

Notification of an open call for proposals concerning Motorways of the Sea projects in the Baltic Sea area 2011 - 2013¹

The following paragraphs set out the conditions of the call and answer format questions for potential applicants. Contact details are provided if you have further questions. *If you are thinking of submitting a proposal we would encourage you to make early contact with the relevant contact point in your country to discuss the proposal.*

Background

Efficient and sustainable transport solutions are a prerequisite for development of economy and trade. Improved conditions for cross-border connections, with the help of harmonised, upgraded and new services in ports and along trans-national transport corridors will facilitate intermodal transport and global trade by using a combination of land and sea based transports. Improvements will result in more efficient transport services to the transport buyers, which will contribute to increased accessibility and cohesion. Motorways of the Sea projects link EU's main land axes and inland waterways axes to each other and in this way improve the efficiency of EU's internal and external transport network as a whole.

The trans-European network of motorways of the sea shall aim to improve existing maritime links or to establish new viable, regular and frequent maritime links for the transport of goods between Member States. The main objective is to improve access to peripheral and island regions and states and/or reduce road congestion. Motorways of the sea should not exclude the combined transport of persons and freight, when freight is predominant.

Despite of the present economic downturn the long term growth prospects of the Baltic Sea area is promising. In 2006 the status and the future development was described in the report on goods flows and maritime infrastructure in the Baltic Sea region². The report was commissioned by a number of Baltic Sea countries within the framework of the Master Plan Studies for Development of the Motorways of the Baltic Sea, a project which was co-financed by the European Community and the TEN-T budget.

The Baltic Sea area plays an important role as a crossroad between Northern and Southern, Eastern and Western Europe, and in relation to the European and Asian hinterlands further away. The area provides a market place for intermodal transport services, where ports offer interfaces to a wide range of destinations for passengers and goods. The goods volumes transported in containers and trailers increase rapidly and the volumes are forecasted to further increase.

In order to strengthen the efficiency and sustainability of the transport system in the Baltic Sea area, national and regional authorities, national transport authorities, port authorities and the industry have joined forces in a number of initiatives and projects, of which some have been co-financed by the EU. Furthermore the Communication from the Commission to the European

¹ In principle this call text is valid for the whole remaining programme period 2011 – 2013. However the text may vary slightly during this period due to European policy developments. Please always check the latest version of this call text.

² Baltic Maritime Outlook 2006 – Goods flows and maritime infrastructure in the Baltic Sea region, March 2006 (<http://www.sjofartsverket.se/default603.aspx>)

Council and the European Parliament concerning the European Union Strategy for the Baltic Sea Region³ focus on enabling the Baltic Sea Region to enjoy a sustainable environment and optimal economic and social development. As a part of this work emphasis is put on the development of transport.

The work creates a good basis for further elaboration of concrete projects on infrastructure and facilities in the Baltic Sea area.

Available amounts

As stated, this call for proposals focuses on the time frame 2009-2013. The total indicative amount allocated to Motorways of the Sea projects by the European Commission⁴ is € 310 million. The indicative amounts still allocated for the upcoming years are set out in the table below:

Funding Year€	Indicative Amount (m€)
2011	70
2012	25

Applicants should be aware that under the TEN -T programme rules the maximum aid level for infrastructure is 20% (maximum 30% for cross-border sections - see annex A for the criteria applicable to cross-border sections of TEN-T priority projects - all the parts of the projects that satisfy these criteria can request the co-financing of up to 30%) and for supporting studies up to 50%.

Call for Motorways of the Sea project proposals in the Baltic Sea area

Recalling the general framework mentioned above and the available amounts for the development of the Motorways of the Sea, the Swedish Maritime Administration, the Ministry of Industry, Employment and Communications of Sweden, the Ministry of Transport and Communications of the Republic of Lithuania, the Ministry of Infrastructure of Poland, the Ministry of Transport of the Republic of Latvia, the Ministry of Transport of Denmark, the Danish Maritime Authority, the Federal Ministry of Transport, Building and Urban Development of Germany, the Finnish Maritime Administration/ Finnish Transport Infrastructure Agency from 1 January 2010 and the Ministry of Economic Affairs and Communications of Estonia issue the present call for Motorways of the Sea projects proposals in the Baltic Sea area as part of the Motorway of the Sea as defined in the priority project No 21 of the TEN-T guidelines⁵. This call is targeted at consortia bringing together at least port and maritime transport operators.

