislation should lay down general rules on navigation and stipulate necessary technical regulations for ports.

As far as EU port legislation is concerned the effective transposition of EU law and international law such as the Danube Convention (Belgrade Convention) into national law is essential for the harmonization of port legislation in the region.

Danube Ports should therefore preferably be regulated uniformly on a high national level. The port authority at this level should be involved in the process of passing secondary legislation in certain areas of port legislation. The competent authorities should further assume responsibilities in port matters where they are directly affected such as, in particular, for the construction of shipping facilities.

When allowed by national legislation, public consultation prior to Danube Ports regulation should include local communities, local authorities, the civil society, business representatives and if possible Academia for transparency and information purposes, thus contributing also to the local acceptance of the regulation.

2.3 Types of ports and port owners

The definitions of private and public ports differ in the jurisdictions concerned.

If the port legislation differentiates between publicly owned ports and private-owned ports, or between public and private shipping facilities, the basic principles of the regulatory framework should apply to both public and private ports / shipping facilities in a uniform manner to secure a comprehensive status quo for all kind of ports.

It is not necessary that the ownership of ports is defined in the national legislation. Regardless whether the port is considered to be state-owned or private-owned, there should be equal rules for both ownership models for the maintenance and expansion of port infrastructure and superstructure against the background of economic growth.

2.4 Monitoring of ship traffic

For the purpose of strategic resource planning regarding the capacity of Danube ports, the Danube countries should consider implementing administrative and operational centers for the monitoring of ship traffic. A monitoring system provides the transport companies and their

vessels with better planning possibilities and gives the port administrators an opportunity to coordinate the port traffic.

The river information services and systems should provide the visualization of ship traffic by:

- Up to date data on the fairway (waterway);
- position of river and coastal characters;
- waterway hazards, distress alerts;
- transport and logistics information.

3 Construction of ports, permitting and investing

3.1 Port infra- / superstructure

Relating to the simplification and harmonization of the national legislation in the Danube region and as a basis for further harmonization steps the understanding of port infra- and superstructure should be defined in the national legislation in conjunction with the definitions of the Commission Regulation (EU) 2017/1084 of 14 June 2017.

The definition of "**port infrastructure**" should imply that infrastructure means facilities that directly serve the purpose of shipping (e.g. port, berthing area, lock, ferry dock, transshipment facility, supply facility, bunker station, service station for ships). These elements should be subject to port legislation.

The definition of "**port superstructure**" should include onshore facilities that indirectly serve the purpose of shipping (e.g. tank storage, warehouse, workshop, terminal buildings, mobile equipment) located in the vicinity of the port infrastructure facilities.

3.2 Construction and Permitting of Ports

In general, in all jurisdictions concerned the construction of a new shipping facility, major amendments to an existing shipping facility, reutilization as well as (in some jurisdictions) measures to maintain or repair a facility are subject to an approval. Shipping facilities that serve the purpose of commercial shipping or other commercial purposes require an operating

permit (in some jurisdictions). Apart from operating and construction permits other approvals may be required (e.g. under water regulations, trade regulations).

To ensure an effective permitting procedure, which covers all necessary steps from the construction to the operation of the port, the national legal framework should provide clear permitting provisions. These provisions should include all general necessary permits, but not overregulate the port construction. An overregulation (e.g. too many permission steps; too complex application requirements, permission requirements not relevant for port operation; too many involved authorities; too long permission waiting periods) may cause an economic stagnation of port development and counteract the target of a unified Danube region. Another way to improve and speed up the permitting procedures could be to foresee time limits in the legislation in which the authorities have to decide.

To ensure development in the whole Danube region, there should not be legal restrictions or limitations as to who can construct a new port or change an existing port without prejudice to areas of legislation in the field of water law, nature and environmental protection as well as the precondition to have the right of disposal upon the foreseen port area on the basis of private law. If an economic interest exists, every market participant should be in a position to construct a new port. It is not necessarily required to carry out an "economic needs test". The requirement of the presence of economic interests can rather be incorporated into another permission step (e.g. construction of the shipping facility). This leads to a simplification of the permission procedure.

Restrictions should only be made in cases, where there is the possibility of impacts to the public or the environment. In these cases, facilities may only be constructed if certain safety requirements are met. Such restrictions are, in particular, recommended in connection with construction permits and environmental permits.

In this respect it has to be ensured that an effective environmental impact assessment ("EIA") is laid down in the national legislation implementing the EU Environmental Impact Assessment Directive. The EIA is an important instrument for environmental precaution that aims at examining possible environmental impacts of a project during the planning phase. Especially the impacts on humans, animals, plants and their habitats, the soil, the water, the air, the

climate, the landscape and material and cultural assets are assessed. In general, these impacts have to be assessed in the relevant permitting procedures. However, there is also the possibility to implement a concentrated environmental impact procedure in the national legislation which takes into account the requirements of other permits that are required under different regulations (e.g. trade regulations, water regulations). This leads to a simplification of the permitting procedure in cases where an environmental impact assessment is required.

Every market participant should have the possibility to apply for the necessary port permits to ensure high market diversity. National legislation should ensure legal opportunities for the application and permission of private-owned port facilities and accordingly not limit the development of ports by a public tendering procedure. Permitting port constructions merely by public tendering procedure does not provide these possibilities and should be reconsidered by the national authorities.

To avoid the risk of the loss of budget allocation for the development due to a long and complex permitting procedure, the national legislations should implement in the course of necessary administrative measures an effective permitting process, which takes into account the positive aspects of port and infrastructure development. An approved investment project should in this respect serve as an indication on the economic suitability and limit the permission procedure to the general necessary permits (e.g. port regulations, trade regulation, and environmental regulations).

If port permissions (concessions) are limited in time, the duration should be determined in a way that the port operator is strived to do infrastructure investments from an investment return aspect. Short limitations of permissions would cause a still stand in infrastructure development and correspondingly counteract to the aim of economic growth.

Additional to the port infrastructure permitting process, the permitting of onshore facilities that indirectly serve the purpose of shipping needs to be simplified due to the instant necessity and benefit for the port infrastructure. The superstructure has to be seen in connection with the port infrastructure as a necessary part of the port. Therefore, the permissions and the development of both go hand in hand.

3.3 Development of the port location

To ensure that Danube ports do not only serve as cargo handling places, but also represent an important trade and logistics hub, the uniform development of the port and the whole port onshore area is an important aim for the Upper, Middle and Lower Danube sections. A port should represent an area where companies can establish and form, in collaboration with the cargo handling and transshipment, a comprehensive economic location. In order to give companies an incentive to settle in the port area, not only a well-developed port infrastructure and superstructure must be available, but also a low-impact settlement option. Companies should consider a settlement in the port area as a benefit and the port infra- and superstructure should facilitate their business.

In order to create a harmonised economic region over all Danube sections and areas for comprehensive trading also besides the transshipment of goods, the national regulations should consider the following:

Infrastructure and superstructure development

The development of a port may be carried out on the basis of a general plan elaborated in advance in accordance with the responsible authorities. The plan should consider the current conditions of ports and the necessity for development and maintenance and ensure compliance with the legal provisions to provide a qualitative port infra- and superstructure which provides a good basis for high-level port services.

Furthermore, the investment in and development of port infra- and superstructure should not depend on the type of ownership. Such a limitation has a negative impact on the long-term concept of the development of ports.

In case of private ports, the national legislation could consider (if necessary) the implementation of development requirements in the course of the port permitting process. The permission could be related to concrete infra- and superstructure development conditions and also include a timeframe in which the development should take place.

Port administrators (public and private) should generally have the obligation to:

- maintain, repair, upgrade, develop and keep the technical characteristics of the port infrastructure;
- provide the minimum depths in port basins and berths as well as depths of fairways necessary for ship entry/exit;
- ensure navigation gauges are established in accordance with the applicable national and international provisions;
- ensure correct signalling on fairways and in ports as well as necessary coastal and floating signalling required;
- make inland waterway infrastructure available to all users in a free and non-discriminatory manner.

Although these obligations are meant as guidance for port operation, this goal can only be achieved by setting them as legally binding.

The development of public ports should be carried out due to a development policy or specific development programmes, elaborated by the responsible authorities and laid down in the secondary legislation. Development programmes should ensure the development of the port infrastructure and keep the technical characteristics on a high level. Accompanied by infrastructure investments the authorities should establish sustainable measures to ensure and enhance the maintenance of waterways for commercial use.

As far as financing is concerned Public-Private Partnership as a form of public-private collaboration can be a viable way to fund infrastructure and superstructure projects at regional or national level. The investments may have an important impact for the economic development. National legislations should establish sustainable possibilities for parties to enter into Public-Private Partnerships for the purpose of the development of ports. In this respect, responsible authorities should also consider developing Public-Private Partnership programmes to encourage private operators to invest in and develop port infra- and superstructure.

Another possibility of financing and supporting, in particular, the development of port infra- and superstructure are state aids. State aid schemes relating to the support of inland waterway transport and necessary infrastructure have to comply with EU regulations. They can be

granted in different ways, such as by means of direct financial support or loans with a low level of interest. National legislation should provide transparent state aid schemes, which give the applicant a realistic possibility to apply for state aids. Furthermore, the national legislation should determine binding provisions, which stipulate the granting of state aids in an amount and equal territorial allocation against the background of providing high quality port services.

Reduction of port functionality limitations

To create a port area, where companies can establish, settle and pursue their economic objectives, there should not be a limitation of business branches which may be carried out in the port onshore area. The port and the onshore area should provide facilities and infrastructure such as office spaces, conference rooms as well as areas for the possible expansion of the onshore area with the aim to become a strategic and logistic hub. This will attract a wide range of companies.

The port and the onshore area in this respect should not only be used for cargo handling, but also to carry out activities that are not specifically related to port operations and services. Companies should also have the possibility to make use of port's onshore facilities just once or on a temporary basis, respectively whenever there is a need. Port administrators should, thus, provide the relevant information about the opportunities offered for companies, organize information events where additional questions could be cleared and introduce the port as an overall opportunity for a business location.

In this respect the national legislations should reconsider permission requirements or rather functionality limitations for the use of the port and port onshore area. Market participants should have the possibility to benefit from the proximity of the port and carry out their business branch without additional permitting requirements which are triggered by the mere fact that they carry out their business in the port onshore area. The settlement of companies in the port and port surrounding area should not depend on measures, which stipulate that companies' business areas have to be related to cargo handling.

Coordinated transport policy

For the purpose of a developed economic region, not only the port area should fulfill the prerequisites of a comprehensive economic location, but also the multimodal connections with

other modes of transport should be ensured. A coordinated transport policy and national transport connections (road, rail and water) would lead to a facilitation and improvement of cargo handling, by profiting from the possibilities of ports with regard to commodity trade. A holistic transportation system and a coordinated transport policy enables a simplified operation of companies and an increased integration of ports into the national and international trading system.

In this respect, national authorities should consider a coordinated policy for the transport development with the aim of connecting the port locations with all transport routes and creating thus an effective transportation system all over the Upper, Middle and Lower Danube sections.

Connecting water transport platforms

For the development of the port location, it is important to have the opportunity to address and coordinate particular present problems on national level or at least to participate on current water transport issues. For this purpose, the competent authorities could consider creating a platform, where every participant on water transportation or port issues (e.g. port owner, port administrator, port operator) can interconnect and discuss upcoming topics and solutions for key issues.

3.4 Unified safety measures

According to the national reports not all jurisdictions provide detailed regulations on safety measures. The following measures can thus be used as guidance for the implementation of safety rules in the national legislation.

To ensure a unified high level of safety, ports should be equipped with mooring facilities, which enable the safe mooring of ships and facilitate the transport between the ships and the shore. Such facilities are, in particular, embankments, quay walls, bollards, mooring rings and landing jetties. These facilities should also comply with worker protection rules. In order to grant access for emergency vehicles to the port, roads should be available and clear at all times. Moreover, ports should assure the existence of life belts in accordance with national regulations. As far as fire safety is concerned, ports should be equipped with fire-extinguishing appliances and establish a fire protection code. In public ports of transhipment an ice-breaking service should

be provided in winter (e.g. during the time from 15 December to 15 March) where applicable. Safety measures should be laid down in the national legislation.

Furthermore, if there is a need for special safety measures regarding particular conditions of a port, the safety measures should be stipulated in port bylaws together with general safety measures.

4 Finance of services

The services provided in the Danube ports are at least partially financed by their users. With regard to this fact, it is important that port users can easily familiarize themselves with information about the provider, the services provided and the prices for the use of the port. Moreover, the provided services and the prices should be outlined in the port bylaws which apply to every port user.

4.1 Port service providers

The national reports have shown that there are different definitions of who is the service provider of the ports. In this respect, whether the port services are provided by the port administrator or the port operator, or another entity, private or public, which is responsible for running the port, he has the duty to provide quality port services. This duty can also be provided by the owner of the port or the owner can delegate this task to an entitled institution.

The port administrator has to ensure the safety of crew members, passengers, employees and all persons present in the port area. Furthermore, the port administrator is responsible for providing drinking water, sanitary facilities and waste disposal facilities in the port area. In addition to these services the port administrator has to make available goods, such as electrical energy, maintenance material and fuel for vessels.

4.2 Port fees

The national reports have shown that there are different types of fees applicable in the Danube ports.

In general, port fees should be based on tariffs that apply to everyone in the same way. The fees should apply as soon as the ship moors in the port and uses the facilities for transhipment or mooring. The person who has the right to dispose over the ship and the skipper should both be liable for the fee. The national legislations could also consider a harmonised charging system in advance for certain shipping routes that are fixed in advance in order to facilitate the payment of port fees all over the Danube region.

The following port services should be included in the port fee:

- use of the port basin and mooring facilities for the purpose of transshipment and mooring
- use of waste and oil disposal facilities
- use of sanitary facilities for the crew
- use of drinking water
- use of electrical energy
- ice-breaking service in winter

The fees should be published on a notice board in the port area in a way that they can be accessed at all times. Additionally, to the publishing in the port area the fees should also be published on the website of the port in order to provide port users with the relevant information before they enter the port area. Port fees should be based on fixed tariffs and calculation rules. The amount of the fees could for instance depend on the quantity of handled goods in tons. Another parameter for the calculation of fees could be the highest carrying capacity in tons of freight ships or the water displacement of ships that are not used for freight. The port fees and the calculation of the port fees should be laid down in the port bylaws.

4.3 Port bylaws

Port bylaws are internal acts which, in general, lay down rules in respect of order, safety and environmental protection in the port and its surroundings and the quality of port services. They should also include rules on cargo handling, operating technology and port operating time, thus the scope of services provided. Besides rules on fire protection and safety measures port bylaws can contain for example regulations regarding the mooring process and the number of vessels which can moor. These port bylaws apply to the port area and users of the port as soon as they enter the port. As mentioned above, port bylaws should also regulate the port fees.

Furthermore, port bylaws should also include environmental requirements such as for instance requirements for the prevention of pollution on the land and water territory of the port. The port users should in this respect be responsible that their cargo meets the environmental requirements. In particular port users should be informed about their liability for prohibited dangerous goods in the port territory, which could become a source of release of harmful gas, dust, liquid or radiation.

In addition to the regulations above, the port bylaws should also include regulations about packaging standards and in case of dangerous goods the proper labelling with the relevant signs as per the International Code for Dangerous Goods and accompanied by instructions on special handling requirements.

To ensure the compliance of the vessels and crew members with the port bylaws, they should also be available on the website of the port. This may also protect the ports from liability issues.

5 Reduction of the port eco-footprint

Many emission-producing sources are directly and indirectly related to port operations and inland vessels. Therefore, environmental protection should be an issue of high importance, especially regarding the probability of pollution and fast spreading of dangerous substances into the environment in and through water.

An important step for environmental protection is that consistent regulations should not only relate to the transport of goods, but also apply to the operation and storage of goods in the Danube ports. Clear rules on the transport, the operation and storage of dangerous goods should be implemented in the national legislation taking into account the regulations laid down in the International Maritime Code for Dangerous Goods.

Transport companies should consider modernizing their fleet and use new technologies in order to make their vessels more environmentally friendly. Therefore, national programmes could be introduced which support for instance environmentally friendly inland vessels. The authorities may also consider additional facilitations for using environmentally friendly vessels such as easier permitting procedures relating to the vessels and shipping business branches. Through

the support and possible facilitation of the permitting procedures, the transport companies could be encouraged to invest into environmentally friendly vessels and continue to modernizing their fleet. One example would be the use of LNG powered vessels ("green vessels"). LNG as a ship fuel can help to reduce the environmental impacts of shipping operations. In order to support such vessels, the port fees for these vessels could be reduced or they could receive a tax waiver. In addition, LNG terminals for the production and distribution of LNG could be established in the Danube ports.

Not only transport companies should increase their efforts to ensure environmental protection, but measures should also be implemented in the port and the onshore area. The port operators should be responsible for complying with these measures. Port operators themselves should implement measures in order to reduce CO2 emissions. Moreover, ports should set the objective that sewage water and waste from vessels is disposed of in an environmentally friendly way. The environmentally friendly disposal could for example be carried out by means of a contractual agreement between the port operator and an environmentally friendly waste disposal plant to ensure a proper disposal of the port waste.

Moreover, the use of renewable energies shall be promoted and could also be stipulated in the national legislations. The authorities could further set a target of minimum use of renewable energy in ports. In this respect the ports could for example establish photovoltaic systems on the roof of the facilities. A solar power system not only reduces the CO2 emissions and marks an important step towards environmental protection; it also gives the port operators the possibility of at least partial energy independence.

Besides the implementation of the recommendations above, national regulations should implement environmental protection as a general principle, which is ranging through the whole water and port legislation. Environmental protection shall be taken into consideration in every aspect of port development.

6 Conclusion

The port legislation recommendations are based on the national reports covering the port legal aspects applicable in Austria, Slovakia, Hungary, Croatia, Bulgaria and Romania. The recommendations also incorporate the feedback received through the national workshops and the national recommendations. The aim of these recommendations is to provide input for the harmonization of the port legislation in the Danube region. They shall in particular be used as guidance by the Danube riparian countries concerned.

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DAPhNE

Output 3.2 – Part on the state-aid model

Synthesis of national state aid reports and recommendations

Work Package 3

Activity 3.3 State-aid schemes for funding investments in ports

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Contributing Authors

Name	Organisation	Email
Capt. Béla Szalma	HFIP (HU)	elnok@hfip.hu
Monika Thury	HFIP (HU)	popeiproject@gmail.com
dr. Rövid Levente	Ext. /HFIP (HU)	rovidl@gmail.com
Manfred Seitz	PDI (AT)	Seitz@prodanube.eu
Ruxandra Florescu	PDI (AT)	Florescu@prodanube.eu
Reinhard Vorderwinkler	PDI (AT)	Vorderwinkler@prodanube.eu
Charlotte Siot	PDI (AT)	Siot@prodanube.eu
Werner Auer	EHOO (AT)	W.auer@ennshafen.at
Vasil Hadzhiev	BPICo (BG)	v.hadzhiev@bgports.bg
Port Authority Vukovar	PAV (HR)	
Costel Stanca	Atlas Research SRL (RO)	costel.stanca@atlasresearch.ro
Alina Barbu	Atlas Research SRL (RO)	office@atlasresearch.ro
Monica Patrichi	MT (RO)	monica.patrichi@mt.ro
Luminița Meternă	CN APDM SA Galați (RO)	daphne@apdmgalati.ro
Andreea Stavarache	CN APDM SA Galați (RO)	daphne@apdmgalati.ro
Radu Florescu	CN APM SA Constanța (RO)	rflorescu@constantza-port.ro
Silviu Meternă	PDR (RO)	meterna@prodanube.ro
Matúš Pošvanc	VERI-CONSULT, s.r.o. (SK)	matus.posvanc@gmail.com
Tomáš Červeňák	VP, a.s. (SK)	tomas.cervenak@vpas.sk

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1 Scope of the document

The objective of work package 3 of DAPhNE Project is to adopt a joint harmonized approach in regard to legal port issues in order to apply the "Same River, Same Rules" principle. In the long run, this will secure a balanced development of Danube ports as buzzing economic centres. To this end, the representatives from the private and public port sector all along the Danube (RO, HR & BG Ministries of Transport, port administrations and port associations) joined forces to investigate the issues regarding port legislation & public funding.

The scope of the document is to identify the role of public funding in relation *to inland cargo port investments in the Danube region*. Thus, development of maritime ports, river ports other than Danube, as well as port developments financed solely by private entities, are not the scope of the project. If a port is both maritime and inland cargo port, the activities shall be split between the inland and maritime port functions in this document.

1.1 General Terms

1.1.1 State aid and non-state aid

In principle based on Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU), any aid granted by a Member State or through state resources in any form is generally prohibited. The reason of the prohibition is that state aid distorts or threatens to distort competition in the internal market. Favouring certain undertakings or the production of certain goods through state funds that can be either direct, i.e. grants provided or indirect, e.g. exemptions from any payment obligations to the state budget, is deemed to have an adverse effect on the trade between Member States.

A measure shall be considered as state aid if involving all the following attributes:

- transfer of state resources;
- economic advantage: the aid reduces the costs normally borne in the budgets of the beneficiary undertakings;
- selectivity: the aid favours certain undertakings or the production of certain goods;
- distortion of competition, and
- effect on trade between the Member States.

Transfer of state resources means the use of funds belonging to or being controlled by and imputed to public authorities. The form in which this transfer takes place is irrelevant from a state aid perspective.

The private investor test is to assess whether there is an economic advantage involved for the beneficiary. This means that the economic advantage shall be established of the state did not act in the same way as a private investor would have acted.

Where aid benefits only products which are not subject to inter-state trade or where trade is affected only at a purely national level, the measure will not fall within the scope of prohibited state aid. This does not mean that only measures relating to exports or imports from a Member State to another are affected by Article 107 (1) TFEU. It may be that several circumstances in which aid is granted will lead to affecting the trade between Member States. When, for instance, aid strengthens the position of an undertaking compared with others competing in intra-Union trade, the latter shall be affected by the aid even if the beneficiary itself is not involved directly in exporting or importing goods.[1]

Despite the general prohibition of State aid, in some circumstances government interventions are necessary for a well-functioning and equitable economy. Certainly, there are exemptions from the principle of state aid prohibition. First there are exemptions where the aid shall be considered to be compatible with the internal market and thus involving no competition distortions. Then there are aid measures that, under certain conditions, might be compatible with the approach of the internal market.

The measures qualified as compatible by the TFEU are of a social and reparative nature, i.e. (1) social aid, granted to individual consumers, provided that such aid is granted without discrimination related to the origin of the products concerned; (2) aid to restore damages caused by natural disasters or exceptional occurrences; (3) aid granted to the economy of certain areas of the Federal Republic of Germany affected by the division of Germany.

The following may be considered to be compatible with the internal market:

- aid to promote the economic development of the seriously underdeveloped areas;
- aid to promote the execution of an important project of common European interest or to remedy a serious disturbance in the economy of a Member State;
- aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest;
- aid to promote culture and heritage conservation where such aid does not affect trading conditions and competition.

Apart from the above, other categories of aid may be specified and deemed compatible by decision of the Council.

[1] Case 730/79 Philip Morris v Commission [1980] ECR 2671

1.1.2 Port and port infrastructure[2]

Port
'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.

Maritime port
'Maritime port' means a port for, principally, the reception of sea-going vessels.

Inland port
'Inland port' means a port other than a maritime port, for the reception of inland waterway vessels.

Port infrastructure
'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.

1.1.3 Specific terms and types of public funding

The importance of public funding in port development varies from country to country and as well as the relevant public aid scheme.

In order to analyse the public funding practice of the Danube Region countries, it is necessary to clarify the key concepts and definitions of public funding. The common understanding of the following terms is very important to fill in the attached Excel-sheet with information on public granted port developments.

"State aid" means any aid granted by the State or the municipality, or at the expense of government or municipal resources, directly or through other persons in any form, which distorts or threatens to distort free competition by making it more favourable to certain undertakings, the production or marketing of certain goods or the provision of certain services, so far as it affects trade between Member States of the European Union.

[2] Definitions are taken from the Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs

Individual aid
'Individual aid' means:
(i) ad hoc aid; and
(ii) awards of aid to individual beneficiaries on the basis of an aid scheme.[3]

Aid scheme
"Aid scheme" means any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period of time and/or for an indefinite amount[4].

Aid intensity
"Aid intensity" means the aid amount expressed as a percentage of the eligible costs.

Aid category
'State aid' and 'non-state aid' categories according to Article 107 (1) TFEU, (e.g. de minimis or aid for local infrastructures[5])

[3] Definition of the article 2 (14) of Commission regulation (EU) No 651/2014 (GBER regulation)
[4] Definition of the article 2 (15) of Commission regulation (EU) No 651/2014 (GBER regulation)
[5] Aid categories are detailed in Commission Regulation No 651/2014

2 Overall Presentation of Danube Ports

2.1 General information of Danube Ports

2.1.1 Austria

Taking the Austrian definition of port[6] in consideration, Austria has seven cargo ports along the Danube. These ports comply with the definition of port provided in the present document (section 1.1.2). They are listed in the table below with general information. Complementary information about these ports is available in annex 1 (capacity of the container terminals, cargo types handled, handling facilities and devices, etc.).

Table 1 Austrian ports according to the Austrian law (cargo ports)

PORTS	Linz AG (commercial port and oil port)	Enns / Ennsdorf	Krems	Vienna	Linz / voestalpine	Linz / Felbermayr (Heavy-load port Linz)	Ybbs
Location (km)	2128.19 (Right bank)	2111.83 (Right bank)	1998 (Left bank)	1920 (Right bank)	2127.16 (Right bank)	2124.73 (Right bank)	2057.67 (Right bank)
Total area	1.350.000 m²	3.530.000 m²	483.581 m²	3.000.000 m²	168.000 m²	220.000 m²	60.000 m²
Bi-/Tri-modal hub	Trimodal	Trimodal	Trimodal	Trimodal	Trimodal	Trimodal	Trimodal
Port owner	Linz Service GmbH (owned by Linz AG [owned by the city of Linz])	Ennshafen OÖ GmbH & Ennshafen NÖ GmbH (respectively owned by the Regional Governments of the States Upper/Lower Austria)	City of Krems	Wiener Hafen, GmbH & Co KG (owned mainly by Wien Holding which is owned by the city of Vienna)	voestalpine Stahl Linz GmbH	Felbermayr Transport- und Hebetechnik GmbH & Co KG	Schaufler GmbH
Port administration[7] ("Hafen-verwaltung" Art.58 (2) Navigation Law)	Linz Service GmbH	Ennshafen OÖ GmbH and Ennshafen NÖ GmbH	Rhenus Donauhafen Krems GmbH & Co. KG	Wiener Hafen, GmbH & Co KG	Logistik Service GmbH	Felbermayr Transport- und Hebetechnik GmbH & Co KG	Schaufler GmbH
Majority of ownership	Public	Public	Public	Public	Private	Private	Private
Public/private port according to Austrian law[8]	Public port	Public port	Public port	Public port	Private port	Private port	Private port

Source: PDI based on data from viadonau and Ministry for Transport, Innovation and Technology (bmvit)

[6] In Austria, a port is considered to be a "facility for navigation, consisting of at least one basin and equipped for purposes of mooring of vessels, transshipment of goods, supply of provisions or protection" (Austrian Federal Navigation Law (*Schifffahrtsgesetz)* § 2 No. 20)

[7] Concerning the terminology sometimes employed, a philosophy used in Austria considers the entity in charge of the administration of the port as the "port operator". Another philosophy, more used in Germany, considers the "port operator" as a provider of logistics services.

[8] According to the Austrian Federal Navigation Law (§ 32), public ports "may be used by all craft and assemblies of floating material", and private ports (non-public ports) "may be used in accordance with the decision of the person entitled to dispose of the port facilities while respecting the regulations issued in accordance with this part".

Considering the definition of "port" provided in the present document (section 1.1.2), and in order to give complete information, the Austrian transhipment sites can also be considered as ports. These transhipment points are not considered as ports according to the Austrian legal framework, as they do not have a port basin. Austria has several transhipment sites along the Danube. They are listed with general information in annex 2. Much less information can be provided about them.
According to the last available figures for the **modal split of waterborne transport** in Austria:

- for the cross-border freight traffic in the Austrian Danube corridor, the modal split of waterborne transport was 10% in 2016 (source: viadonau),
- for freight traffic in Austria in general, the modal split of waterborne transport was 1,4% in 2016 (source: Statistics Austria).

2.1.2 Bulgaria

Danube cargo ports in Bulgaria can be presented by the following information:

- **number of ports**

There are 38 port terminals of national and regional importance in the Bulgarian section of the Danube River between 845,650 km and 374,100 km. 15 of them are public transport ports of national importance, 20 are ports of regional importance and 3 are ports of special purpose.

In the area of **Lom and Vidin** there are 6 port terminals of **national importance**:

- Lom;
- Oryahovo;
- Vidin – North;
- Vidin – South;
- Vidin – Center;
- Ferry Complex – Vidin.

In the area of **Ruse** there are 9 port terminals of **national importance**:

- Ruse – East;
- Ruse – West;
- Ruse – Center;
- Svishtov;
- Somovit;
- Tutrakan;
- Ferry terminal Nikopol;
- Ferry terminal Silistra;
- Silistra (passenger terminal).

In the area of **Lom and Vidin** there are 6 port terminals of **regional importance**:

- Ro-Ro Somat – Vidin;
- Ferry complex Oryahovo;
- Eko Petroleum Vidin Taifun;

- DDF "Dunim – Kozloduy";
- DDF "Badin – Vidin";
- Free zone – Vidin.

In the area of **Ruse** there are 9 port terminals of **regional importance**:

- Silistra – Polaris 8;
- Silistra – Lesil;
- Ruse – oil terminal Arbis;
- Port Bulmarket Ruse;
- DDF – Ruse;
- TPP Sviloza;
- Petrol – Somovit;
- Ruse – Free zone;
- Belene;
- Nikopol;
- WQ – Ruse;
- East Point Silistra;
- Pristis;
- ADM Silistra.

Ports of special purpose:

- Winter shelter of the Executive Agency for Exploration and Maintenance of the Danube River – Ruse;
- Ruse Shipyard;
- River Service – Ruse.

- **capacity and capacity usage of ports**

The Danube cargo ports in Bulgaria have the following capacity:

- Port terminal Ruse - East – 2,500,000 t/y;
- Port terminal Ruse – West – 2,000,000 t/y;
- Port terminal Tutrakan – 100,000 t/y;
- Port terminal Svishtov – 1,000,000 t/y;
- Port terminal Somovit – 500,000 t/y;
- Port terminal Lom – 2,500,000 t/y;
- Port terminal Oryahovo – 500,000 t/y;
- Port terminal Vidin - North – 300,000 t/y;
- Port terminal Vidin - South – 100,000 t/y.

Currently all of the terminals are working under their capacity. According to the above data and overall estimation, the capacity of all cargo terminals is within 8-10 million tonnes. The cargo handled per year is about 3 - 4 million tonnes (with the exception of Ro-Ro cargo, which reports a large volume and has, in fact, passed on cargo vehicles).

- **modal split of waterborne transport in your country**

In Bulgaria, there are no official statistics to track the distribution by type of transport for goods transported by inland waterways.

- **ownership – port management - operation structure of ports; public and private ports**

The port management model in Bulgaria is based on the ownership of the port infrastructure from the one side, and the ownership of the capital of the port operator on the other side.

The management model for port terminals of **national importance** may be split in two types, according to the current situation:

1. Management model with private operators (concessionaires)
2. Management models with state owned operators.

The activity of private and state-owned ports is not significantly different in terms of the services provided and the conditions for the customers. Ports of national and regional importance are ports for public transport and are open to all ships and cargo. The ownership matters in decision-making and financing of investment initiatives.

- **ports as bimodal or trimodal hubs**

All Bulgarian ports of national importance along the Danube have rail and road links with the hinterland, which makes it appropriate to define them as two- and three-modal hubs in the area.

- **tendencies of the past 7 years**

Over the last seven years, port terminal management has evolved continuously, with the main driver of change being the consistent concession. With this in mind, terminals operate in a highly competitive environment and must conduct a flexible commercial policy to keep their market positions. The financial and economic crisis triggered turbulence in the activity of the terminals in the period 2008-2011. After this period, the Bulgarian Danube port terminals operate in a more limited market regarding cargo traffic volumes.

2.1.3 Croatia

- number of ports

The total length of the Danube in Croatia is 137,5 km and there is only one cargo port on the Croatian part of Danube and it is Vukovar Port.
Port of Vukovar is located on the right bank of the Danube River on the river kilometre 1335+000. The total port area of Vukovar port is around 26 ha, with no space for further development. At the same time, the railway infrastructure modernization and electrification project are in progress and will reduce the existing port area for approximately 5, 8 ha.

- capacity and capacity usage of ports

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. tonnes per year.

There are 7 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

Port equipment: port has three luffing/slewing and a mobile crane and pneumatic equipment. Pneumatic equipment is used on liquid terminal for transhipment of liquid cargo with capacity of 200 t/h, as well as for bunkering. Nevertheless, pneumatic equipment is also used on specialized terminal for transhipment of grains from vessel to storage, as well as from storage to vessel. Capacity of equipment at grains terminal ensure transhipment of 250.000 annually. Furthermore, port cranes are used at bulk, general, multipurpose and palletized terminals. Luffing/slewing cranes with lower capacity, one with capacity of 16/25t and the other two 5/6t are mostly used for unloading and loading bulk cargo. The mobile crane has a capacity of 63t and is used at the terminal for general cargo as well as on the multipurpose terminal.
Other port equipment:

- two manoeuvring locomotives
- tugboat
- two-wheel loader
- spreader for handling containers
- C-hooks for handling coils with capacity 25t
- Grabs for handling bulk cargo with capacity from 5m^3 to 13m^3
- one forklift with capacity of 20t
- seven forklifts with capacity from 2 to 5 tonnes.

The total length of the quay is 1700 m, of which: 260 m is a vertical quay and 1000 m a sloped quay. There is also 400 m of undeveloped quay. The port has 3 road entrances with 6 lanes. The total length of the quay side railway track is 800 m and the total length of the railway tracks is 3000 m.
Seven berths are available for vessel docking. Five of them enable vessel berthing next to the quay wall close to facilities for loading/unloading of the vessel, while the remaining two berths enable vessel docking at floating facilities (barges) that are located at the liquid and fuel supply terminal.
Berthing of the vessel next to quay wall is possible on the sloped quay, as well as on the vertical quay wall. Two of the berths are on the vertical quay wall and they are located on the terminal for grains, and the second one is next to the mobile crane.
The port has open and covered storage, storage for dangerous goods, as well as silos for grains. Open storage is mostly used for dry, break and high, and heavy cargo, while covered storage

is used for break cargo sensitive to weather conditions. Open storage allows warehousing of the goods on the surface of the 10.000 m^2, while covered storage has a capacity of 3.000 m^2. Storage for dangerous goods is in tanks for liquid cargo such as diesel fuel, gasoline and natural gas derivates with a total capacity of 12.000 m^3. Nevertheless, storage of diesel fuel is possible on the floating facility (barges) at the bunkering terminal with a capacity of approximately 2.000 tonnes. Storage of grains in the specialized terminal for grains is possible in silos with a capacity of 60.000 tonnes.

- modal split of waterborne transport in your country

Regarding the modal split of waterborne freight transport in the Danube port in Croatia, the port of Vukovar provides possibilities of splitting inland waterway cargo between railway and road with the opportunity of direct unloading from vessels/barge. Furthermore, direct loading from railway wagon and trucks is preferred.

- the ownership – port management - operation structure of ports

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 in the national public port, it is determined that it is managed by the port authority (Art. 4. Par. 1 Subpar. 47 AINIP).
Port Authority Vukovar is a public institution founded by the Republic of Croatia in 2001 for the management and the development of Vukovar Port and all wharfs of public interest on the Danube River in Croatia. Port Authority is responsible for port management and the functionality of the port.
Beside the Port Authority there is a Ministry of Sea, Transport and Infrastructure, which is responsible for the development strategies, setting up provisions and measures for the development, including fiscal and administrative measures.
Public ports are, according their significance in the port system, classified as:

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

Within the port area, port owners can be different entities, which means it can be the Republic of Croatia, different public or private companies, and even private owners. Port authority is in charge of management of the real estate owned by the Republic of Croatia, which is a part of the port area of the public port (Art. 131. Par. 1, Subpar. 1 AINIP). The Landlord model was the main idea of the Croatian port management model, but it was never established to its full meaning and purpose. As we mentioned before, there are different landowners in the port area but there can only be port activities obtained within it.

Port authority is in charge of granting concession for different port activities. Concession in inland ports could be given for port services, for the right to exploit common good and for public works.
Port Authority makes a concession giving 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 operators apply to the public open tender procedure for concession. Based on the decision of granting a concession, the port authority executes a concession agreement with the concessionaire (Art. 144, Par. 3 AINIP).

- public and private 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 ports 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 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 labelled 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 transhipment of certain types of cargo. The Republic of Croatia is entitled to pre-emption right on the property belonging to the port area. (Art. 123. AINIP).
There is no private port on the Danube River, but it could be established as such. Private ports are ports that do not provide public services but are rather used by the port users for performance of their basic economic activity.

- ports as bimodal or trimodal hubs

Access to the port is possible by inland waterway, as well as by road and railways. Connection with port hinterland is enabled by road and railway on the Pan European corridor X and on the branch Vc of the Pan European corridor V. Nevertheless, connection on the Mediterranean Corridor as a part European network TEN–T is provided over the Pan European Corridor X.

- tendencies of the past 7 years

The current situation is that port development is slowed down due to ownership problems. All the land should be owned by the Republic of Croatia and managed by the Port Authority. That could be solved by buying off the land, but the process is slow and too expensive. When Port Authority Vukovar was established, in 2001 some of the port operators were already

obtaining their activities at the port from before and were entitled to get so called "priority concession" without public tendering procedure. Those operators also owned infrastructure. The good thing is that the major operator "Luka Vukovar d.o.o." was still state owned and Port Authority prepared and implemented division balance documentation so the land and the infrastructure is, in this part, state owned today. On the other hand, there are some previously state-owned companies who, in the meantime, become privately owned together with the land and infrastructure and today are still situated in public port.
Other port operators are working on the land that is owned partially by the State, and partially by the private or public (City) entities. Therefore, Port Authority has to ensure equal status for everyone when giving concessions and many times this is not an easy task to perform.
The port operator shall own equipment, which is port superstructure. Mostly, the current situation is like afore mentioned except of the one additional crane, which is owned by the Port Authority and given for use within the concession agreement.

