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DIRECTORATE-GENERAL FOR ENERGY AND TRANSPORT

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**Motorways of the Sea
Art. 12a of the TEN-T Guidelines**

***A Vademecum* issued in conjunction with the call for proposals
TEN-T 2005**

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1. INTRODUCTION

This document is issued with the launch of the 2005 call for the selection procedure according to the TEN-T Guidelines¹ and the TEN-Regulation². It explains the requirements for applying for funding for motorways of the sea projects within the meaning of Art. 12a TEN-T Guidelines.³ It also describes the necessary information to be submitted, which will allow the Commission to evaluate such projects.

This document is for guidance and information only. It is not intended as an authoritative and legally binding interpretation of the applicable laws.

Annex 1 of the document contains a check-list for motorways of the sea projects.

Annex 2 of the document contains an overview about possible funding programmes for motorways of the sea.

Annex 3 provides the text of the relevant legislation.

Annex 4 provides the text of the call [to be inserted when ready]

2. ELIGIBILITY

To be eligible for the higher funding rate of 20% for motorways of the sea projects, the application should demonstrate the following requirements.

2.1. Eligible type of project

The project proposed must be of common interest of the trans-European network of motorways of the sea (part of a Motorway of the Sea corridor). This network is intended to concentrate flows of freight on sea routes, with the ultimate goal to reduce road congestion and/or improve access to peripheral and island regions and States. The network shall consist of facilities and infrastructure concerning at least two ports in two different Member States. Motorways of the Sea should not exclude the combined transport of persons and goods, provided that freight transport is dominant.

¹ Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network OJ L 228 , 9.9.1996, p.1, as last amended by Decision No 884/2004 (Official Journal of the EC (thereafter "OJ") L 167, 30.4.2004, p.1) , Corrigendum OJ L 201, 7.6.2004, p. 1. the OJ is accessible under:<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>

² Council Regulation (EC) No 2236/95 of 18 September 1995 laying down general rules for the granting of Community financial aid in the field of the trans-European networks, OJ L 228, 23.9.1995, p. 1, as last amended by Regulation (EC) No 807/2004 of the European Parliament and of the Council (OJ L 143, 30.4.2004, p. 46).

³ See Annex III.

“*Motorways of the Sea*” mean the four Motorways of the Sea corridors defined in priority project No 21 of the TEN-T Guidelines:

- **Motorway of the Baltic Sea** (linking the Baltic Sea Member States with Member States in Central and Western Europe, including the route through the North Sea/Baltic Sea Canal) (2010);
- **Motorway of the sea of western Europe** (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea) (2010);
- **Motorway of the sea of south-east Europe** (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean to include Cyprus) (2010);
- **Motorway of the sea of south-west Europe** (western Mediterranean), connecting Spain, France, Italy and including Malta, and linking with the Motorway of the Sea of south-east Europe ⁴ (2010).

Project proposals shall focus on the facilities and infrastructure of the network of motorways of the sea, Art. 12a (5), first hyphen. They may include start-up aid under the conditions of Art. 12a (5), second hyphen. The project proposals may also include activities, which have wider benefits and are not linked to specific ports, such as ice breaking, dredging, information systems, as spelt out in Art. 12a (5), third hyphen. However, such “wider benefits” projects will also have to demonstrate that they relate to the network and fulfil the general objectives of motorways of the sea: modal shift and/or cohesion.

Summing up, to be eligible for funding under Art. 12a TEN-T Guidelines, the application will have to state that the objective of the project is modal shift or cohesion by concentration of flows of freight on sea-based routes by improving existing maritime links or establishing new viable, regular and frequent maritime links for the transport of goods between Member States. The aim is to reduce road congestion and/or to improve access to peripheral and island regions and States. Freight should be predominant, but not exclude the combined transport of persons and goods.