³ COM(2009) 248 final

⁴ With "European Commission" the Task Force means in the framework of this call text the responsible policy units at Directorate-General Energy and Transport as well as the Trans-European Transport Network Executive Agency (TEN-T EA), established by the European Commission, which is responsible for managing the technical and financial implementation of the Trans-European Transport Network programme.

⁵ Decision NO 1692/96/EC on Community guidelines for the development of the trans-European transport network, last amended by Decision No 884/2004/EC of the European Parliament and of the Council of 29 April 2004. (http://ec.europa.eu/ten/transport/legislation/index_en.htm)

This notification of call for proposals meets the formal requirements of Article 12a (4) of the TEN-T Guidelines and is an invitation to interested parties to prepare proposals for Motorway of the Sea projects in the Baltic Sea area, for which financial aid is available through the TEN budget and/or other EU or Member State financial instruments⁶. This call for proposals focus on the time frame 2011-2013, which corresponds with the European Union's financial perspective 2007-2013.

Project proposals should be submitted to the aforementioned ministries and authorities directly concerned for a pre-evaluation. The proposals will be evaluated jointly by these ministries and authorities, based on evaluation criteria described below in this notification. The Motorways of the Sea project proposals that are approved by the directly involved Member States will receive necessary governmental support and will be presented by the relevant Member States for TEN-T financing. This does not exclude, where possible, application for other EU or Member State financial instruments.

Objective of this call for proposals

The objective of this call for proposal is to contribute to the development of the trans-European transport network by inviting consortia bringing together **at least** ports and maritime transport operators to prepare and submit Motorways of the Sea project proposals in the Baltic Sea area.

Start up aid for shipping lines cannot be included in the project proposals submitted under this open call. Start-up aid for shipping lines could be subject of a parallel project proposal under the Marco Polo II programme of the European Commission.

The proposed Motorways of the Sea projects should be of European interest⁷ and should focus on the development of infrastructure and facilities throughout the transport corridor. The aim is to facilitate smoother integration of short sea shipping in the logistic chain, improve environmental performance, reduce congestion, streamlining freight flows, facilitating an efficient exchange of information and the interoperability of the different elements and modes in the transport chain to favour co-modality⁸, coherent traffic quality and logistic chain integration.

According to article 12a of the TEN-T Guidelines, the following categories of items can receive investment financial support under the TEN financial regulation⁹:

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

⁶ Cf annex 2

⁷ Article 19 of Decision No 884/2004/EC of the European Parliament and of the Council of 29 April 2004, amending Decision NO 1692/96/EC on Community guidelines for the development of the trans-European transport network.

⁸ Co-modality is defined by the European Commission to be the efficient use of different modes on their own and in combination.

⁹ Regulation (EC) No 807/2004 of the European Parliament and of the Council of 21 April 2004, amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks.

- Facilities: Electronic logistics management systems, facilities to ensure and enhance safety and security, facilities to simplify administrative and customs procedures, facilities for icebreaking and dredging operations (see Art. 12a (2) of the TEN-T Guidelines).
- Studies: Feasibility, scope and implementation of a project (see Art. 6 1(a) of regulation (EC) No 680/2007).

In order to be eligible for Community support, infrastructure and facilities should be of open access to all users on a non-discriminatory basis.

Who can submit Motorways of the Sea proposals in connection to this call for proposals?

Projects shall be jointly submitted by partners in at least two Member States and include infrastructure and facilities in at least one Member State. Participation of partners from EU Member States as well as neighbouring third countries in proposals is welcome. Please note that only infrastructure and facilities in the EU Member States are eligible for co-financing.

The present call is targeted at consortia bringing together **at least** ports and maritime transport operators. Consortium partners can be ports, shipping companies, terminal operators, road hauliers, rail operators, logistics firms, ship brokers, financial institutions, local and/or regional public authorities and infrastructure owners although this list should not be considered definitive. Partnership of both public and private partners in the consortia is worth aiming at.

Letters of intent or supporting letters from project partners or possible users of the Motorways of the Sea infrastructure should be included, even for those partners or users who will not receive TEN-T funding.