2.1.4 Hungary

Modal split of waterborne transport in Hungary
The total volume of waterborne transport volume performed by Hungarian commercial ports has been changeable throughout the past eight years. These figures represent the transhipped cargo volume in Hungary, excluding transit volume. As it will be detailed in later chapters, a significant proportion of the total transhipment volume stems from agricultural production, which is strongly determined by the weather conditions of the given year.
The total transhipment volume of 2010, just as the volume of transhipped agricultural products, was significantly higher than the volumes of the other years between 2011-2017.

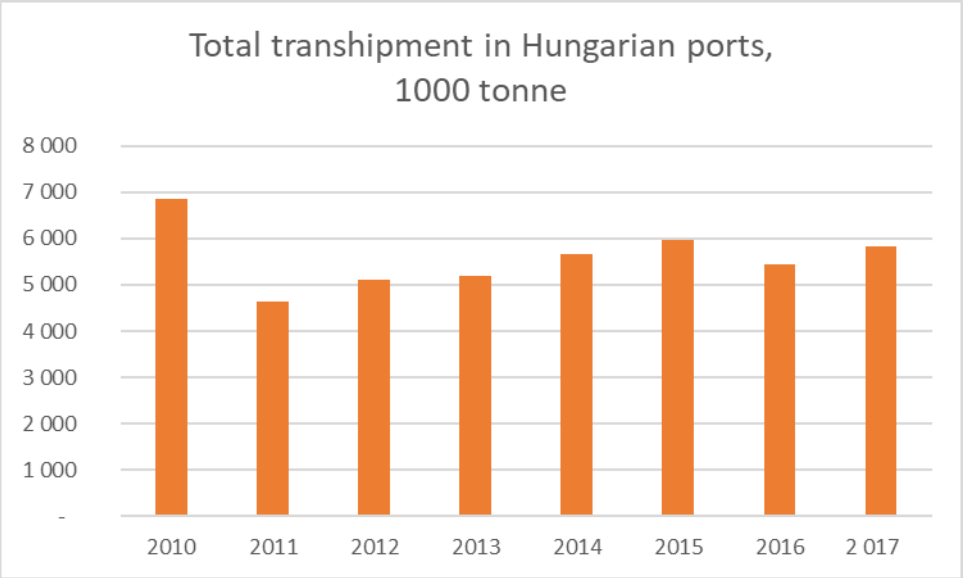


Figure 1 Total transhipment in Hungarian ports, 1000 tonne

Source: Ministry of National Development, Hungary

When discussing the performance of waterborne freight transport and the development plans of the infrastructure in order to promote environmentally friendly transport modes instead of road transport, the modal split of all the means of transport is a fundamental indicator to take into consideration.
Though the total volume of waterborne freight transport – including transit – presented the highest figures in 2010, 2012, 2015 and 2016, these peaks are not reflected in the modal split of transport modes in Hungary.

Table 2 Total volume of waterborne freight transport

Year	Rail	Road	Inland waterway	Pipeline	Total freight volume
2010	45 794	199 848	9 952	24 410	280 021
2011	47 424	182 840	7 175	31 050	268 501
2012	46 884	165 514	8 135	29 140	249 679
2013	49 085	169 210	7 857	28 949	255 109
2014	50 593	193 112	7 825	29 438	280 976
2015	50 333	198 743	8 163	26 666	283 926
2016	50 047	197 762	8 224	29 659	285 736

Source: Eurostat

Despite of the comprehensive transport development plans of the European Union to raise the share of rail and waterborne transport within the total freight volume, the share of IWT volumes is still marginal (3% in 2016), even lower than in 2010. The relative share of waterborne transport compared to other transport modes is presented in the chart below:

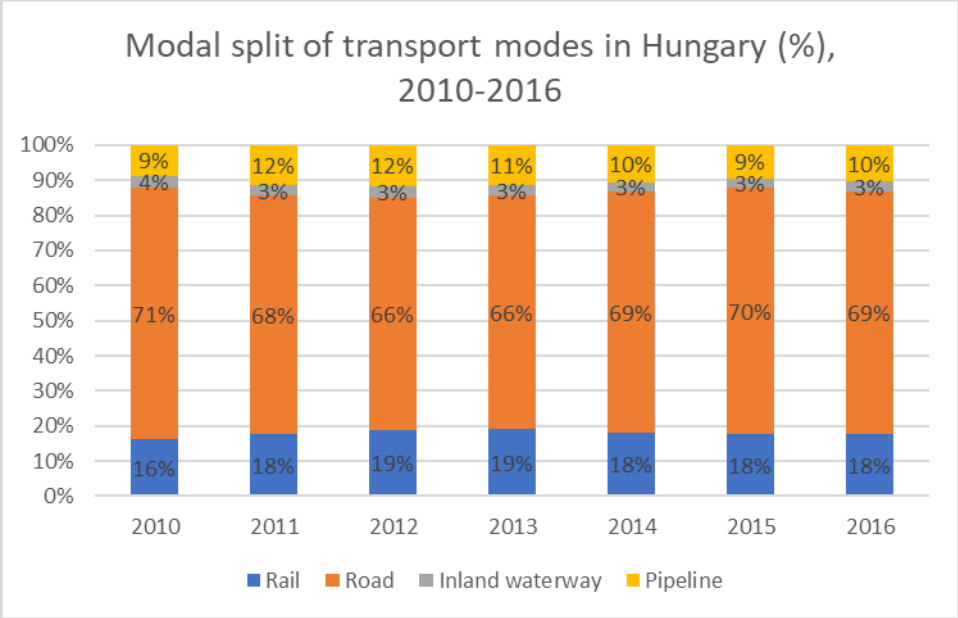


Figure 2 Modal split of transport modes in Hungary (%), 2010-2016

Source: Eurostat

Number of ports in Hungary

On the Hungarian section of the Danube, there are several public and private owned ports, operated by different entities. On the Hungarian section of the Tisza river, there are also smaller ports, but they are not in the scope of the present study.

Before assessing the number of ports in Hungary, it is important to define what a port shall mean in Hungarian legislation, since all the statistical data on waterborne transport are related to these terms and their meaning.

In line with Hungarian legislation, (Act No. XLII of 2000 on water borne transport) a port shall mean the "coastal area designated for the mooring of floating installations eligible for the provision of actions concerning waterborne transport, embarkation and disembarkation of persons, handling of goods, transhipment of goods and their distribution as well as concerning the maintenance of shipping fitness of floating installations; with the operational permit of the shipping authority". The respective shipping authority to give such permit is the Ministry of National Development in Hungary.

Every port operator is obliged to provide statistical data on the waterside transhipment volume throughout the year. This OSAP (National Data Collection Programme) data is gathered by the shipping authority in Hungary. Based on the yearly OSAP statistics, the number of ports and port operators can be assessed, those who performed waterborne transhipment in the given year. In the year **2017, altogether 44 port operators handled 5,8 million tonnes of waterborne fright in 55 ports,** possessing operational permit. One port operator might operate several ports; therefore, the number of ports is higher than the number of port operators. The number of ports with operational permit is likely to be higher than 55, but those who do not report OSAP data in the given year are not part of the statistics.

On the map below, the position of the major Hungarian ports along the Danube can be seen. Their freight figures are discussed in later chapters as well.

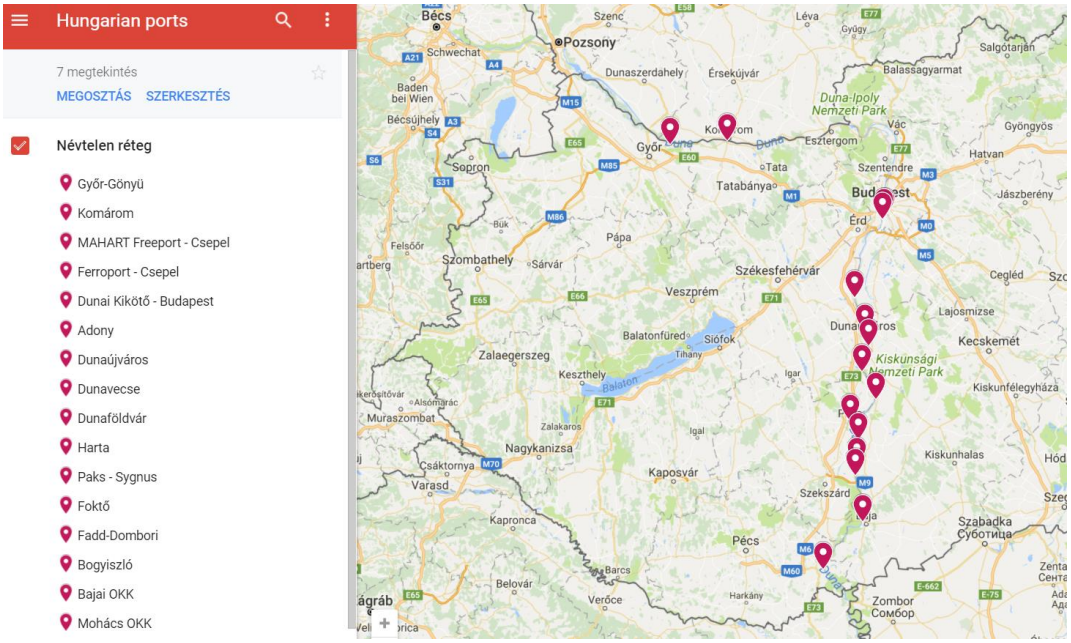


Figure 3 Major Hungarian Ports

Source: Google map

Capacity and capacity usage of ports in Hungary

In general, we can conclude that the capacity of Hungarian ports exceeds the existing freight volumes. However, the capacity of ports can be analysed along with several factors, based on which there is room for capacity building in Hungarian ports as well. The below listed factors may all influence the actual capacity of the given port and at the moment each of them requires a certain extent of development or expansion in many of the Hungarian ports.

Transhipment capacity

- Number of berths: several ports have invested in the construction of new port berths to be able to provide transhipment services for more vessels simultaneously.
- Structure of the quay: sloped or vertical quay are used for different transhipment operations.
- Cargo handling equipment, including fixed equipment e.g. conveyor belts or portal cranes and mobile equipment.
- Unloading capacity: 22 out of the 55 Hungarian ports still do not have unloading volumes, since they do not have the necessary infrastructure and/or equipment for unloading (e.g. vertical quay, unloading cranes).
- Adequate port infrastructure and equipment for special cargo:
    - Reinforced and or longer quay for heavy/oversize cargo handling
    - Ro-ro terminal for rolling cargo
    - Container handling cranes or loaders

Storage capacity

- Warehouses: increasing covered storage areas is one of the most urgent development plans of several Danube ports in Hungary.
- Silos: silo capacity is the most important factor of transhipment services for port operators in the field of bulk – primary agricultural – cargo. Besides the silo capacity, expressed in m^3, specific functions can serve as competitive advantage for port operators: internal ventilation contributes to a higher level of services, while auxiliary cargo handling equipment can provide quicker loading and unloading activities. Shorter unit time of loading activities results in bigger transhipment capacities.
- Open storage areas: not every kind of cargo requires covered storage areas, waste metal, for example, can be stored in open storage areas but that also requires appropriate infrastructure, like enforced pavement.

Port infrastructure for internal transport and cargo handling

- Internal transport network, adequate infrastructure to transport within the port, e.g. marshalling rails, space for oversize cargo, internal road network, etc.
- Parking lot for trucks: several ports are planning to expanse their parking lots for trucks, which requires exceptionally thicker and reinforced pavement.

Presentation of the ownership – port management – operation structure of ports

Public and private ports

In terms of the ownership and operational structure of Hungarian commercial ports, there is no dominant business model. There are port operation practices on both sides of the scale: entirely public owned ports and privately owned and operated ports.

Public owned ports with '***National Public Port***' title is operated on a more complex basis.

National Public Ports is Hungary:

- Public Port of Győr-Gönzű
- Freeport of Budapest in Csepel
- Public Port of Baja
- Public Port of Mohács

The National Public Ports are operated in a model which can be characterized as landlord or corporatized ports. The two types are closely related to each other. The largest port, the Budapest Freeport and the Port of Baja are more corporatized ports, while the Public Port of Győr-Gönzű resembles a landlord port more closely.
In case of these bigger public ports, we can differentiate the following functions on a different level of the operational structure:

- **Land owners:** Hungarian Asset Management Inc. or its asset management organizations (Water Directorates with territorial jurisdiction), local municipalities.
- **Port manager:** contracted with the public land owner(s), responsible for the utilisation of the port area, typically does not provide basic port services, like transhipment. Port manager most often provides ancillary services, e.g. water or electricity supply, bilge water deposit.
- **Port operators:** private companies contracted with the port manager, responsible for port services, e.g. warehousing, cargo handling.
- **End users:** shipping companies, manufacturers of the transhipped products.

Unlike National Public Ports, relatively smaller ***private-owned ports*** operate with an entirely different management model and business strategy. As an example, the Port of Dunavecse and the Port of Paks are owned and operated entirely by one company, in the latter case, which is also an agricultural trading and warehouse operator. The owners of these ports are developing the port with EU funds and bank loan as they expect the investment to be returned. Ownership strategy includes that the private port must provide as many service and infrastructure as needed to serve the customers without outsourcing or the inclusion of third-party service providers.
Ports as bimodal or trimodal hubs
Regardless of the ownership and management structure or of the capacity of ports, each of the Hungarian Danube ports operate as bimodal hubs, given the road and water access, which are available in every commercial port along the Danube.
Each of the National Public ports and many of the private ports are trimodal hubs, with rail access, besides road and waterway:

- Public Port of Győr-Gönzű
- Freeport of Budapest in Csepel
- Public Port of Baja
- Public Port of Mohács
- Port of Dunai Kikötő (Budapest)
- Port of Dunaújváros
- Port of Adony
- Port of Paks
- Port of Foktő

Tendencies of the past 7 years
In terms of the ownership management structure and operational aspects, the following tendencies can be highlighted of the past seven years:

- Ownership structure of neither public nor private ports have significantly changed
- Ports have gained EU subsidies for smaller-scale but also major port development projects, which has not yet resulted in the growth of the overall transhipment volume of ports, but admittedly supported the ports to increase the level of their services and thus catch up in the competition of transport modes. In other words, without these port development projects, the share of waterborne transport would be even lower than 3%.
    - National Public Ports have gained significant advantages in EU grant programs and have acquired much higher volume of subsidy than other ports.
- Many of the Danube ports have diversified their activities in order to be more flexible for different port services – e.g. new berths for heavy cargo, container handling equipment, big-bagging services, opening for new goods to be transhipped and stored e.g. fertilizer.
- Several ports established unloading port facilities to be able to exercise unloading transhipment as well.

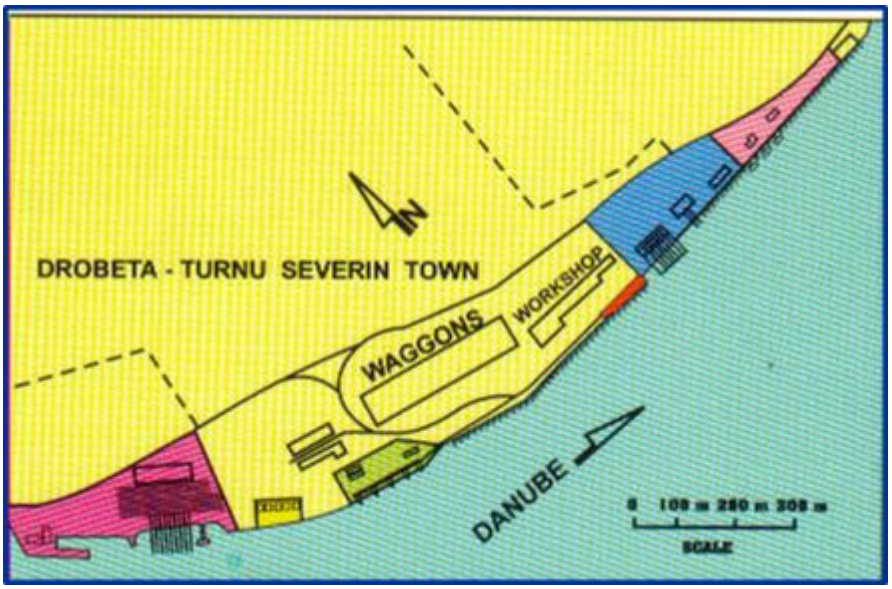
2.1.5 Romania

The Romanian ports, along the Danube, selected for analysis are Drobeta-Turnu Severin, Giurgiu, Braila, Galati, Tulcea, including the port of Constanta which is the "maritime gate" for all Danube ports.

2.1.5.1 Port of Drobeta-Turnu Severin

The Port of Drobeta-Turnu Severin is placed on the left side of the Danube, between km 930-934 (in the proximity of the Hydroelectric and Navigation Complex "Portile de Fier"/Iron Gate 2). It has a strategic location and acts as a transhipment point for traffic to west and northwest Romania.
The port infrastructure is state public property granted to N.C. Administration of Danube River Ports Co. Giurgiu, through a concession contract signed in 2008. The Ministry of Transport is the owner of 80% of the shares of the company, while the rest is owned by Fondul Proprietatea (Property Fund).
The port land owner is the state. The port authority is N.C. Administration of Danube River Ports Co. Giurgiu. The port is made up of three areas consisting a total surface of about 13.75 hectares of which 7.26 are for commercial activities, 4.40 are for passengers and 2.10 for project cargo ramp.

Figure 4 Port of Drobeta-Turnu Severin



Source: www.apdf.ro

Drobeta Turnu Severin is placed on the Orient-East Med Corridor, as was defined by the EU guidelines for the development of the trans-European transport network.[9] Connection with the port is provided by two roads with a single lane each way and the city of Drobeta is connected to various national roads and European road E70. The port is connected also through rail, being connected to railway corridor 900 Bucuresti-Caransebes-Timisoara.
The general strategies developed by local authorities take into account the position of the city on a European main transport corridor, as well as the connection on rail and road with the region.
The maximum theoretical capacity of the port is 500,000 tonnes. In 2017 the Drobeta port had a traffic of 1,161,000 tonnes[10].

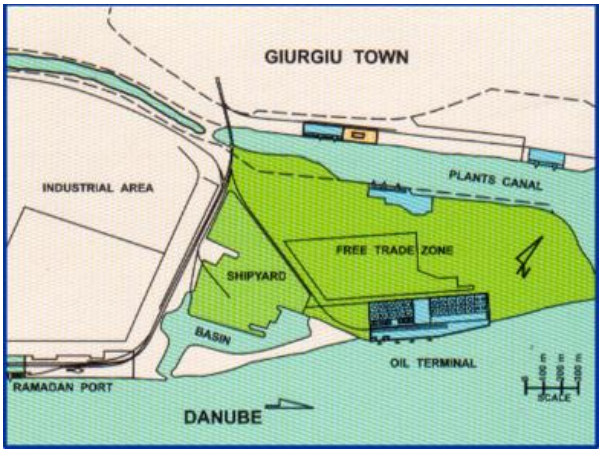
2.1.5.2 Port of Giurgiu

The port of Giurgiu is placed on the left side of the Danube, between km 489-497. The port infrastructure is state public property granted to N.C. Administration of Danube River Ports Co. Giurgiu, through concession contract signed in 2008. The Ministry of Transport is the owner of 80% shares of the Company, while the rest is owned by Fondul Proprietatea (Property Fund).
In 1996 the Free Zone Administration was established, to help developing international trade and the use of local resources. Until 2004, The Free Zone was under the Ministry of Transport and since 2004 it became a joint stock company owned by the Giurgiu County Council. Later on, in 2008, it became fully owned by Local Council Giurgiu.
The Port of Giurgiu is one of the ports within TEN-T central network, located on the Danube River and Corridor IX (Rhine-Danube) and provides a North-South link to Bulgaria. It is one

[9] Regulation no. 1315/2013 of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU.
[10] Source: National Institute of Statistics (INS)

of the important crossing points for rail freight transport between Romania and Bulgaria. The connection to national road network is ensured through European road E70.
Being a port very close to Bucharest (64 km), it has a geographical significance, thus focusing on the cargo destined for the capital, as well as other transit cargo. A new trimodal terminal will be developed through the project *High Performance Green Port Giurgiu – Stage II* which will provide the connections with road, rail and inland waterway networks.
Although Giurgiu County is not one of the developed ones and, even if it was recorded as having the worst evolution in Romania in the last few years, new investments in the area are expected, and also in the Ilfov-Bucharest region, the most dynamic one in the country.

Figure 5 Port of Giurgiu



Port of Giurgiu, Source: www.apdf.ro

The estimation of port total capacity is 2,500,000 tonnes. In 2017 registered traffic was 603,000 tonnes[11].

2.1.5.3 Port of Braila

The Port of Braila is placed on the left bank of the Danube River, between km 175-167 and is the second river-maritime port after Galati. Land and infrastructure are owned by the Romanian state. The governance and the administrative obligations are performed made by the National Company – Maritime Danube Ports Administration Co. Galati (CN APDM SA Galati), based on a concession contract signed in 2008.

[11] Source: INS

Figure 6 Port of Braila

Source: APDM

The entire available storage areas, warehouses and platforms within the Port of Braila area rented to private operators. It is the sole responsibility of the operators with their applied business strategies to increase the traffic of goods and to generate a larger traffic flow in the port. All of the port platforms are owned by the private port operators.
The port of Braila has a total surface of about 398,630 sqm which includes cargo storing facilities, grain silos, a grain terminal, a Free Zone, a shipyard and many other facilities available for the vessels. The port receives vessels ranging from 500 dwt. up to 9.000 dwt. maritime vessels. The depths around the merchant port sector are enough to accommodate a wide range of vessels, but the draft is limited by the Sulina Bar to 7.01 m.
The port has connections to hinterland by railway and road connection.
The agricultural land is one of the most important resources available to the county, which led for the grains to be one of the main goods to be handled in Braila port. Other goods handled, which played a major role in the total handled goods are mineral products, wood products and fertilizers.
In 2017 registered traffic was 1,606,000 tonnes, down from 2013 when the port registered a traffic of 2,356,000 tonnes[12].

2.1.5.4 Port of Galati

The Port of Galati is placed on the Danube River, between km 160 – NM 76, both banks and it is the largest Romanian sea-river port and the second important port, having the possibility to connect to maritime transport through the Black Sea. Land and infrastructure are owned by the Romanian State. The governance and the administrative obligations are performed by the National Company – Maritime Danube Ports Administration Co. Galati (CN ADPM SA Galati) which carries out the role of Port Authority and Port Administrator within the sea-

[12] Source: ADPM

river Romanian ports of the Danube based on a concession contract signed with the Ministry of Transport in 2008.
The port of Galati has a total surface of 865,131 sqm which includes cargo storing facilities, parking places for trucks, grain terminal and silos, port equipment for vessel operation, a Free Zone, a container terminal, a shipyard, an oil terminal and many other facilities available for vessels. The port receives a wide range of river vessels and seagoing vessels up to 25,000 dwt.
Being one of the most important commercial traffic hubs in Romania, the port of Galati is connected to main European channels. Available railways allow the transfer from European standard gauge to broad gauge used in the former Soviet Union countries. The access to Rhine-Main-Danube is done by waterway. There is available access to national roads as well.

Figure 7 Port of Galati

Source: APDM

In the country there is a high percentage of trading activities, but a low number of units which carry out activities such as industry, construction and agriculture. The main industrial sectors are metallurgy and naval constructions which are generating cargo traffic in port, but the situation varies from year to year. Although there is a vast type of cargo handled, the lack of multimodal facilities creates a major difficulty to align the port logistics to international transport flows. The port infrastructure is old and marshalling yards are scarce for modern logistical needs and the links to national roads and rail, although are available, are quite slow and impaired.
The highest value annual cargo throughput of the port was about 10,000,000 tonnes more than 10 years ago. In 2017 traffic registered in Port of Galati port was 4,406,000 tonnes[13].

[13] Source APDM

2.1.5.5 Port of Tulcea

The Port of Tulcea is placed on the Danube River, between NM 42 and 24, both banks, being one of the most important maritime-river ports. Land and infrastructure are owned by the Romanian state. The governance and the administrative obligations are performed by the National Company – Maritime Danube Ports Administration Co. Galati (CN APDM SA Galati) based on a concession contract signed with the Ministry of Transport in 2008.
The entire available storage areas, warehouses and platforms within Tulcea Port are rented to private operators. It is the responsibility of the operators with their applied business strategies to increase the traffic of goods and to generate a larger traffic flow in the port.
The Port of Tulcea has a total surface of 82,762 sqm, which includes cargo storing facilities, port equipment for vessel operation, industrial terminal, grain silos, passenger terminal, shipyard and other facilities available for vessels. The port received a wide range of river vessels and also maritime vessels of more than 15,000 dwt.

Figure 8 Port of Tulcea

Source: APDM

The port is connected to hinterland through railway and road networks. The distance to highway A2 is around 100 km.
In 2017 registered traffic was 1,939,000 tonnes, decreasing compared to 2016 when 2,161,000 tonnes were recorded[14].

2.1.5.6 Port of Constanta

The Port of Constanta is located on the Western coast of the Black Sea. The Danube River connects with the port through Danube-Black Sea Canal, which is a port of the Rhine Danube Corridor, thus linking the east to the west across all Europe.
The Port of Constanta infrastructure is owned by the Romanian State and was granted through a concession contract to the port administration N.C. “Maritime Ports

[14] Source APDM

Administration" Co. Constanta, which is a joint stock company (80% Ministry of Transport, 20% Proprietatea Fund). NC "Maritime Ports Administration" Co. Constanta, has the role of port authority. Based on the administration model – landlord port, the port infrastructure is leased to private operators.
The beneficiaries of the Port of Constanta can be divided into three major groups. The first group of direct beneficiaries is represented by terminal operators who use the port infrastructure and receive direct benefit from new cargo being handled. The second group of port users are the ship operators and the third the related companies providing different connected services for cargo and ships.
The Port of Constanta has a total surface of 3,926 hectares of which 1,313 are land area and 2,613 are water area. The port has a maximum draft allowed of 19 m and a minimum water depth of 7m. The maximum cargo handling capacity is about 100 million tonnes per year which includes dry bulk, liquid bulk, general cargo, containers and Ro-Ro.

Figure 9 Port of Constanta

Source: www.constantza-port.ro

The port is very well connected to hinterland. The connection to national and European road network is done by 10 gates. The port is direct connected to A2 highway, which is linking Constanta to Bucharest.
The railway infrastructure is made of six rail gates and nine rail tracks, assuring a connection with Europe, Caucasus and Central Asia. So, the port is connecting Romania with the rest of the countries through Corridor IV (rail and road), Corridor VII – Danube (inland waterways) being linked by the Danube-Black Sea Canal and Corridor IX (road).
As mentioned earlier, the total capacity estimation of the Port of Constanta is 106,641,000 tonnes and the maximum throughput of slightly over 60,000,000 tonnes was reached in

2008. Since then, a throughput of 50 to 60,000,000 tonnes has been maintained, representing a utilization rate of 50-60% of the capacity. In 2017 was 49,436,000 tonnes[15].

Figure 10 Rail network in the Port of Constanta

Source: www.constantza-port.ro

2.1.6 Slovakia

In Slovakia, there are 228.2 km of natural navigable watercourses that are used for transport and 38.5 km of man-made canals. The only water way that comply with the given transport requirements are the Danube River and the modified downstream part of the Váh River up to Sered'. There are limited possibilities for the use of the Bodrog River. However, for both the freight and the passenger transport, the only significant waterway is the Danube River connecting Slovakia, Austria and Hungary, as well as the North Sea and the Black Sea via the Danube – Rhine – Main corridor. Other waterways serve only for tourism.
There are 3 ports on the Danube River, the most significant Bratislava Port, the Komárno Port and the Štúrovo Port.

[15] Source INS

Figure 11 Danube Ports in Slovakia

Bratislava Port – river kilometres 1,871.35 to 1,862.00

Bratislava Port is the most important port in Slovakia on the international Danube waterway. It currently fulfils the functions of a universal cargo and passenger port. The port's potential is enhanced by its strategic geographical location at the crossroads of the Rhine – Danube and Baltic Sea – Adriatic Sea corridors of TEN-T transport networks. The Bratislava Port is located on both banks of the Danube River and it is a complex of water bodies, hydro technical installations, port pools and related infrastructure, facilities and storage areas served and connected to both rail and road transportation networks and infrastructure.

Komárno Port – river kilometres 1,770.00 to 1,762.00:

Komárno is the second most important port in Slovakia. It is 100 km downriver from Bratislava Port, located on the left-bank of the Danube. The port is also considered as the terminus of the Váh inland waterway planned to connect Žilina with the Danube. The port is divided into the west and east section and spreads out over more than 20 hectares. Komárno Port is a public port used for the transhipment of goods between rail, road and water transport directly or using temporary in-port storage facilities. Originally, the Komárno Port has been constructed for the transhipment of bulk materials.

Štúrovo Port – river kilometres 1,718.00 to 1,718.30

Štúrovo Port is the youngest port in Slovakia. It accounts for less than 1% of the total area of all Slovak public ports. The port is located on the left bank of the Danube on the left-hand side of the navigation channel. This port is currently used only for passenger transport.

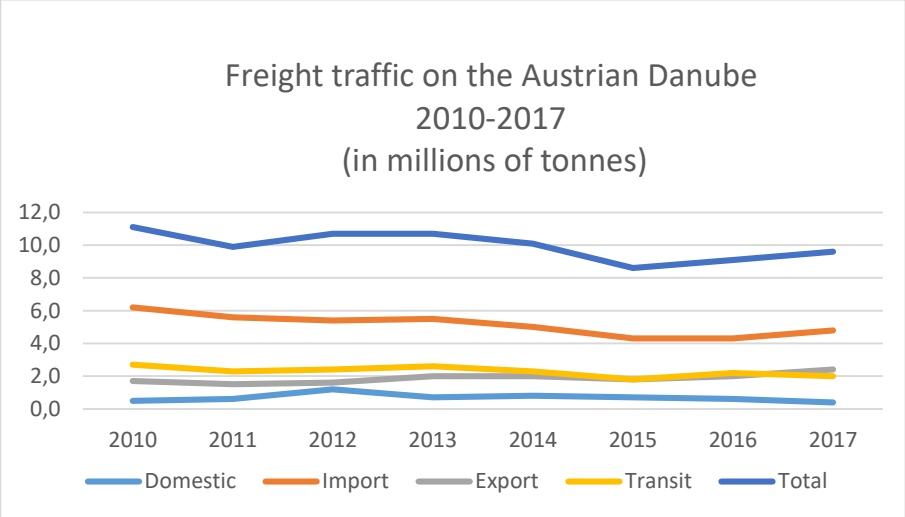
Ownership structure
All Danube Ports (the Bratislava Port, the Komárno Port and the Štúrovo Port) are owned by the State company Verejné prístavy, a.s. (translated as: Public Ports, a joint-stock company, hereafter only referred as the "Company"). The Company was established in 2008 by Slovak law regarding inland navigation and bears the legal form of a joint stock company. Its founder was the Slovak Republic, that still remains its sole and thus the controlling shareholder.
The Company is designated to secure technical development of the ports, assure their operation and maintenance, develop conditions for promoting of intermodal transport and collect payments for the use of the ports. According to the competence split in Slovakia, activities of the Company are formally covered by the Slovak ministry of Transport and Construction that except from the overall supervision defines and approves particular fees for the use of the Danube River ports.

2.2 Waterborne freight statistics 2010-2017

2.2.1 Austria

The diagram below illustrates tendencies and changes for the transportation of goods on the Austrian Danube for the years 2010-2017.

Figure 12 Freight traffic on the Austrian Danube 2010-2017 (in millions of tonnes)



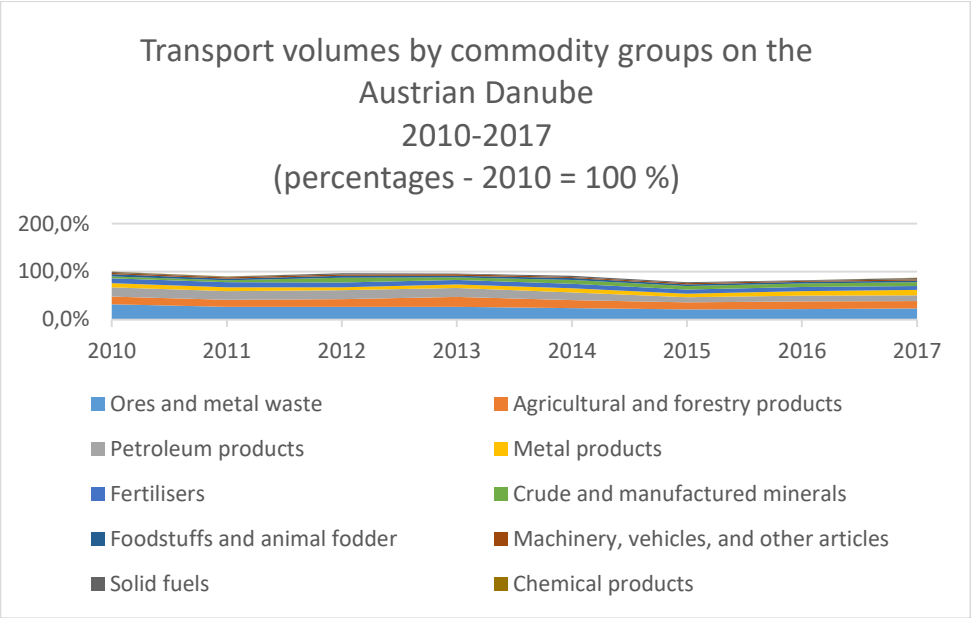
Source: Statistics Austria, viadonau

The statistics dealing with the transportation of goods in general are divided into the following categories in Austria: Import, Export, Transit, Domestic, and Total[16]. The years

[16] Statistics Austria, the authority responsible for the statistics in Austria, uses these categories which are also used by viadonau. "Import" is a reference to international goods receipt, goods loaded abroad and inland uploaded. "Export" refers to international goods dispatch, goods in inland loaded and abroad uploaded. "Transit" corresponds to goods loaded and uploaded abroad. The figures for transit are extrapolated. "Domestic" concerns inland transport, goods loaded and unloaded in Austria.

2011, 2014 and 2015 were marked by periods of low water. In 2016 and 2017, the transport volumes increased – most probably due to a combination of improved fairway conditions and an overall better economic climate.
The diagram below illustrates tendencies and changes for the transport volumes by commodity groups on the Austrian Danube for years 2010-2017 (Classification of commodities by NST/R – Standard Goods Classification for Transport Statistics/Revised).

Figure 13 Transport volumes by commodity groups on the Austrian Danube 2010-2017 (percentages)



Source: PDI based on data from Statistics Austria and viadonau

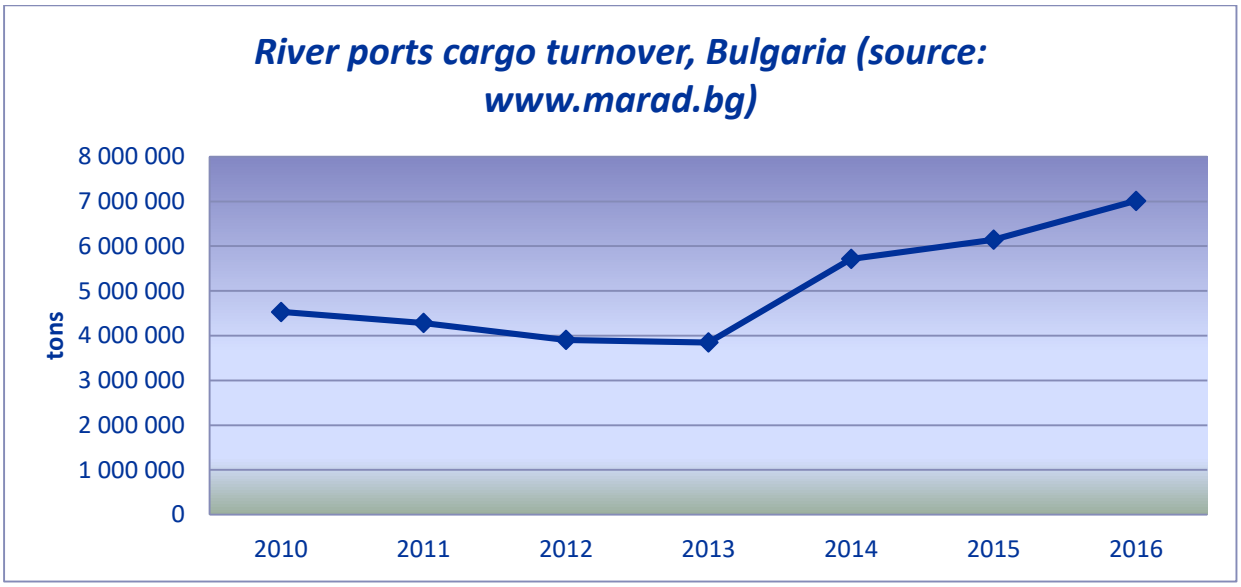
In 2013, the "Agricultural and forestry products" reached the highest evaluated value ever registered. In 2015, there was a decrease in volumes transported across all commodity groups. The 3 **dominant sectors** in the freight traffic volume for the period 2010-2018 were:

- "Ores and metal waste" (first place).
- "Agricultural and forestry products" (second or third place).
- "Petroleum products" (second or third place).