2.2. Proposal by at least two Member States

As stated by Art. 12a (4), motorways of the sea projects must be proposed by at least two Member States. A joint proposal is requested, signed by two authorised representatives of the Member States. A project, which is not jointly proposed, cannot be a motorways of the sea project, even if it contributes to modal shift and/or cohesion and relates to maritime infrastructures. Countries not being Member States may not submit a proposal. However, they may participate in a project, provided that they do not receive EU funding. The projects proposed shall in general involve both the public and private sectors.

2.3. Call for proposals

Art. 12a (4) states that Community financing to projects as part of a motorways of the sea can only be granted if the projects proposed have been subject to a call for proposals. Art. 12a (4) spells out two possibilities:

⁴ Including to the Black Sea.

Either Member States select in advance ports and then organise a public call for proposals establishing new transport links as Motorways of the Sea or upgrading an existing maritime link to a Motorway of the Sea from and to these ports. The word “link” in Art. 12a (4) (a) is understood to mean maritime link or maritime transport services.

The second alternative, Art. 12a(4)(b), provides for a public call for proposals organised jointly by the Member States concerned and calling for consortia consisting at least of shipping companies and ports to provide project proposals for the new motorways of the sea link.

These calls for proposals by the Member States should meet the following minimum requirements, in order to allow consortia to make meaningful bids:

1. Origin and destination of the motorways of the sea, either in the form of pre-selected ports or defining the regions, which should be connected. This will also allow port clusters or group of ports to be involved in the consortia.
2. The level of freight expected to be carried until 2010 on the motorways of the sea – in terms of amount of freight in tons between the countries involved, or in terms of percentage of total freight in tonne-kilometres shifted in a given corridor.⁵
3. Required infra- and superstructures in the port and level of quality expected in the ports – service to the ship, administrative services, information services, cost-related prices;
4. The call for proposals should also specify, which measures would be financially supported by the Member States issuing the call, and that the project could be proposed for TEN funding under Art. 12a TEN-T Guidelines.

The call for proposals should be published simultaneously in the Official Journal of the Member States concerned, and also in at least one national newspaper per Member State and in one international newspaper. The text of all calls for proposals should be authentic in the official languages of the Member States involved, and in at least one language widely used in international commerce.

In order to achieve consistency in the process, Member States should pre-select projects according to the evaluation criteria mentioned below under point 3:

1. Contribution to modal shift or to cohesion (high density of traffic volume to a limited number of ports and their hinterland). As in point 3.1 below, this should be supported through an appropriate analysis or pre-feasibility study, if necessary.
2. Quality aspects;
3. Viability and credibility;
4. Effects on competition.

⁵ This element will allow the bidding consortia to present the appropriate shipping services (quality, frequency, rotation etc); this is not for the Member States to prescribe in the pre-selection process.

The European Commission will use the same criteria for its selection of projects. The pre-selection by Member States does not bind the European Commission in its evaluation.

As a result of this call for proposals the Member States will select a Motorway of the Sea and a list of projects which they propose for Community financing.

Member States should present for funding to the Commission only projects which are parts of the Motorway of the Sea, which they have ranked the best following their evaluation.

Further, Member States should present for funding under the TEN-Regulation projects, which are parts of the Motorway of the Sea selected according to the procedure defined under Article 12a TEN-T Guidelines. These projects are eligible for financing under the TEN budget (as described in chapter 4 of this document). The general rules for proposing, evaluation and selection (the TEN-Regulation) apply also to these Motorways of the Sea projects. However, as described in chapter 5 below, there are also other financial means available to support different parts of motorways of the sea projects.

3. EVALUATION CRITERIA

The Commission will assess the motorways of the sea project proposals under the evaluation criteria mentioned explicitly in Art. 12a TEN-T Guidelines. As stated above, the criteria are the same as the ones that Member States should use in their pre-selection process under Art. 12(a) (4) TEN-T Guidelines.