The seaports included in the trans-European transport network shall correspond to one of the categories, A, B or C, defined as follows:

A. international seaports: ports with a total annual traffic volume of not less than 1,5 million tonnes of freight or 200 000 passengers which, unless it is an impossibility, are connected with the overland elements of the trans-European transport network and therefore play a major role in international maritime transport;

B. Community seaports, not included in category A: these ports have a total annual traffic volume of not less than 0,5 million tonnes of freight or between 100 000 and 199 999 passengers, are connected, unless it is an impossibility, with the overland elements of the trans-European transport network and are equipped with the necessary transshipment facilities for short-distance sea shipping;

C. regional ports: these ports do not meet the criteria of categories A and B but are situated in island, peripheral or outermost regions, interconnecting such regions by sea and/or connecting them with the central regions of the Community

Preference will be given to projects that have strong links to the TEN-T network and with the largest EU added value.

Port clusters or groups of ports can participate in consortia. The Baltic Sea Motorways of the Sea Task Force considers port clusters/group of ports to be neighbouring ports that serve the same hinterland and that have signed a formalised co-operation agreement. A port cluster/group of ports furthermore can be made up of ports in more than one country.

Content and structure of project proposals

The proposals should include at least the information required below. It is advised that the proposals follow the structure below.

1. The project proposal should include a summary of the project, including a schedule of investments and costs.
2. The project proposal should demonstrate how they will improve and develop sea transport based multimodal logistic chains in the Baltic Sea area. These logistic chains may extend to hinterland countries in the EU and to neighbouring regions.
3. A description of the hinterland connections (road, rail, inland waterways) from the ports involved. The project proposal should also describe how the project is linked to the TEN-T Network¹⁰.
4. The project proposal should encompass a technical description of the project, including an indicative timetable related to the planned actions and investments. It is possible to plan and implement a proposed project in different phases.
5. The project proposal should include an investment plan and a plan for the financing of the project, including description of the requested TEN-T support. If other financial instruments are envisaged, they should be clearly listed in the proposal.
6. The project proposal should show how the investments and actions will contribute to the achievement of the objectives of the Motorways of the Sea concept within the TEN-T and of this call for proposals.
7. The project proposal should demonstrate the projects significant role in the transport market situation and provide estimates of their role in a 10-15 years perspective. This should be done by presenting adequate traffic statistics and traffic forecasts for a period until at least year 2013 and ideally up to 2020. Applicants are advised to use the European Commission's Marco Polo modal shift calculator¹¹ for this purpose. The proposal should also provide details of the project's contribution to congestion reduction in the regions involved.
8. Details on the current maritime connections between the ports involved (e.g. sailing schedules, technical information of the vessels deployed, etc). Projections on the expected evolution of the maritime connections between the ports involved, backed up with evidence at the disposal of the consortium members (e.g. market surveys, expression of interests of

¹⁰ Maps of the TEN-T Network, can be found on http://ec.europa.eu/transport/infrastructure/maps/maps_en.htm

¹¹ See http://ec.europa.eu/transport/marcopolo/home/home_en.htm

Please verify you use the latest version of the Marco Polo calculator.

users, recent service upgrades or expressions of intents to upgrade services, regional trade statistics, traffic forecasts etc)

9. The project proposal should demonstrate the project's impacts on cohesion and accessibility through for example improvements in the accessibility by way of improving frequency of services, alternative route options, time and costs savings or supporting modal shift.
10. A socio-economic cost-benefit analysis and environmental impact analysis of the project activities. It is strongly recommended that applicants undertake the socio-economic cost-benefit analysis according to the HEATCO methodology and to the handbook on external cost estimation¹².
11. A statement, with supporting evidence, why the scheme will not distort the existing market in adjacent or competing corridors and/or ports. The proposal should also describe the scheme's wider benefits, beyond those that will accrue to the consortium members, and the extent to which it adds value to TEN-T programme.
12. Project setup and management should also be outlined in the proposal, as well as a description of the project partners – beneficiaries and supporting partners, supported by letter of intent, supporting letter or equivalent. Project partners should indicate their support for the proposal by means of a letter of commitment. Letters of support from potential users of the project proposal should be included with the bid, even from those potential users that do not request TEN-T funding.