2.2.2 Bulgaria

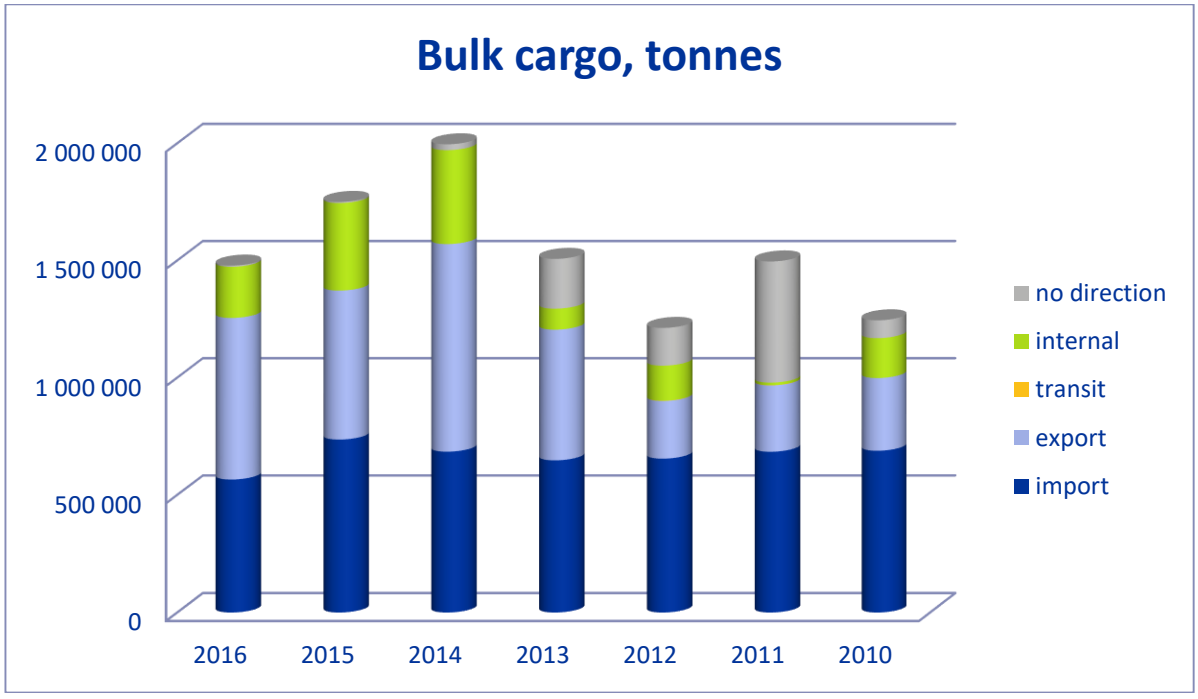
For the period 2010-2016, the total cargo turnover of the Bulgarian river ports varies between 3.8 million and 7 million tonnes per year. For the year 2017, official data is not yet available.

Figure 14 River ports cargo turnover



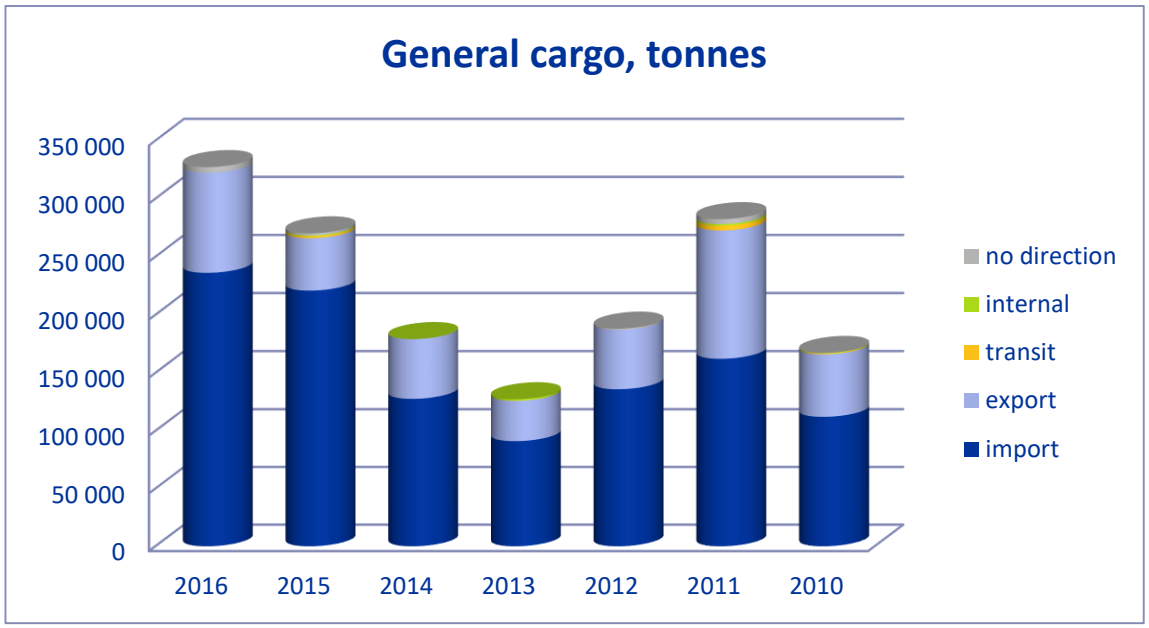
According to the official statistics provided by port operators of terminals of national importance to Executive Agency "Maritime Administration", the amount of goods loaded and unloaded in the river ports is depicted as follows:

Figure 15 Bulk cargo



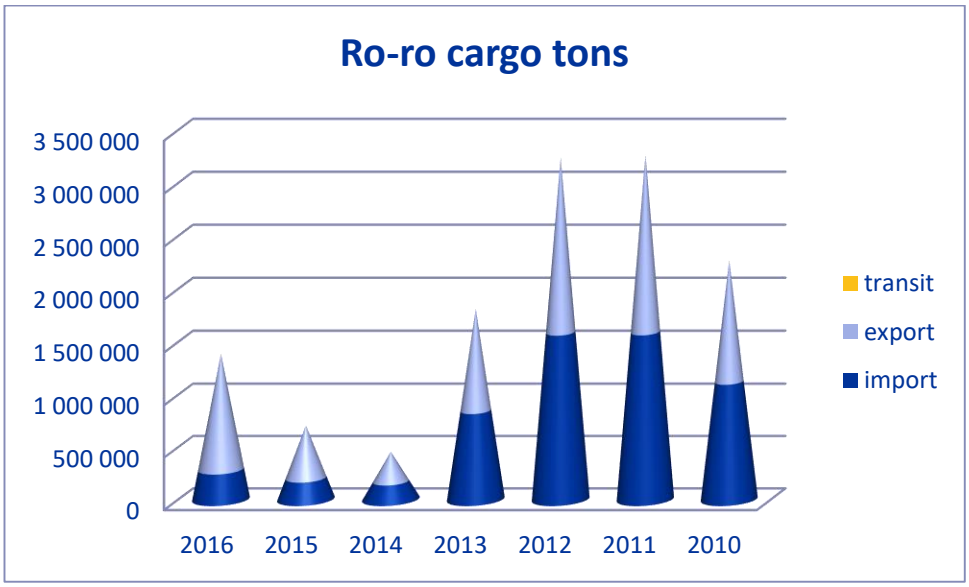
It is obvious that Bulgarian ports handle **bulk cargo** mainly for import and export. The total volume of bulk cargoes varies over the years, fluctuating basically between 1.5 million - 2 million tonnes/year.

Figure 16 General cargo



General cargo comes second in terms of total processed quantities. Shipments of this type of cargo are, however, several times smaller and the respective reported annual tonnages amount to a maximum of 327,000 tonnes (2016).

Figure 17 Ro-ro cargo tons

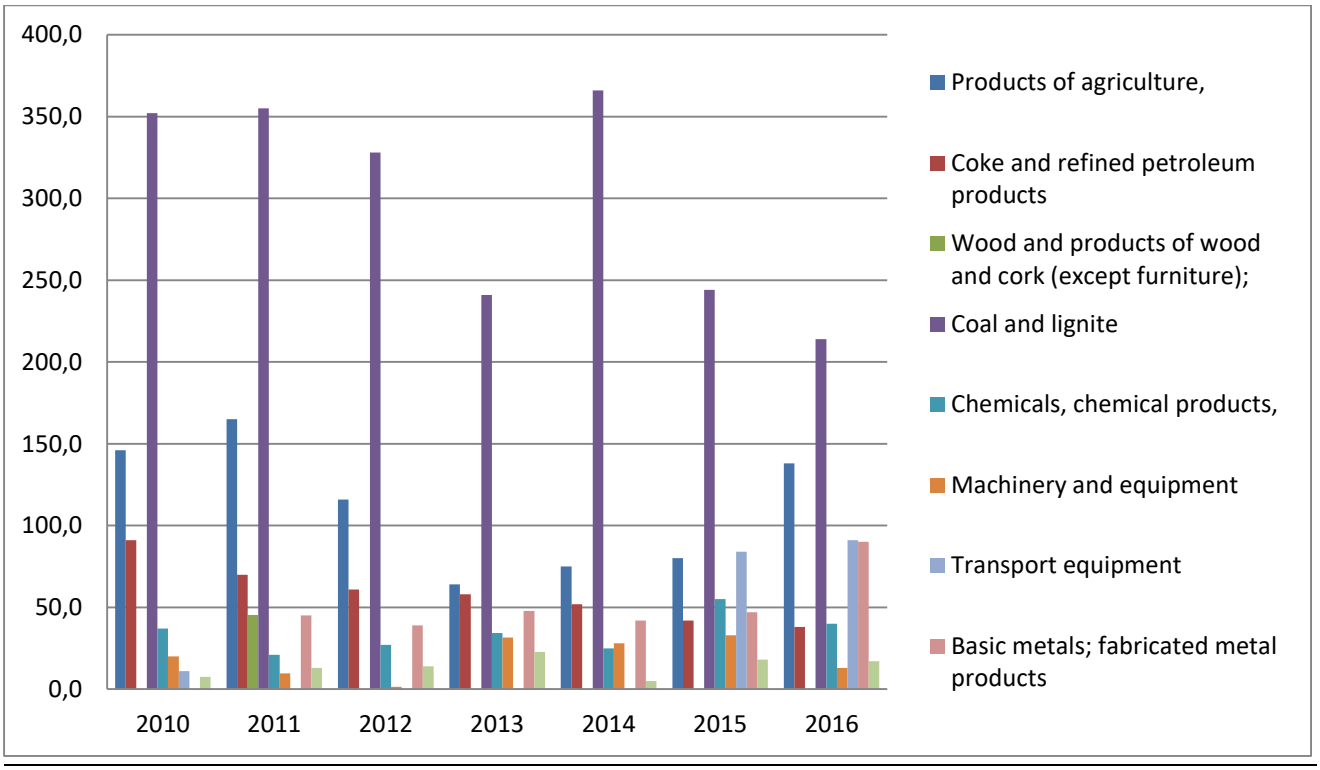


Ro-ro cargo reported a significant decline over the observed period. The reason for this is the development of road transport at the expense of ferry and Ro-ro services, the construction of a second bridge over the Danube River near Vidin, etc.

No significant volumes of **containers** have been reported throughout the reporting period. There is no container cargo flow in Bulgarian inland ports. Processed containers are single deliveries to customers in the country. It is worth noting that the statistic presented relates only to shipping traffic. There are some quantities of containers that pass through the port terminals, but they involve only road and / or rail transport. There is no official data on the volumes of these containers.

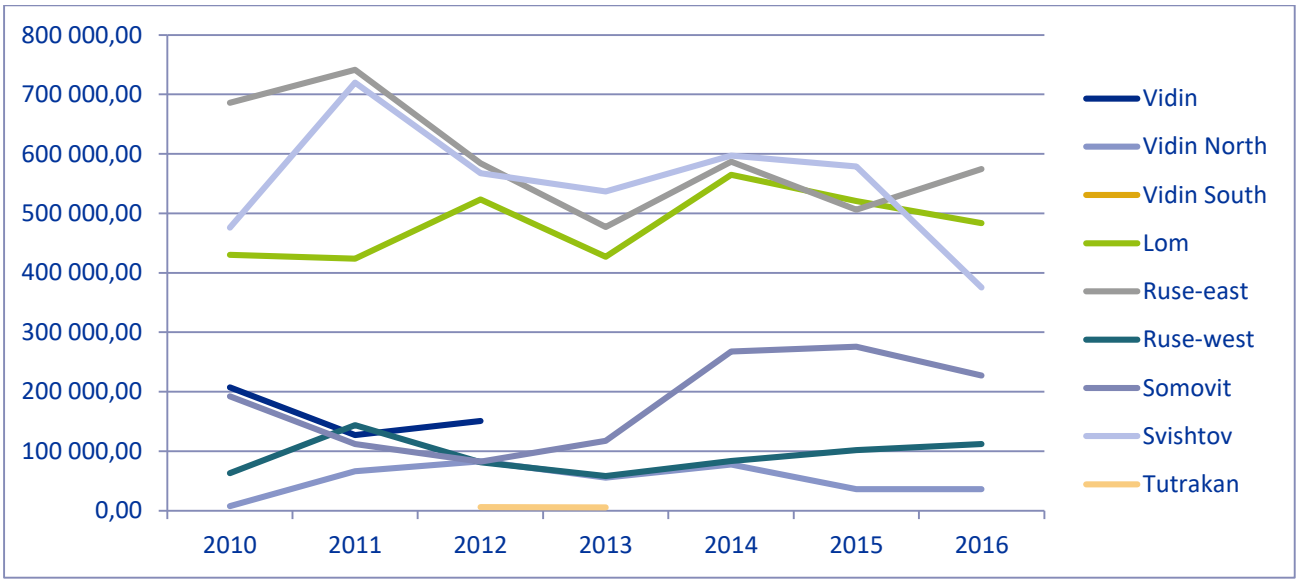
The **liquid cargo** handled at the terminals of national importance in the period 2010 - 2016 amounted to 2 - 12 thousand tonnes and did not have a structurally significant influence on the freight flows.
The following figure presents the quantity of cargo flow in Bulgarian ports by type of cargo in thousands of tonnes.

Figure 18 Cargo flow in Bulgarian ports by type of cargo in thousands of tonnes



From the detailed data on the turnover of the ports of national importance and on the basis of the diagram presented for the main types of cargo, it can be concluded that the basic type of cargo which is handled in the Bulgarian Danube ports is coal. Coal's relative share of total cargo turnover is 53%. Coal is mainly processed in the form of imports from Ukraine. The quantity of coal processed is the highest in 2014 - 366 thousand tonnes. Chemical products are the second type of goods handled in the form of imports in the Bulgarian inland ports, accounting for 5.6% of the total freight volume. The agricultural products are mainly processed for export, with a relative share of 45% of the total turnover in this direction. There is a tendency of a general decrease in the quantity of processed cargo in the Bulgarian inland ports. Cargo handled in the form of imports is mainly supplied by Austria, Germany, Serbia, Hungary, Slovakia, Ukraine and Romania.

Figure 19 Processed quantity of cargo at port terminals in 2010-2016



Executive Agency "Maritime Administration", www.marad.bg

For the period 2010-2016 detailed statistical information on the processed quantities of cargo in the Bulgarian inland ports of national importance for import, export and destination can be presented as follows:

The terminals Ruse-Eat, Lom and Svishtov have the most dominant influence on the structure and volumes of freight in the Bulgarian section of the Danube (with indicators at the top of the chart). Their leading positions are determined by better infrastructure than other terminals and long-standing stable market positions. The highest amount of cargo handled for the period is 741 thousand tonnes for the Ruse-East terminal in 2011. The cargo loaded on and unloaded off ships over the years does not exceed this figure in any of the terminals. Next is Somovit terminal, which increases its turnover after 2012. Ruse-West and Vidin-North report less turnover. Tutrakan works periodically – there is data for 2012 and 2013 and during the rest of the time the terminal does not handle cargo.

Port terminal Vidin-South is specialized in bulk cargo handling. It is the starting point for export of grain to Germany and wood for Austria. Imports are to a much greater extent, with the terminal reporting imports of coal from Ukraine and Romania.

Ferry Complex Vidin is specialized in passenger and Ro-ro services. It has 30-50 m wide Ro-ro ramp, which allows handling of one vessel at a time. With three service vessels per day and two shifts per day, the maximum throughput is 72-75 thousand conventional TIR units per year, and for four ships and extended working hours - up to about 100 thousand conventional TIR units per year (*http://www.brp.bg/vidin/).* In 2016 the Ferry terminal did not report cargo.

Port terminal Vidin-north works mainly with ports located on the territory of Romania, Serbia and Ukraine. The terminal is used for exporting cargo to Austria and Germany. It mainly handles bulk cargo to the following directions:

- Austria – export of wood;

- Romania – export of grain, import of coal;
- Serbia and Germany – export of gypsum;
- Ukraine – import of coal.

Port terminal Lom - loading and unloading is the main activity of the port. The port has portal cranes and other lifting equipment for loading and unloading of bulk, general and any other cargo from and to vessels and land vehicles. The port has open and closed storage areas. According to the Bulgarian legislation, the entire port territory is established and operates as a warehouse under the customs regime. The port's fleet includes 1 tugboat that serves the port area (*http://www.portinvest.bg/services.php*). The main cargo flow of the port terminal is from and to Austria, Bulgaria, Germany, Croatia, Romania (grain exports), Slovenia, Hungary (iron ore exports) and Ukraine – here comes the largest import for the terminal mainly of coal and chemical fertilizers. Imports also include more metals and metal products, cooking salt, ores, timber, metal pipes, chemicals, and grain.

Port terminal Oryahovo is specialized in bulk cargo handling, mainly grain and fertilizers.

Port terminal Ruse-East handles general, liquid, bulk cargo and containers. The structure of the processed goods is shaped by the import of coal, fertilizers, gravel, metals. The commercial partners have main destinations in:

- Austria – export of chemical fertilizers and grain; import of kaolin and other gypsum products;
- Germany – import of fertilizers; export of grain;
- Croatia – import of fertilizers;
- Romania – import of fertilizers, coal and metals; export of grain crushed stone and gravel, wire and steel, scrap (Constanza serves as a logistics centre for cargo not originating in Romania);
- Hungary – import of corn, coal, non-electric machine parts;
- Serbia – import of grain, molasses, hot-rolled steel, kaolin and wire; export of kaolin and clay, fertilizers and chemicals;
- Ukraine – import of coal hot-rolled steel, wire, pipes and steel castings, cast iron and others.

Port terminal Ruse-West is specialized in general, bulk and liquid cargo handling:

- Austria – import and export of wood and chemical fertilizers; natural phosphates are also imported;
- Romania – import of steel; export of grain;
- Serbia – import of steel and wire; export of chemical fertilizers;
- Ukraine – import of steel, wire and coal; export of chemical fertilizers;
- Croatia – import of metals; export of fertilizers and paper;
- Holland, Germany – import of fertilizers;
- Hungary – export of fertilizers.

Port terminal Somovit is specialized in bulk and general cargo handling. The terminal imports fertilizers and coal from Romania and exports grain. From Hungary and Ukraine, it mainly imports coal; from Germany, Slovenia and Croatia it imports mineral products. In 2016 the terminal only exported grain to Romania.

Port terminal Svishtov handles liquid, bulk and general cargo, containers and Ro-ro. From 2010 to 2016, this port imported chemical and mineral fertilizers from Austria, bricks, tiles and timber from Romania, scrap for melting from Serbia, as well as pipes and bricks were

recorded; it exported kaolin and grain to Germany and Hungary, from where the port registered fertilizer imports. Grain exports have also been registered for Romania. Exports are mainly concentrated in barley, maize, wheat, as well as gravel, sand and construction products. From Ukraine, the port terminal imports coal and briquettes, as well as chemical fertilizers. The terminal exports timber, bricks and roof tiles to Ukraine, and vehicles to Romania.

Port terminal Tutrakan is specialized in bulk cargo handling. During the 2010-2016 period, the terminal had a negligible amount of cargo.

Analysis of potential types of cargo that can be transported along the Danube

According to the official statistics published on the Eurostat website, the freight transported along the Danube in the period 2005-2016 is the following:

Table 3 Inland waterway transport by country in 2005-2016

Thousand tonnes												
geo\time	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bulgaria	5270	5950	6622	10956	17104	18372	14448	16378	16726	16922	17201	:
Germany	236765	243495	248966	245674	203868	229607	221966	223170	226864	228489	221369	:
Croatia	:	:	:	6416	5381	6928	5184	5934	5823	5377	6642	:
Hungary	8413	7327	8410	8829	7745	9952	7175	8135	7857	7825	8163	:
Austria	9336	9183	12107	11209	9322	11052	9943	10714	10710	10122	8599	9071
Romania	32827	29305	29425	30295	24743	32088	29396	27946	26858	27834	30020	:
Slovakia	2351	2252	8013	8371	7823	10103	8211	8242	8107	7010	5721	:

Source: http://ec.europa.eu/eurostat/web/transport/data/database

As can be seen from the above table, goods carried in the IWW vary for the reporting period of 10 years. From 2010 to 2015, there was no significant change in the average volume of goods transported in all countries with some increase or decrease in freight flows over the years.

Table 4 Containers transported by country 20-foot unit container

GEO/TIME	2010	2011	2012	2013	2014	2015	2016
Bulgaria	106	:	:	:	58	414	:
Germany (until 1990 former territory of the FRG)	1 688 052	1 696 762	1 701 232	1 737 101	1 872 363	1 903 820	:
Croatia	:	:	:	:	:	:	:
Hungary	1 912	5 498	1 930	750	2 477	1 949	:
Austria	2 560	1 756	2 398	3 065	678	2 703	4 617
Romania	2 745	8 237	4 156	1 155	3 056	1 380	:
Slovakia	1 440	714	0	1 120	1 500	240	:

Source: http://ec.europa.eu/eurostat/web/transport/data/database

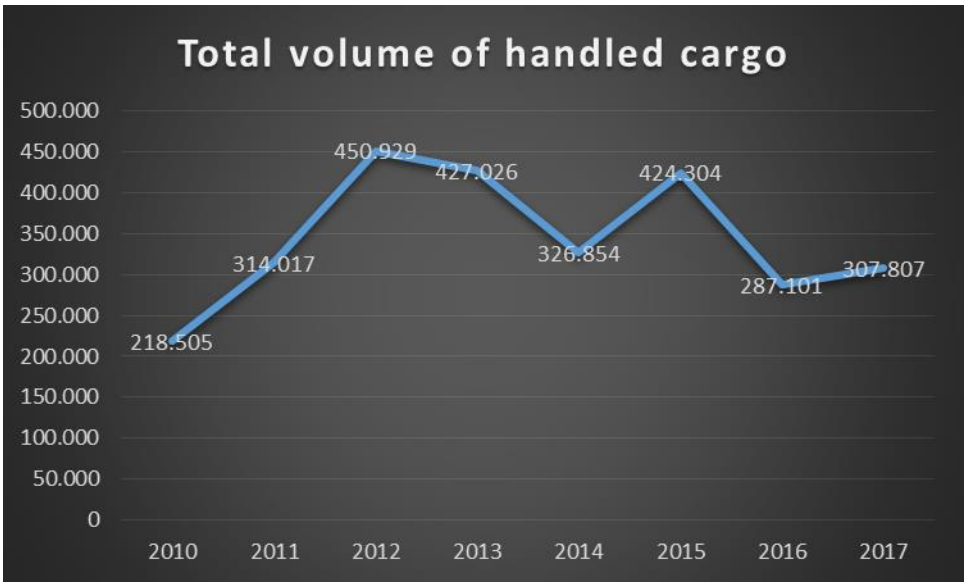
As can be seen from the above table, the volume of containers transported is insignificant (and in some cases missing). The only exception is Germany. Considering that Germany's container traffic is mainly related to shipments to, and from, the Netherlands and Belgium, Germany's data (as statistics for the whole country) is not appropriate to be used for conclusions on container traffic on the Danube.

The potential types of cargo that can be transported between Danube ports are mainly bulk cargoes (metal ores, coal, coke, refined petroleum products and agricultural, hunting and fishery products). This is mainly due to the fact that many of the Danube countries surveyed have comparative advantages in the production of agricultural, hunting and fishery products, as well as, products from the chemical and heavy industries (e.g. Hungary, Serbia, Bulgaria, Slovakia, Romania, etc.):

- Port of Bratislava mainly handles bulk cargo (metal ore – 48.7 %, coke and refined petroleum products – 33.9%). Most of the processed cargo in Port Komárno is also bulk - 49.2% coke and refined petroleum products, 29.2% agricultural, hunting and fishery products, 19.3% - chemical fertilizers.
- Handled bulk cargo in Hungarian ports also occupy the highest relative share of total freight traffic - agricultural, hunting and fishery products (32.1%), coke and refined petroleum products (18.5%), metal ores (20%).
- Serbian ports of the Danube River handle mainly bulk cargos (in port Apatine - the cargo is composed only of agricultural, hunting and fishery products; in the Smederevo port - the metal ores occupy a relative share of 67.5% of the total quantity of the cargo turnover; in Pancevo port - agricultural, hunting and fishery products occupy a relative share of 54.8%; in the port of Novi Sad - agricultural, hunting and fishery products account for 76.4% of total freight traffic; in the port of Bogoevo - agricultural, hunting and fishery products occupy a relative share of 97.9% of the cargo turnover and in the port of Baca Palanka - agricultural, hunting and fishery products account for 76% of the total cargo turnover).
- The main types of cargo processed in the Romanian Danube ports are also bulk - agricultural, hunting and fish products (58%), secondary raw materials (26.1%), metal ores (9.7%). The bulk of the cargoes processed at the Constanta seaport are also bulk cargoes - coal (21.6%), coke (13%).
- Regarding the Bulgarian ports on the Danube River, the port of Ruse-East occupies the largest share in the processing of bulk cargoes (46.8%).

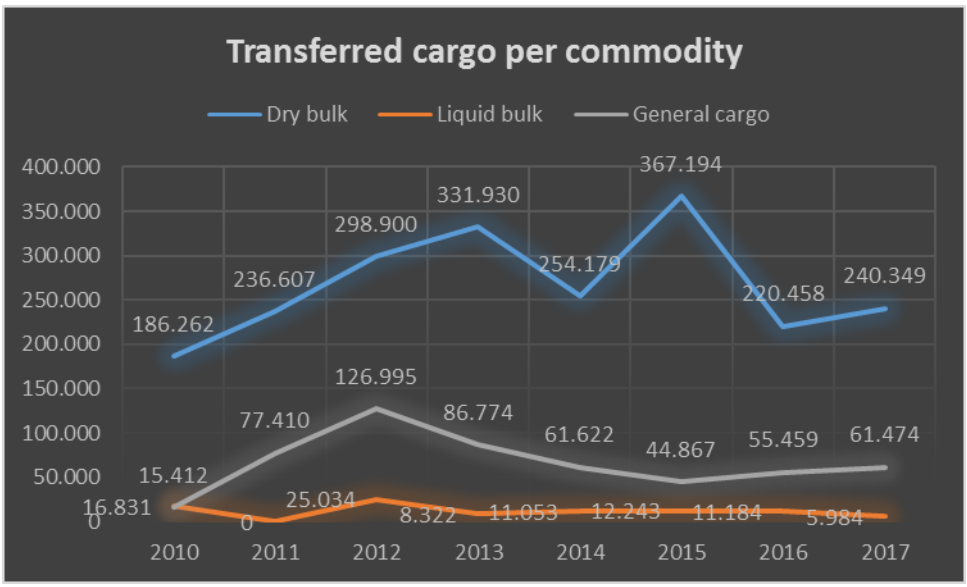
2.2.3 Croatia

Figure 20 Total volume of handled cargo in port of Vukovar per year in tonnes



The total volume of handled cargo at the port of Vukovar since 2010 until 2017 is shown in Figure 1. Figure 1 shows a significant increase of cargo transhipment from 2010, as well as a slight fall in transhipment. In spite of positive tendency of cargo transhipment compared to 2010, it is obvious that handled volumes are insufficient in relation to the current capacity of the 2 mil tonnes per year.

Figure 21 Annual transferred cargo per commodity in tonnes



Regarding the transferred cargo per commodity, Figure 2 shows a relation between transhipment of dry bulk, liquid and general cargo since 2010 until 2017. Nevertheless, dry

bulk cargo is the most present in transhipment, while general cargo takes the second place in the port's transhipment. Liquid cargo is transhipped in small quantities and also represents insufficiency of transferred cargo, compared to existing capacity for storage of such cargo type. Except of transferred cargo expressed in quantities, Figure 3 provides insight in presence of certain cargo type expressed in percentage.

Figure 22 Annual transferred cargo per commodity in percentage

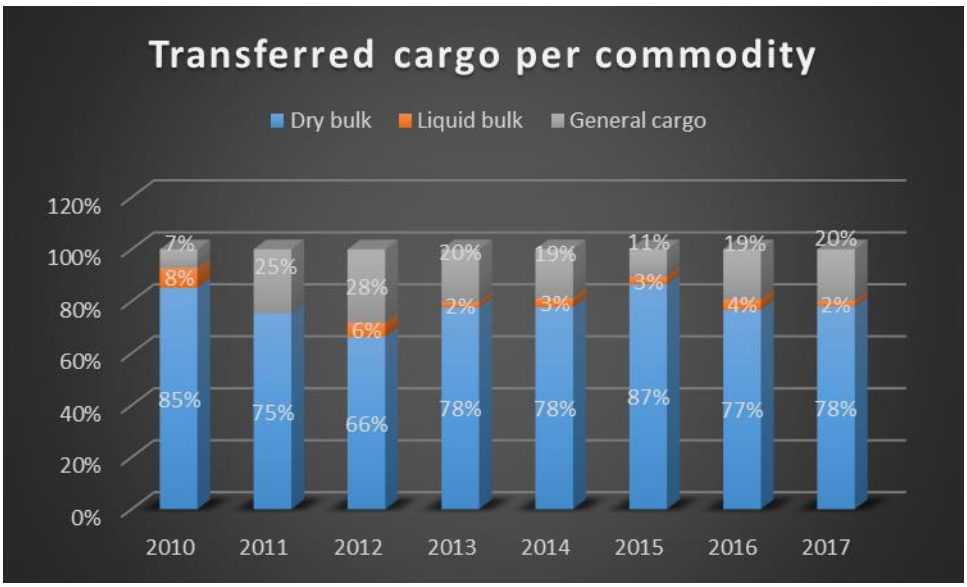
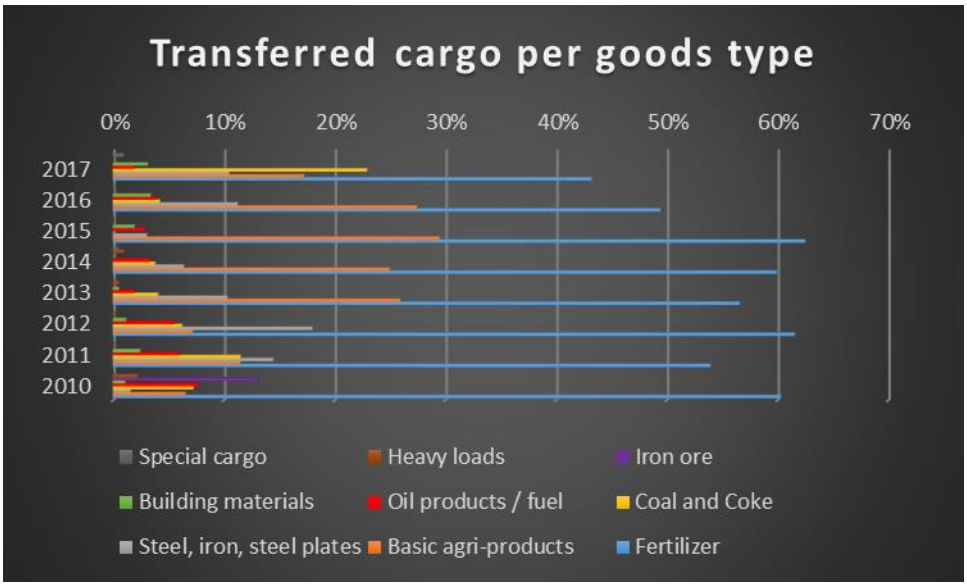


Figure 23 Annual transferred cargo per goods type in percentage



The most transhipment type of cargo is fertilizer, followed by agricultural products. In 2017, coal and coke presented a significant volume in cargo transhipment. Figure 4 provides insight on transhipment cargo per goods type compared to total cargo volume.

Furthermore, Figure 5 shows the percentage of transhipment per good type, compared to total transhipment for dry bulk cargo, while Figure 6 provides insight on transhipment general cargo per goods type.

Figure 24 Annual transferred dry bulk cargo per goods type in percentage

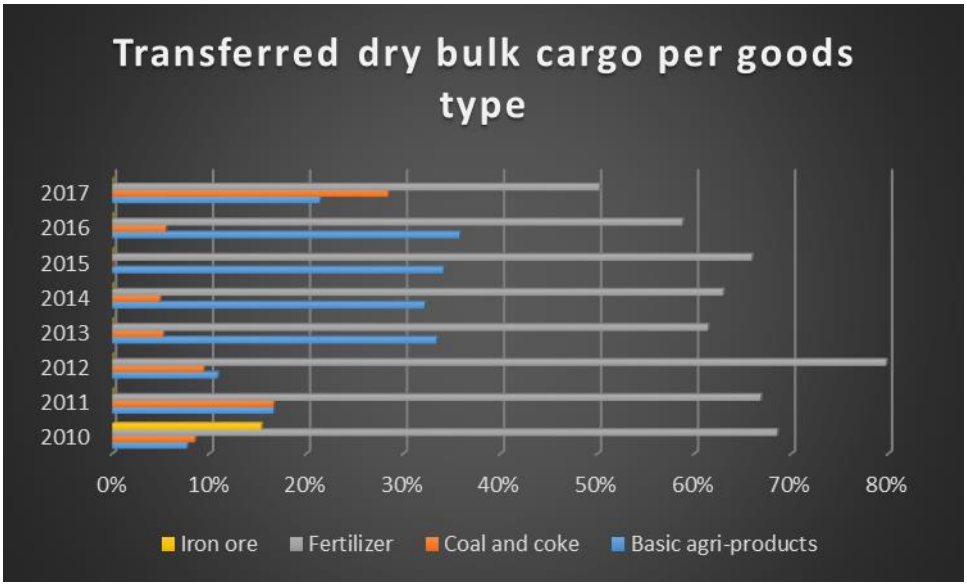
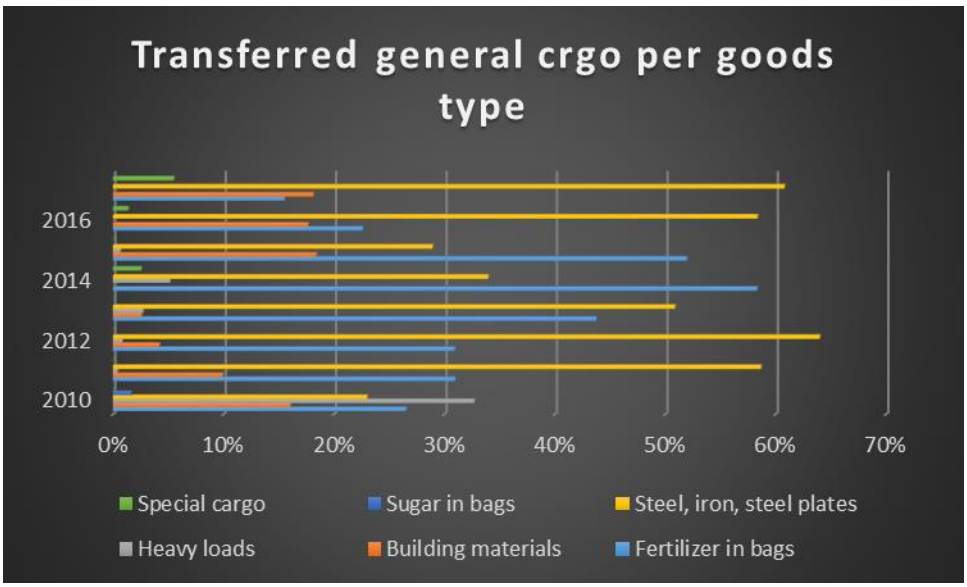


Figure 25 Annual transferred general cargo per goods type in percentage



From the above provided transhipment cargo statistic data, Port of Vukovar exporting of fertilisers and agricultural products are dominant type of cargo. Nevertheless, transhipment of coal and coke in total volume represented transit through port of Vukovar towards Bosnia and Herzegovina.

2.2.4 Hungary

Waterborne transportation statistics of goods in Hungary

Loaded, unloaded, and transit volumes

Comparing the loading and unloading transhipment performance of Hungarian ports there is a significant difference, since 22 ports (according to the OSAP statistics) do not have unloading activities. There is still room for further port developments to expand transhipment capacities. However, the ratio of unloading volumes has shown a slight increase, since some of the Danube ports have already invested in unloading facilities in the past years.

On average, the volume of transit cargo is one third of the total inland waterborne transport volume, reported in the Eurostat database. The transit volume is not transhipped in any of the Hungarian ports.

Table 5 Waterborne freight transport volume in Hungary, 1000 tonnes

Waterborne freight transport volume in Hungary, 1000 tonnes	2010	2011	2012	2013	2014	2015	2016	2 017
Total transhipment in Hungarian ports	**6 865**	**4 628**	**5 098**	**5 189**	**5 673**	**5 978**	**5 439**	**5 821**
loading	4 511	2 761	3 675	3 369	3 917	4 190	3 603	3 708
unloading	2 353	1 867	1 423	1 821	1 756	1 788	1 836	2 113
Transit volume	**3 087**	**2 547**	**3 037**	**2 668**	**2 152**	**2 185**	**2 785**	**n.a.**
Total waterborne freight volume	**9 952**	**7 175**	**8 135**	**7 857**	**7 825**	**8 163**	**8 224**	**n.a.**

Source: Ministry of National Development, Hungary and Eurostat

Transhipped goods per commodity

As it can be seen on the statistics of the transhipped goods in Hungary, not every goods category is transhipped on waterways, most often these goods are not appropriate for waterborne transport. Out of 20 goods categories, 12 are transhipped by Hungarian ports.