3.1 Contribution to modal shift or to cohesion

The proposal should demonstrate that the project contributes to modal shift or cohesion. Given the different magnitudes of trade flows in the European Union, it is not appropriate to have fixed overall modal shift and cohesion objectives. However, keeping in mind the general objective of the motorways of the sea, to achieve a high density of traffic volume to a limited number of ports, the effects of a project should be substantial in a given corridor. Proposals should thus give an answer to the following questions:

As to **modal shift**, what is the percentage of road freight in a given corridor that should be shifted to the project in the horizon 2010? One would expect that the shift amounts at least to the expected average annual increase of road freight. What are types of goods targeted (e.g. dangerous goods)?

As concerns **cohesion**, how will the motorways of the sea proposal benefit economic and social cohesion of the countries concerned? What are the actual benefits in terms of accessibility, reduction of transport cost and time, distribution and production, improvement of quality, creation of employment and access to new markets? What part of the total transport flows between the countries concerned will be carried on the motorway of the sea?

3.2 Quality aspects

The project proposal should detail the quality aspects of the project, with regard to five different elements: (1) Quality of the port services (one stop administrative services,

service to the ship, cost-based prices); (2) Quality of the hinterland connection and services- good intermodal hinterland connections between the selected ports and the rest of the TEN-T Guidelines network ; (3) Overall information systems and monitoring in the transport chain; (4) Characteristics of the shipping services involved (e.g. frequency and regularity, safety and security);⁶ (5) TEN dimension: integration of project into overall network development.

3.3 Viability of service and credibility of overall project

Art. 12a (1) requests the motorways of the sea projects to be viable, and project proposals will thus have to address this issue. The Commission evaluators will apply the viability test only to the service element of a motorway of the sea project, and not to the infrastructure construction part. If applicable, proposals should thus state how much time it will take until the maritime services involved become viable. Viability of transport services from and to the port hinterland by rail, inland waterway or road should also be addressed. This should be supported by load-factor estimates.

As viability of a service will depend on many factors, it is not intended to set a fixed maximum period of time, at which viability should be reached. Viability estimates should also be given, even if TEN funding in terms of start-up aid for capital costs⁷ is not requested for the service part of the motorways of the sea project.

Project proposals will also have to give elements allowing an evaluation of the credibility of a project. The commitment and quality of the partnership in the project is essential. Project proposals should contain a presentation of the preparatory work, the knowledge and financial standing of the actors involved, and a business and financial plan. Importantly, the commitment of potential users all along the chain – freight forwarders, logistics service providers, road hauliers, shippers etc – to use this motorways of the sea project should be clearly demonstrated by letters of intent or memoranda of understanding.

Finally, project proposals must state clearly how the projects will be funded: by private and risk-bearing capital, through State and regional contributions, and through European Union programmes (see below, point 5).

3.4 Effects on competition

State and European Union funding should not lead to distortions of competition contrary to the common interest. Project proposals should thus give information on the following: What are the existing transport services between the ports involved, and in their hinterland?

How would the motorways of the sea project impact on such services?

⁶ It should be clarified that Motorways of the Sea proposals under TEN-T Guidelines do not need to encompass subsidisation of shipping services. Member States may very well only ask for funding of co-ordinated infrastructure investments. However, the shipping services are the essential link between the proposed ports to create the network. As appropriate, the proposal should at least include a forecast of the shipping services making use of the proposed ports and the infrastructures to be funded.

⁷ See below, point 4.3

Would traffic be taken away from other ports, terminals or service operators? Or can the application demonstrate that the service carries only newly generated traffic or traffic coming from road?

Is the infrastructure to be subsidised open on a non-discriminatory basis to all potential users, or restricted to one user or a specific group of users?

4. BENEFICIARIES AND ELIGIBLE COSTS

4.1 Beneficiaries

Beneficiaries of funding under the TEN- Regulation are Member States. They designate, under their responsibility, the entity in charge of implementation of the project. These entities can be authorities or public or private companies. It is important to differentiate between recipients of funding under the TEN- Regulation on the one hand and partners in a motorways of the sea project on the other hand, who may participate, but would not receive funding under the TEN- Regulation.

One could for instance imagine a motorway of the sea project, where TEN and State funding is given to upgrade the public infrastructure in ports. However, the shipping and intermodal services needed to execute the motorways of the sea project objectives may not need to receive any public money for operating the services, because they reach viability on their own or have access to other funding sources.