Evaluation criteria

The proposals should be relevant with regard to the TEN-T guidelines and this call for proposals and will be evaluated based on the following criteria:

- Viability of service and credibility and maturity of the overall project
- Contribution to cohesion /accessibility and to modal shift based on the characteristics of the traffic (Short Sea Shipping, rail, road) involved (e.g. frequency and regularity, transport costs, safety and security)
- Contribution to the increase of quality in the logistic chain (port services, infrastructure and connections to the rest of the TEN-T, information systems/one-stop-shops/single windows etc.):
- Socio-economic impact, inter alia including environmental impact and employment
- Effects on competition
- Completeness and quality of the proposal

Submission of proposals

¹² See <http://heatco.ier.uni-stuttgart.de/> and http://ec.europa.eu/transport/sustainable/2008_external_costs_en.htm

As stated in the beginning of the call the call covers the period 2011 – 2013.

If you need further information and/or you are considering submitting a proposal you are as already mentioned advised to make contact with the relevant contact point in your country as early as possible.

Project proposals can be submitted to the member states concerned at any time. However the member states concerned need approximately three months for internal evaluation. In case of submitting a proposal there is a need for coordination with the time schedule for the relevant EU-call.

Project proposals should be submitted in a hard copy and in electronic version (on CD-ROM) to the directly involved Member States. The envelopes should be clearly marked with “Project Proposal for Motorways of the Baltic Sea”.

The national points of contact are mentioned in the following table:

<p>Swedish Maritime Administration Magnus Sundström Phone: +46 11 19 1271 E-mail: magnus.sundstrom@sjofartsverket.se</p>	<p>Ministry of Transport and Communication, Lithuania Jelena Antonevic Phone: +370 5 239 39 87 E-mail: j.antonevic@transp.lt</p>
<p>Ministry of Infrastructure of Poland <u>Monika Tomaszewska</u> E-mail: mtomaszewska@mi.gov.pl</p>	<p>Ministry of Transport of the Republic of Latvia <u>Anna Starikova</u> <u>Transit Policy Department</u> Phone: (+371) 6 7 028 154 E-mail: anna.starikova@sam.gov.lv</p>
<p>Danish Ministry of Transport Søren Clausen Phone: +45 33 92 43 87 E-mail: scl@trm.dk</p>	<p>Federal Ministry of Transport, Building and Urban Development of Germany Hilde Kammerer Phone: +49 228 300 4610 E-mail: hilde.kammerer@bmvs.bund.de</p>
<p>Finnish Maritime Administration/ Finnish Transport Infrastructure Agency from 1 January 2010 Taneli Antikainen Phone: +358 204 48 46 01 E-mail: taneli.antikainen@fma.fi/ taneli.antikainen@liikennevirasto.fi</p>	<p>Ministry of Economic Affairs and Communications of Estonia Anti Moppel Phone: +372 639 76 30 E-mail: anti.moppel@mkm.ee</p>

Annex I: Article 12a of the TEN-T guidelines

Annex II: Funding instruments

Annex III: Addresses to send proposals to

Annex I: Article 12a of the TEN-T guidelines

"Article 12a

Motorways of the sea

1. The trans-European network of motorways of the sea is intended 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, provided that 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. The 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.

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 II: Funding instruments

TEN-T

Since the revision of the TEN-T Guidelines in 2004, Motorways of the Sea has become one of the 30 priority projects of the TEN-T programme. The TEN-T programme provides financial support for infrastructure and facilities for Motorways of the Sea and for wider benefit actions (co-financed up to 30% for cross-border sections and up to 20% for the other sections) and can also provide also start-up aid (limited to 2 years) and support for preparatory studies (co-financed up to 50%).

The multi-annual TEN-T work programme for the period 2007-2013 includes a budget for Motorways of the Sea of €310 million. It allows Motorways of the Sea to be supported through multi-annual decisions and schedules yearly calls for proposals for Motorways of the Sea projects (at the end of each year over the period 2007-2012).

Motorways of the Sea projects within the framework of TEN-T are selected in two stages. First, Member States issue a joint call to industry and the public sector for proposals for Motorways of the Sea projects. Successful projects from these calls are then submitted for co-financing to the European Commission in the yearly TEN-T calls for Motorways of the Sea projects.

Marco Polo II

Marco Polo II provides financial support mainly for transport services and hence fully complements TEN-T, which focuses on infrastructure and facilities. Motorways of the Sea are one of five actions supported by the Marco Polo II Regulation. The funding intensity under Marco Polo II for Motorways of the Sea actions can be up to 35% for a maximum of five years. In contrast with the TEN-T, no separate budget has been set aside for the Motorways of the Sea initiative. Consequently, all project proposals from the various actions compete for the same budget and funding priorities are determined in accordance with the Marco Polo evaluation criteria.