Table 6 Transhipped cargo volume in Hungary, per commodity, 2017

Code	NST goods category	Unloading (tonne)	Loading (tonne)	Total transhipment (tonne)
01	Products of agriculture, hunting, and forestry; fish and other fishing products	57 930	2 178 896	2 236 826
02	Coal and lignite; crude petroleum and natural gas	436 516	13 244	449 760
03	Metal ores and other mining and quarrying products; peat; uranium and thorium ores	397 916	225 452	623 368
04	Food products, beverages and tobacco	33 332	226 127	259 459
05	Textiles and textile products; leather and leather products			0

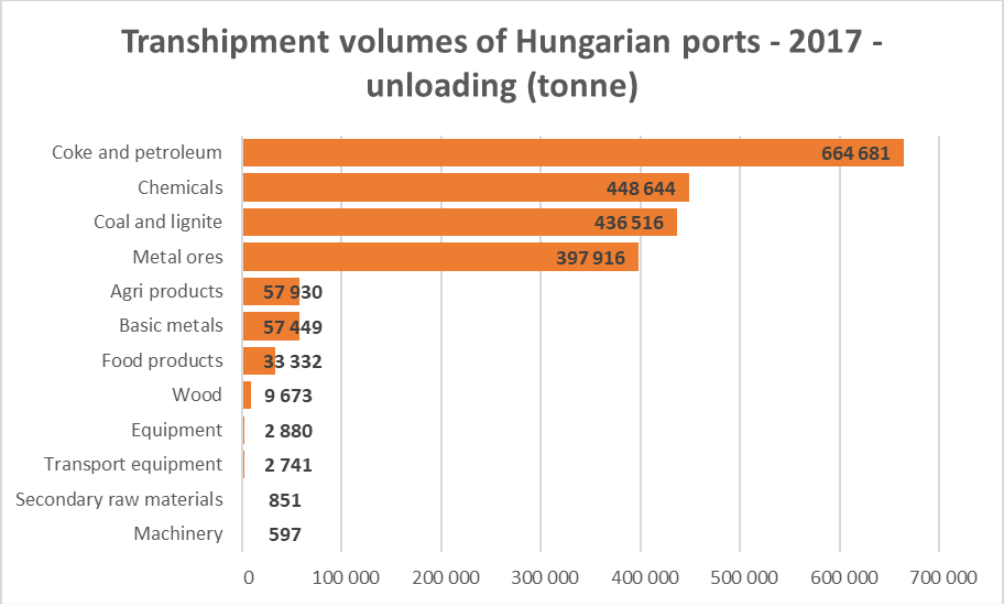
Code	NST goods category	Unloading (tonne)	Loading (tonne)	Total transhipment (tonne)
06	Wood and products of wood and cork (except furniture); articles of straw and plaiting materials; pulp, paper and paper products; printed matter and recorded media	9 673	7 665	17 338
07	Coke and refined petroleum products	664 681	681 030	1 345 711
08	Chemicals, chemical products, and man-made fibres; rubber and plastic products; nuclear fuel	448 644	105 620	554 263
09	Other non-metallic mineral products			0
10	Basic metals; fabricated metal products, except machinery and equipment	57 449	202 794	260 242
11	Machinery and equipment n.e.c.; office machinery and computers; electrical machinery and apparatus n.e.c.; radio, television and communication equipment and apparatus; medical, precision and optical instruments; watches and clocks	597	1 386	1 983
12	Transport equipment	2 741	11 100	13 841
13	Furniture; other manufactured goods n.e.c.			0
14	Secondary raw materials; municipal wastes and other wastes	851	41 419	42 270
15	Mail, parcels			0
16	Equipment and material utilized in the transport of goods	2 880	12 904	15 784
17	Goods moved in the course of household and office removals; baggage and articles accompanying travellers; motor vehicles being moved for repair; other non-market goods n.e.c			0
18	Grouped goods: a mixture of types of goods which are transported together			0
19	Unidentifiable goods: goods which for any reason cannot be identified and therefore cannot be assigned to groups 01-16			0
20	Other goods n.e.c.			0
	Total	**2 113 209**	**3 707 635**	**5 820 844**

Source: Ministry of National Development

The following charts illustrate the loading, unloading and total transhipment volumes by the transported goods categories, in decreasing order of the volumes.

Comparing the loading and unloading volumes, there are significant differences in the dominant goods categories.

Figure 26 Transhipment volumes of Hungarian ports - 2017 - unloading (tonne)

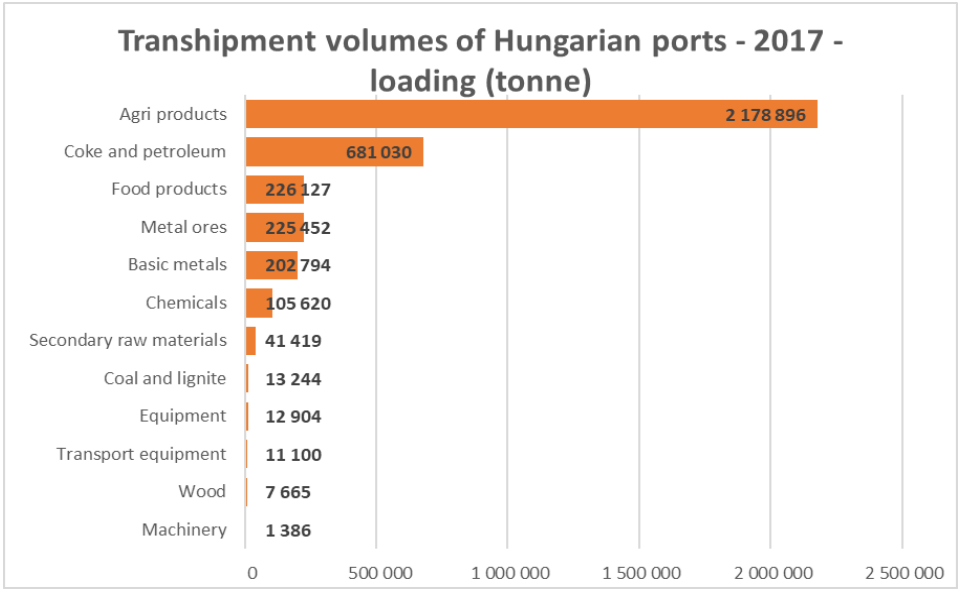


Source: Ministry for National Development

Unloaded volumes are mainly dominated by coke and petroleum products, which are transhipped by bigger oil companies (e.g. MOL). Despite of the dominance of agricultural goods in the total transported volume, the share of this goods category is marginal within the unloaded volumes.

As for coal and lignite, it has to be highlighted that ISD Portolan alone transhipps 98% of the total goods category for the steal producing company ISD Dunaferr in Dunaújváros.

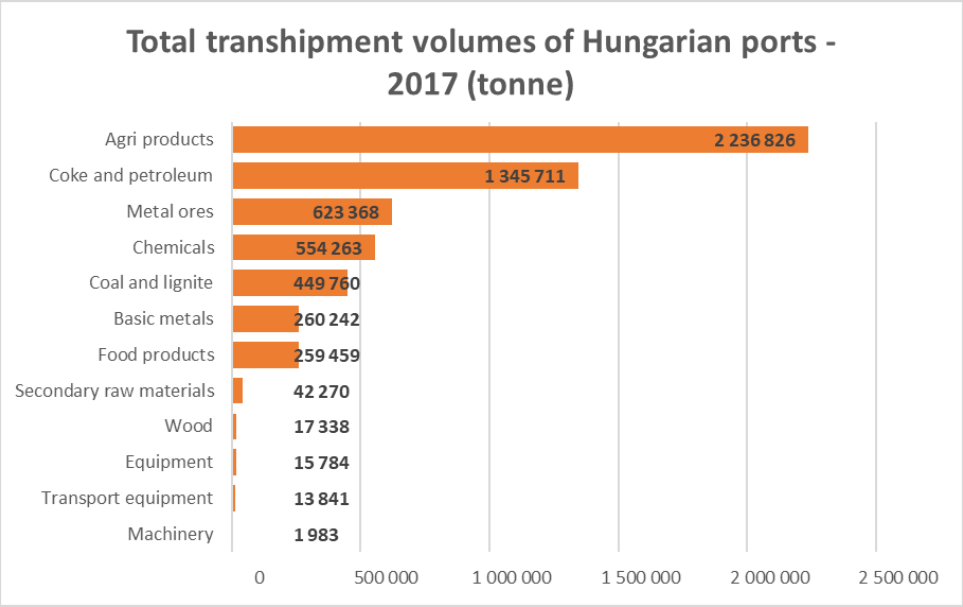
Figure 27 Transhipment volumes of Hungarian ports - 2017 - loading (tonne)



Source: Ministry for National Development

Looking at the volume of loaded goods, the dominance of agricultural goods clearly stands out. Given the specific infrastructural facilities and equipment, necessary for unloading bulk goods, there are many smaller ports in Hungary, which cannot offer unloading services for agricultural goods.

Figure 28 Total transhipment volumes of Hungarian ports - 2017 (tonne)



Source: Ministry of National Development

In order to have a more detailed picture on the volume of transported goods by port operators and their goods categories, the below table sums up the main tendencies between 2014-2017.
In order to focus on the core port operations and the main transhipped goods category, crude oil products and loaded sand are excluded from the following statistics.

Figure 29 Transhipment volumes and transported goods of Hungarian ports

Transhipment volumes and transported goods of Hungarian ports	2014	2015	2016	2017	Transhipped products in 2017
Győr-Gönyű	220 995	335 906	164 575	189 430	01 Agri products 04 Food products 08 Chemicals 10 Basic metals 11 Machinery
Passnave - Komárom	39 736	13 543	60 281	48 503	01 Agri products 03 Metal ores 04 Food products 08 Chemicals
Centroport - Komárom	0	0	0	27 283	08 Chemicals

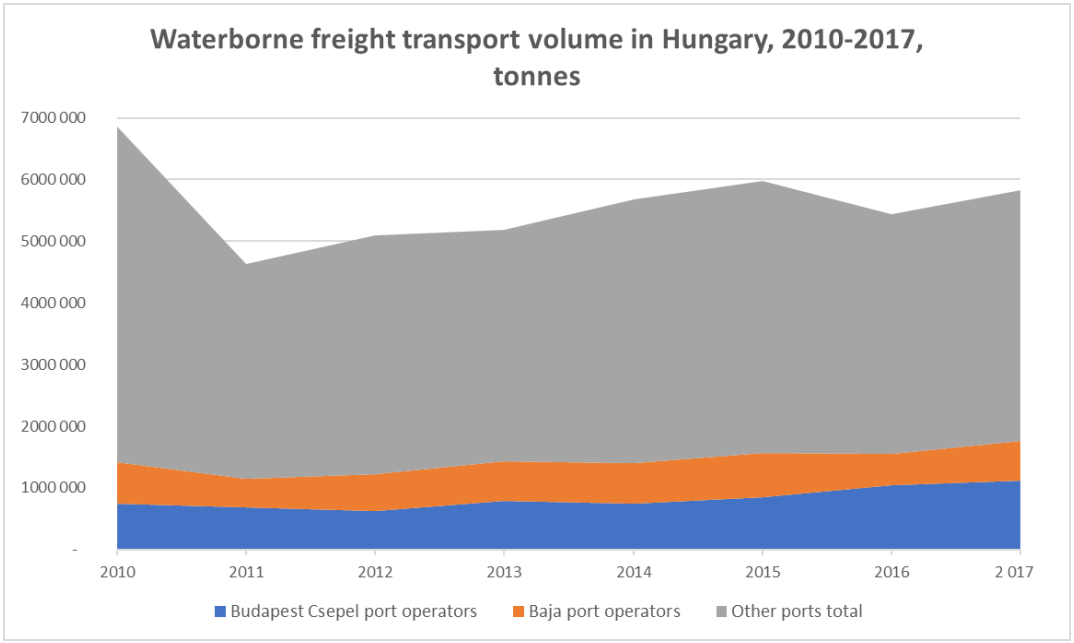
Transhipment volumes and transported goods of Hungarian ports	2014	2015	2016	2017	Transhipped products in 2017
Ferroport - Budapest Csepel	286 310	304 066	338 599	340 507	01 Agri products 02 Coal and lignite 03 Metal ores 04 Food products 08 Chemicals 10 Basic metals 14 Secondary raw materials
Lagermax - Budapest Csepel	16 992	16 600	15 955	13 841	12 Transport equipment
MAHART Container Center - Budapest Csepel	5 230	4 513	9 464	15 784	16 Equipment
MAHART Gabonatárház - Budapest Csepel	186 621	213 927	239 810	192 833	01 Agri products 03 Metal ores 07 Coke and petroleum 08 Chemicals
Dunai Kikötő - Budapest	363 216	266 315	317 918	301 924	01 Agri products 03 Metal ores 04 Food products 06 Wood 08 Chemicals
Dunai Nehézrakodó - Budapest	243	2 126	0	1 668	10 Basic metals
Adony	42 836	0	335 714	378 320	01 Agri products 03 Metal ores 04 Food products 08 Chemicals
Centroport - Dunaújváros	64 004	95 177	80 542	74 651	01 Agri products
ISD Portolan - Dunaújváros	960 566	1 071 663	850 629	730 496	01 Agri products 02 Coal and lignite 03 Metal ores 07 Coke and petroleum 08 Chemicals 10 Basic metals
Dunavecse	82 869	89 456	81 855	120 583	01 Agri products 02 Coal and lignite 04 Food products 07 Coke and petroleum 08 Chemicals 10 Basic metals
Pannonia Ethanol/Cargill - Dunaföldvár	114 611	187 003	209 692	104 984	04 Food products
Sygnus-Port Harta	84 658	61 516	71 893	66 605	01 Agri products 04 Food products

Transhipment volumes and transported goods of Hungarian ports	2014	2015	2016	2017	Transhipped products in 2017
Sygnus - Paks	325 374	516 037	184 160	260 578	01 Agri products 04 Food products 08 Chemicals
Gabonatároló - Foktő	80 828	61 624	40 465	20 030	04 Food products
Concordia - Fadd	5 790	17 312	4 078	18 978	01 Agri products
Bogyiszló	99 840	206 679	175 898	140 001	01 Agri products
Áti Depo - Baja	304 189	372 767	301 800	342 874	01 Agri products 03 Metal ores 04 Food products 08 Chemicals
Gemenc - Baja	8 354	4 984	10 787	7 665	06 Wood
AgroHandel - Baja	175 546	212 849	134 999	198 196	01 Agri products 04 Food products
Invivo/ICGrain/RWA - Baja	131 962	93 551	58 953	59 953	01 Agri products
PortAlmás - Baja	34 981	38 347	0	35 616	03 Metal ores
MARGITTA - Mohács	19 286	24 262	20 327	21 631	01 Agri products 04 Food products
Bóly - Mohács	134 731	207 104	116 263	98 313	01 Agri products 04 Food products 07 Coke and petroleum
Cargill - Mohács	78 857	132 335	97 986	105 144	01 Agri products

Source: Ministry of National Development

The change of transported volumes by the main trimodal hubs in Budapest-Csepel and Baja, as well as the total of other ports, is illustrated on the following chart, between the years 2010-2017.

Figure 30 Waterborne freight transport volume in Hungary, 2010-2017, tonnes



Source: Ministry of National Development

In terms of the different packaging of waterborne cargo, the Ministry of National Development in Hungary collects statistics along the following differentiation:

- Liquid bulk cargo
- Solid bulk cargo
- General cargo
- 20-foot containers
- 40-foto containers
- Containers, different size

The reporting obligations of ports have changed during the past 6 years as a result of which transhipment information has been more detailed since 2016.
Just as agricultural goods out of the goods categories, solid bulk is still the dominant cargo type, 70% of the total transhipment volume. As regards container transhipment, the volume of this cargo type has presented a significant growth in the past two years.

Figure 31 Transhipment volumes by cargo type

Transhipment volumes by cargo type	2012			2013			2014		
Type of cargo	Unload	Load	Total	Unload	Load	Total	Unload	Load	Total
Liquid bulk	1 297 754	3 337 254	**4 635 007**	1 625 826	2 994 499	**4 620 324**	1 584 826	3 634 484	**5 219 310**
Solid bulk									
General cargo	121 393	337 650	**459 043**	193 351	374 151	**567 502**	167 004	281 588	**448 592**
20 foot container	0	0	**0**	0	0	**0**	175	419	**593**
40 foot container	2 203	39	**2 242**	1 665	0	**1 665**	4 233	404	**4 636**
Other container size	1 529	527	**2 056**	0	0	**0**	0	0	**0**
Total transhipment	**1 422 878**	**3 675 470**	**5 098 348**	**1 820 842**	**3 368 649**	**5 189 491**	**1 756 238**	**3 916 894**	**5 673 132**
Transhipment volumes by cargo type	2015			2016			2017		
Type of cargo	Unload	Load	Total	Unload	Load	Total	Unload	Load	Total
Liquid bulk	1 660 924	3 973 290	**5 634 213**	561 332	504 533	**1 065 865**	670 052	723 469	**1 393 521**
Solid bulk				1 118 566	2 891 963	**4 010 529**	1 330 199	2 755 406	**4 085 604**
General cargo	124 057	215 150	**339 207**	152 953	199 759	**352 712**	110 078	215 857	**325 935**
20 foot container	86	799	**886**	39	2 582	**2 621**	18	3 771	**3 789**
40 foot container	3 101	96	**3 197**	2 768	4 075	**6 843**	2 862	9 073	**11 936**
Other container size	0	431	**431**	0	0	**0**		59	**59**
Total transhipment	**1 788 168**	**4 189 766**	**5 977 934**	**1 835 658**	**3 602 912**	**5 438 570**	**2 113 209**	**3 707 635**	**5 820 844**

Source: Ministry of National Development

Dominant sectors in the freight traffic volume and tendencies

Dominant sectors in waterborne freight traffic is reflected in the goods categories of the highest volume.

The most important sectors that influence the cargo transhipment in Hungarian ports are:

- Agriculture – bulk cargo: grain and seeds, fertilizer in bulk or big bags
- Steel manufacturing (only in Dunaújváros)
- Container shipping – dominance in Budapest

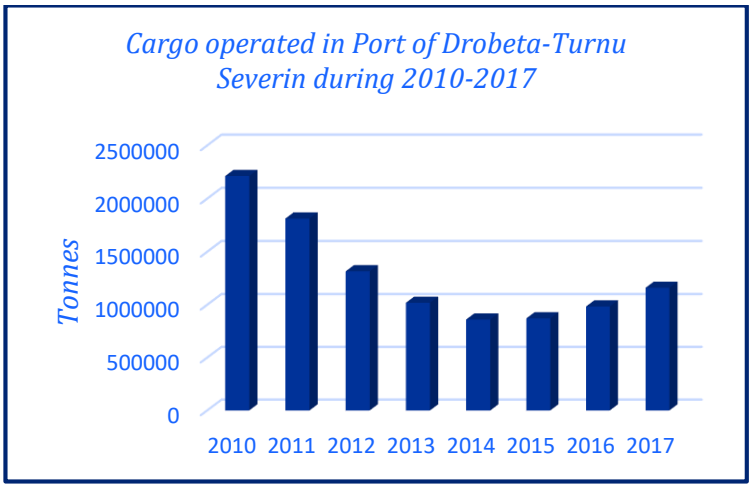
2.2.5 Romania

2.2.5.1 Port of Drobeta-Turnu Severin freight statistic

According to the data provided by the National Institute of Statistics, the average annual traffic of the last 5 years was about one million tonnes, and 2017 being recorded a value of 1,161,000 tonnes, was the highest of this period.

The dominant freight traffic volumes are generated by grains, oil products, fertilizers and metal products. Grains exported through the IWW are registering an annual traffic of about 25,000 tonnes but are facing a decrease in the last years to about 15,000 tonnes. Oil products registered a high of 326,312 tonnes in 2010 and showed also a decrease in amount to a value of 186,755 tonnes in 2016.

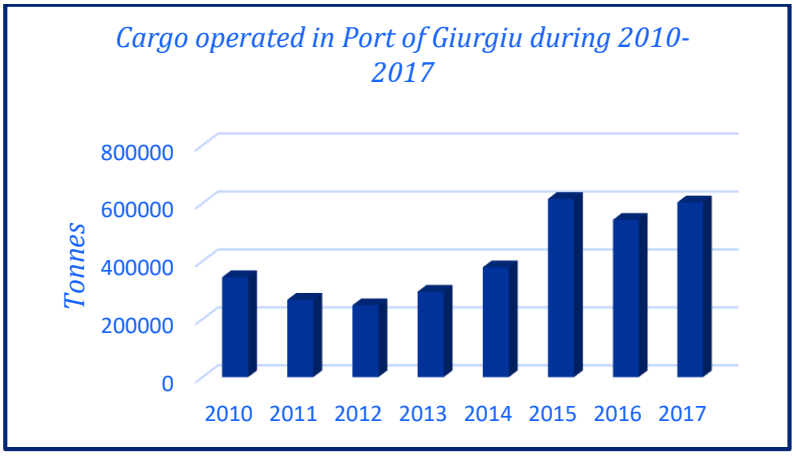
Figure 32 Cargo statistic in the Port of Drobeta Turnu Severin 2010-2017, Source: INS



2.2.5.2 Port of Giurgiu freight statistic

As a result of the economic crisis in 2009-2012, the operated cargo through the port showed a decline which has recovered constantly the following years, reaching a throughput of 543.000 tonnes in 2016 and 603.000 in 2017[17].
The investments attracted in the Free Zone generated and increase of traffic. The main cargoes which had an increased traffic are oil products (126,644 tonnes in 2016), grains (217,037 in 2016) and fabricated metal products (125,897 tonnes in 2016).

Figure 33 Cargo statistic in the Port of Giurgiu 2010-2017, Source: INS

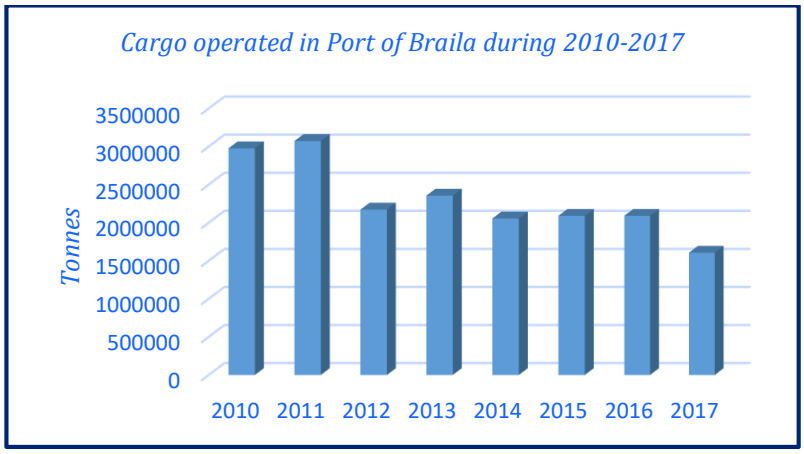


2.2.5.3 Port of Braila freight statistic

The main cargoes operated in Braila Port were mineral products, cereals, wood products, and fertilizers. Traffic has been decreasing from 2,977,000 tonnes in 2010 to 1,606,000 tonnes in 2017. Figure 10 shows the quantities of goods operated during 2010-2017[18].

[17] Source INS
[18] Source ADPM

Figure 34 Cargo statistic in the Port of Braila 2010-2017, Source: APDM

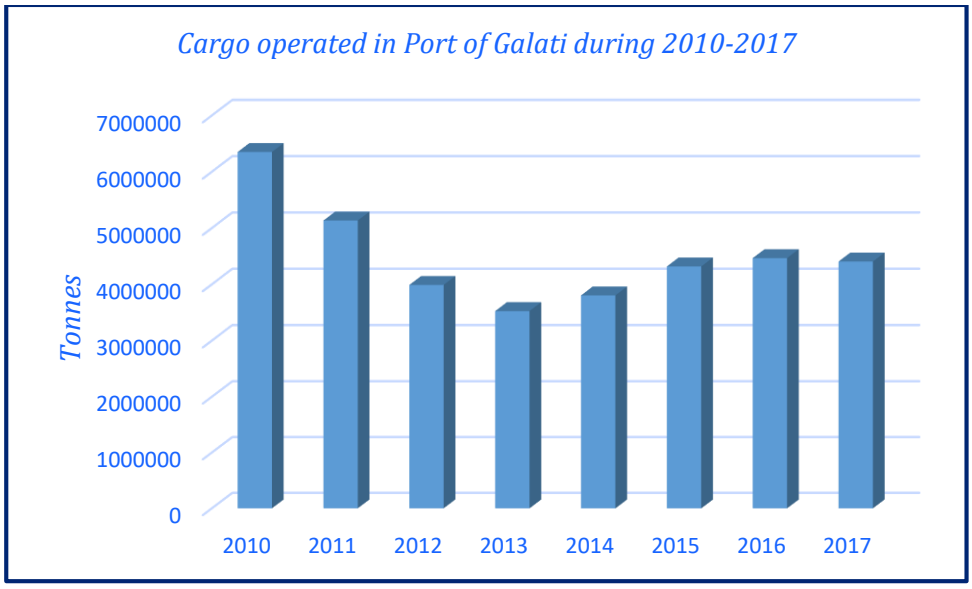


2.2.5.4 Port of Galati freight statistic

The port of Galati has the capacity to operate grains, steel, iron ore, coal and scrap iron. Due to the lack of multimodal facilities, the port faces restrictions to align the port logistic to the needed internal and international transport flows. Port infrastructure is quite old for the modern logistical needs and the links to national road and rail networks, although they exist, are slow and inefficient.

The average annual traffic in the last 5 years of the gods operated in Galati port was approximately 4,100,00 tonnes, 2017 being 4,606,000 tonnes. Figure 11 shows the quantities of goods operated during 2010-2017[19].

Figure 35 Cargo statistic in the Port of Galati 2010-2017



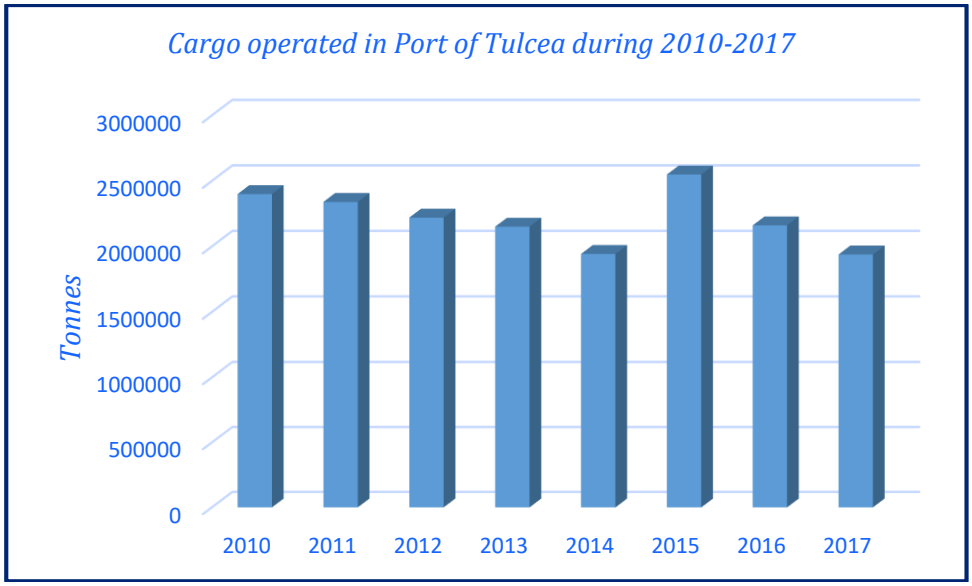
2.2.5.5 Port of Tulcea freight statistic

The Port of Tulcea operates mainly mineral products (broken stone, grit, slag, salt) and in supplying material to the construction sector. Raw materials operated in bulk are

[19] Source ADPM

manganese, bauxite, iron ore, limestone, alloys from river vessels as well as sea-going vessels.
Annual average traffic in the last 5 years was about 2,150,000 tonnes, with a volume of 1,939,000 tonnes in 2017. Figure 12 shows the quantities of goods operated during 2010-2017[20] .

Figure 36 Cargo statistic in the Port of Tulcea 2010-2017



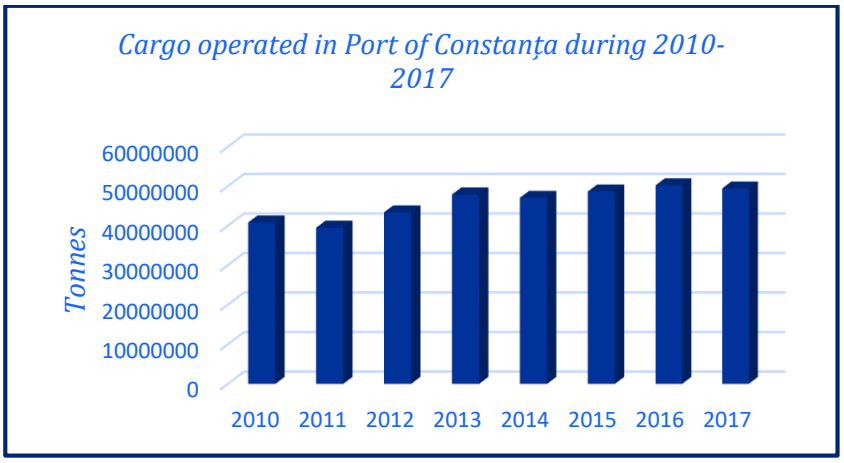
2.2.5.6 Port of Constanta freight statistic

According to the data provided by the National Institute of Statistics, during the last 5 years, the quantity operated was 47,000,000 – 50,000,000 tonnes, in 2017 being 49,463,600 tonnes.
Data provided by NC Maritime Ports Administration Co. Constanta shows that the crude oil products had an almost constant traffic throughput recording a value of 7,352,164 tonnes in 2017.
The iron ore and scrap commodities showed a constant increase in traffic from 2011 to 2013, with a peak year in 2013. Later on, there was a decrease of almost 50%, followed by a constant increase, reaching a value of 3,924,125 tonnes in 2017.
The volume of grain used declined slightly in 2017 to 17,891,285 tonnes, from about 20 million tonnes in 2016.
The natural and chemical fertilizer traffic has had a rather constant trend throughput over the years. More than half of the fertilizers used in Romania are imported through the Port of Constanta and in 2017 the total amount reached a value of 3,094,332 tonnes.
Machinery and equipment, office machinery and computers, electrical machinery and apparatus n.e.c., radio, television and communication equipment and apparatus, medical, precision and optical instruments, watches and clocks throughput has showed a constant traffic in the last years, having 337,910 tonnes in 2017.
Textiles and textile products, leather and leather products were not operated in the Port of Constanta during years 2014-2016, but year 2017 showed an amount of 553 tonnes.

[20] Source: ADPM

Wood and cork products had a constant amount of operated cargo with an amount of about 1,000,000 tonnes between years 2010-2014. Unfortunately, the following years led to a constant decrease, reaching a value of 416,751 tonnes in 2017.

Figure 37 Cargo statistic in the Port of Constanta 2010-2017



2.2.6 Slovakia

The main transported commodities are oil products, ores, metallurgical coke, construction materials and agricultural products. Production of car manufacturing companies is presently not transported over water, but considering large volumes of their production, potential transport of produced cars is currently one of the main challenged for the development of Slovak watercourses in the future.
In the following charts, it can be observed that the inland waterway transport in Slovakia represents only a minor portion of the overall transport performance. Data included in the below charts represent not only the Danube River transport but the overall inland waterway transport in Slovakia.
The data below refer to the latest available statistics of the year 2016.

Table 7

Indicator	***Volume***	***Percentage***
Transport of goods total	208 804 ths. tonnes	100%
Inland waterway transport	1 769 ths. tonnes	**0.85%**
Transport performance total	46 075 mill. tonn-km	100%
Inland waterway transport	740 mill. tonn-km	**1.6%**

Table 8

Modal split of freight transport:		
Railway transport	Road transport	Inland waterway transport
24.3%	74.8%	0.8%

Table 9

Modal split of transport performance:			
Railway transport	Road transport	Inland waterway	Air transport
19.8%	78.4%	1.6%	0.3%

Source: Ministry of Transport and Construction of the Slovak Republic, data for 2016

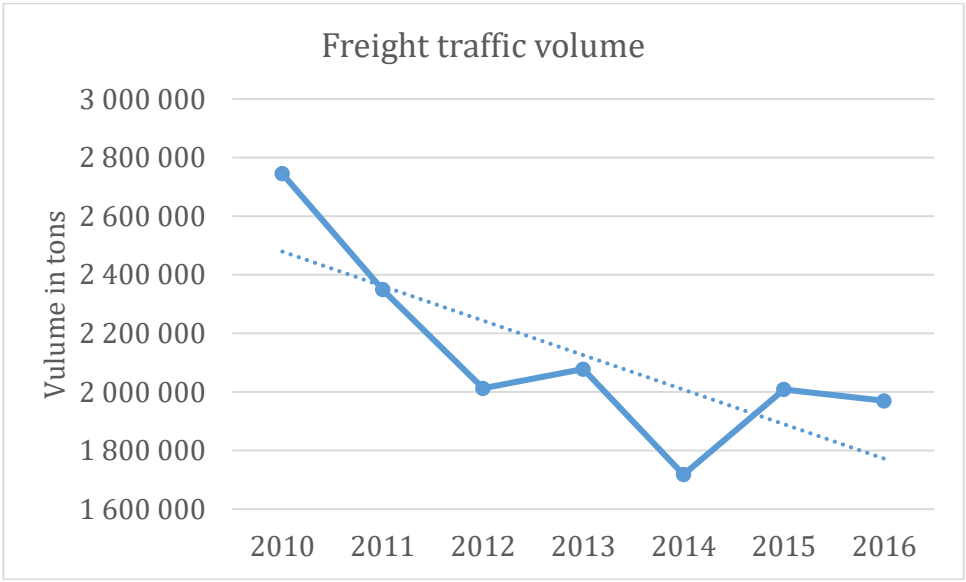
The tables below indicate volumes of transported commodities (in tons) in the period 2010 – 2016 in the Bratislava and Komárno Port. Data for the year 2017 are not available.

Table 10 Bratislava Port

	Year / tons	2010	2011	2012	2013	2014	2015	2016
1	Type of goods							
2	Products of agriculture, hunting, and forestry; fish and other fishing products	6 387	9 658	2 499	6 237	11 363	1 973	5 016
3	Coal and lignite; crude petroleum and natural gas	14 934	0	0	4 337	843	0	13 706
4	Metal ores and other mining and quarrying products; peat; uranium and thorium	652 281	653 546	560 864	534 737	491 042	502 966	478 132
5	Food products, beverages and tobacco	802	0	0	0	0	0	0
6	Coke and refined petroleum products	1 034 562	734 502	607 371	690 968	509 975	667 193	526 368
7	Chemicals, chemical products, and man-made fibres; rubber and plastic products; nuclear fuel	171 828	157 352	143 752	155 656	116 159	117 229	121 100
8	Other non-metallic mineral products	0	1 010	0	0	0	0	269
9	Basic metals; fabricated metal products, except machinery and equipment	840 036	769 576	677 696	669 783	566 615	709 214	815 292
10	Machinery and equipment	4 641	4 640	15 127	5 624	5 757	3 148	5 569
11	Transport equipment	0	692	0	0	0	1 204	665
12	Secondary raw materials; municipal wastes and other wastes	15 493	13 898	0	7 498	13 720	4 076	1 114
13	Equipment and material utilized in the transport of goods	4 586	5 088	5 355	3 391	2 702	2 075	2 922
	Grand totals	2 745 550	2 349 962	2 012 664	2 078 231	1 718 176	2 009 078	1 970 153

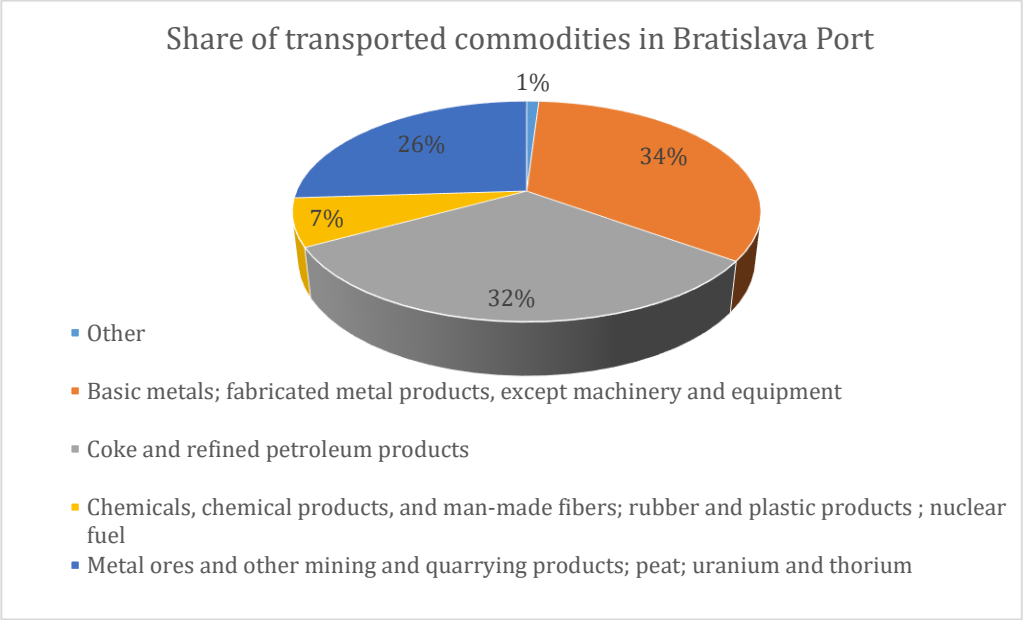
Source: Verejné prístavy, a.s.

Figure 38 Freight traffic volume



Source: Verejné prístavy, a.s.

Figure 39 Share of transported commodities in Bratislava Port



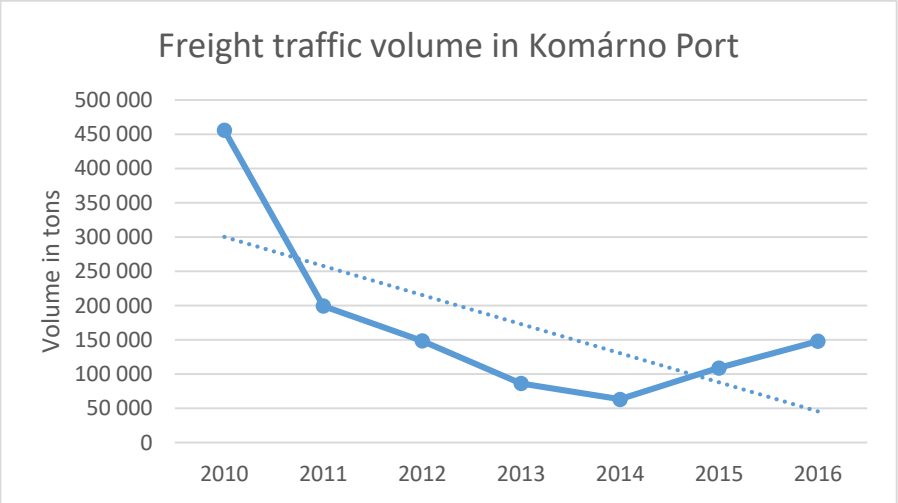
Source: Verejné prístavy, a.s.