Finally, the fact that letters of intent or other signs of commitment are requested from freight forwarders and other users of the motorways of the sea project (see above, point 3.3), is important to assess the credibility of projects. However, this does not entail that such persons must be project partners or will receive any TEN funding.

4.2 Investment aid in infrastructure and facilities

Art. 12a of the TEN-T Guidelines spells out the various categories of items which can receive investment financial support under the TEN-Regulation:

Infrastructures: port infrastructures, infrastructures for direct land a sea access, waterway and canal infrastructures within the meaning of Art. 12a (3) of the TEN-T Guidelines.

Facilities: electronic logistics management systems, safety, security, administrative and customs facilities, facilities for ice-breaking and dredging operations (see Art. 12a (2) of the TEN-T Guidelines).

In practice, this can include:

- Facilities and infrastructure open to all users on a non-discriminatory basis⁸. These can include elements such as:

⁸ As concerns complementary national or regional funding for such infrastructures, the following applies: as these infrastructure are generally referred to as 'public' or 'general', investments in those are normally considered by the Commission as general measures, being expenditures
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- dikes, breakwaters, locks and other high water protection measures,
 - lights, buoys, beacons; floating pontoon ramps in tidal areas,
 - infrastructure for utilities up to the terminal site,
 - direct land and sea access to port, including short connecting links to the national transport networks or TEN-T Guidelines,
 - port facilities, e.g. equipment available to all users,
 - electronic logistics management systems,
 - information systems, including traffic management (VTMIS) and electronic reporting systems,
 - safety and security measures,
 - administration and customs,
 - waterways and canals linking two European Motorways of the Sea or two sections thereof, substantially shortening sea routes. These measures for waterways and canals can include a number of relevant facilities and infrastructure;
- Ways of ensuring year-round navigability:
 - facilities for dredging,
 - icebreakers and facilities for icebreaking for winter access;

4.3 Start-up aid related to capital costs

In line with the dual nature of motorways of the sea as mixed infrastructure/services projects, the legislator has given the possibility for start-up aid for capital investment within the project. Art. 12a (5), second hyphen TEN-T Guidelines explains this possibility further.

In the tendering procedure foreseen in Art. 12a (4) TEN-T Guidelines, the case may arise that the proposing consortium of ports and operators encounters start-up losses within the launching period of the motorways of the sea services. If public support is then necessary for the viability of the project, start-up aid can be given under Art. 12a (5) TEN-T Guidelines for up to two years.

Start-up support under TEN-T Guidelines limits itself to the “duly justified capital costs”, to be understood as investment support. The depreciation of terminal equipment, which is not publicly accessible infrastructure (user-specific infra- and superstructures), and depreciation of ships allocated to the service could thus be supported under TEN-T

incurred by the State in the framework of its responsibilities for planning and developing a transport system in the interests of the general public. For this, the infrastructure must de jure and de facto open to all users, actual or potential, in accordance with Community legislation. However, the characteristics of a specific case may show that such infrastructure benefits a specific undertaking in its commercial activities. In that case, State aid and public procurement rules under EU law may apply. Sources: COM (2001) 35 final, 13.2.2001(available under: http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2002/com2002_0035en01.pdf).

Guidelines.⁹ User-specific infrastructure can include yards, jetties, pipes and cables for utilities on the terminal sites of a port. It can also include all types of buildings (e.g. warehouses, workshops and offices) and all types of fixed or semi-mobile equipment such as cranes and ramps. Furthermore it can include works that make the terminal site “ripe for construction” (e.g. rough levelling and – if necessary – the demolition of existing buildings and structures).¹⁰ The possibility of accelerated depreciation may be taken into account in accordance with pertinent national legislation.