The Commission issues during the period 2007-2013 yearly calls for proposals for all Marco Polo projects; these are scheduled at the beginning of each year. These calls are issued to private undertakings. N.B. Financing from the TEN-T and Marco Polo can be combined for a single project.

Structural funds and Cohesion funds

The national strategic reference frameworks and operational programmes under the Structural and Cohesion funds are currently in the process of negotiation and adoption. A number of these programmes provide explicitly for support for the Motorways of the Sea. Additional actions in support of Motorways of the Sea have been co-financed by the INTERREG III programme. Support from the Structural funds and the Cohesion funds needs to dovetail with support from the TEN-T and Marco Polo programmes, in particular so as to ensure that there is no double funding of the same component of the project from different programmes.

European Investment Bank Support

The European Investment Bank (EIB) can provide support for Motorways of the Sea either through senior debt financing or through the Loan Guarantee instrument for TEN-T projects (LGTT) created jointly with the Commission. The latter can be beneficial for those components of the Motorways of the Sea projects whose financial viability is based on revenues, tolls or other

income paid by the users, and which therefore may suffer if traffic level turns out lower than expected. The LGTT can be particularly relevant for TEN-T Motorways of the Sea projects with "near-investment" grade creditworthiness of the senior debt. Including the LGTT in the overall financial package of the project shall lift its senior debt credit quality from near-investment grade to investment grade which should result in reducing the cost of senior lending and making the project more appealing to potential investors.

State aid

The 2004 Community guidelines on State aid to maritime transport recognise that launching short-sea shipping services may be accompanied by substantial financial difficulties which the Member States may wish to attenuate in a bid to ensure the promotion of services that aim to improve the intermodal transport chain and to decongest roads. A number of conditions are attached to this aid to Short Sea Shipping, in particular time limits (three years) and funding intensity (either up to 30% of the operational costs of the service, or up to 10% of the investment in transshipment equipment). It should be noted that, back in 2004, these conditions were consistent with Marco Polo and TEN-T and that the State aid guidelines do not distinguish between Short Sea Shipping in general and the Motorways of the Sea.

Recognising that the start-up of regular and frequent Motorways of the Sea services will face financial difficulties of a different order of magnitude from other Short Sea Shipping services, the European legislator has specifically increased the funding intensity and duration for Motorways of the Sea, within the relevant Community support programmes, to up to five years with a funding intensity of up to 35%. In 2008 the European Commission published a Communication providing guidance on State aid complementary to Community funding for the launching of Motorways of the Sea.

Apart from State aid to maritime transport, State aid schemes have been put in place which indirectly support Short Sea Shipping. Italy, for example provides financial incentives to hauliers for cargo transported by sea. Such initiatives help to make Motorways of the Sea a success and the Commission services encourage Member States to discuss such programmes

In 2008 the European Commission has also published a communication providing guidance on State aid complementary to Community funding for the launching of Motorways of the Sea.¹³

¹³ Communication C(2008) 7713, see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:317:0010:0012:EN:PDF>

Annex III: Addresses to send proposals to

<p>Swedish Maritime Administration Transport Policy and International Cooperation Division SE-601 78 Norrköping Sweden</p>	<p>Ministry of Transport and Communication Water and Railway Transport Department Gedimino Avenue 17 LT-01505 Vilnius Lithuania</p>
<p>Ministry of Infrastructure of Poland Department of Maritime Transport and Inland Navigation Ul. Chalubinskiego 4/6 00-928 Warszawa Poland</p>	<p>Ministry of Transport of the Republic of Latvia Department of Transit Policy 3, Gogoļa Str. LV-1743 Riga Latvia</p>
<p>Danish Maritime Authority Vermundsgade 38C DK-2100 Copenhagen Denmark</p>	<p>Federal Ministry of Transport, Building and Urban Development of Germany Unit WS 21 Robert-Schuman-Platz 1 GER-53175 Bonn Germany</p>
<p>Danish Ministry of Transport Frederiksholms Kanal 27 DK-1220 Copenhagen Denmark</p>	<p>Ministry of Economic Affairs and Communications Transport Development and Logistics Department Harju 11 EE-150 72 Tallinn Estonia</p>
<p>Finnish Maritime Administration/ Finnish Transport Infrastructure Agency from 1 January 2010 P.O. Box 171 FIN-00181 Helsinki Finland</p>	