Table 11 Komárno Port

	Year/tons	2010	2011	2012	2013	2014	2015	2016
01	**Products of agriculture, hunting, and forestry; fish and other fishing products**	11 831	7 958	8 419	2 001	10 230	93 761	131 650
02	**Coal and lignite; crude petroleum and natural gas**	370 128	148 823	105 510	3 641	494	594	2 413
03	**Metal ores and other mining and quarrying products; peat; uranium and thorium**	33 782	21 520	23 597	62 988	26 627	11 804	13 883
04	**Chemicals, chemical products, and man-made fibres; rubber and plastic products; nuclear fuel**	9 617	3 234	0	0	0	0	0
05	**Other non-metallic mineral products**	0	0	0	0	1 876	1 876	0
06	**Basic metals; fabricated metal products**	30 307	18 008	11 031	17 666	24 056	0	102
07	**Machinery and equipment**	79	29	0	199	0	97	0
08	**Secondary raw materials; municipal wastes and other wastes**	0	0	0	0	0	902	0
	Grand totals	**455 744**	**199 572**	**148 557**	**86 495**	**63 283**	**109 034**	**148 048**

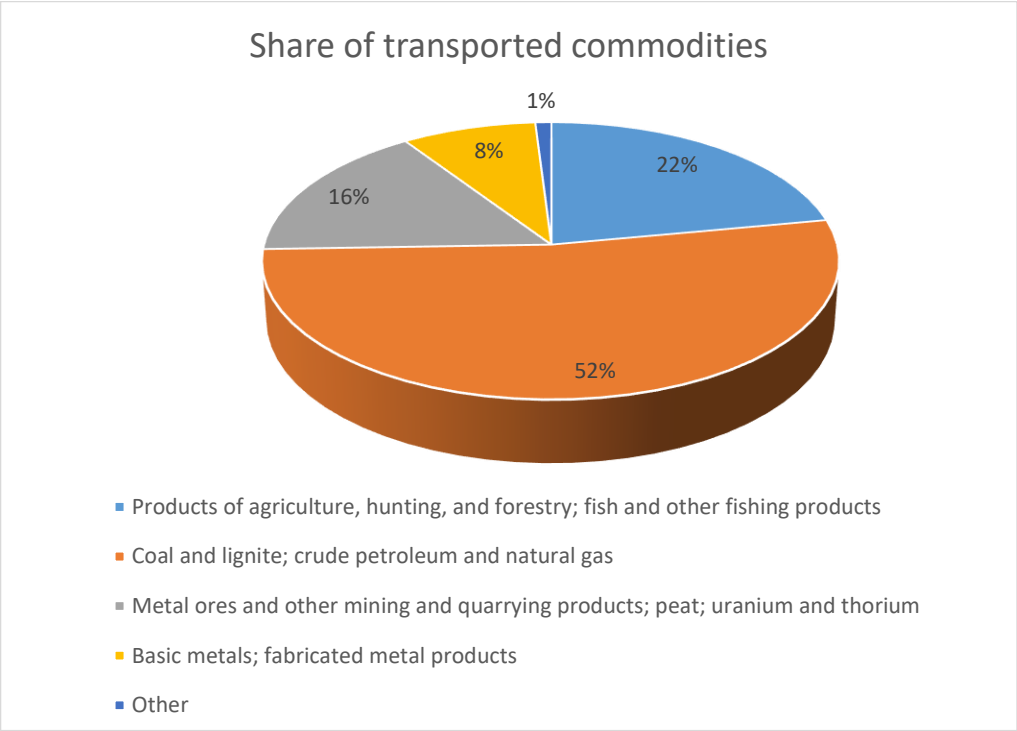
Source: Verejné prístavy, a.s.

Figure 40 Freight traffic volume in Komárno Port



Source: Verejné prístavy, a.s.

Figure 41 Share of transported commodities



Source: Verejné prístavy, a.s.

2.3 Development of ports 2010-2017

2.3.1 Austria

2.3.1.1 Objective of port developments

In general, the objectives governing the port developments in the last 8 years focused on improving trimodal connections with intermodal terminals to ensure the optimal combination of road, rail and waterway transport, as well as moving port services and communications towards information society. Some of the Austrian ports put significant effort in developing ports into economic activity parks. The main objective is to have efficient European logistics hubs.

2.3.1.2 Port development expenditures

Preliminary observations:

- Referring to the consideration on transhipments sites in Section 2.1, the present overview is limited to the **ports defined as such by the Austrian law** (Linz AG, Enns/Ennsdorf, Krems, Vienna, Linz/voestalpine, Linz/Felbermayr, Ybbs).
- Due to the large scope of this section, the gathering of information about port development expenditures was focused on the companies responsible for the port administration of the ports mentioned above. A questionnaire taking over the requested information was sent to

these companies. The companies of the **ports of Enns Upper Austria/Lower Austria, of Krems, of Vienna and of Linz/Felbermayr** provided an answer to it[21]. This data is presented below.

- As mentioned in Chapter 1 of the present report, the **port developments financed solely by private entities are not the scope of the project.** Consequently, the company responsible for the port administration of the port of Linz/Felbermayr, which did not receive any public contribution in the period 2010-2017, was excluded from the following analysis.

The data available on port investments between 2010-2017 (including modernization, purchase of equipment, IT and the development of services) are indicated in the following table.

Table 12 Port investments of companies responsible for the port administration for 2010-2017

Companies responsible for the port administration	Port investments between 2010-2017
Ennshafen OÖ GmbH (for the port of Enns Upper Austria)	(approximately) 10.000.000 €[22]
Ennshafen NÖ GmbH (for the port of Enns Lower Austria)	2.500.000 €[23]
Rhenus Donauhafen Krems GmbH & Co. KG (for the port of Krems)	n.a.
Wiener Hafen, GmbH & Co KG (for the port of Vienna)	186.000.000 €

For 2010-2017, the **funding sources** of the companies responsible for the port administration for the port developments were:

- EU funding (ports of Enns Lower Austria, port of Vienna).
- National public funding (ports of Enns Upper Austria/Lower Austria, port of Krems, port of Vienna).
- Regional public funding (ports of Enns Upper Austria/Lower Austria, port of Vienna).
- Own resources (port of Enns Upper Austria/Lower Austria, port of Krems, port of Vienna).

The following **beneficiaries of public funds** were identified for 2010-2017 (indicative list):

- Ennshafen OÖ GmbH/NÖ GmbH,
- Rhenus Donauhafen, Krems GmbH & Co. KG,
- Wiener Hafen, GmbH & Co KG,
- Container terminal Enns GmbH,
- Some private companies located in the area of the port of Enns Lower Austria which invested in special transhipment solutions.

[21] The completed questionnaires are available under the annex 3
[22] Only investments of the port company, no figures of private service providers
[23] Only investments of the port company, no figures of private service providers

2.3.2 Bulgaria

2.3.2.1 Objective of port developments

The main objectives set when implementing projects for development of the ports of national importance in Bulgaria along the Danube River can be presented in general:

Tracking the processes of fully harmonizing local regulations with EU laws (developing the Landlord's system). Port facilities on the territory of the country are provided to private operators to operate them and for that purpose they need to be given full freedom of establishment and development of their activities in the port area. These actions are planned to lead to a significant improvement of the quality of the services provided, while allowing for the development of competition between operators in the same port.

Increase of storage facilities in ports. A number of ports in the country have relatively small covered warehouse areas compared to outdoor storage areas, especially in the lower Danube. Sufficient number and capacity of such warehouses would allow further development of port activities. These additional service capabilities can be characterized by high added value (including packaging or final assembly of certain products). For loading and unloading of sensitive goods, cranes with sufficient reach over the shore must be fitted in the warehouses themselves, so that they can reach the ships.

Enhancing organizational activities in the port. Attention should be paid, on the one hand, to the organization of efficient internal logistics with forklift trucks, container lifters (richstakers) and mobile cranes, etc., and on the other - improving road and rail access to the port area (links to external networks). Ports with better connections have a greater chance of integrating their services into the requirements of the transport market. The quality standards of the modern freight warehouse, information management and communication must be introduced.

Conducting a policy at port terminals to provide intermodal and ro-ro services. The current European transport system with its advantages and problems has been developed in line with the growing demands that need to be taken into account in terms of the organization of industrial production and the globalization of the economy. The importance of intermodal transport is constantly emerging in the context of EU transport policies, especially in view of the current and future problems of other modes of transport (eg environmental pollution, congestion, use of infrastructure, etc.). The use of intermodal transport solutions remains below their actual potential. Solutions to the real problems cannot be found only within the EU's transport policy. Consideration must be given to the interaction between different policy areas. Therefore, efforts must be made to offer such logistical solutions that optimally take advantage of the specific advantages of different modes of transport. In the long run, however, Ro-Ro's cargo and services are expected to be replaced by container flows and container handling services.

The National Policies of the Republic of Bulgaria over the past few years have been focused on transforming ports from reloading areas into logistics and distribution centres.

Distribution activities are concentrated in the western part of Europe, but as the centre of the EU's weighting to the east, the logistics sector intends to follow this trend (blue banana phenomenon). Bulgaria has a relatively low density of distribution and logistics centres and their network is designed to operate mainly in road and rail transport. Inland waterways should be taken into account when choosing the locations for logistics and distribution

centres. The proximity of these centres to the traditional locations of Western European countries is attractive to industrial investment due to their market coverage. This will also contribute to raising the standard of living in cities and will have a positive impact on employment through the construction of logistics and distribution centres. BPICo has made great efforts to reduce administrative barriers by establishing and operating a RIS system.

Transformation of IWW ports into logistics centres should be supported by ensuring appropriate economic conditions for such investments.

There are various regulations and administrative procedures for inland waterway traffic and congestion operations as well as procedures for customs and border crossings in almost every riparian part of the Danube River today. This situation results in a delay in transport time and inappropriate inland waterway port operations, which reflects on the competitiveness of inland waterways.

For this reason, the initiatives of the individual European transport development programs "Same River - Same Rules" should be backed up by EU regulations or at least in the form of EU directives in all riparian Danube countries.

At the same time, policies and projects are being implemented in the country focusing on the development of links with the hinterland, such as: proximity to consumer markets, easy access, lower labour costs, lower prices, large supply of suitable areas. As major recommendations for follow-up on the development of hinterland connections by 2020 and 2030 for our individual port terminals can be reduced to:

- Danube ports must be connected via an efficient rail network (dual electrified rail) or a road (at least a speedway) to at least one major corridor of the trans-European transport network;
- The Danube Funding Program should provide greater support to the actions that allow the integration of small and medium-sized Danube ports into logistics chains, mainly for the preparation of projects other than those included in the selected priority projects on the TEN-T network;
- Integration of inland waterways into multimodal logistics chains.

In addition to the above-mentioned approaches, it is necessary to emphasize the possibility of integrating ports of small and medium-sized towns in the development of containers and Ro Ro transports along the Danube, mainly through:

- There is a significant imbalance in the import and export of containers in Europe. In Lower Danube countries, imports of containerized goods predominate, while in the Western European countries the export of containers is not balanced. Import regions are therefore "overfilled" with empty containers, while export-oriented regions urgently need them. For demand and supply balancing, 260 000 TEU (equivalent to a 20-foot container) are transported by trucks, 140 000 TEU by rail and 96 000 TEU by inland waterways;
- On the Rhine, the empty containers transport is successful, but on the Danube River, the HELOGISTCS container transport line was unsuccessful and was suspended in March 2012 due to economic reasons. Inland waterways with regard to the container transport market are not competitive and have no great potential because of the long transport times and low yields;
- Heavy and oversized loads are unusual cargo that are not transported regularly. For this reason, they can only be an additional market for linear services. This includes the transport

of: wind generators, construction machines, power transformers, generators and Ro-Ro goods such as harvesters, tractors, mobile cranes.

Based on the above, as well as the country's experience in various projects, the following recommendations can be made for the further development of inland waterway transport on the Danube and surrounding waterways and for stimulating intermodality and multimodality in transport:

- Implementation of action plans for rehabilitation and maintenance of the Danube as a waterway. These actions require less investment and provide much more benefits than investments in road and rail transport;
- EU regulations to further promote and support inland waterway transport as environmentally friendly transport;
- Promoting the development of logistics infrastructure and know-how in the less developed countries of the Danube Region;
- Provide support for the conversion of Danube ports into logistics centres that will offer more comprehensive logistics services;
- Harmonize legislation and promote the uniform application of EU legislation in the area in order to avoid the maintenance of cargo flows in state borders;
- Increasing the safety of freight transport;
- Accelerating the deployment of liner services, in particular for container transport, through EU research and development projects;
- Investments in the Danube's infrastructure to ensure a longer voyage period (ensuring sufficient water levels);
- Developing the right ITC and systems to have a good flow of information and easily locate and track cargo;
- Improving communication between stakeholders to have a common voice in the debate on the development of European transport;
- Determination of appropriate incentives to encourage transport operators to participate in container transport on the Danube River;
- Development of container terminals in the ports of the Danube River;
- Improvement of internal links of river ports;
- Changes in administrative procedures (i.e. customs procedures) and legal framework to make internal transport more attractive;
- The main challenge for Danube ports is insufficient use. The capacity of the ports is far greater than what statistics show of their use. The modernization of ports - including the modernization of the services provided to port users - could lead to better use of their capacity;
- The good conditions for rail and road transport and the connectivity options as well as the average distances from the European mainland territory hinder the development of water transport in many cases, even if it would be cheaper to transfer products and raw materials along waterways. Therefore, it is preferable to provide flexible and fast services and to put more emphasis on marketing. In some cases, the only transport option is waterways, especially for heavy goods and bulk cargo. These types of cargo provide future requirements for port services;
- The availability of adequate cargo handling and storage equipment at a particular port site in combination with the overall quality of service provided in ports (working time, flexibility, etc.) is a decisive factor in whether to use inland waterway transport or not.

2.3.2.2 Port development expenditures

Expenditures are listed below but are not comprehensive as there is no systematic reporting on all investment expenditures in all ports.

1. **BPICo's programs for investments, maintenance, repair and rehabilitation of port infrastructure between 2015 and 2017 with capital transfer and own funds:**
   According to its activity, Bulgarian Ports Infrastructure Company develops on an annual basis an investment program including initiatives for the repair, rehabilitation and reconstruction of the port infrastructure on the territory of the public transport ports of national importance. The program includes all sites on whose territory urgent work is planned, taking into account the amount of the expected financing and the free own funds. Investment activities are developed in two sections. The data below contains information on executed, ongoing and planned investments.

   Investment in port terminals located in the territorial range within the scope of Port Ruse:

   - Rehabilitation of the sewerage and the pavements of the open warehouses and the internal road in the area of the 6th berth in the port terminal Ruse - East – 360 000 BGN;
   - Rehabilitation of the open storage areas in the rear area of the western quay in the port terminal Ruse - East - 250 000 BGN;
   - Vertical planning of an open warehouse area for the development of a container depot in the port terminal Ruse – East - 250 000 BGN;
   - Vertical planning and restoration of the fence of the port terminal Ruse - Center - 130 000 BGN;
   - Recovery of rail infrastructure at the Ruse - East Port Terminal - 45 000 BGN;
   - Repair of a railway track - bypass and rehabilitation of reinforced concrete overpasses in the port terminal Ruse – East - 47 000 BGN;
   - Repair of the area between East quay railway tracks and railway tracks at the rear area at Port Terminal Ruse - East - 168 000 BGN;
   - Rehabilitation of stone facing on a quay wall at the port terminal of Silistra - 43 000 BGN.
   - Ensuring independent water supply of the second section at the Ruse - West port terminal - 357 000 BGN;

   For all ports

   - Elaboration of updated master plans of the public transport ports of national importance Ruse, Lom and Vidin in order to bring them in line with the requirements of Ordinance No. 10/31.03.2014 on the scope and content, the drafting, approval and amendment of the master plans for public transport ports – 10 000 BGN;

Investments for implementation with own resources of BPICo.:

- Rehabilitation of the Ro-Ro ramp and fortification facilities at the Ferry Terminal Silistra - 47 000 BGN;
- Restoration of pavements in open storage areas and approaches in Port Terminal Ruse - West - 165 000 BGN;
- Supply and installation of facilities for restriction of the access of external persons in the territory of the second section of the Ruse - West Port Terminal - 20 000 BGN;
- Repair of waterproofing of Warehouse № 1, complex repair of the roof of Warehouse № 3 and restoration of the lightning protection systems of both warehouses, located in the port terminal Ruse – West - 230 000 BGN;

- Design and rehabilitation of weaving facilities on the western vertical working quay of the First Section at the Port Terminal Ruse – West - 20 000 BGN.

Port terminals located in the region of Lom:

- Cleaning of the adjacent water basin at the Vidin - Center Port Terminal - part of a public transport port of national importance Vidin – 20 000 BGN;
- Restoration of the project parameters of the bottom of the access channels to the water basin at the Port terminal Lom - 250 000 BGN;
- Dredging of the water basin in front of the White quay at Port terminal Lom - 200 000 BGN;
- Construction of a freight truck access and an adjacent infrastructure of the Port terminal Lom - 2 100 000 BGN;
- Rehabilitation of the East quay in the Port terminal Lom - 9 705 000 BGN;
- Construction of a road link at Vidin - South Port Terminal - 1 130 000 BGN;
- Vertical planning and permanent pavements at Oryahovo Port Terminal - Stage II, construction of a fence and restoration of a 50 m steep fortification facility - 270 000 BGN;
- Design and construction of a second independent power supply of Vidin - South Port Terminal.
- Design for the construction of a road link at Vidin – South port terminal – 29 000 BGN;
- Rehabilitation of the port infrastructure serving the berths in the section from "River Station" to "Kolodruma" - Port Terminal Vidin – Center - 270 000 BGN.

2. BPICo is beneficiary under Operational programme on Transport 2007 – 2013 and Operational programme on Transport and Transport Infrastructure 2014-2020 with the following projects:

1.1. BG16M1OP001-5.001-0006 Design and Implementation of Integrated Information System (IIS) for Planning and Management of Resources in Bulgarian Ports Infrastructure Company. Budget: 5 367 000 BGN;

1.2. BG16M1OP001-5.001-0004 Quantitative Risk Assessment and Improvement the Efficiency of the Bulgarian Public Transport Ports with National Importance. Budget: 830 000 BGN;

1.3. BG16M1OP001-5.001-0017 Feasibility Study for Development of Port Community System (PCS) in Bulgarian Ports. Budget: 280 000 BGN

2. Projects, implemented during the 2007 – 2013 programming period:

2.1. BG161PO004-4.0.01-0003 Implementation of River Information System in the Bulgarian Stretch of the Danube River – BULRIS. Budget: 30 600 000 BGN;

2.2. BG161PO004-5.0.01-0059 Designing and implementation of Geographical Information System (GIS) for Port Infrastructure Management. Budget: 3 810 000 BGN;

2.3. BG161PO004-5.0.01-0086 Technical Assistance for Development of Bulgarian ports. Budget: 900 000 BGN;

2.4. BG161PO004-5.0.01-0069 Improvement the material-technical conditions of Bulgarian Ports Infrastructure Company in the capacity of concrete beneficiary under Operational Programme on Transport 2007-2013. Budget: 850 000 BGN;

2.5. BG161PO004-5.0.01-0087 Technical Assistance for Waste Management in Bulgarian ports of national importance. Budget: 900 000 BGN;

2.6. BG 161PO004-5.0.01-0054 Strengthening the Administrative Capacity of the Bulgarian Ports Infrastructure Company to implement projects under Operational Programme on Transport 2007-2013. Budget: 230 000 BGN.

2.3.3 Croatia

2.3.3.1 Objective of port developments

According to Mid-Term Development plan for inland waterways and inland ports 2009 - 2016 main objective of development Danube port is Croatia is focused on the Port of Vukovar thought implementation of the project New East Port.
The Port of Vukovar is being constructed (reconstructed) due to the planned growth in the transport volume and due to the fact, that in the near future, the Danube – Sava canal will be running through the area.
The basics of the development concept of the port of Vukovar according to Mid-Term Development plan can be summarised as follows:

- Modernization and construction of additional port capacities within the existing port area - New East Port – Phase I
- Port infrastructure projects in the zone of construction of the mouth of the Danube-Sava canal should be adapted to the construction of the additional capacities – Phase II
- Designate the port to contribute the development of the business zones and the economy in its hinterland
- Modernization of road and rail infrastructure at the approaches to the port, including the connection with the main traffic corridors (V c, X).

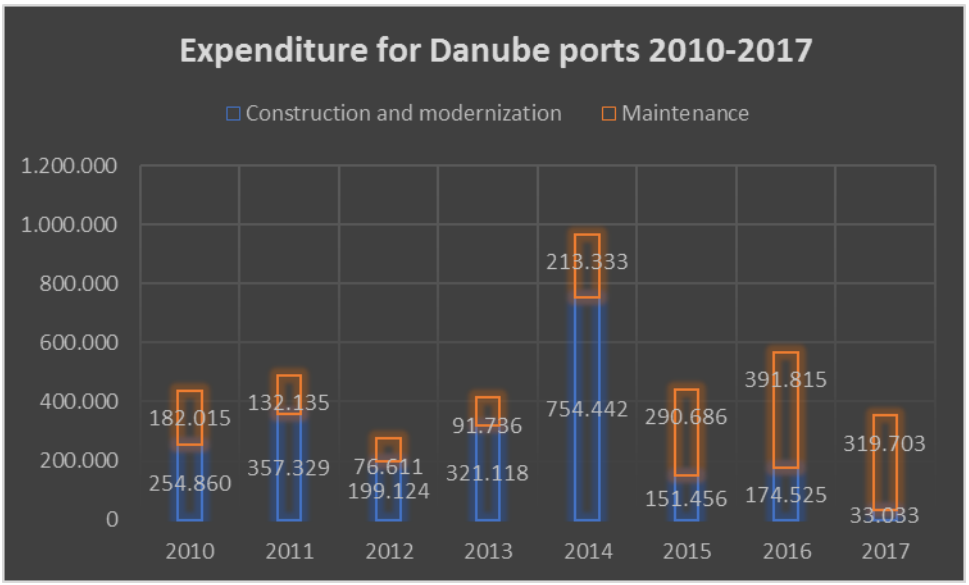
Before adoption of Mid-term Plan Port Authority Vukovar was made Master plan for Vukovar port, as well as Conceptual design of the port and location permit was issued.
Plan was to reconstruct and modernize Port of Vukovar until 2016 through EU funds. Nevertheless, Ministry of the Sea, Transport and Infrastructure was a beneficiary, while Port Authority Vukovar was the end user of the EU funds form IPA fond for the project development of the New East Port. For implementation of the project New East Port preparation of Main Design Project as well as tender documentation for conducting procurement procedure for construction was contracted. Unfortunately, in its implementation project was suspended in 2014 and the main objective of development didn't reach through Mid-Term plan for Port of Vukovar.
Furthermore, measure for Vukovar port development is aligned with Transport Development Strategy of the Republic of Croatia 2014-2030. The measure is needed and well defined, even if some further studies might be necessary. In order to develop and upgrade the Port of Vukovar the following measures have been identified: modernization and construction of new facilities to increase the capacity of the existing port, developing and building a New East Port

and modernization of road and rail infrastructure connections. To begin with measures conducting a new Mid-term Development Plan needs to be prepared and adopted by Government.

2.3.3.2 Port development expenditures

As a part of activities defined by the Croatian legislation port authorities are in charge for construction and modernization of port facilities on behalf of the Republic of Croatia in public ports, as well as for their maintenance. To provide those activities financial funds are secured in the budget of the Ministry of the Sea, Transport and Infrastructure as a part of State budget. Expenditures focused on construction and modernization, as well as for maintenance of port facilities since 2010 until 2017 are presented on figure 7.

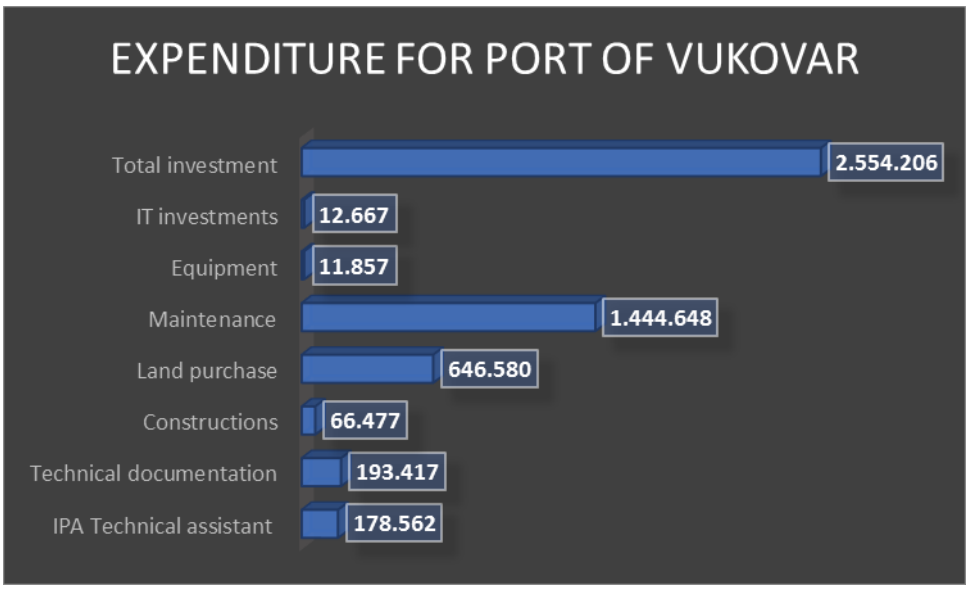
Figure 42 Expenditure for Danube ports 2010-2017



Expenditures for construction and modernization include not only investment for cargo port, but also investments in passengers' terminals, as well as maintenance. Furthermore, under the budget line construction and modernization except cost for investment for construction, also are included costs for technical documentation as well as studies.

Investments focused on inland cargo port, more precisely for Port of Vukovar, imply land purchase, construction, costs for technical documentation, as well as maintenance of ports roads, railway tracks and quay wall. Furthermore, within State budget EU funds are secured for IPA Technical assistant. IPA Technical assistant is foreseen for Technical assistance to the Transport Operating Structure for management of the Operational Programme and implementation of projects. Expenditures which foreseen for Port of Vukovar are presented on the figure 8, and they are not considered as a state aid.

Figure 43 Expenditure for Port of Vukovar in EUR (2010-2017)



2.3.4 Hungary

2.3.4.1 Objective of port developments

Port developments of the past 7 years in Hungary have been implemented in two financing periods of the EU subsidies. The respective national Operational Programmes of the EU financing instrument of this seven-year period:

- 2007-2013 Transport Development Operational Programme 'KözOP'
- 2007-2013 Economic Development Operational Programme 'GOP'
- 2014-2020 Integrated Transport Development Operational Programme 'IKOP'
- 2014-2020 Economic Development and Innovation Operational Programme 'GINOP'

In each of the four OPs, dedicated funding schemes/ calls for individual ports were available for infrastructural port development.

The available non-refundable subsidy of open calls has been relatively smaller compared to the priority projects, nominated by the Hungarian Government. Small-scale projects received 200.000 € subsidy (per projects), whereas the financial support of priority projects has often exceeded 1 million €.

Port development investments have concerned various development objectives and infrastructural elements:

- Reconstruction of the run-down internal transport infrastructure to maintain the existing level of port services, e.g. reconstruction of internal roads, rails.

- Capacity building through the construction infrastructural elements for new/ additional port services, e.g. reinforced quay for heavy cargo, construction of Ro-Ro ramp, building warehouses, construction of a portal crane, etc.
- Purchase of new equipment: cargo handling machines, e.g. forklift, conveyor belts, container loader, etc.
- Environmental investments, e.g. flood protection dam, or the establishment of a green terminal.
- ICT related developments, e.g. signalling system, RIS development.

2.3.4.2 Port development expenditures

Volume of investment

Based on the data table on ***Hungarian*** port development project funding schemes, ***Danube port development investments reached 30 billion HUF (100 million €) between 2010-2017***.

Due to the long-expected payback period of such investments, the ***average grant rate*** of the investment is ***91,5%*** (varies between 50-100%). This means that within this period, Hungarian ports gained 91,5 million € non-refundable subsidy, whereas the own contribution of the respective beneficiaries did not reach 8 million €.

Infrastructural developments of the basic infrastructure (e.g. construction of quay or internal transport network) with long payoff period (30-50 years) have been financed with higher grant rate, whereas smaller-scale port developments (e.g. transhipment technology/ mobile equipment or warehousing) have gained smaller rate of subsidy.

The entire amount of the subsidy is part of the national Operational Programmes for transport or economy development. The share of the subsidy between the European Commission and the Hungarian Government is 85-15%.

Beneficiaries

As mentioned previously, not only the volume of the port development projects, but also the grant rate of the different funding schemes varies, between 50% and 100%. In most of the cases, the grant rate depends on the legal form of the beneficiary also. Public bodies may receive 100% grant rate but once SMEs gain EU grants, the rate of the funding has never exceeded 85%.

Beneficiaries of the Hungarian port development of the past years:

- Owner or port manager of the National Public Ports – MAHART Freeport, North Transdanubian Water Management Authority, Municipality of Mohács, Public Port of Baja
- Owner of other ports (with no 'National Public Port' title), most often private entities – Port of Dunavecse, Port of Paks, etc.

- Port operator companies – typically SMEs in either National Public Ports or in any other Hungarian Danube ports

Professional NGOs of specific fields – e.g. Radio Emergency Call and Info communication National Association (RSOE), Hungarian Association of Logistics Service Centres (MLSZKSZ)

2.3.5 Romania

2.3.5.1 Objective of port developments

The port of Drobeta Turnu Severin, being part of the TEN-T central network and also classified by AECOM as the first port of national interest on the route from Central Europe to Romania, has a strategic position for transhipment of cargo for the cities located in the north-west part of Romania and others around, such as Craiova.
For the objectives to become effective, to be able to handle a larger amount of cargo, infrastructure must be developed, especially for the handling of containers. The possible solution is to build a trimodal terminal. In this way, the intermodal existing facilities will make the most of the advantages of the port location.
The only implemented project in the last 5 years in Port of Drobeta Turnu-Severin has been "*System for taking over and processing of residues from ships and for intervention in case of pollution on the Danube sector managed by CN APDF SA Giurgiu",* financed under POS-T programme. For a detailed description of the project, please see Port of Giurgiu below.
Presently, there are no on-going projects in the Port of Drobeta-Turnu-Severin.

Figure 44 Residues receiving system in the Port of Drobeta Turnu-Severin

The Port of Giurgiu is considered a main port of TEN-T central network, being at the crossroad between the Danube River and Corridor IX. Giurgiu is the closest Danube port (64 km) serving Bucharest.

During 2012-2015 the project "System for receiving and processing of residues from ships and for intervention in case of pollution on the Danube sector managed by CN APDF SA Giurgiu", financed under POS-T program was implemented in the Port of Giurgiu.
The objective of the project was to increase the quality of services for the collection and processing of ship waste and pollution intervention by acquiring ships, installations and equipment, as well as for carrying out the infrastructure works necessary for taking/processing the residues from the river ships through the ports of Moldova Veche, Orsova, Drobeta Turnu-Severin, Giurgiu, Calarasi, Cernavoda being under CN APDF SA Giurgiu administration.
Within the project the following were purchased:

- 4 multipurpose collector vessels, having the ports of residence Cernavoda, Calarasi, Giurgiu and Drobeta Turnu Severin;
- 3 compact water treatment systems consisting of bilge and household wastewater treatment plants located in the ports of Cernavoda, Calarasi and Drobeta Turnu Severin;
- Containers for solid wastes in the ports of Cernavoda, Calarasi, Giurgiu, Drobeta Turnu Severin, Orsova, Moldova Veche;
- 3 access towers and 3 pontoons (including quay accessories) procured and assembled to be used in the ports of Cernavoda, Calarasi and Drobeta Turnu Severin.

Figure 45 Equipment used for the compact wastewater treatment plant (Giurgiu), Source www.apdf.ro

The project (05/2018-03/2018), "*High Performance Green Port Giurgiu",* funded under TEN-T programme (stage 1 feasibility study), is aiming to transform Port of Giurgiu Free Zone into a High Performance Green Port. The objectives of the project are[24]:

- Upgrading key infrastructure by building an all-weather intermodal terminal and by rehabilitating roads, railways and key infrastructure enabling to provide logistics
- Connecting inland waterways with the road and rail networks, thus permitting quicker transfer times and creating cost-effective intermodal logistics chains
- Stimulating inland waterways transportation and related intermodal transportation thus reducing specific greenhouse gas emissions associated to road transportation as well as operation of outdated port equipment.

[24] www.danube-navigation.eu

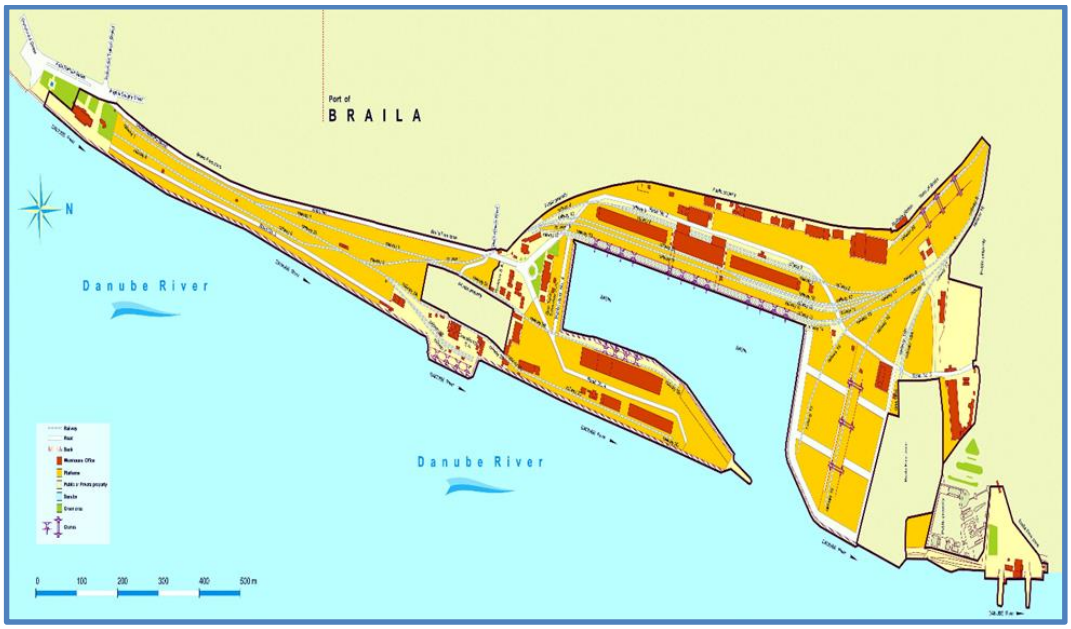
- Stimulate regional economic growth by facilitating high performance logistics services for the entire region.

Figure 46 3D Model for trimodal logistic centre to be developed in Giurgiu through High Performance Green Port Giurgiu Project, Source: www.ilr.com.ro

The Port of Braila is the second largest river-maritime port in Romania. Although it is a high capacity port, the Port of Braila has a large number of berths that must be modernised, and the road and railway connections are facing traffic congestions. The upgrading of berths and port infrastructure will help in improving the port capacity, which in time, will reduce the congestion.
Between 2010-2013, through the Sectoral Operational Program Transport, the project "Port Infrastructure Works – Quay-berth 23 and 25 partially from the port of Braila" was implemented.
The main objective of the project was to contribute to the modernizing and developing of Braila port, being one of the most important Danube River ports. Specific objectives of the project refer to:

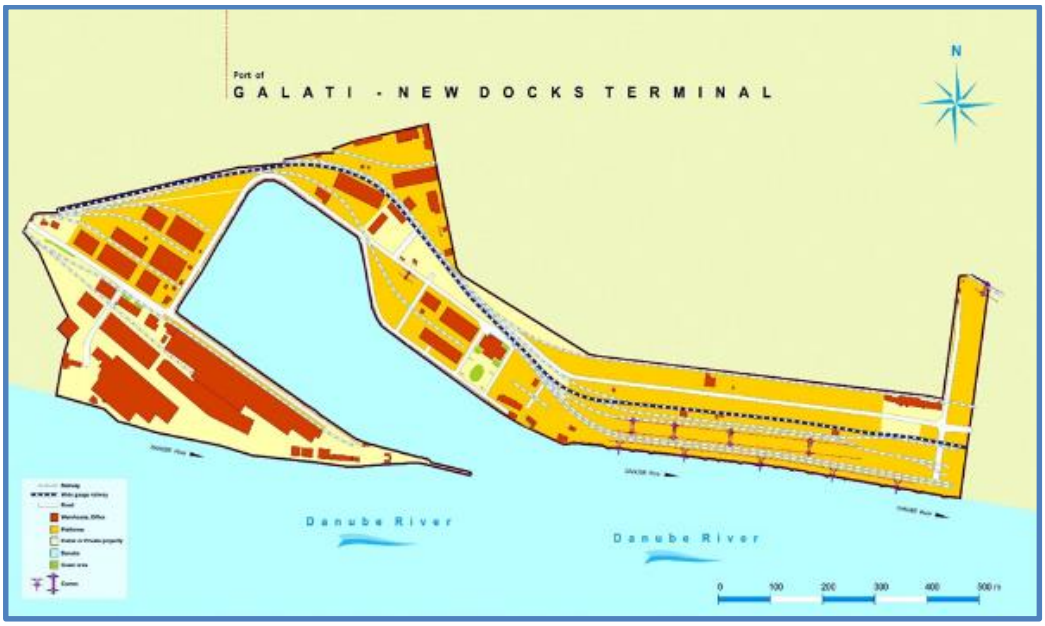
- Increase of handling cargo capacity by building new berth for mooring/cargo handling (berth 23) upstream of the existing berth 24 and by building a new berth for waiting vessels (berth 25) downstream of the existing berth 24.
- Creating a safe working environment for the port operators which are carrying out activities on the new berths.
- To protect the Danube River bank from erosion around the new berth.