The start-up support under TEN-T Guidelines is limited to two years. Concretely, if a ship costing 50 million EUR is depreciated over 20 years, TEN-T Guidelines funding could be requested amounting to 20% (maximum funding rate according to the TEN-Regulation) of 2.5 million EUR (depreciation per year) per year, over a period of two years. The total allowable subsidy under would thus be 1.000.000 €

In line with the considerations mentioned above, the start-up aid may not lead to distortions of competition in the relevant markets contrary to the common interest. Last, the aid must be necessary, i.e. not exceed the minimum estimated amount required to start-up the link concerned.

4.4 Studies related to Motorways of the Sea projects

The aim of the studies would be, *inter alia*, to identify the potential transport routes, existing and forecast cargo flows attracted by the planned service, the development needs, the share of this service in the market, impact assessment, implementation and financing. These studies could also identify sub-projects and propose a plan for the implementation of the Motorways of the Sea project.

Such studies may be financed by up to 50% according to the TEN-Regulation, irrespective of whether they relate to priority or non-priority projects.

5. FINANCING PLAN - RELATIONSHIP WITH OTHER SUPPORT PROGRAMMES

As stated above, all proposals will have to demonstrate their financial soundness and will have to indicate the funding sources required or requested for the proposal. For the development of a Motorway of the Sea many different projects may be identified as part of the implementation process. Member States may apply for financial support to the different Community Financial instruments according to their respective rules.

For motorways of the sea projects, the following funding sources can be considered:

- TEN- Regulation and TEN-T Guidelines

⁹ In case that start-up financial support for capital costs relates to ships, the Commission will request a legally binding commitment that the ship has to be used on the route defined in the proposal for the duration of the subsidy period, and cannot be used for other purposes.

¹⁰ COM(2001) 35 final, 13.2.2001 (available under: http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2002/com2002_0035en01.pdf)

- Marco Polo programme
- Regional funds (Cohesion funds, FEDER, INTERREG)
- In addition, national State Aid can be considered, as far as it respects Community State aid rules.

5.1 Main characteristics and objectives of available funding

In order to guide applicants to the right funding sources, the following basic rules apply:

5.1.1 Community programmes

- **TEN funding** is applied for by **Member States** and relates predominantly to open access **infrastructure**. Some start-up funding for capital costs is available.
- **Marco Polo funding** is applied for by **companies** and relates predominantly to start-up aid for transport **services**. Some funding for ancillary infrastructures is available.
- **EU-Regional Funds** relate to transport infrastructures and other items previously identified in the Single Regional Programming Document, as proposed by the Region or Member State and approved by the Commission.

5.1.2 State Aid

State aid is applied for by **companies**. As far as maritime transport is concerned, the conditions are specified in the Communication of the Commission on “Community guidelines on State aid to maritime transport” of January 2004.¹¹ Such aid to Short sea shipping must be notified and must fulfil a number of conditions. It must not exceed three years in duration. The aid must be used to finance a shipping service connecting ports situated in the territory of Member states. The aid must concern a detailed project with pre-established environmental impact concerning a new route. The aid may cover up to 30% of the operational costs of the service in question and/or 10% of transshipment equipment. The project must be selected through a tender procedure, and the service must be commercially viable after the period for which is eligible for public funding.

The attached table in Annex 2 gives a rough overview about the possibilities under the various instruments.

5.2 Priority instruments for funding categories – Choice of programme

In order to avoid double funding and keep the process transparent, the following basic principles apply:

Infrastructures and facilities: if an infrastructure item or a facility is funded by the TEN Regulation, it cannot be funded by Marco Polo nor by Regional Funds.¹² State

¹¹ Commission communication C(2004) 43 — Community guidelines on State aid to maritime transport, OJ of 17 January 2004, p.3

¹² See Art. (4) TEN-Regulation

funding remains possible. TEN- funding will only cover maximum 20% of project costs (for studies the maximum is 50%).¹³

Services: if a service or logistics item is funded by Marco Polo, it cannot be funded by TEN- Regulation nor Regional funds. As Art. 9 of Regulation 1382/2003 (Marco Polo Programme)¹⁴ states, complementary State funding is possible besides Marco Polo funding, up to a maximum overall threshold of 35% of eligible costs for “catalyst actions” under Art. 6(4) of Regulation 1382/2003.