Figure 47 Layout of the Port of Braila, Source: APDM



The Port of Galati is the largest river-maritime port and the second important port in Romania. The port has road and railway connections to hinterland (Rhin-Danube Corridor and Corridor IX PAN-EU), including connection with Republic of Moldova and Ukraine, being the only port that can operate transhipment from river and maritime vessels to standard gauge railway or broad-gauge railway.
Despite of good geographical position and available facilities within port, unfortunately there are not enough intermodal facilities or where they exist, they are old and inefficient, which are limiting the operating volume of cargo. A new trimodal terminal would facilitate direct transhipment of containers between vessels, trains and trucks. The terminal should also have Ro-Ro facilities and logistic services.
Despite its high potential, Port Galati is facing several problems, the main one being port infrastructure.
Up to now, sources of funding for port infrastructure modernization to adapt to market requirements for the type of goods and ships she been provided only from the state budget (but their level is insufficient) and from European funds.
As in other ports, another problem faced by Galati port is the slow development of investment by private operators. Thus, although Galati port currently carries out a port infrastructure modernization project, in order to ensure the economic feasibility of these investments, it is also necessary to involve port operators more actively in the development of some investment projects that support the increase of the traffic.
Co-financed by the Sectorial Operational Programme-Transport 2007-2013, a strategic development plan for the port of Galati was developed.

Figure 48 New basin terminal in the Port of Galati, Source: APDM



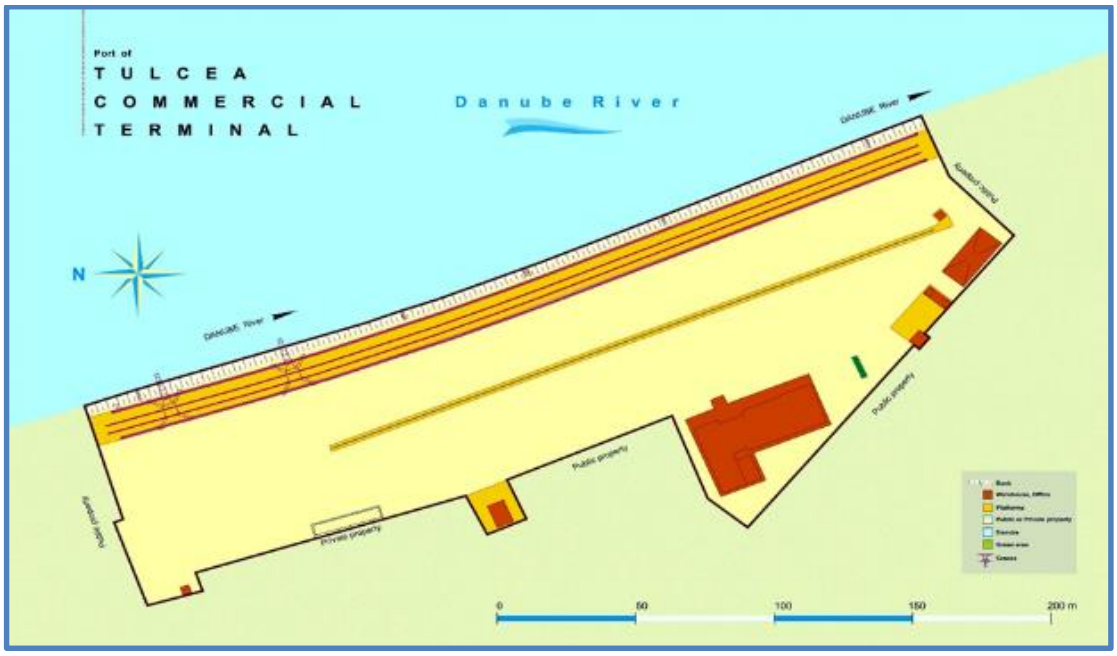
Specific objectives for developing the Port of Galati are also found in the General Master Plan of Transport of Romania approved in 2016 by the Romanian Government.

The Port of Tulcea is considered a port of global TEN-T network. The port is a gate to the Danube Delta region and owns passenger vessels and serves also the local industry.

The port has berths to operate bulk cargoes and general cargo, but there is no specialised terminal for operation of a certain category, such as grains. Around the city of Tulcea there is a lot of agricultural land where grains are grown. Because of the lack of port infrastructure, when there is a large flow of grains, they are transported by trucks on the road network to Constanta.

Developing of a general cargo terminal through modernizing of the infrastructure and building of dedicated berths for handling grains would allow the whole production within the area to be handled in the port and transported by waterways to export. Having a terminal that is able to handle general cargo will increase his flexibility and the chances of higher profit of the Port of Tulcea.

Figure 49 Tulcea Commercial terminal, Source: APDM



Also, the passenger terminal can be extended to handle better the internal and international river traffic, especially for tourist attraction generated by the Danube Delta.
The port has funds through the Integrated Territorial Investment tool to rehabilitate and modernize the port, as described above.
The Port of Constanta has connection with the Danube River through the Danube-Black Sea Canal, ending the Rhine-Danube Corridor, which provides the main east-west link across Continental Europe.
During the last years, the Port of Constanta has completed a number of infrastructure development projects, presented in the below table.

Table 13 Completed infrastructure development projects in the Port of Constanta in the last five years

No.	Project name	Project description
1	Road bridge at km 0+540 of the Danube–Black Sea Canal and the works related to the road and access infrastructure for the Port of Constanta	The works were related to the building of a bridge over the Danube–Black Sea Canal as well as to the various access roads, ramps and passageways related to the bridge.
2	Development of the railways capacity in the river-maritime area of the Port of Constanza	The project aimed to build a complex railways system (railroad yard) in the river-maritime sector to supply optimal and uniform services for current and future port operators.
3	Completion of the North breakwater in the Port of Constanta	The completion of the last 1050m of the northern sector breakwater will have positive effects in terms of safe operations in the southern port, such as: • Decreasing the waves in the port to an acceptable level to ensure the safe operation of vessels;

		• Decreasing the destructive effects of the waves on the infrastructure within the port; • Smooth access of vessels to the entry into the port • Decreasing the sediments in the waters by guiding the currents further away.
4	Masterplan of the Port of Constanta	The objective of this project was the carrying out of a medium and long-term port strategic planning (until the year 2040) under the provision of a continuous port development and efficient use of the existing resources and infrastructure, directed towards the real needs of the market, deemed as being a priority for the Port of Constanta Administration. The new Master Plan will stand as the basis for the Port of Constanta development strategy within the period 2012-2040, as well as for the decisions regarding the optimum planning of investments in the port, in a global and harmonized vision to approach the port's projects and its development areas in such a way that the Port of Constanta should be able to equally serve the national needs and those of its hinterland within the context of high efficiency, competition with other ports and globalization.
5	Southern extension of Berth D-GABARE	The project was carried out under Sectorial Operational Programme-Transport 2007-2013. The main objective was to improve the port infrastructure and port operations. Thus, it was extended the port area with 10,900 sqm which allows for further suprastructure works. The berthing area with a total length of 171 m (85 m on the south side and 86 m on the east-west side) was also extended

Source: NC Maritime Ports Administration Co. Constanta

Presently, in the Port of Constanta there are infrastructure development projects under implementation, presented in the below table.

Table 14 Ongoing infrastructure development projects in the Port of Constanta in the last five years

No.	Project name	Project description
1	Capital dredging plan for the Port of Constanta (S1 Master Plan)	In order to ensure safe navigation conditions for ships in Constanta port, APM Constanta promoted an investment through which a capital dredging will be made to deepen the basins and access routes in Constanta port at the design depth.
2	Implementation of Deep Water Specialized Berth (Berth no. 80) (S2 Master Plan)	The project contributes to: •Boost the competitiveness of the Port and increasing its capacity for dry bulk (grain) handling; •Establish the basis for increasing cargo flow and for developing the current position of the Port of Constanta as an export hub for grains •Maximum utilization of existing port infrastructures •Avoid under-utilization of coal and ore terminal as a

		result of increasing ample capacities for this commodity in future
3	Expansion of road between Gates 7 and the junction with "Road bridge at km 0+540 of the Danube Black Sea Canal" […] (S8 Master Plan)	The existing road connecting the Bypass of the Constanta city and the Gates no.7 and 9 has only two traffic lanes and has already reached its capacity limit. In addition, the road is in a poor technical condition, being insufficiently designed for heavy traffic from the Norther area of the Port of Constanta which runs mostly through Gate 7.
4	Expansion to 4 lanes of the road between Gate no. 10 bis and Gate no. 10 (S10 Master Plan)	The main objective of the project is to ensure a continuous traffic flow of the four lanes road inside Constanta South Port after the access of the trucks through the new access Gate no.10 bis to the junction with the actual access point from the Gate no.10. Considering the fact that after the completion of the projects "Bypass of the Constanta City" and "Road Bridge on Km 0+540 of Danube Black Sea Canal", each of them having four road lanes up to the access point from Gate no. 10bis and starting from this point, the actual connection road to the Gate 10 has only 2 (two) lanes.
5	Upgrade of infrastructure and environmental protection of the port of Constanta - PROTECT	The proposed Action entails upgrading basic port infrastructure, constructing a new on-shore waste collection facility, upgrading the signalling system in the port basin and the fairway, and purchasing five technical vessels. In addition, it foresees elaborating studies for: proper waste management in the oil terminal; generation and distribution of renewable energy in the port area and related public-private partnership potential; and evaluation of the port infrastructure's resilience to climate change. Training on waste handling, pollution and fire prevention is as well foreseen. The Action is embedded in the master plan for the port of Constanta, elaborated with EU funding, but not finalised yet.

Source: NC Maritime Ports Administration Co. Constanta

2.3.5.2 Port development expenditures

In the **Port of Drobeta-Turnu Severin,** presently, there are no on-going projects. Financed under POS-T program, the project "System for receiving and processing of residues from ships and for intervention in case of pollution on the Danube sector managed by CN APDF SA Giurgiu" was implemented which had the objective to increase the quality of

services for the collection and processing of ship waste and pollution intervention in the Lower Danube ports of Moldova Veche, Orsova, Drobeta-Turnu Severin, Giurgiu, Calarasi, and Cernavoda. The project budget was 43,847,353 RON, as follows:
EU Funds: 30,118,523 Ron
Contribution from State Budget: 5,315,033 Ron
Ineligible costs: 8,413,797
Presently, in the **Port of Giurgiu**, the project "*High Performance Green Port Giurgiu"* is under implementation. The project beneficiaries are ILR Logistica Romania SRL (project leader), Giurgiu Municipality and Giurgiu Free Zone Administration having as target groups the shipping companies, port operators, and the industry.

Table 15 Financing of project "High Performance Green Port Giurgiu"

Project Partners (PP)	Budget per PP [EUR]	CEF Contribution [EUR]	PP's own contribution[EUR]
ILR Logistica Romania SRL	12,963,802.15	11,019,231.7	1,944,570.45
Giurgiu Free Zone Administration	548,478.3	466,206.3	82,272
Giurgiu Municipality	2,081,782.55	1,769,515.55	312,267
Total	**15,594,063**	13,254,953.55	2,339,109.4

In the **Port of Braila,** between 2010-2013 was carried out under Sectorial Operational Programme-Transport 2007-2013 the project "Port infrastructure works – Quay – Berth 23 and 25 partly in the port of Braila".
The total value of the project was 42,214,800 RON, as follows:

- Co-financing from European Funds of Regional Developments: 22,973, 961 RON
- Contribution from the State Budget: 4,054,229 RON
- Ineligible costs: 15,186,610 RON

In the **Port of Galati**, within the Sectorial Operational Programme-Transport 2007-2013, priority axis 2: "Modernization and development of national transport infrastructure outside priority TEN-T axis" a program was carried out for the developing of transport infrastructure, which has a total value of 1,952,410 RON, as follows:

- EU Funds: 1,396,121 RON
- Contribution from the State Budget: 246,375 RON
- Ineligible costs: 309,914 RON

The **Port of Constanta** has completed projects, and some are still in progress for the modernisation of the port and its infrastructure. In the below table, detailed information is available.

Table 16 Financing of Constanta Port projects

Project name	EU Funds (RON)	State Budget (RON)	Ineligible Costs (RON)	Total Value (RON)
Road bridge at km 0+540 of the Danube–Black Sea Canal and the works related to the road and access infrastructure for the Port of Constanta	86,042,942	15,184,048	90,570,122	191,797,112
Completion of the North breakwater in the Port of Constanța	303,956,966	53,639,465	258,507,981	616,104,412
Southern extension of Berth D-GABARE	10,567,666	1,864,882	12,064,271	24,496,819
Development of the railways capacity in the river-maritime area of the Port of Constanta	51,006,418	9,001,133	34,771,593	94,779,144

2.3.6 Slovakia

2.3.6.1 Objective of port developments

Development plans of the Slovak Republic in the area of transportation until the year 2030 are summarised in a strategical document approved by the Slovak Government in 2017. Observations show an unused potential in the field of passenger waterborne transport and a decline of freight. Present use of the Bratislava port is less than 20% and the use of the Komárno Port approximately 10%.

Institutional perspective

Despite a rather clear descriptive of tasks to be continuously completed by the Company (Verejné prístavy, a.s.) the development activities of the Danube Ports have been very limited due to ownership/leasing relations between the Company, as the owner of the land, and other entities owning the existing infra- and superstructure of the Danube Ports. This conflicting ownership structure and ongoing discussions over the past period led to a stagnation of the Ports.

Financial perspective:
Another limiting factor during the past period was the possibility to use the public fund. Despite that the Operation Programme "Transport" implemented in the years 2007 – 2013, was allocated almost 30% of the total volume of funds for the whole period, the inland water transport was not included in its scope. Obtaining of EU funds would, thus, require revising the Operation Programme which did not happen.
Except from the EU sources of co-financing, neither the Slovak State budget did designate funds for infrastructural improvement of inland waterborne transport. Lack of financial sources and opportunities for their obtaining was thus observed as one of the main obstacles of the Danube Ports development.
Geographical perspective:
All of the Danube Ports are located in broader city centres, which could be an advantage for passenger transport and tourism, but a limiting factor for freight transport. Vicinity of residential areas and historic city centres may limit further development and reloading of certain types of cargo. Development of ports shall be considered in future master plans and other strategic documents.

2.3.6.2 Port development expenditures

Total investments in waterborne transport in Slovakia (both freight and passenger transport) in the period of years 2000 – 2015, according to information collected by the Slovak Statistical Office, reached 44.7 million EUR.

Table 17 Total investments in waterborne transport in Slovakia 2000-2015

In mil. EUR	All types of transport	Road	Railway	Water	Air
Investment	10 360.09	7 309.17	2 700.6	***44.76***	305.7
Percentage	100%	70,55%	26,07%	***0,43%***	2,95%

Statistical Office of the Slovak Republic

Ownership of port assets is split between the Company (Verejné prístavy, a.s.) and the company Slovenská plavba a prístavy, a.s.. Information about investments into modernisation of infra and superstructure, owned by Slovenská plavba a prístavy, a.s., has therefore not been disclosed. However, according to publicly available information, there have not been any significant investments into modernisation of port infra and superstructure by Slovenská plavba a prístavy, a.s.

The Company has in the period of years 2010 – 2017 implemented the following projects in order to increase quality of provided services:

Table 18 The Company's projects

Project	Volume in EUR	Source of financing	Project output
INWAPO 10/2011 – 12/2014	279 995.64	EU Funds Interreg Central Europe	implementation of a new Client Module; Studies: - analysis of vehicle and containers transport; - software and hardware solutions to improve cargo reloading; - cashless payments of port fees; - direct accession of clients into the ports' information system
DAHAR 04/2011– 03/ 2014	165 181.60	EU Funds Interreg South East Europe	- local action plan for the Bratislava Port
Security and Emergency Plan	30 391.81	EU Funds Integrated Infrastructure	- security and emergency study

3 Public funded investments in inland cargo ports of the Danube Region

3.1 Introduction of public funded investments

3.1.1 Austria

The aid schemes and individual aids (in the sense of ad hoc aids) on port developments which have been launched since 1st January 2012 are listed in the Annex of the national report. The following information is extracted from this annex.

Table 19 Aid schemes and individual aids on port developments launched since 1st January 2012

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
Intermodal Transfer Guidelines (01.07.2006-30.06.2012) (N196/2006)	Aid scheme	Individual enterprises / private companies and corporations with a registered office in Austria	Thematic calls/ permanent submission *(description in section 3.2.1)*	EUR 15 million budget
Programme for supporting the development of connecting railways and transfer terminals (01.01.2013-31.12.2017) (SA.34985)	Aid scheme	Individual enterprises / private companies and corporations with a registered office in Austria	Thematic calls/ permanent submission *(description in section 3.2.1)*	EUR 114 million budget
Programme supporting the development of connecting railways and transfer terminals in intermodal transport (01.01.2018-31.12.2022) (SA.48485)	Aid scheme	Any private EU entity providing freight transport services and having at least one operational establishment registered in Austria	Permanent submission *(description in section 3.2.1)*	EUR 50 million budget
Special Guidelines for the Programme of Aid for Innovative	Aid scheme	Transport companies (transhipment and logistic companies, forwarding agents,	3 open calls per year *(description in section 3.2.2)*	EUR 24 million budget

Combined Transport (01.01.2009-31.12.2014) (N415/2008)		port-operators, shipping and railway companies). All EU companies having registered offices, agencies, branches or subsidiaries in Austria.		
Special Guidelines for the Programme of Aid for Innovative Combined Transport (01.01.2015-31.12.2020) (SA.41100)	Aid scheme	Transport undertakings, as transhipment and logistic companies, forwarding agents, port-operators, shipping and railway companies. All EU companies having registered offices, agencies, branches or subsidiaries in Austria.	3 open calls per year *(description in section 3.2.2)*	EUR 18 million budget
ERP Transport Programme (01.01.2012-31.12.2016) (SA.33669)	Aid scheme	Transport businesses with a registered office or establishment in Austria - includes all types of business (natural and legal entities, and private companies under Austrian civil and commercial law) and establishments that can prove that they are economically active in Austria (registered office, branch office, agency or fixed establishment there, being no legal definition of some of these concepts).	Permanent submission *(description in section 3.2.3)*	EUR 25 million budget
ERP Transport Programme (as of 01.01.2017) (*de minimis*)	Aid scheme	Companies with registered office or establishment in Austria	Permanent submission *(description in section 3.2.3)*	EUR 0,8 Mio spent for 2017

3.1.2 Bulgaria

Table 20 Aid schemes and individual aids on port developments

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
Implementation of River Information Services system in the Bulgarian stretch of Danube River – BULRIS	individual aid	Bulgarian Ports Infrastructure Company	Direct awarding	18 million EUR

During the period 2012 - 2017, only one project, financed with public funds related to inland waterways in Bulgaria, was implemented. The beneficiary Bulgarian Ports Infrastructure Company successfully implemented the project BG161PO004-4.0.01-0003 “Implementation of River Information Services system in the Bulgarian stretch of Danube River – BULRIS” with total budget about 18 million euro. The project contributes to the realization of the common European policy for improving the conditions for the navigation along the Danube River - Pan-European Transport Corridor VII, which is one of the most important axes for the development of the Trans-European Transport Network.

Ensuring safe passage of vessels is a direct commitment of Bulgarian Ports Infrastructure Company, pursuant to Art. 115 m of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act. In this respect, the financing for the project is not considered to be state aid, as the Bulgarian Ports Infrastructure Company owns the so-called "legal monopoly" on the provision of river information services.

The implementation of the project includes:

- The construction of the necessary infrastructure in 16 communication points along the Danube River and 1 backup centre, located in Varna.
- Construction of River Information Center in Ruse.

Although not directly targeted to investments in improving port infrastructure, the implementation of the project leads to:

- Improved safety of inland waterway navigation;
- Improved effectiveness of Danube navigation. Better use of inland waterways by providing accurate fairway information.
- Environmentally friendly transport. Protecting the environment by providing information and assistance in disaster situations.

All this indirectly leads to an increase in the efficiency of inland waterway operations in Bulgaria.

3.1.3 Croatia

Regarding the aid schemes and individual aids for development of ports no such state aid has been granted in Republic of Croatia since 1st January 2012. Most of the granted state aids for inland waterway sector were assigned for inland waterway shipping operators in national transport.

Through the State aid scheme for inland waterway shipping operators in national transport, *de minimis* aids for development of river transport has been granted with the aim of navigation safety raising through the financing of navigation equipment, as well as equipping the vessels in accordance with the technical requirements for achieving environmentally friendly technical performance of vessels. Furthermore, the State aid scheme is also focused on subsidizing of fuel prices for national vessels operators.

Despite the fact that afore mentioned granted state aid is not related with port development, it is still listed in the below table in order to gain insight on the state aids granted for the entire inland waterway sector.

Table 21 Aid schemes and individual aids in entire inland waterway sector

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
State aid for inland waterway shipping operators in national transport (2012-2017)	Aid scheme (*de minimis* aid)	Shipping operators	Excluded from reporting to the Ministry of Finance	85.150,00

3.1.4 Hungary

The below list of projects is the extract of the Annex, on the list of Hungarian port development projects implemented between 2010-2017.

Table 22 Aid schemes and individual aids on port developments

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
Development of logistics service centres	aid scheme	SMEs, operating as logistics centres (including port operators)	open call for applications	715 000 000 HUF
Development of the Mohacs Port	individual aid	Municipality of Mohács	state aid notification and priority project	4 750 000 000 HUF
The Intermodal Development of the Port of Baja	individual aid	Bajai Országos Közforgalmú Kikötőműködtető Kft. (Public Port of Baja)	state aid notification and priority project	3 805 440 214 HUF
Infrastructure development of the Győr-Gönyű National Public Port 2nd phase	individual aid	North Transdanubian Water Management Authority ("EDUVIZIG")	state aid notification and priority project	3 051 227 567 HUF
Project package for developing passenger port services	individual aid	M A H A R T - PassNave Személyhajózási Ltd	priority project	665 970 000 HUF
MAHART Mobile Flood Dam	individual aid	MAHART-Szabadkikötő Zrt. (Freeport of Budapest)	priority project	1 359 376 000 HUF
Development and modernisation of basic port infrastucture	aid scheme	operators, owner, managers of Hungarian Danube freight ports regardless of the	open call for applications	2 307 709 604 HUF

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
		nature of the legal entity		
Development and modernisation of basic port infrastucture	aid scheme	operators, owner, managers of Hungarian Danube freight ports regardless of the nature of the legal entity	open call for applications	3,5 million EUR
Linking transport modes, developing intermodality and transport infrastructure of economic centres	aid scheme	Port Danube Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság	open call for applications	895 779 600 HUF
Linking transport modes, developing intermodality and transport infrastructure of economic centres	aid scheme	SYGNUS Kereskedelmi Kft	open call for applications	1 015 319 513 HUF
Linking transport modes, developing intermodality and transport infrastructure of economic centres	aid scheme	Bogyiszlói Kereskedő-Szolgáltató Zrt.	open call for applications	128 474 315 HUF
Linking transport modes, developing intermodality and transport infrastructure of economic centres	aid scheme	Dunavecse Kikötő Szállítmányozási Korlátolt Felelősségű Társaság	open call for applications	249 642 857 HUF
Linking transport modes, developing intermodality and transport infrastructure of economic centres	aid scheme	Bajai Országos Közforgalmú Kikötőműködtető Kft.	open call for applications	232 255 241 HUF

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
Improving the international rail and waterway accessibility of the country and regional centres	individual aid	Radio Emergency Call and Info communication National Association	priority project	287 210 000 HUF
Improving the international rail and waterway accessibility of the country and regional centres	individual aid	Radio Emergency Call and Info communication National Association	priority project	41 696 000 HUF
Preparation grant scheme of transport development projects	aid scheme	Municipality of Baja, MAHART-Szabadkikötő Zrt., Municipality of Mohács	open call for applications	398 132 900 HUF
Infrastructure development of the Győr-Gönyű National Public Port 1st phase	individual aid	North Transdanubian Water Management Authority ("EDUVIZIG")	state aid notification and priority project	5 498 077 598 HUF
Infrastructure development of the Freeport of Budapest - preparation phase	individual aid	MAHART-Szabadkikötő Zrt.	priority project	60 329 787 HUF
Infrastructure development of the Freeport of Budapest - implementation phase	individual aid	MAHART-Szabadkikötő Zrt.	state aid notification and priority project	3 534 318 278 HUF
Development of logistics service centres and logistics services	aid scheme	SMEs, operating as logistics centres (including port operators)	open call for applications	1 504 130 650 HUF

3.1.5 Romania

Up to now, no state aid schemes for port infrastructure development have been used in Romania. A State Aid scheme for such financing is defined by the Order of the Minister of Transport no. 1532 of 2017. This is detailed below.
The elements that have been taken into account when defining this scheme are:

- Commission Regulation (EU) No. 1084/2017/14 June 2017 amending Regulation (EU) No. 651/2014 with respect to aid for port and airport infrastructures, notification thresholds for crop and for heritage conservation, aid for sport infrastructure and multifunctional leisure facilities, as well as regional operating aid schemes for the outermost regions and amending Regulation (EU) No. 702/2014 as regards the calculation of eligible costs;
- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund as well as for laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and abrogating Regulation (EC) No. Council Regulation 1083/2006;
- Large Infrastructure Operational Program 2014-2020 approved by European Commission Decision No. C (2015) 4823 of 9.07.2015;
- Government Decision No. 399/2015 on eligibility rules for expenditure under operations financed by the European Regional Development Fund, the European Social Fund and the Cohesion Fund 2014-2020;
- Government Emergency Ordinance no. 77/2014 on the national procedures in the field of state aid, as well as for amending and completing Competition Law no. 21/1996, approved with amendments and completions by Law no. 20/2015, with subsequent amendments;
- Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty;

In 2017 the Ministry of Transport issued Order no. 1532/2017 regarding the approval of the State aid scheme for investments in the port infrastructure and in the intermodal / multimodal local infrastructure related to the Large Infrastructure Operational Program (POI 2014-2020), priority axis 1, the specific objective 1.3 - Increasing the use of waterways and ports on the central TEN-T network, and Priority Axis 2 - Developing a multimodal, quality, sustainable and efficient transport system, specific objective 2.4 - Increasing the volume of goods transited through intermodal terminals and ports.

By means of Order 1532/2017 a transparent state aid scheme for investments in the infrastructure of the maritime and inland ports and in the intermodal / multimodal local infrastructure is established, in order to improve the quality of the infrastructure, increase the safety of the river and sea transport and the uninterrupted operation throughout the year, as well as to make investments in local infrastructure specific to intermodal terminals, resulting in increased intermodal transport attractiveness, the integration of ports into efficient transport and logistics chains, increased volume of goods handled in units intermodal ports

and ports, in order to contribute to economic growth and more efficient use and operation of the trans-European transport network.

The State aid scheme to which reference is made does not fall under the obligation of notification to the European Commission (Commission) 108 par. (3) of the Treaty, on the basis of Art. 56b, art. 56c and art. 56 of Regulation (EU) No. 651/2014, as amended and supplemented by Regulation (EU) No. 1084/2017.

The objective and the aim of the scheme

The objective of the scheme is to provide state aid for investment in maritime and inland ports as well as intermodal/multimodal terminals located in locations other than ports in order to achieve the objectives undertaken by Romania under Priority Axes 1 and 2 of under the Large Infrastructure Operational Program 2014-2020. The scheme aims at:

a) Modernization and development of the port infrastructure in the Romanian maritime and inland (river) ports,
b) modernization/development of the access infrastructure in Romanian maritime and inland (river) ports,
c) dredging activities in the Romanian maritime and inland (river) ports,
d) construction/modernization of intermodal and multimodal terminals at the priority sites through the Master Plan of Transport.

The implementation of the scheme will help achieve the operating target of 32.20 million tonnes/year of goods on inland waterways and a volume of 70.000 TEU through intermodal/multimodal terminals located on the territory of Romania.

The scope

The state aid scheme applies to investments for the construction and modernization of local intermodal/multimodal terminals, in accordance with the provisions of art. 56 of Regulation (EU) No. 651/2014, with its subsequent amendments and completions, and for the modernization and development of the maritime and inland ports in Romania, under the conditions of art. 56b and art. 56c of Regulation (EU) No. 651/2014, as amended and supplemented by Regulation (EU) No. 1084/2017.

Definitions

For the purpose of the scheme, the following terms are defined as follows:

a) ***commencement of work –*** means either the begin of construction works within the investment or the first legally binding commitment to order equipment or any other commitment by which the investment becomes irreversible, whichever occurs first. Purchase of land and preparatory works, such as obtaining permits and carrying out feasibility studies, are not considered to be the commencement of works;
b) ***operating profit –*** is the difference between the current income and the present value of operating costs over the economic life of the investment, in case that the difference is positive. Operating costs include costs such as personnel costs, materials, contracted services, communications, energy, maintenance, rent, administration, but exclude depreciation costs and financing costs if they have been covered by investment aids. Updating revenue and operating costs with the appropriate update rate allows for a reasonable profit;
c) ***port infrastructure -*** infrastructure and facilities for the provision of transport-related port services such as berthing docks, quay walls, jetties and floating pontoons in tidal areas,

internal basins, backfills and reclaimed waters, alternative fuel infrastructure, the infrastructure for the collection of ship-generated waste and cargo residues;

d) ***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;

e) ***access infrastructure -*** any type of infrastructure necessary in order access and entry of users to maritime or inland ports from land, sea or waterway such as access roads, railways, railways, approach channels and locks;

f) ***dredging –*** removal of sediments from the bottom of the approach waterway into a port, or in a port to allow ships to have access to the port, activities carried out during a calendar year;

g) ***port*** - means an area of land and water made up of such infrastructure and equipment, so as to permit the reception of 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;

h) ***maritime port*** - a port for, principally, the reception of sea-going vessels;

i) ***interior port*** - a port other than a maritime port, for the reception of inland waterway vessel sun port, altul decât un port maritim, destinat primirii navelor de navigaţie interioară;

j) ***undertaking in difficulty*** – a company which is in at least one of the following situations:

i. in the case of a limited liability company[25] (other than an SME that has been there for at least three years) when more than half of its subscribed share capital has disappeared due to the accumulated losses. This situation occurs when the deduction of accumulated losses from reserves (and from all other items generally considered as part of the company's own funds) leads to a negative result that exceeds half of the subscribed share capital;

ii. in the case of a trading company in which at least some of the shareholders have unlimited liability for the company's debts[26] (other than an SME that has been there for at least three years) when more than half of the equity as shown in the company's book-keeping has disappeared because of the accumulated losses;

iii. when the enterprise is subject to collective insolvency proceedings or fulfils the criteria provided by internal law for collective insolvency proceedings to be commenced at the request of its creditors;

iv. when the enterprise has received rescue aid and has not yet paid back the loan, or the guarantee has not yet expired, or it has received restructuring aid and is still the subject of a restructuring plan;

v. in the case of an enterprise that is not an SME, when, over the past two years: 1. the enterprise's debt / equity ratio has been greater than 7.5; and 2. the covering interest rate capability based on EBITDA is below 1.0;

k) ***date of aid granting*** - the date on which the legal entitlement to the aid is granted to the beneficiary in accordance with the applicable national legal system, i.e. the date of signing the financing agreement;

[25] It concerns in particular the types of companies listed in Annex I to Directive 2013/34 / EU (1), and "share capital" includes, as appropriate, any additional capital.

[26] It concerns in particular those types of companies listed in Annex II to Directive 2013/34 / EU.

l) ***gross grant equivalent*** - the amount of the aid in case this were granted in the form of a grant to the beneficiary before any deduction of tax or any other charge;

m) ***state aid provider*** - MDRAPFE - Ministry of Regional Development, Public Administration and European Funds;

n) ***Scheme Administrator*** - Ministry of Transport, as Intermediate Body for Transport of the Large Infrastructure Operational Program;

o) ***intermodal/multimodal terminal*** - a space designed for logistics activities in which transfer is made between several modes of transport, such as rail/road including the use of intermodal transport units;

p) ***aid intensity*** is the gross amount of aid expressed as a percentage of the eligible costs, before deduction of taxes or other charges.

Beneficiaries of investments in port infrastructure

Potential beneficiaries of state aid for investments in port infrastructure are:

a) national companies managing the maritime and river port infrastructure;

b) local authorities managing the port infrastructure located in the ports prioritized by the Master Plan of Transport of Romania.

If the beneficiaries carry out other activities in addition to those mentioned above, they must prove either the separation of activities or a distinction between costs so that activities carried out in sectors not eligible under the Regulation do not benefit from State aid granted under the scheme.

It is specified that beneficiaries will submit their projects individually.

Potential beneficiaries of state aid for investments in intermodal/multimodal local infrastructure are: local authorities managing intermodal multimodal terminals located in locations prioritized[27] by the Master Plan of Transport of Romania.

If the beneficiaries carry out other activities, they must prove either the separation of activities or a distinction between costs so that activities carried out in sectors not eligible under the Regulation do not benefit from State aid granted under the scheme.

Eligibility conditions for beneficiaries

In order to receive funding within the scheme, beneficiaries must fulfil the following conditions:

a) not to be an enterprise in difficulty;

b) not be the subject of a recovery order issued following a previous Commission decision whereby the aid granted has been declared unlawful and incompatible with the internal market, unless that order has been executed or the aid has been repaid, including the pertaining interest;

[27] These are not related to seaports and inland ports.

c) has fulfilled its obligations to pay taxes, charges and social security contributions to the competent budgets of the general consolidated budget and to the local budget in accordance with the legal provisions in force in Romania;

d) the legal representative has not been definitively convicted due to professional conduct against the law by a sentence pronounced by a res judicata court;

e) was not the subject of a res judicata judgment for fraud, corruption, involvement in criminal organizations or other illegal activities to the detriment of the financial interests of the European Community;

f) the legal representative of the applicant is not the subject of a conflict of interests as defined by national law;

g) the applicant demonstrates (technical and administrative) implementation capacity;

h) the applicant demonstrates their capacity to, and the co-financing of the project.

Eligibility conditions for projects

(1) The project is implemented on the territory of Romania, in the development regions: West, North-West, North-East, South-East, South, South-West, Center.

(2) The project shall contribute to the achievement of the objectives set out in the Scheme.

(3) The infrastructure/land on which the investments will be built/developed/rehabilitated is/are made available to the project.

(4) The activities carried out under the project must comply with national/Community legislation and rules on equal opportunities, sustainable development, public procurement (including activities started prior to the submission of the project), information and publicity and state aid.

(5) The project for which funding is requested has not benefited from public funding for the last 5 years before the grant application date, except for preliminary studies (pre-feasibility studies, geo-topographic analysis, feasibility studies).

(6) State aid is granted if it has an incentive effect. To this end, the beneficiary must submit an application for aid before commencing work on the project and demonstrate, through the documentation submitted, that one or more of the following criteria are met:

a) a substantial increase in the scope of the project/activity following the granting of the aid;

b) a substantial increase in the total cost incurred by the beneficiary for the purpose of the project activity following the aid granting;

c) a substantial increase in the pace of completion of the project/activity concerned.

(7) The aided infrastructure must be made available to interested users on an equal and non-discriminatory basis, under market conditions.

(8) The project also fulfils other requirements specified in the call for projects and the Applicant's Guide, which do not affect the state aid provisions.

Duration

The Schedule shall enter into force on the date of its publication in the Official Gazette of Romania, Part I and shall apply until December 31, 2020, whereas the last day of payment of the aid being 31.12.2023.

The budget of the scheme and the estimated number of beneficiaries

The estimated total budget of the scheme allocation for port infrastructure investments is 647,360,001 EUR (equivalent in RON) and represents European non-reimbursable funds provided through the Cohesion Fund (288,000,000 EUR) and the European Regional Development Fund (120,000,000 EUR) and public co-financing funds provided from the state budget/local budget (239.360.001 EUR).

The budget breakdown by year is as follows:

Table 23 Budget breakdown

Year	*Breakdown by year (euro)*
2017	79,080,318
2018	177,214,805
2019	191,768,371
2020	199,296,507
Total	647,360,001

The amounts not used in one year shall be carried forward to the following year. If the submitted projects allow the use of amounts in subsequent years, the budget is used in advance. The budget of the scheme reflects the amounts allocated and also includes the amounts from over-contracting.

The execution of the financial operations determined by the use of the funds is performed in compliance with the provisions of Government Emergency Ordinance no. 40/2015 on the financial management of European funds for the 2014-2020 programming period, approved with amendments and completions by Law no. 105/2016, as amended and supplemented.

The estimated number of beneficiaries of State aid for investment in port infrastructure under the scheme is 6.

The total estimated budget of the scheme allotted for investments in the local intermodal/multimodal infrastructure is EUR 40,000,000 (equivalent in RON) and European funds are provided by European Regional Development Fund (30,000,000 EUR) and funds provided by public financing from the state budget/local budget (10,000,000 EUR).

The budget breakdown by year is as follows:

Table 24 Budget breakdown by year

Year	*Breakdown by year (euro)*
2017	4,426,372
2018	10,101,997
2019	11,115,330
2020	14,356,301
Total	40,000,000

The amounts not used in one year shall be carried forward to the following year. If the submitted projects allow the use of amounts in subsequent years, the budget is used in advance. The budget of the scheme reflects the amounts allocated and also includes the amounts from over-contracting.

The execution of the financial operations determined by the use of the funds is performed in compliance with the provisions of Government Emergency Ordinance no. 40/2015 on the financial management of European funds for the 2014-2020 programming period, approved with amendments and completions by Law no. 105/2016, as amended and supplemented.

The estimated number of beneficiaries of State aid for investments in local intermodal/multimodal infrastructure under the scheme is 4.

The method of granting the state aid

State aid is granted in the form of non-reimbursable financial allocations from Community and national funds.