Large-scale motorways of the sea initiatives, extending over several member states, consisting of several well-defined projects and milestones, may combine funds, taking into account the above rules of thumb. Thus, for co-ordinated port investments in several Member States, the project co-ordinators may opt for TEN- funding in one Member State, cohesion funding in a new member state, and ERDF funding in a third member state. The set-up of new short sea services, intervening once the infrastructure work is terminated, may then be funded by the Marco Polo programme and or State aid for start-up of services.

It is clear that the single funding requests must meet the requirements of the various programmes in order to be eligible for funding. On the other hand, the programmes need to be co-ordinated to achieve maximum Community added value. The TEN-T Guidelines selection is thus relevant for the Community added value and the credibility of a project submitted in the Marco Polo selection procedure. It will therefore be duly taken into account in the evaluation under Regulation 1382/2003. Conversely, motorways of the sea-type projects under the Marco Polo programme may give indications, where fully-fledged motorways of the sea should be established under the TEN programme. The existence of such services adds to the credibility of a project proposal under Article 12a TEN-T Guidelines.

The co-ordination efforts in the financial planning are higher, and uncertainty of outcomes greater, if one has to rely on the different programmes (TEN-T Guidelines/ TEN-Regulation, Regional Funds, Marco Polo) for a single integrated Motorways of the Sea project. It is therefore essential to define from the beginning of the planning process where the focus of one project lies (infrastructure and network development: TEN-T Guidelines/ TEN-Regulation; set up of services: Marco Polo; regional development: Regional Funds).

¹³ Art. 5(3) TEN-Regulation, as amended by Decision 884/2004: “... the total amount of Community aid may exceptionally reach 20% of the total investment cost in the following cases...(c) sections of projects of European interest.....”

¹⁴ REGULATION (EC) No 1382/2003 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 July 2003, on the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo Programme), JO L 196 of 2 August 2003, p.1.

6. TYPE OF LEGAL ENTITY

For the implementation of a Motorway of the Sea project, the involved Member States could establish a European Company¹⁵, as the setting up of a major cross-border project is a complicated task and involves a number of players. While the European Economic Interest Groups (EEIG)¹⁶ are suitable for the early phases of a project (e.g. for studies), they have proven to be less suitable for actual development inputs. The approval in 2001 of the statute for European Company by the Council already goes some way in providing a solution. The statute, which has now become effective, should make it simpler and more effective to set up companies to manage cross-border projects, such as the Motorways of the Sea.

7. EUROPEAN CO-ORDINATOR

A European Co-ordinator can play a key role in the realisation of such a complex concept as Motorways of the Sea. The Commission encourages the Member States concerned to consider the possibilities offered by Art. 17a of the TEN-T Guidelines, for which the Commission will take the necessary initiatives.

8. SEAPORTS IN THE TEN-T GUIDELINES GUIDELINES

The application of Article 12a (Motorways of the Sea) will not affect the application of Article 12 (Seaports) of the said Guidelines. In other words, financing from the TEN-budget to Motorways of the Sea is to be seen as separate from the “traditional” financing of seaports that have been eligible for financing since the establishment of the TEN-T Guidelines.

9. APPLICATION OF THE TEN- REGULATION

Unless specified otherwise in Art. 12a, the TEN-Regulation for proposing, evaluation and selection, as specified in the call, applies also to Motorways of the Sea projects.

10. CO-ORDINATION OF SUBMISSIONS IN THE TEN-COMMITTEE¹⁷

Given the thorough preparation and effort needed in bringing up Motorways of the Sea proposals for Member States and the actors in the transport chain, it is important to co-ordinate project ideas from the start between Member States and keep the Commission informed. For the same reasons, within the TEN-Committee, an early consensus needs to be fostered on the commitment to supporting the priority actions on Motorways of the Sea, and also on the necessary budgetary envelopes being available for such projects.

¹⁵ Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company, JO L 294 of 10 November 2001, p. 1.

¹⁶ Council Regulation (EEC) No 2137/85 of 25 July 1985 on the European Economic Interest Grouping (EEIG) OJ L 124 of 15 May 1990, p.52, corrigendum OJ L 247 of 14 September 198, p.21.

¹⁷ The TEN Committee “Financial Aid – Transport Sector”; Art. 17 of the TEN-Regulation

ANNEX 1: CHECKLIST FOR APPLICATION

1. Is it a “motorways of the sea” project?

- Concentration of freight flows on sea routes to reduce congestion and increase cohesion
- On one or several of the four mentioned Motorways of the Sea corridors
- Proposed by at least two Member States.

2. Does it fulfil the substantive criteria of Art. 12a TEN-T Guidelines and the conditions and criteria of the TEN-Regulation?

- Improvement of existing maritime links or establishment of new, viable, regular and frequent maritime links for the transport of goods between member states;
- Reduction of road congestion and/or improvement of access to peripheral and island regions and States. Freight should be predominant, but not exclude the combined transport of persons and goods (Contribution to modal shift and/or cohesion);
- Focus on facilities and infrastructure, which make up the network of motorways of the sea;
- May include start-up aid limited to two years in support of duly justified capital costs;
- May also include activities with wider benefits and which are not linked to specific ports
- Shall in general involve both the public and the private sectors
- Quality aspects;
- Effects on competition

Project Selection Criteria according to the TEN-Regulation:

- Economical viability
- Financial profitability at the time of application is deemed insufficient
- Maturity of the project
- Stimulative effect of the community intervention on public and private finance

- Soundness of the financial package
- Direct or indirect socio-economic effects, in particular on employment
- Environmental consequences
- Especially in the case of cross-border-projects: coordination of the timing of different parts of the project

3. What kind of financing is requested?

- Infrastructures, facilities and start-up aid for capital costs;
- Is cumulating with other funding sources requested?

Annex 2: funding possibilities for Motorways of the sea projects

	TEN-T Guidelines	Marco Polo	ERDF	INTERREG	Cohesion fund	State Aid
Applicant	Member State	Companies	MS/Regions	MS/Regions	Member States	Companies
Funding focuses on	Infrastructure Start-up aid for capital costs	Start-up aid for services and “ancillary” infrastructures	Large-scale infrastructure and related equipments DOCUP ¹⁸ items	Large-scale infrastructure and related equipments DOCUP items	Large-scale infrastructure (more than 10 million EUR) + related studies; DOCUP items	Infrastructure Equipment Services
Objective of programme	Modal shift – cohesion	Modal shift	Regional development	Cross border, trans-national and inter-regional co-operation	Cohesion between MS with the help of actions in transport and environment	Development of short sea shipping and intermodal transport
Funding intensity	max. 20% for projects; 50% for studies	Up to 35%	Up to 85% in ultra-peripheral regions; 80% in cohesion MS; 75% in Obj. 1 regions; 50% in Obj. 2 regions;	Up to 85% in ultra-peripheral regions; up to 75% in Obj. 1 regions; 50% in the other regions	Up to 80% of public costs (85% for ultra-peripheral regions); up to 100% for studies	30% for services and 10% for transshipment equipment External cost differential
Duration	Until 2010 – 2 years for start up	Max. 4 years	No formal limit, in practice 2 years	No formal limit, in practice 2 years	No formal limit	Max.3 years
Further information	Webpage ¹⁹	Webpage ²⁰	Webpage ²¹	Webpage ²²	Webpage ²³	Webpage ²⁴

¹⁸ DOCUP – Document Unique de Planification = Single Programming Document, laying out the Regional Development Plan.