Maximum amount of non-refundable financing (State aid intensity)

Under the scheme, the maximum eligible costs of a port investment project may not exceed:

a) for aid to maritime ports: eligible costs of EUR 130 million per project or EUR 150 million per project in a seaport included in the core network corridor (TEN-T Core) referred to in Article 47 of Regulation (EU) No. 1315/2013 of the European Parliament and of the Council;

(b) for aid to inland (inland) ports: eligible costs of EUR 40 million per project or EUR 50 million per project in an inland port included in the core network corridor work plan in accordance with Regulation (EU) No. 1315/2013 of the European Parliament and of the Council.

The maximum intensity of state aid granted under the scheme for a project consisting of the construction, replacement or upgrading of seaport infrastructure shall not exceed:

a) 100% of the eligible costs when the total eligible costs of the project do not exceed EUR 20 million;

b) 90% of the eligible costs when the total eligible costs of the project exceed EUR 20 million but not more than EUR 50 million;

c) 70% of the eligible costs when the total eligible costs of the project exceed EUR 50 million but not more than EUR 130 million;

d) 70% of the eligible costs when the total eligible costs of the project exceed EUR 50 million but not more than EUR 150 million for the seaports included in the core network corridor work plan as referred to in Article 47 of Regulation (EU) No. 1315/2013.

The maximum aid intensity for a project consisting of the construction, replacement or upgrading of infrastructure in inland ports, (maritime/inland) port access infrastructure or dredging in the (maritime/inland) port area may not exceed 100% of the eligible costs and the above-mentioned limits cannot be exceeded.

The amount of state aid granted may not exceed the difference between the eligible costs and the investment or dredging-related operating profit. Operating profit is deducted from the ex-ante eligible costs by mean of financial analysis of the project[28], in accordance with the relevant provisions of the Applicant's Guide for Specific Objectives 1.3 - Increase in the degree of use of waterways and ports on the central TEN-T network and 2.4 - Increase in the volume of goods transited via intermodal terminals and ports.

For seaport investment aids not exceeding EUR 5 million and EUR 2 million respectively for inland (river) ports, the maximum aid amount may be set at 80% of the eligible costs.

The difference up to the total value of the project is covered by the beneficiary, who has to make their own financial contribution to the financing of eligible costs, either from own resources or from attracted sources, in a form which is not the subject of any public aid.

Under the scheme, the maximum amount of individual aid granted to a beneficiary in the case of investments in intermodal/multimodal local infrastructure may not exceed EUR 10,000,000 per project and the total project costs shall not exceed EUR 20 million.

The amount of the aid must not exceed the difference between the eligible costs and the investment-pertaining operating profit. Operating profit is deducted from the ex-ante eligible costs by financial analysis of the project[29], in accordance with the relevant provisions of the Applicant's Guide to Specific Objectives 1.3 - Increase in the degree of the use of waterways and ports on the central TEN-T network and 2.4 - Increase in the volume of goods transited via intermodal terminals and ports.

[28] Ex-ante deduction of operating profit from eligible costs is based on reasonable estimates or by means of a recovery mechanism.

[29] Ex-ante deduction of operating profit from eligible costs is based on reasonable estimates or by means of a recovery mechanism.

The difference up to the total value of the project is covered by the beneficiary, who has to make their own financial contribution to the financing of eligible costs, either from own resources or from attracted sources, in a form which is not the subject of any public aid.

Eligible costs

In the case of port infrastructure investments, access and dredging infrastructure, eligible costs are the investment costs, including planning costs for:

a) construction or upgrading/development of maritime and inland (river) port infrastructure;

b) construction or upgrading/development of maritime and inland (river) port area access infrastructure;

c) dredging activities carried out during a calendar year.

In the case of port investment, investment costs related to non-transport activities, including industrial production facilities operating within the port area, offices or shops, or the costs for superstructures are not eligible.

The above-mentioned eligibility conditions are cumulative with the specific ones in the Applicant's Guide for Specific Objectives 1.3 - Increase in the degree of the use of waterways and ports on the central TEN-T network and 2.4 - Increase in the volume of goods transited via intermodal terminals and ports, without prejudice to State aid rules.

In the case of investments in intermodal/multimodal local infrastructure, eligible costs are the costs of investing in tangible and intangible fixed assets related to the construction or upgrading/development of intermodal terminals.

The above-mentioned eligibility conditions are cumulative with the specific ones in the Applicant's Guide for Specific Objectives 1.3 - Increase in the use of waterways and ports on the central TEN-T network and 2.4 - Increase in the volume of goods transited via intermodal terminals and ports, without prejudice to State aid rules.

Rules on the use of port infrastructure and intermodal/multimodal local infrastructure

Any concession or other assignment contract to a third party for the construction, upgrading, operation or rental of the port infrastructure and the intermodal/multimodal facilities benefiting from the aid shall be attributed in an open, transparent and non-discriminatory manner, with due regard to the applicable procurement rules at the time of the assignment.

The duration of concession or other types of assignment contracts to a third party for the rental or operation of the aided port and intermodal/multimodal infrastructure may not exceed what the time span the third-party needs, according to reasonable estimates, to recover the investments made for the infrastructure operation and obtain a return on the invested capital, taking into account the investments necessary to achieve the specific contractual objectives.

The infrastructure benefiting from State aid must be made available to interested users in an open, transparent and non-discriminatory manner.

The price charged for the use of the infrastructure or for selling it must correspond to the market price.

Rules on Cumulation of State Aid

State aid granted under the scheme for a specific project may be cumulated with other State aids as long as said measures cover differently identifiable eligible costs and are not higher than the maximum intensity or maximum aid threshold that may be granted based on the scheme.

3.1.6 Slovakia

Operational Programme Transport – 2007 – 2013
The Operating Program Transport, effective in Slovakia in the previous EU funds programming period of 2007 – 2013 did not include water transport in the group of eligible activities at all. Therefore, entities active in this field had rather limited opportunities to obtain external funding for their projects.
Operational Programme Transport – 2014 - 2020

In contrast, the present programming document, Operating Program Integrated Infrastructure (OP II), enables support of inland water transport but only in the port of Bratislava. The ports of Komárno and Štúrovo are not eligible.

The total volume of allocated funds for all types of transport is 3.139 billion EUR out of which 137 million EUR is addressed for the water transport. This budget is administered by the Slovak Ministry of Transport and Construction. Certain re-allocations between operating programs and/or priorities may be applicable subject to specific needs and discussions between the individual administrators. The global aim in this programming period is to support sustainable mobility, economic growth and improvement of business environment by enhancing the transport infrastructure, passenger transport and information society.

The Operating Program aims to support multimodal single European transport area by investments into the TEN-T network, including the improvement of services provided in the public port in Bratislava.

According to the Danube Commission classification, the Danube River shall, as a waterway of international importance, guarantee a certain transport performance at least 300 days in a year.

Support of the Bratislava port by means of EU Funds shall contribute to compliance with the following 4 aims of the Danube Strategy:

1. Increase of the river freight transport by 20% until 2020 in comparison to the year 2010,
2. Solving of the Danube navigability considering the river specifics,
3. Construction of effective multimodal terminal along the Danube river.

Activities expected to be supported in Slovakia shall include the following:

- feasibility study aiming to improve navigability of the Danube waterway,
- modernisation and construction of the Bratislava public port,
- introduction of modern technologies in management of port and shipping operation,
- pre-investment and project preparation.

Eligible beneficiaries have been pre-selected by the Slovak Ministry of Transport and Construction and include the Company (Verejné prístavy, a. s.), Agency for Development of Water Transport (Agentúra rozvoja vodnej dopravy) and other central State administrative institutions whose activities contribute to compliance with aims of the Operating Program.

The above activities are expected to be implemented in Bratislava only, as the Komárno and Štúrovo ports are not eligible.

INTERREG SK-HU

The INTERREG SK-HU program allocates 156 million EUR for inter-regional cooperation between Slovakia and Hungary.

This initiative, in the area of transport, aims to:

A) improve transboundary public transport services by

- developing of intelligent transboundary transport systems (ITS);
- investing in infrastructure (ports, rafts, bus or train stations etc.);
- pre-investment activities – feasibility studies, analysis, etc.

B) improve transboundary logistics services by

- transboundary cooperation in logistics, development of integrated systems and related infrastructure and communication technologies;
- investing in infrastructure (for example train stations, ports and roads connecting new port with existing transport networks);
- pre-investment activities – feasibility studies, analysis, etc.

INTERREG SK-AT

The INTERREG SK-AT program allocates 76 million EUR for inter-regional cooperation between Slovakia and Austria.

Neither the INTERREG SK-HU nor INTERREG SK-AT are suitable for large infrastructure investments, but still offer funding possibilities for projects of smaller scale. In case of INTERREG SK-HU as well as INTERREG SK-AT, the projects seeking for support have to include a cross-border element.

This initiative, in the area of transport, aims to support sustainable transport solutions by means of:

- environmentally friendly and effective freight handling, development of multimodal nods and promotion of lowering the emissions and energy effective freight transport,
- development of intermodal transport and mobility strategy in line with the Danube strategy,
- pre-investment activities – feasibility studies, analysis, etc.

Considering the volume of allocated funds for both INTERREG programs, it can be observed that these initiatives are more suitable for cooperation projects of smaller scale rather than for large investments in infrastructure.

Connecting Europe Facilities (CEF)

The CEF instrument does not, due to the specific selection procedure, constitute state aid, but it is for the purposes of completeness mentioned as another opportunity to obtain funding for investments in port infrastructure.

In the monitored period there have been no significant investments to the development of ports. The volume of investments in ports reported by the Statistical Office of the Slovak Republic reached 21.7 million EUR in the period of 2012 – 2015 (later data are not available). This sum includes both passenger and cargo ports. The following table includes a notified aid scheme, but it is not relevant for the purposes of this report as it provides an advantage to operators of water transport.

Table 25 Aid schemes and individual aids on port developments

Name of the Aid scheme/ Individual Aid	Individual Aid or Aid scheme	Beneficiary	Selection procedure	Total investment (EUR)
Excise duty exemption for inlands waterways	Scheme SA.46046 (2016/NN)	All undertakings providing transport services on inland waterways in Slovakia	Any operator may take advantage of this tax exemption as long as it fulfils the set conditions. That is, if they apply to the customs office for registration as a user undertaking. A user undertaking is then authorised to purchase reduced-duty mineral oil on the basis of the exemption voucher issued at the request of the customs office.	EUR 38.4 million (expected volume of aid provided by this scheme)

3.2 Selection procedure

3.2.1 Austria

The selection procedures of the state aid schemes presented in the Annex 4 are described in the section 3.2.1, 3.2.2 and 3.2.3. The procedures described refer to the current programmes.

3.2.1.1 Selection procedure for the Intermodal transfer guidelines/Programme supporting the development of connecting railways and transfer terminals

Processing

- In order to apply to the state aid scheme, an application can be submitted on an **ongoing basis throughout the year** at the Schieneninfrastruktur-Dienstleistungsgesellsschaft mbH (SCHIG mbH) as managing body for the bmvit. The applicant has to submit the application form and its annexes both in paper form and electronic form.
- At a first step, the formal correctness and completeness of the submissions is verified by the managing body. The technical assessment is then carried out by the independent advisory board instituted by the bmvit. In the framework of the meetings of the advisory board, each project application is discussed, and the awarding of funds is decided. This procedure happens 3 times a year for the jury.
- All applicant companies are informed by SCHIG mbH about the results. The funding approval needs written acceptance of the applicant within two months. The grant contract is established. The applicant has to sign it within six months.

3.2.1.2 Selection procedure for the Programme of Aid for Innovative Combined Transport

Processing

- Open tendering procedure: **3 open calls are organized per year.** The application is to address via a form directly to the aws (Austria Wirtschaftsservice). For example, the dates were the following for 2017:
  - 28th April 2017: End of the submission period for the first period,
  - June 2017: Assessment and evaluation of projects,
  - 31st August 2017: End of submission period for the second period,
  - October 2017: Assessment and evaluation of projects,
  - 29th December 2017: End of the submission period for the third period,
  - February 2018: Assessment and evaluation of projects.
- The evaluation of the projects by the appraisal commission takes place 3 times a year. The appraisal commission consists of representatives of the Austrian Federal Ministry for Transport, Innovation and Technology (bmvit), the Austrian Chamber of commerce, the Austrian Chamber of Labour and the university research. The evaluation includes a technical

and transport policy assessment of the applications. The objective of this evaluation is to make a recommendation to the bmvit.

The programme administration and the economic evaluation of the projects are carried out by the ERP-Fonds (Austria Wirtschaftsservice) until the accounting.

Selection criteria

Projects are **selected taking into account:**

- the degree of innovation of the measure;
- the achievable modal shift including the reduction of carbon dioxide;
- the type of goods to be modally shifted (particularly dangerous goods).

The **assessment of the project** is based on the following documents:

- annual accounts for the last three years;
- business forecasts;
- project description;
- project cost breakdown;
- financing plan;
- description of the economic impact of the project (profitability, capacity utilisation forecast, etc.);
- description of the impact regarding competitiveness of combined transport vis-à-vis competing services, on the environment, reduction in traffic and safety;
- forecast modal shift in tonnes, tonne-kilometres, consignments and loading units (in each case broken down into main section and road section of journeys); time series over the last three years, ratio to annual and planned transport volumes.

The **additional following conditions** apply to the projects:

- The aid recipient must be in a good financial position.
- The project will only receive aid if it cannot be carried out on the required scale without state aid and/or the aid represents a major incentive to expedite the implementation of the project.
- The total funding, taking into account the state aid according to the guidelines, must be secured.
- The profitability of the project according to general commercial principles must be guaranteed.
- The planned measures may not lead to unacceptable distortions of competition between the transport modes or terminals not linked by road.
- A project under the Guidelines may only receive aid once.

3.2.1.3 Selection procedure for the ERP Transport Programme

Processing

- An application for an aws erp-loan can be submitted **at any time** at an aws ERP-trust bank. In order that the processing of the application can be started, an application for funding including all the necessary documents has to be submitted. Funding applications have to be submitted before the start of the project.

- Aws erp-loans of the transport sector are decided in the regular meetings of the respective specialised commission.

Selection criteria

The following general provisions apply to the aws erp-Programme.
In the framework of the evaluation of the economic value of a project, the following **assessment dimensions** are used:

- Innovation;
- Growth/employment;
- Environmental relevance;
- Social impacts (diversity).

The highest rating rewards a project having a high impulse for a sustainable company growth and employment, as well as a high innovation content. Particular consideration is given to positive impacts with regard to efficiency of energy and resources as well as sustainability effects.

3.2.2 Bulgaria

Since selection procedures vary from country to country, the understanding of differences between the countries' practice is one of the main objectives of the country reports.

Please describe all the selection procedures presented in the Excel table annex of the national report. (e.g.: procedure and legal background of 'Priority project' in the Hungarian funding practice).

3.2.2.1 Selection Procedure 1

The main sources of public funding for projects in the transport sector in Bulgaria are Operational programme on Transport 2007 – 2013 and Operational programme on Transport and Transport Infrastructure 2014-2020. Both programs are designed to support specific beneficiaries through direct awarding of grants. For this purpose, the specific beneficiaries in each sector are defined in advance, as well as the priorities, which can be applied for funding projects. In the water transport sector and in particular for ports and port infrastructure, a specific beneficiary is Bulgarian Ports Infrastructure Company.

The main priorities funded during the 2007-2013 programming period are:

- Removal of shallow sections along the Danube River and improvement of the safety and conditions for navigation in the area and the aquatic of Bulgarian Danube ports;
- Construction and development of navigation systems;
- Improvement of the safety of navigation and the port infrastructure in the area of the seaports in Bulgaria.

In the current programming period 2014-2020, funding is awarded for:

- development of information systems, upgrading existing systems and systems under construction;

- delivery of multifunctional vessels;

modernization and construction of facilities for acceptance and treatment of waste in Bulgarian ports of national importance.

3.2.2.2 Selection Procedure 2 – N/A

3.2.3 Croatia

State aid in the Republic of Croatia is regulated by the "State Aid Act" (Official Gazette no 47/2014, 69/2017). State aids are regulated by State Aid Act without interfering with their regulation in the Treaty on the Functioning of the European Union and the regulations of the European Union institutions as areas of exclusive competence of the European Union.

Act regulates the competences of the bodies of the Republic of Croatia in the field of State aid and *de minimis* aids, State aid policy of the Republic of Croatia, procedures prior to granting State aid, keeping records and reporting on State aid and *de minimis* aid grants.

MEANININGS OF THE TERMS

According to the Act, certain terms have the following meanings:

- **State aid** is the actual and potential expense or reduced State revenue allocated by the State aid provider in any form which distorts or threatens to distort competition by placing it in a more favourable position for a particular undertaking or the production of a particular commodity and / or service in so far as it effects on trade between Member States of the European Union, in accordance with Article 107 of the Treaty on the Functioning of the European Union (hereinafter: TFEU)
- **State aid scheme** is a legal act based on which, without the need for additional implementing measures, state aid is granted to predetermined state aid beneficiaries as well as a legal act on the basis of which state aid not previously linked to a particular project is awarded to one or more beneficiaries state aid for an indefinite period of time and / or an indefinite amount
- **Individual State aid** is State aid not awarded on the basis of the State aid program
- **State aid exempted from the obligation to report to the European Commission** are State aid that is not required prior to the award to the European Commission in accordance with the relevant EC regulations adopted under Article 108 of the TFEU
- **De minimis aid (Small-value aid)** is the aid governed by a valid EU regulation which, by its amount, does not disturb or threaten to distort competition and does not affect on trade between the Member States of the European Union and does not constitute State aid under Article 107 of the TFEU
- **State aid / de minimis aid donor** is the central state administration body, local and regional self-government units and each legal person awarding state aid / de minimis aid grants

- **The beneficiary of the state aid / de minimis aid** is any legal and natural person who, engaged in economic activity, takes part in the movement of goods and services and receives state aids / de minimis aids, irrespective of its form and purpose
- **The application to the European Commission** is a proposal for a state aid scheme or individual state aid for approving its allocation in accordance with the applicable Council and European Commission regulations governing the procedure for granting and granting State aid
- **State aid rules** are those rules of the acquis on state aid governing the conditions for their allocation, as well as the rules of the Republic of Croatia to which the rules of the acquis on the conditions for granting State aid have been transposed.

JURISDICTION OF BODIES IN THE FIELD OF STATE AID AND SMALL VALUE AID

The Ministry of Finance, in the field of State aid and *de minimis* aid, carries out the following tasks:

- Implements and supervises the implementation of state aid policy within the fiscal policy measures of the Republic of Croatia
- Gives opinions on the proposals of the state aid scheme and the individual state aid in relation to the established state aid policy
- Gives opinions on proposals for State aid programs and individual state aid in respect of their compatibility with State aid rules prior to the submission to the European Commission for approval
- Submits to the European Commission proposals for state aid programs and individual state aid
- Gives its opinion on the proposals for state aid programs and individual state aid exempted from the obligation to report to the European Commission and informs the European Commission about this
- Provides expert assistance to providers of State aid and *de minimis* aid
- Collects, processes, records data on granted state aids and *de minimis* aid grants and conducts an analysis of the effectiveness of state aid and *de minimis* aid
- Draws up an annual State Aid Report
- Reports to the European Commission on the granting of state aid
- Participates in the work of the European Union institutions in the field of state aid and *de minimis* aid
- Cooperates with international organizations and other subjects of international law in the field of state aid and *de minimis* aid
- Drafting proposals for state aid and *de minimis* aid regulations and draft regulations to be adopted by the European Union acquis on state aid and *de minimis* aid grants
- Gives an opinion on the draft regulations drawn up by the competent authorities relating to state aid and *de minimis* aid grants
- Provides training for the professional training and improvement of the provider and / or beneficiary of state aid and *de minimis* aid.

State aid and *de minimis* aid providers carry out the following tasks:

- Make proposals for state aid programs and individual state aid from its scope
- Grants State aid upon receipt of the opinion or approval of the competent authorities and after its publication
- Grants small value grants
- Monitors the implementation of the use of state aid granted and *de minimis* aid
- Keep records for granted state aid and *de minimis* aid within its jurisdiction
- Submit data on granted state aids and *de minimis* aid to the Ministry of Finance
- Analyse the effectiveness of the granted state aid and notify the Ministry of Finance
- Carry out refund of the state aid and *de minimis* aid.

STATE AID POLICY

The Government of the Republic of Croatia designs the state aid policy of the Republic of Croatia by specifying its priority objectives and the purpose of efficient use of the funds of the state budget of the Republic of Croatia.

The state aid policy of the Republic of Croatia follows the policy of the state aid of the European Union and the guidelines of the fiscal and economic policy of the Republic of Croatia.

The Government of the Republic of Croatia, on the proposal of the Ministry of Finance, provides guidelines for the state aid policy for a three-year period.

In drafting the State Aid Policy Guidelines, the Ministry of Finance cooperates with the state administration bodies, taking into account the data on the effectiveness of the state aid granted in previous years.

PROCEEDINGS BEFORE THE AWARD OF STATE AID

In field of port infrastructure Ministry of Sea, Transport and infrastructure drafts the State aid proposal, as well as program proposal for *de minimis* aid.

De minimis aid are awarded in accordance with the applicable EU Regulation regulating *de minimis* grants.

Selection procedure before granting State aid is divided on two procedures. The first one considered state aids for which there is an obligation to report to the European Commission, and the second one that are not obligatory to report to the European Commission.

3.2.3.1 Selection Procedure 1

State aid for which there is an obligation to report to the European Commission

The State Aid provider shall submit to the Ministry of Finance a proposal for a State aid scheme or individual State Aid for submission to the European Commission. Within 45 days of the receipt of the full proposal for a State aid scheme or individual State Aid, the Ministry of

Finance shall give its opinion on its compliance with the State aid rules and guidelines of the State aid policy of the Republic of Croatia. The proposals of the State Aid Provider of Local and Regional Self-Government Units shall be submitted to the Ministry of Finance only on their compatibility with the State Aid Rules.
If the Ministry of Finance considers that the proposal is in line with the State aid rules and guidelines of the State aid policy of the Republic of Croatia, it shall without delay notify the proposal of the State aid program or individual state aid to the European Commission and inform the state aid provider thereof.
If the Ministry of Finance considers that the proposal is inconsistent with or incompatible with the state aid rules and / or guidelines of the state aid policy of the Republic of Croatia, it shall propose to the State Aid Provider amendments to the submitted suggestions in written to achieve compliance. The State Aid Provider shall make the proposed amendments within the deadline set by the Ministry of Finance, which may not be shorter than 8 or more than 30 days.
If the State Aid Provider fails to submit to the Ministry of Finance the proposed amendments within the deadlines, Ministry of Finance shall reinstate the State Aid Provider of the application. If, even after a repeated request, the State Aid Provider fails to submit the required amendments within the deadline set by the Ministry of Finance, it shall be considered that the State Aid Provider has withdrawn from the proposal, unless the State Aid Provider does not submit the request.
Furthermore, proposal of the State aid scheme or individual state aid is reported by the Ministry of Finance to the European Commission upon a receipt of the corrected proposal without delay if it considers that the proposal is in compliance with the State aid rules and guidelines of the State aid policy of the Republic of Croatia.
If the State Aid Provider requests that the proposal for which the Ministry of Finance considers compliant with the Guidelines for State Aid Policies of the Republic of Croatia, without the proposed amendments to be made for the purpose of alignment with the State Aid Rules, the Ministry of Finance will act upon the request of the State Aid Provider and issue a missed proposal to the European Commission without delay.
The State aid provider may not grant State aid from the proposal prior to the approval of the European Commission.

3.2.3.2 Selection Procedure 2

State aid exempted from the obligation to report to the European Commission

The State Aid Provider a proposal for a state aid scheme or individual state aid submits to the Ministry of Finance exempted from the obligation to report to the European Commission in order to give its opinion on the compatibility of the content of the proposal with the State aid rules and state aid guidelines of the Republic of Croatia.
The Ministry of Finance shall give its opinion on the proposal at the latest within 45 days of the receipt of a complete proposal stating that the proposed State aid is exempt from the

obligation to report to the European Commission and that it is in accordance with the rules on State aid and Guidelines for State Aid Policies of the Republic of Croatia.
On the proposals for the state aid provider of the local and regional self-government units, Ministry of Finance shall give its opinion only on their state aid status exempt from the obligation to report to the European Commission and in compliance with state aid rules.
If the Ministry of Finance considers that the proposal is incompatible with, or is not sufficiently aligned with, state aid rules and / or state aid guidelines of the Republic of Croatia, it shall propose in writing to the State Aid Provider of Amendment suggestions for achieving compliance. The State Aid Provider shall make the proposed amendments within the deadline set by the Ministry of Finance, which may not be shorter than eight or more than 30 days.
If the State Aid Provider fails to submit to the Ministry of Finance the proposed amendments within the deadlines, the Ministry of Finance shall re-send request to the State Aid Provider.
If, even after a repeated request, the State Aid Provider fails to submit the requested amendments for alignment with the guidelines of the State aid policy of the Republic of Croatia within a deadline set by the Ministry of Finance, it shall be considered that the State Aid Provider has withdrawn from the proposal.
The State Aid Provider may grant State aid only after receiving a positive opinion from the Ministry of Finance on the compatibility of the State Aid Program proposal or individual State Aid with the Guidelines of the State Aid Policy of the Republic of Croatia. If State Aid Provider does not agree with the opinion of the Ministry of Finance on the compatibility of the proposal with the rules on state aid, the State Aid Provider may request from the Ministry of Finance the application of the proposal for which the Ministry of Finance considers the harmonized with guidelines of the state aid policy of the Republic of Croatia, directly to the European Commission.
If the application is requested and executed to the European Commission, the State Aid Grant may not grant State aid from the proposal prior to the approval of the European Commission.

3.2.4 Hungary

Since selection procedures vary from country to country, the understanding of differences between the countries' practice is one of the main objectives of the country report.

Along with the identified port development projects of the past 7 years, three main selection procedures can be distinguished:

- Priority project selection procedure
- Project notification to the Commission (DG Competition)
- Open calls
    - standard procedure
    - simplified procedure

3.2.4.1 Selection Procedure – priority project

The major projects of IKOP are operated in line with the 'dedicated projects selection procedure'. It means that each year, the Hungarian Government nominates the priority projects from the perspective of the priority areas of national economy. The priority projects are listed in the *'yearly national development framework'* which is approved by the government. Even though these priority projects are approved by the government in the development framework, the standard application procedure's regulations apply in a dedicated project selection procedure as well. The application procedure is very similar to an open call, except that the call is not open, only the nominated beneficiaries can submit proposals.

The dedicated selection procedure is operated on an ongoing basis: submitted proposals are assessed in the order of their arrival.

Definitions

Priority project: projects of public interest, approved by the policy-holder under objective professional criteria.

Yearly development framework: a strategic document that defines the way in which a program is implemented by one of the national Operative Programmes within a calendar year.

Specific conditions of the procedure

The yearly national development frameworks shall detail the following information for all the priority projects to be implemented in the following calendar year:

- the identification number and title of the respective funding call
- name of the beneficiary
- the maximum amount of grant to be awarded
- specific technical conditions of the project implementation

The first version of the development framework is prepared by the Managing Authority of the respective Operational Programme. The content of the funding calls within the development framework is prepared by the Intermediary Body, including all the relevant conditions of the selection procedure.

The first version of the development framework shall include the following information of the priority projects to be implemented:

- subject of the project
- eligibility criteria
- objective evaluation criteria of project selection
- justification of priority project status, reasons why open call is not required

In case of other calls (non-priority projects), the head of the Managing Authority decides on the number of project assessors and appoints them, whereas priority projects shall be assessed by a minimum of two assessors.

Evaluation of the procedure

The provisions of the dedicated project selection procedure determine the main characteristics and conditions of the selection process. Due to the fact that only those projects can apply for grant which are nominated on the yearly development framework, the selection procedure is more an administrative process.

It comes from the selection procedure of the 2014-2020 period that grant decisions can be made and grant contract can be signed before the elaboration of technical plans. This lightening on the previous rules made the selection process easier, but it made the early phase of the implementation more complicated and caused additional risks:

- budget cost estimates are either under or overestimated in lack of detailed planning,
- time delays are bigger due to the preparation activities being part of the implementation phase.

Example for assessment criteria – priority projects

Major port development projects are being implemented in the framework of the IKOP Integrated Transport Development Operational Programme under the second priority (IKOP-2.1.0), in line with the priority project selection procedure.

Priority projects under this funding scheme are assessed along with the following criteria:

I. Alignment with the objectives of the National Transport Infrastructure Development Strategy and the Integrated Transport Development Operational Programme (IKOP)

1. Alignment with the priority of IKOP: Improvement of international (TEN-T) waterborne and railway accessibility
2. The project is on the core or comprehensive network of TEN-T railway or waterway corridors 2.
3. The project has, an at least medium, rate according to the National Transport Infrastructure Development Strategy indicator: social utility (BCR indicator of the social cost-benefit analysis)

II. Assessment of project phasing and project

1. Detailed project phasing, including preparation and implementation
2. Availability of feasibility study, including option analysis
3. Detailed analysis of risks endangering successful and timing implementation and the description of risk management

III. Analysis of financial indicators as well as financial and technical sustainability

1. Justification of the need for financial subsidy and the financial viability of the project by means of financial and social cost-benefit analysis
2. The project is financially sustainable and the financial sources for the operation are secured
3. The project is technically operable and maintainable
4. The potential linkages with other aids are discovered and identified

IV. Assessment of potential environmental impacts and environmental sustainability

1. The project is feasible from the aspects of environmental protection, nature protection and water management
2. The project is sustainable in terms of environmental protection

V. Assessment of project budget

1. Project budget is realistic, project activities and their costs are well detailed, the principle of cost efficiency is secured
2. Cost lines are in line with eligibility criteria and the related cost limits

VI. Assessment of project management organisation

1. Beneficiary has adequate administrative, financial and operational capacity

VII. Assessment of indicators related to sustainability and equal opportunities

1. Adequate sustainability indicators
2. Adequate indicators for equal opportunities

3.2.4.2 Selection Procedure – project notification to the Commission

During the 2007-2013 period, port infrastructural developments (similarly to other sectors' investments of economic nature) fell under a more thorough investigation of state aid, compared to the previous financing period. The analysis of state aid had been an important point of the feasibility studies as well.

Based on the available state aid analyses, the Managing Authority of the Ministry and the State Aid Monitoring Office in Hungary concluded that major port development projects to be implemented in Hungary were likely to fall under state aid. However, the General Block Exemption Regulation GBER in force had no dedicated provisions for any port development. Until June 2017, under the article 'Aid for local infrastructure' the GBER had referred to the to be elaborated 'Aid for ports'. For this reason, until this milestone, in lack of any applicable block exemption regulation, port developments had to be notified individually to the Commission. This was the case with four Hungarian port development projects:

- Intermodal development of the Freeport of Budapest in Csepel
- Intermodal development of the Port of Győr-Gönyű
- Intermodal development of the Port of Baja
- New port development in Mohács

Complying with the respective preconditions, all the above projects were priority projects, as seen in the table of the previous chapter.

On average, the EU level notification procedure took an additional year, as a result of which, a positive Commission Decision declared these projects state aid, compatible with the market.

Having been approved by the Commission, on national level the project was granted in the framework of priority project selection procedure, the application process followed the same procedure discussed in the previous chapter.

3.2.4.3 Selection Procedure – open call

The main concept of the application procedure of open calls is that project proposals are in competition, and only part of them are selected to be granted. The selection between project proposals follows two main different methods:

- **Standard procedure:** every proposal is assessed under the same criteria and only those of the best quality are awarded within the framework of the financial source of the given call. Project proposals compete with their ***quality***.
- **Simplified procedure:** assessment criteria are more objective, those reaching the minimum level are granted automatically, in the order of the time of their submission. Project proposals compete in ***time***.

Standard procedure

In line with the conditions of standard process, applications submitted within predefined periods are assessed together and selected based on their assessment points.

Project proposals for logistics centres' development within GINOP (Economic Development and Innovation Operational Programme 2014-2020) are assessed according to this procedure.

Example for assessment criteria in standard procedure

- The number of years for what the applicant has been operating
- Rate of operating profit compared to the balance sheet
- Volume of investment costs compared to the assets
- Growth of net revenues of the past 2 years
- Volume of investment costs compared to the net revenues
- Is the site in any of the settlements of the 'free business zone'? (predefined list of disadvantaged settlements)
- Has the applicant successfully implemented a similar EU funded project under the same scheme of the financing period 2007-2013?
- Availability of ISO 14001 certificate
- Does the applicant operate as an intermodal logistics centre as well?
- Size of covered storage facility
- Experience with procedural irregularities during the implementation of EU projects

Simplified procedure

Funding schemes applying simplified procedure typically support a relatively high number of projects, which is one reason for the simplification of evaluation criteria and for the simplification of the decision procedure as well.

In the framework of KÖZOP Transport Development Operational Programme, two de minimis funding schemes were launched in 2014 and 2015, which followed a simplified selection procedure: Development and modernisation of basic port infrastructure KÖZOP-4.6 and

KÖZOP-4.7. Since the time was extremely close to the end of the financing period 2007-2013, the available time for project implementation was exceptionally short. However, this urgency speeded up the selection procedure and decisions of the MA.

Evaluation of the procedure

The nature of the KÖZOP 4.6 and 4.7 funding schemes was rather atypical for the Managing Authority coordinating transport development projects, for the following reasons:

- EU funded transport development projects are typically implemented by public bodies, or the major state-owned transport infrastructure companies; SMEs were unfamiliar for the responsible department of the MA.
- Transport project volumes are always over millions of euros, not this small-scale (200.000 €).
- Transport investment projects are mostly dedicated projects, the competition of applications in an open call was also uncommon.

Given the late timing of this scheme, the de minimis construction was a very flexible instrument to efficiently use the residual EU fund sources at the end of the financing period. Though transport developments most typically did not fall under state aid, this time, projects of economic nature could also be supported.

From the perspective of the Hungarian MA responsible for transport developments, the de minimis fund scheme was a good practice on the efficient use of public sources, since these small-scale projects could contribute to the Programme indicators relatively much more efficiently: the ratio of aid/ indicators undertaken by beneficiaries was higher than the major projects'.

Example for assessment criteria in simplified procedure

KÖZOP-4.7 funding scheme followed the logic of the standards selection procedure, though these projects were implemented during the 2007-2013 financing period, when selection procedures and the related conditions were slightly different. However, Yes/No type selection criteria were defined as follows:

- The subject of the proposal complies with the objectives of the funding scheme
- The planned project activities comply with the list of the eligible activities
- All the demonstrated costs are eligible according to the Call for Proposals
- The timing of the implementation is feasible
- As regards the physical implementation, there is no conflict with previous EU-funded projects
- The need for subsidy is well justified
- All the necessary building permits are available and are in force

Each project meeting all of the above criteria were automatically granted.

The current Operational Programme IKOP has the room to launch a similar open call for small-scale port developments, where the provisions of the simplified selection procedure would apply.

3.2.5 Romania

Scheme progress

The State Aid Scheme Administrator launches the call for proposals, verifies fulfilment of the conditions set out in the State aid scheme and those specified in the Applicant's Guide for the specific objectives 1.3 - Increase in the degree of use of waterways and ports on the TEN network -T centre and 2.4 - Increase in the volume of goods transited via intermodal terminals and ports and, if they find that conditions are fulfilled, they sign the financing contracts with the state aid beneficiaries.

The scheme implementation and progress procedure is carried out in accordance with the provisions of the Applicant's Guide for specific objectives 1.3 - Increase in the use of waterways and ports on the central TEN-T network and 2.4 - Increase in the volume of goods transited via intermodal terminals and ports.

The provider shall pay the state aid after the scheme administrator has signed the grant agreements with the beneficiary.

If it is ascertained that the beneficiary did not comply with the grant conditions provided by the Scheme, the provider shall proceed to the ceasing/recovery, as appropriate, of the state aid in accordance with the provisions of Government Emergency Ordinance no. 77/2014 on national procedures in the field of state aid, as well as for amending and completing the Competition Law no. 21/1996, approved with amendments and completions by Law no. 20/2015, as amended.

State aid to be repaid or recovered includes the pertaining interest due from the date of payment until the date of recovery or full reimbursement. The applicable interest rate is that established under the provisions of Regulation (EU) No. 1589/2015 laying down detailed rules for the implementation of Article 108 of the Treaty on the Functioning of the European Union.

Rules on the publication, information, reporting and monitoring of State aid

In order to ensure transparency and effective control of state aids, the scheme administrator applies the provisions regarding the information and advisory procedure provided in Government Emergency Ordinance no. 77/2014, approved with amendments and completions by Law no. 20/2015, as amended.

After obtaining the endorsement from the Competition Council, the text of the scheme and the normative act for its approval shall be published on the official website of the Ministry of Transport at www.mt.ro and the Ministry of Regional Development, Public Administration and European Funds at www.fonduri-ue.ro

The State Aid Administrator shall submit to the Competition Council a summary of the information on the Scheme, as set out in Annex II of the Regulation, for submission to the European Commission no later than 20 working days after the adoption of the Scheme.

Beneficiaries are bound to report, in compliance with the provisions of the grant agreement, on the status of the investment work until the project is finalized, as well as provide further additional information at the request of the State aid provider/scheme administrator.

The reporting and monitoring of the state aid granted under the scheme is carried out in accordance with the provisions of Government Emergency Ordinance no. 77/2014 on national procedures in the field of state aid, as well as for amending and completing the Competition Law no. 21/2006, approved with amendments and completions by Law no. 20/2015, as amended, respectively of the Regulation on State aid monitoring procedures, implemented by the Order of the President of the Competition Council no. 175/2007, or any regulation that amends/complements them.

The State Aid provider/Scheme Administrator is bound to keep all the information on aid granted thereunder (justifying documents on state aid granted) for a period of 10 years from the date of the last aid, but not less than a period ending 5 years after the formal or partial closure of the Large Infrastructure Operational Program, in order to demonstrate that all the exemption conditions provided by the Regulation have been observed.

The State aid beneficiary must keep, for a period of at least 10 fiscal years from the granting date of the last specific allocation, all documents related to the state aid received under the scheme and submit to the scheme supplier/administrator or to the Competition Council within the deadlines provided by them all the information necessary for carrying out the national and Community procedures in the field of the state aid.

On the basis of a written application, the administrator/provider shall submit to the European Commission via the Competition Council within 20 working days or within the deadline set in the application all the information that the European Commission deems necessary to assess compliance with the terms of the State aid scheme.

The provider has the obligation to submit to the Competition Council, in the form and within the deadline stipulated by the Regulation on state aid monitoring procedures, implemented by the Order of the President of the Competition Council no. 175/2007, all the data and information needed to monitor State aid at a national level.

The provider or, as the case may be, the state scheme administrator has the obligation, according to the provisions of art. 29 of the Regulation on the State Aid Register, implemented by Order of the President of the Competition Council no. 437/2016, to upload the data and information regarding the state aid scheme within a maximum of five (5) days from its entry into force in the Electronic State Register of State Aid granted in Romania (RegAS).

Funding contracts, aid granting documentation, payments, aid recovery obligations, and effective reimbursement of such obligations under this measure shall be uploaded in the Registry within a maximum of seven (7) days as of signing the contract/act or of their publication in the Official Gazette of Romania, as appropriate, or from the date of the establishment of payments, recovery obligations or the effective reimbursement of the respective obligations respectively.

The Scheme Administrator shall ensure information disclosure under Art. 9 par. (1) letter c) of Regulation (EU) No. 651/2014 of 17 June 2014 on declaring certain categories of aid

compatible with the internal market pursuant to Art. 107 and 108 of the Treaty, concerning each individual aid granted under the State aid scheme exceeding EUR 500,000.

3.2.6 Slovakia

The following descriptions of selection procedure relate to measures available in the present period. They do not describe the selection process under the scheme listed in the table as it does not target the ports' development.

3.2.6.1 Selection Procedure 1

Operational Programme Transport – 2014 -2020
Considering the specific position of the Slovak Ministry of Transport and Construction towards the supported activities, the eligible applicants (Verejné prístavy, a. s., Agency for Development of Water Transport etc.) have already been pre-selected in the Operating Program document. These applicants will be requested to present project applications.

Selection of successful projects shall comply with the outputs of several strategic documents compiled for the needs of the programming period 2014-2020 and goals identified by the Ministry of Transport and Construction.

For the purposes of effective and transparent selection process, supported will be only those projects identified as corresponding to the initial status and needs in the area in water transport, cost effective, environmentally sustainable and with a sufficient personnel capacity.

Quantitative output expected to be reached until the year 2023 in the area of inland water transport:

Table 26 Quantitative output expected to be reached until the year 2023 in the area of inland water transport

	Indicator	Target
1	Number of modernised public ports in the TEN-T CORE network	1
2	Number of feasibility studies relating to the development of ports and waterways in the TEN-T CORE network	2

3.2.6.2 Selection Procedure 2

INTERREG SK-HU

The process of project selection is organised as calls for proposals with earmarked allocation. The relevant Hungarian and Slovakian authorities set up a Joint Secretariat that is employed by Széchenyi Programme Office Nonprofit Llc. on the basis of a framework agreement. It is located in Budapest and has an international staff from the both Member States. Within the calls for proposals the applicants submit to the Joint Secretariat, by the stated deadline, the prepared project proposals.

The Joint Secretariat shall ensure that only those projects, which meet the condition of optimal expenditure-result relation and which suit the current social-economic needs of the cross-border area best, are selected. One of the key criterion will be the analysis of planned institutional, organisational and financial durability of the effects that are to be achieved. The system of project selection will take into account the need for balance between the necessity of ensuring in-depth evaluation and the quickness and efficiency of the process of evaluation of a large number of applications.
Upon submission of project applications, the formal compliance and eligibility assessment will be conducted. The quality assessment will then be conducted by the Joint Secretariat and a team of experts specializing in particular themes and subjects, having knowledge on the cross-border cooperation and being able to assess both the expected level of co-operation of the project partners during the project implementation and the impact of the project on local and/or regional community on both sides of the border. The decision to award co-financing to a given project is based on the Monitoring Committee selection.

3.2.6.3 Selection Procedure 3

INTERREG SK-AT

The Joint (Technical) Secretariat for the OP Slovakia-Austria 2014-2020 is the Ministry of Agriculture and Rural Development of the Slovak Republic, Department of the Cross-border Cooperation Programmes. It has the overall responsibility for carrying out the assessment of received applications and may consult regional experts on certain criteria.
The assessment process consists of three distinctive phases, each of them using a specific set of criteria:

- Formal Check
- Eligibility assessment
- Quality assessment.

Selection criteria and guiding principles:

- Relevance of the contents for the programme (focus on the intended activities and outputs),
- Quality of methods, management and organisation (logic of the project, approach and capacity for management),
- Justification of budget (economy, efficiency, transparency),
- Regional dimension (contribution to respectively coherence with key strategies at regional and national level),
- Cooperation criteria (synthesis of several aspects based on the four cooperation criteria as defined for the programme),
- Quality of partnership (balance, capacity, policy relevance and potential outreach, potentialities for synergies),
- Cross-border impact (clear rationale and evidence for increased policy lever or effectiveness)
- Sustainability (provisions for shared use after project end, synergies with other ongoing or planned major projects/initiatives).

Each application will be approved by consensus within the Monitoring Committee, consisting of representatives of both Member States, that should take into account and discuss The Joint (Technical) Secretariat's remarks. For the selection of projects for receiving assistance under the programme, the responsibility stays exclusively with the Monitoring Committee.

4 Conclusions/Recommendations

4.1 Austria

n/a

4.2 Bulgaria

Recommendations

The national workshop in Bulgaria was organized by the Bulgarian Ports Infrastructure Company. The workshops with the national stakeholders took place in Gran Hotel Sofia, on April 19, 2018 where the main goal was to discuss the national inland ports legal framework. Mr. Stoyan Hristov (BPICo, project manager DAPhNE) welcome the participants, explained the agenda and the organisational details of the workshop, and finished by giving the floor to the invited speaker. Experts sought possible solutions to existing problems and introduced participants with proposals for improvement in the legal framework.
Besides representatives of BPICo the seminar was attended by representatives of local river port operators, experts from the Ministry of Transport, Information Technologies and Communication, etc. All of them were experienced in port operation and exploitation and thus – experts on the discussed topics. The main six topics were formulated in advance in the National legal framework report.
The speaker on this specific theme gave a detailed presentation on the legal basis for granting state aid in the field of transport in Bulgaria and the current state of play. He presented the general points about the state-aid schemes in Bulgaria, state-aid maps of the transport sector, as well as of the ports, he analysed the national legislation on state aid, the General Block Exemption Regulation, analytical matrices for port infrastructure, transparency requirements and finished by providing some practical advice.
The participants showed great interest on the presentation, especially on the state aid theme. As it is not common practice in the field of port operation, options were commented for receiving state aid for ports. It became clear that there are not many possibilities for individual ports, almost limited to certain initiatives with public significance. The national workshop managed to reach its scope, as there were no unclear issues left.
Problems that arose were related to the timeframe for conducting the event and the specifics on the public procurement procedure for the national report. The following conclusions/recommendations were made in the process of discussion:

- State aid schemes are a good option for future investments and development of the ports. However, there is a lack of information about the state aid schemes and procedures amongst stakeholders. Therefore, it is important to organize more meetings and workshops with EU experts in the state aid field, as well as with stakeholders from Bulgaria.
- Easier access to EU funding by all types of ports would be beneficial. Nonetheless, it is difficult to access state aid schemes due to unclear and unordered rules for state aid in Bulgarian legislation. Thus, it is advisable to make the state aid legislation in Bulgaria more clear and applicable for inland ports.
- The process of notification is very slow and time consuming. Hence, an improvement of communication between the government and the stakeholders about state aid is needed.

- There is a lack of good practices and guidelines for state aid schemes. So, support by the government is essential when applying for state aid.
- Stakeholders/port businesses do not know about the existence of state aid schemes in Bulgaria. Consequently, dissemination and promotion of the advantage of the state schemes to the port business in Bulgaria is recommended.

Conclusions

Ports can make a significant contribution to the economic recovery and long-term competitiveness of European industry on world markets while creating added value and jobs in all EU coastal areas. Ports will play a key role in the development of an efficient and sustainable trans-European network by increasing the choice of modes of transport and contributing to multimodal transport.

Today, European ports policy is at a crossroads. While some European ports function well, many other ports suffer from structural problems linked to inadequate links to the hinterland, lack of transparency in the use of public funds, barriers to entry, outdated management models and excessive bureaucracy. Urgent action is needed to tackle these pressing problems in recent years.

With the newly adopted Regulation of the European Parliament and the Council, all Member States express hope that the key issues relating to access to the port services market, financial transparency and port self-sufficiency will finally be addressed.

At the same time, it is necessary to emphasize on:

- making full use of the new TEN-T funding guidelines and EU financial instruments to improve port connections with their hinterland and support for European ports policy;
- traceability whether the current EU legislation applicable to concessions and ports is properly implemented;
- the need to provide administrative and technical support for social dialogue at the EU level;
- new initiatives to further simplify administrative procedures in ports and, in particular, custom procedures.

4.3 Croatia

Recommendations

On May 10, 2018, a port funding workshop took place in Karanac, Croatia. The event was hosted by the Croatian partner of DAPhNE and Port Authority Vukovar (PAV). The meeting was chaired by Mr. Alen Jakumetović (PAV, General Manager), who welcomed the participants and briefly introduced workshop goals.
There were five major themes discussed with the participation of representatives from port operators in Vukovar Port, the Ministry of the Sea, Transport and Infrastructure, port agents,

Border Police, Harbour Masters Office Vukovar and Osijek, Port Authority Osijek, and the Agency for Inland Waterways.
The national port funding – state aid report was presented, and the following topics were discussed:

- Relevant regulations for the state aid
- Definition of the state aid in national regulations
- Documents (other from regulations) relevant for the state aid
- National bodies relevant for state aid
- Procedures for state aid

The main focus was to collect recommendations on how to gain more information about the state aid rules and how to use state aid funds in order to improve inland navigation and inland ports.
Mr. Miroslav Mađarac from port Authority presented the main findings/conclusion of the National Report and then opened the discussion. Focus was on current situations with regulations and procedures, and how it affects state aid consumption. Participants discussed and gave their suggestions.
During the discussion some of the stakeholders, who have experience with the topic, gave their opinion especially on current regulations and state aid rules improvement possibilities, current procedures and how they affect port development. This proved the workshop reached its scope and the following problems were encountered, accompanied by improvement ideas for future events:

- National legislation regarding state aid is too general. This is why, national legislation should be improved in regards of state aid.
- The definitions within the State Aid Guidance's (2017-2020) are too general, since they do not give any practical details. More detailed and clear definitions, as well as regulations about State aid in the State Aid Guidance's is recommended.
- Maritime and inland ports definitions are not clearly divided, and which rules apply to inland ports is not clear. Therefore, state aid for maritime and inland parts in the State Aid Program of the Ministry of the Sea, Transport, and Infrastructure should be clearly defined.
- At the national level, there is a lack of information regarding state aid, which could ease the understanding and use of it in practice. Providing more information about State aid in general on a national level is recommended.
- Finally, no training for state aid is foreseen. This could be very useful in order to ameliorate, and ease gaining funding. Providing necessary training by the Ministry of Finance to other ministries in order to use State aid funds and to develop the ports, would solve this.

Overall, state aid is too generally defined by regulations; the state aid program is referring solely to ports but is not clear on whether this refers to both maritime and inland ports; although procedure for state aid is mostly clear, other definitions and purposes of state aid in Croatia are not well defined. It is important to note that the amount of state aid consumption in inland navigation until now has been very low.

4.4 Hungary

Recommendations

On April 17, 2018, a port funding and state-aid schemes workshop took place at the Freeport of Budapest, MAHART conference room.
Attendees representing Hungarian cargo ports, shipping authorities, ministries and external experts of inland navigation and port development discussed the following topics at the State aid schemes workshop:

- What is state-aid?
- Hungarian legislation and regulation is in line with the Commission's policy
- Exemptions from under state-aid regulation
    - Notification process
    - GBER
    - de minimis
    - local infrastructure development
    - programs directly focusing on port development (no experience yet due to no application for focused calls for proposals)
- Beneficiaries
- Eligibility
- Relationship of handled goods, technological background (port establishment and facilities), planned investments and granted projects.

The workshop was moderated by the project manager of DAPhNE from the Hungarian Federation of Danube Ports and supported by a state-aid expert who provided a short presentation on the national state-aid schemes report completed for this workshop.
The main objective of the workshop was to collect recommendations on how to improve the effectiveness of financial sources targeting port development and how to clarify state-aid schemes on a national level for stake holders.
The workshop reached its scope since plenty of issues and their possible solutions, alongside improvement ideas came up:

- Since definitions under the GBER articles (aid for local infrastructure, aid for ports) are unclear, grants cannot be provided. Therefore, the commission should be consequent when launching funding programs and establish their terminology.
- The definitions under the GBER articles should also be detailed and harmonized. By the reason of companies that belong to large corporate groups being ineligible for grants, funding programs should be more sensitive regarding the core profile and the port companies' main activity to make them eligible to apply.
- Smaller public and private ports, compared to national public ports, have different authorities to deal with: national public ports deal with the shipping authority of the Ministry of National Development, whereas other ports deal with the general Department of Transport in the Government Office of Budapest. Shipping authorities should be merged again, whilst remaining independent from the ministry.
- Another issue is that competitive neutrality of the different transport modes is not secured. Hence, there should be equal competition legislation (equal incentives, taxes, etc.) regarding transport modes on both national and EU levels.

- The risk of shipping authorities not being familiar with whom to contact in case of port investment due to maintainer company's and operator company's different responsibilities and permissions exists. Ergo, there should be clear channels of communication between shipping authorities and port companies by deciding who is responsible for what, amongst port owners, managers and operators.
- Although the relationship of the Ministry of National Development and the European Commission is positive, there is an uncertainty on future funding programs, sum and date of publishing sources. Hence, member States should jointly lobby for future grants and funding programs when communicating with the Commission.

4.5 Romania

Recommendations

On March 27, 2018, a national workshop on financing of port investment was organized in Constanta, which had the use of state aid schemes as a main theme.

The event was attended by representatives of all interested parties, including partners from the DAPhNE project, as well as institutions, port operators, universities, etc.

The presentations made by the participants included general and specific aspects of Romanian ports regarding state aid (Competition Council), POIM 2014-2020, the field of intervention for the improvement of navigation conditions, the development of port infrastructure and of the intermodal/multimodal local infrastructure - beneficiaries public and private (MT - DGOIT), on-going infrastructure projects in inland waterways and ports in Romania (MT - DTN), private investment in ports (ADM and ILR - High Performance Green Port Giurgiu) and the initial draft of this report.

Subsequent debates were held on the presentations, including the report on investment in ports. The following are recommendations that resulted from workshops, debates and feedback from participants or other stakeholders:

1. Development of the state aid scheme for investments in ports, approved by the Order of the Minister of Transport no. 1532 of 2017, presented in Chapter 3, is seen as an important opportunity to develop port infrastructure, but at this time, although both the Ministry of Transport and the Competition Council are proactive in dissemination, as appreciated by all stakeholders, the level of knowledge of this scheme is still not high enough and is to be upgraded by future communications at events organized specifically for this purpose. It was noted that the participants in the workshop were invited to such an event organized by the Competition Council.
2. Due to the fact that port infrastructure is the subject of discussion, the state aid scheme referred to above addresses public organizations. It is important to take steps to seek opportunities to involve private investors in the development of the infrastructure addressed by this scheme through partnerships.
3. Many of the participants expressed the need to develop a new State aid scheme to address the private organizations and port superstructure development during the debates.

It is important to observe the *Study on supporting private investment in the maritime sector*[30] here, which identified the following areas that are recommended to be subject to investment support:

- Expansion / modernization / rehabilitation of the warehouses;
- Purchase of equipment for loading / unloading goods;
- Construction / extension / consolidation / modernization of port platforms;
- Equipment for transfer between modes of transport;
- Providing utilities.

4. When the concepts of state aid in the field of port infrastructure development are applied it is important to analyse the particularities generated by the Romanian practice of using the land concession rarely used in other EU countries and to observe the possible situations when the activities identified at the European Union level as being subject of State aid for the port area are not fully applicable in Romania.
5. Having the lack of experience in Romania in the development and application of state aid schemes in the development of port infrastructure in mind, it is important for all stakeholders to show an increased concern in analysing their specificities. In this respect, it is recommended to use the results of this project, which will highlight the practices in the field of all partner countries. It is also necessary to observe practices of other European countries with experience in this area.

Conclusions

Up to now, no state aid schemes for port infrastructure or superstructure development have been used in Romania.

Subject to compliance with EU Commission Regulation No. 651/2014 of 17 June 2014 on declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as amended and supplemented and to EU Regulation No. 1084/2017 of 14 June 2017 amending EU Regulation No. 651/2014 regarding aid for port and airport infrastructures and other relevant regulations in the field Order no. 1532/2017 was adopted with regard to the approval of the State aid scheme for port infrastructure and intermodal/multimodal local infrastructure investments pertaining to the Large Infrastructure Operational Program (POI 2014-2020), priority axis 1, the specific objective 1.3 - increase in the use of waterways and ports on the central TEN-T network and Priority Axis 2 - Developing a multimodal, quality, sustainable and efficient transport system, specific objective 2.4 - Increase in the volume of goods transiting via intermodal terminals and ports.

[30] *The study on supporting private investment in the maritime sector*, carried out in March 2018 by Egis for the European Investment Bank - PASSA, having as beneficiary the Ministry of Transport

This regulation establishes a transparent State aid scheme for investments in the infrastructure of maritime and inland ports and in the intermodal/multimodal local infrastructure in order to improve the infrastructure quality, increase the safety of the river and maritime transport and its uninterrupted duration for the entire year, and for the purpose of investing in local infrastructure specific to intermodal terminals, meant to result in increased intermodal transport attractiveness, the integration of ports into efficient transport and logistics chains, the increase in the volume of goods handled in intermodal units and ports in order to contribute to the economic growth and a more efficient use and operation of the trans-European transport network.

The possible beneficiaries of state aid for port infrastructure investments are national companies managing maritime and river port infrastructure and local authorities managing port infrastructure located in ports prioritized by the Master Plan of Transport of Romania.

The State aid scheme shall apply until 31 December 2020 and has an estimated total budget of 647,360,001 EUR (equivalent in RON) which represents European non-reimbursable funds provided through the Cohesion Fund (288,000,000 EUR) and the European Regional Development Fund (120,000,000 EUR) and public co-financing funds provided from the state budget/local budget (239.360.001 EUR).

The estimated number of beneficiaries of State aid for investment in port infrastructure under the scheme is 6.

The total estimated budget allotted for investments in the local intermodal/multimodal infrastructure is EUR 40,000,000 (equivalent in RON) and represents non-reimbursable European funds provided by the European Regional Development Fund (30,000,000 EUR) and co-financing funds provided by public financing from the state budget/local budget (10,000,000 EUR) with an estimated number of 4 beneficiaries.

Interested parties in the field of port infrastructure development in Romanian ports are still concerned with the appropriate definition of state aids and the correlation of terms with those used at a European level, as well as with the harmonised development of practices regarding the application thereof.

4.6 Slovakia

Recommendations

On June 21, 2018, a national workshop took place at the Hotel Safron Bratislava. The event was hosted by the Slovak partner of DAPhNE, Verejné prístavy, a.s. (VP, a.s.).

The meeting was chaired by project manager Mr. Tomáš Červeňák, by subcontract Mr. Matúš Pošvanc, and expert on state aid Mrs. Lucia Gzlejová.

The workshop participants were from the public bodies concerning the topics of workshop – legal framework of ports. Experts came from the section of water transportation of the Ministry of Transportation and Construction of the Slovak Republic, Transport authority, Antimonopoly Office of the Slovak Republic, Waterborne Transport Development Agency and the European Union funds section of the MTC SR, Public Ports and external experts in the field of water transportation.

The main problems identified in the waterway sector are mainly bottlenecks on the Danube waterway, the technical condition of public ports, low interest in commerce through water transport, the age of the fleets and decreasing trends in shipping freight.

Development of inland water transport in the past period has been difficult due to several aspects. Below are the identified problems and their solutions:

- The respective competences are split between 2 ministries and several other institutions what leads to fragmentation of sources, effectiveness and powers, lack of finance and personnel.

  We would suggest to initiate a broader discussion about competences of individual interested institutions and their potential restructuring in order to reach the highest possible effectiveness of resources as well as of the output. The endeavour of all interested parties shall be coordinated in order to improve the use of administrative resources, increase the political attention paid to water transport and also to make the business environment more comprehensive.

- The present ownership / leasing relations between the Company (Verejné prístavy, a.s.), as the owner of land, and other entities owning or under long-term leasing agreements operating the existing infra – and superstructure of the Danube Ports complicate their development. This conflicting ownership structure and ongoing discussions between several parties over the past period led to a stagnation of the Bratislava and Komárno Ports.

  We understand that the interested parties have in the previous period already been trying to discuss the setting of assets relations, however the negotiations have not led to a satisfactory output. In this respect we take the opportunity to point out that clarity and comprehensiveness of ownership relations is one of the key prerequisites for successful applications for public support. The European state aid rules, as was also pointed out during the workshop, in general require that the advantages of the public support shall be "used" solely by the beneficiary. Considering the present ownership relations, it may be difficult to clearly define who would be the aid beneficiary. Therefore, we would like to suggest intensification of communication about ownership relations.

- A complicated access to financing was one of the obstacles of water transport development in the past period. Excluding the waterway transport from eligible forms of transport in the Operation Programme "Transport" implemented in the years 2007

– 2013. Despite an allocation of over 3 billion EUR waterway transport was not entitled for any support.

In the current period, the Bratislava Port is eligible to apply for public support. The volume of allocated fuds reaches 137 million EUR. In this respect we would like to suggest a continuous monitoring of information sources of public support in order to provide a prompt reaction by the company Verejné prístavy, a.s. in case of suitable calls.

Except from the Operation Programme Integrated Infrastructure, also the Connecting Europe Facility (CEF) for Transport for larger infrastructural investments and INTERREG SK-HU and INTERREG SK-AT for smaller scale projects of cooperation and studies, may be suitable.

- In order to promote the inland water transport and its incorporation in the logistics chain a close cooperation between the operators, water transport branch and ports is inevitable. High investment costs and difficult access to financing due to a fragmented character of this branch as well as ownership relations prevent from further expansion and development of inland water transport.

  In this respect we would like to suggest opening of a discussion about possibilities of improving access to capital not only for large but also for small and medium sized companies, in order to attract new entities, new transport operators and to enable further development of existing entrepreneurs.

  Respective institutions, providers of state aid, could for example consider broadening of the grants framework, enabling of profit reinvestments by tax exemptions or broadening the “small” aid - de minimis aid framework.

  In this context, it would also be appropriate to carry out an analysis of all activities related to waterway transport and to identify the activities that clearly fall under the scope of State aid.

- Public awareness of inland water transport is relatively low and lags behind its real technical and logistical performance. Improving of the inland water transport perception shall be a joint task of the industry, politicians and administration.

  We would like to suggest considering marketing and promotion activities not only towards the professionals but also the general public to promote ports’ activities in order to create a consistent and positive picture of inland water transport as a reliable and successful partner.

  As all of the Danube Ports are located in the vicinity of city centres what can be a limiting factor for freight transport as it may limit further development and reloading of certain types of cargo, their development shall be discussed with representatives of

cities and then considered in future master plans and other strategic documents of the port cities.

Conclusions

The main problems identified in the waterway sector are mainly bottlenecks on the Danube waterway, the technical condition of public ports, low interest in commerce through water transport, the age of the fleets and decreasing trends in shipping freight.

Development of inland water transport in the past period has been difficult due to several aspects. Below are the identified problems and their solutions:

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  We would suggest to initiate a broader discussion about competences of individual interested institutions and their potential restructuring in order to reach the highest possible effectiveness of resources as well as of the output. The endeavour of all interested parties shall be coordinated in order to improve the use of administrative resources, increase the political attention paid to water transport and also to make the business environment more comprehensive.

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  We understand that the interested parties have in the previous period already been trying to discuss the setting of assets relations, however the negotiations have not led to a satisfactory output. In this respect we take the opportunity to point out that clarity and comprehensiveness of ownership relations is one of the key prerequisites for successful applications for public support. The European state aid rules, as was also pointed out during the workshop, in general require that the advantages of the public support shall be "used" solely by the beneficiary. Considering the present ownership relations, it may be difficult to clearly define who would be the aid beneficiary. Therefore, we would like to suggest intensification of communication about ownership relations.

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  As all of the Danube Ports are located in the vicinity of city centres what can be a limiting factor for freight transport as it may limit further development and reloading of certain types of cargo, their development shall be discussed with representatives of cities and then considered in future master plans and other strategic documents of the port cities.

5 Annexes

Austria

Annex 1 – Complementary information about the Austrian ports defined as such in the Austrian legal framework (cargo ports)

Information about the Austrian ports defined as such in the Austrian legal framework

PORTS	Linz AG	Enns / Ennsdorf	Krems	Vienna	Linz / voestalpine	Linz / Felbermayr	Ybbs
Operation structure / Port mana-gement	Publicly owned limited company (GmbH)	Cooperation of publicly owned limited companies (GmbH)[31]	Private Public Partnership-model[32]	Publicly owned limited company (GmbH& Co KG)[33]	Privately owned limited company (GmbH)	Privately owned limited company (GmbH & Co KG)	Privately owned limited company (GmbH)
Container Terminals							
Number of terminals	1	1	1	1	×	×	×
Container storage yard [TEU]	5 000	8 000	10 000	7 000	×	×	×
Cargo types handled in the port							
Dry bulk	√	√	√	√	√	√	√
Container	√	√	√	√	×	√	√
Break bulk	√	√	√	√	√	×	√
High & heavy cargo	×	√	√	√	×	×	×
Petroleum products refined	√	√	×	√	×	×	×
RoRo cargo	√	√	×	√	×	√	×
Liquid bulk	×	√	×	√	×	×	×
Crude oil	×	×	×	√	×	×	×
Moisture sensible break bulk	×	√	×	×	×	×	×
Handling facilities and devices							
Ro/Ro-ramp	√	√	×	√	×	√	×
Covered water transhipme nt	×	√	×	√	√	√	×

[31] *Ennshafen OÖ GmbH* and *Ennshafen NÖ GmbH* carry out the development and operation of the infrastructure.
[32] The city of Krems and *Hafen-und Industriebahn GmbH* (owned by the city of Krems) invest in infrastructure (quay walls, rail tracks, gantry cranes), *Rhenus* operates the port and invests in storage halls and logistics equipment. The city of Krems is owner of the public port facilities and of the major part of the area of the port.
[33] *Wiener Hafen* owns the port facilities (land, buildings and quays) and runs the port operations, including infrastructure, in the fields of Freudenau, Albern and Lobau ports.

Conveyor belt	×	√	√	√	×	×	×
Pneumatic equipment	×	√	×	×	×	×	×
Luffing/ Slewing crane	×	×	1	×	×	×	×
Gantry crane(s)	2	5	2	3	8	2	1
Mobile crane(s)	1	5	2	1	1	300	10
Storage facilities							
Open storage area	√	√	√	√	√	√	×
Covered storage area	√	√	√	√	√	√	×
Storage of dangerous cargo	√	√	×	×	√	×	×
Customs warehouse	√	√	√	√	×	×	×
Maintenance and disposal facilities							
Waste disposal	√	√	√	√	√	×	×
Bilge water disposal	√	√	×	√	×	×	×
Bunkering facilities	×	√	×	×	×	×	×
Fresh water supply	√	√	√	√	√	×	×
Onshore power supply	√	√	√	√	√	×	×
Shipyard	√	×	×	×	×	×	×

Sources: PDI based on data from viadonau and Ministry for Transport, Innovation and Technology (bmvit)

Annex 2 – Austrian transhipment sites which can also be considered as ports

Austrian transhipment sites which can also be considered as ports

PORTS	Aschach	Felbermayr	Kollmitzberg	Pöchlarn	Pischelsdorf	Korneuburg MOL	Korneuburg	Bad Deutsch-Altenburg
Location (km)	2159.6 (Right bank)	2108.6 (Left bank)	2082.5 (Right bank)	2044 (Right bank)	1971.30 (Right bank)	1942.10 (Left bank)	1941.65 (Left bank)	1886.6 (Right bank)
Port owner	Garant Tiernahrung Gesellschaft m.b.H.	Felbermayr Bau GmbH & Co. KG	Hinterholzer GmbH	Garant Tiernahrung Gesellschaft m.b.H.	Donau-chemie AG	MOL Austria GmbH	Agrar-speicher Betriebs Gesellschaft mbH	Viadonau
Majority of ownership	Private	Private	Private	Private	Private	Private	Private	Public
Public/ private transhipment site according to Austrian law[34]	Private	Private	Private	Private	Private	Private	Private	Private
Bi-/Trimodal hub	Trimodal	Bimodal	Bimodal	Trimodal	Trimodal	Trimodal	Trimodal	Bimodal

Sources: PDI based on data from viadonau

[34] A transhipment site is a berth used for the transhipment of goods (§ 2 Z 8 Shipping Facilities Ordinance *(Schiffahrtsanlagenverordnung)*). In accordance with the Austrian Federal Navigation Law (§ 33 (1)), public berths "may be used by all craft and assemblies of floating material", and private berths (non-public berths) "may be used in accordance with the decision of the person entitled to dispose of the port facilities while respecting the regulations issued in accordance with this part".

Danube Transnational Programme
DAPhNE

Annex 3 – Completed questionnaires about the port development expenditures

Questionnaire Ennshafen OÖ GmbH

In the framework of the EU project DAPhNE, a report about the "State-aid schemes for funding investments in ports (public funding)" (cargo ports) for Austria is being prepared by Pro Danube International (PDI). The objective of the DAPhNE project is to facilitate a balanced development of Danube Ports as eco-friendly, well accessible multimodal hubs for the transport system of the region and to turn Danube Ports into buzzing economic centres.

In this report, a part is dedicated to the port development expenditures. Answers to the following questions would allow us to complete the report, the most important questions being shown in **bold**.

Port investments of Ennshafen OÖ GmbH for 2010-2017

Did you receive a public contribution to your port investments in 2010-2017? *If yes, please continue to fill in the answers to the following questions.*	☒ YES ☐ NO
Please, specify the funding sources for the port development for 2010-2017: - **EU funding** …… - **National public funding** …… - **Regional public funding** …… - **Other public funding (to precise if possible)** …… - **Own ressources** ……	 ☐ YES ☒ NO ☒ YES ☐ NO ☒ YES ☐ NO ☐ YES ☒ NO ☒ YES ☐ NO
If possible, please give the percentage of each source of funding for 2010-2017: - EU funding …… - National public funding …… - Regional public funding …… - Other public funding (to precise if possible) …… - Own ressources ……	 n.a. % n.a. % n.a. % n.a. % n.a. %
How much has the port spent on port investments for 2010-2017 (including modernisation, purchase of equipment, IT and the development of services)?	app. 10 Mio €
In the case that EU money or State money were involved, could you please give the name of the European programme(s) or of the individual aid(s)/State aid scheme(s) used (if appropriate)? ERP-Fonds; Austrian KLIEN/SCHIG; Upper Austria "Landeswirtschaftsprogramm"	
Do you know if, in the area of the port, there were other beneficiaries of public funds for projects concerning the port development? If yes, who are they? Enlargement of Container Terminal (investment done bei Containerterminal Enns GmbH)	

The DAPhNE project is funded by the Danube Transnational Programme. More information about the project is available at www.interreg-danube.eu/daphne.

Interreg
Danube Transnational Programme
DAPhNE

Questionnaire Ennshafen NÖ GmbH

In the framework of the EU project DAPhNE, a report about the "State-aid schemes for funding investments in ports (public funding)" (cargo ports) for Austria is being prepared by Pro Danube International (PDI). The objective of the DAPhNE project is to facilitate a balanced development of Danube Ports as eco-friendly, well accessible multimodal hubs for the transport system of the region and to turn Danube Ports into buzzing economic centres.

In this report, a part is dedicated to the port development expenditures. Answers to the following questions would allow us to complete the report, the most important questions being shown in **bold**.

Port investments of Ennshafen NÖ GmbH for 2010-2017

Did you receive a public contribution to your port investments in 2010-2017? *If yes, please continue to fill in the answers to the following questions.*	☒ YES ☐ NO
Please, specify the funding sources for the port development for 2010-2017: - **EU funding** …… - **National public funding** …… - **Regional public funding** …… - **Other public funding (to precise if possible)** …… - **Own ressources** ……	 ☒ YES ☐ NO ☒ YES ☐ NO ☒ YES ☐ NO ☐ YES ☒ NO ☒ YES ☐ NO
If possible, please give the percentage of each source of funding for 2010-2017: - EU funding …… - National public funding …… - Regional public funding …… - Other public funding (to precise if possible) …… - Own ressources ……	 20 % 10 % 20 % 50 %
How much has the port spent on port investments for 2010-2017 (including modernisation, purchase of equipment, IT and the development of services)?	2.500.000 €
In the case that EU money or State money were involved, could you please give the name of the European programme(s) or of the individual aid(s)/State aid scheme(s) used (if appropriate)? EFRE; SCHIG (Anschlußbahn- und Terminalförderung)	
Do you know if, in the area of the port, there were other beneficiaries of public funds for projects concerning the port development? If yes, who are they? Private companies invested in special transshipment solutions (SCHIG (Anschlußbahn- und Terminalförderung)).	

The DAPhNE project is funded by the Danube Transnational Programme. More information about the project is available at www.interreg-danube.eu/daphne.

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Questionnaire Rhenus Donauhafen Krems GmbH & Co. KG

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In this report, a part is dedicated to the port development expenditures. Answers to the following questions would allow us to complete the report, the most important questions being shown in **bold**.

Port investments of Rhenus Donauhafen Krems GmbH & Co. KG for 2010-2017

Did you receive a public contribution to your port investments in 2010-2017? *If yes, please continue to fill in the answers to the following questions.*	☒ YES ☐ NO
Please, specify the funding sources for the port development for 2010-2017: - **EU funding** …… - **National public funding (a minor contribution)** …… - **Regional public funding** …… - **Other public funding (to precise if possible)** …… - **Own ressources** ……	 ☐ YES ☐ NO ☒ YES ☐ NO ☐ YES ☐ NO ☐ YES ☐ NO ☒ YES ☐ NO
If possible, please give the percentage of each source of funding for 2010-2017: - EU funding …… - National public funding …… - Regional public funding …… - Other public funding (to precise if possible) …… - Own ressources ……	 n.a. % n.a. % n.a. % n.a. % n.a. %
How much has the port spent on port investments for 2010-2017 (including modernisation, purchase of equipment, IT and the development of services)?	n.a.
In the case that EU money or State money were involved, could you please give the name of the European programme(s) or of the individual aid(s)/State aid scheme(s) used (if appropriate)? ……	
Do you know if, in the area of the port, there were other beneficiaries of public funds for projects concerning the port development? If yes, who are they? ……	

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Questionnaire Wiener Hafen, GmbH & Co KG

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In this report, a part is dedicated to the port development expenditures. Answers to the following questions would allow us to complete the report, the most important questions being shown in **bold**.

Port investments of Wiener Hafen, GmbH & Co KG for 2010-2017

Did you receive a public contribution to your port investments in 2010-2017? *If yes, please continue to fill in the answers to the following questions.*	☒ YES ☐ NO
Please, specify the funding sources for the port development for 2010-2017: - **EU funding** …… - **National public funding** …… - **Regional public funding** …… - **Other public funding (to precise if possible)** …… - **Own ressources** ……	 ☒ YES ☐ NO ☒ YES ☐ NO ☒ YES ☐ NO ☐ YES ☐ NO ☒ YES ☐ NO
If possible, please give the percentage of each source of funding for 2010-2017: - EU funding …… - National public funding …… - Regional public funding …… - Other public funding (to precise if possible) …… - Own ressources ……	 n.a. % n.a. % n.a. % n.a. % n.a. %
How much has the port spent on port investments for 2010-2017 (including modernisation, purchase of equipment, IT and the development of services)?	186 Million €
In the case that EU money or State money were involved, could you please give the name of the European programme(s) or of the individual aid(s)/State aid scheme(s) used (if appropriate)? TEN-T Inland Waterways Anschlussbahn- und Terminalförderung (SCHIG)	
Do you know if, in the area of the port, there were other beneficiaries of public funds for projects concerning the port development? If yes, who are they? ……	

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Questionnaire Felbermayr Transport- und Hebetechnik GmbH & Co KG

In the framework of the EU project DAPhNE, a report about the "State-aid schemes for funding investments in ports (public funding)" (cargo ports) for Austria is being prepared by Pro Danube International (PDI). The objective of the DAPhNE project is to facilitate a balanced development of Danube Ports as eco-friendly, well accessible multimodal hubs for the transport system of the region and to turn Danube Ports into buzzing economic centres.

In this report, a part is dedicated to the port development expenditures. Answers to the following questions would allow us to complete the report, the most important questions being shown in **bold**.

Port investments of Felbermayr Transport- und Hebetechnik GmbH & Co KG for 2010-2017

Did you receive a public contribution to your port investments in 2010-2017? *If yes, please continue to fill in the answers to the following questions.*	☐ YES ☒ NO
Please, specify the funding sources for the port development for 2010-2017: - **EU funding** …… - **National public funding** …… - **Regional public funding** …… - **Other public funding (to precise if possible)** …… - **Own ressources** ……	 ☐ YES ☐ NO ☐ YES ☐ NO ☐ YES ☐ NO ☐ YES ☐ NO ☐ YES ☐ NO
If possible, please give the percentage of each source of funding for 2010-2017: - EU funding …… - National public funding …… - Regional public funding …… - Other public funding (to precise if possible) …… - Own ressources ……	 … % … % … % … % … %
How much has the port spent on port investments for 2010-2017 (including modernisation, purchase of equipment, IT and the development of services)?	
In the case that EU money or State money were involved, could you please give the name of the European programme(s) or of the individual aid(s)/State aid scheme(s) used (if appropriate)? ……	
Do you know if, in the area of the port, there were other beneficiaries of public funds for projects concerning the port development? If yes, who are they? ……	

The DAPhNE project is funded by the Danube Transnational Programme. More information about the project is available at www.interreg-danube.eu/daphne

Romania

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