¹⁹ URL of the webpage : http://europa.eu.int/comm/ten/index_en.html;

²⁰ URL of the webpage : http://europa.eu.int/comm/transport/marcopolo/index_en.htm;

²¹ URL of the webpage : http://europa.eu.int/comm/regional_policy/funds/prord/prord_en.htm;

²² URL of the webpage : http://europa.eu.int/comm/regional_policy/interreg3/index_en.htm;

²³ URL of the webpage : http://europa.eu.int/comm/regional_policy/funds/procf/cf_en.htm;

²⁴ URL of the webpage : http://europa.eu.int/comm/transport/intermodality/state-aid/index_en.htm;
http://europa.eu.int/comm/dgs/energy_transport/state_aid/transport_en.htm#maritime;

**EXTRACT FROM DECISION NO 1692/96/EC OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL OF 23 JULY 1996 ON COMMUNITY
GUIDELINES FOR THE DEVELOPMENT OF THE TRANS-EUROPEAN
TRANSPORT NETWORK, AS LAST AMENDED BY DECISION 884/2004**

Recital (16)

“Support for the development of the motorways of the sea should be seen as complementary to the provision of Community aid as an incentive to the development of short sea shipping operations under the Marco Polo Programme established by Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo Programme)²⁵ 2 and should be based on the same criteria. However, the granting of Community financial assistance under the two instruments should not be cumulative.”

Article 12a: Motorways of the sea

- “1. The trans-European network of motorways of the sea shall aim to concentrate flows of freight on sea-based logistical routes in such a way as to improve existing maritime links or to establish new viable, regular and frequent maritime links for the transport of goods between Member States so as to reduce road congestion and/or improve access to peripheral and island regions and States. Motorways of the sea should not exclude the combined transport of persons and goods, when freight is predominant.
2. The trans-European network of motorways of the sea shall consist of facilities and infrastructure concerning at least two ports in two different Member States. These facilities and infrastructure shall include elements, in at least one Member State, such as the port facilities, electronic logistics management systems, safety and security and administrative and customs procedures, as well as infrastructure for direct land and sea access, including ways of ensuring year-round navigability, in particular the availability of facilities for dredging and icebreakers for winter access.
3. Waterways or canals, as identified in Annex I, which link two European motorways of the sea, or two sections thereof, and make a substantial contribution to shortening sea routes, increasing efficiency and saving shipping time shall form part of the trans-European network of motorways of the sea.

²⁵ OJ L 196, 2.8.2003, p. 1.

4. The projects of common interest of the trans-European network of motorways of the sea shall be proposed by at least two Member States and shall be geared to actual needs. The projects proposed shall in general involve both the public and private sectors in accordance with procedures which, before aid granted from the national budgets can be supplemented, if necessary, by aid from the Community, provide for a tendering process in one of the following forms:
 - (a) a public call for tenders organised jointly by the Member States concerned, intended to establish new links from the category A port, as defined in Article 12(2), which they select in advance within each sea area, as referred to in project No 21 in Annex III;
 - (b) in so far as the location of the ports is comparable, a public call for tenders organised jointly by the Member States concerned and targeting consortia bringing together at least shipping companies and ports located in one of the sea areas, as referred to in project No 21 in Annex III.

5. The projects of common interest of the trans-European network of motorways of the sea:
 - shall focus on the facilities and infrastructure which make up the network of motorways of the sea,
 - may include, without prejudice to Articles 87 and 88 of the Treaty, start-up aid if, as a result of the tendering process referred to in paragraph 4, public support is deemed necessary for the financial viability of the project. Start-up aid shall be limited to two years and shall be granted only in support of duly justified capital costs. The aid may not exceed the minimum estimated amount required to start up the links concerned. The aid may not lead to distortions of competition in the relevant markets contrary to the common interest,
 - may also include activities which have wider benefits and are not linked to specific ports, such as making available facilities for ice-breaking and dredging operations, as well as information systems, including traffic management and electronic reporting systems.

6. The Commission shall, within three years, submit to the Committee referred to in Article 18 an initial list of specific projects of common interest, thereby putting the concept of the motorways of the sea into concrete form. This list shall also be communicated to the European Parliament.

7. The projects of common interest of the trans-European network of motorways of the sea shall be submitted to the Commission for approval."

ANNEX 4: CALL TEN-T 2005

(to be added when available)