

SUMMARY INFORMATION SHEET ON AID MEASURES IN FORCE ON 1ST MAY 2004 (EXISTING AID)

1. General aspects

Country:

Poland

Title of the aid measure (English):

Inland Waterway Fund

Title of the aid measure (Original language):

Fundusz Żeglugi Śródlądowej

Legal basis (precise reference):

- Act of 28 October 2002 on Inland Waterway Fund and Reserve Fund (Journal of Law No. 199, item 1672) - in enclose (Enclosure 1),
- Ordinance of the Minister of Infrastructure of 21 April 2004 on usage of funds of Inland Waterway Fund for achievement of undertakings promoting inland waterway transport (Journal of Law No. 87, item 836),
- Ordinance of the Minister of Infrastructure of 24 December 2003 on payments from Inland Navigation Fund (Journal of Law from 2004 No 6, item 54).

Ministry or other administrative body responsible for the measure and its implementation:

Ministry of Infrastructure

Person(s) to contact:

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Level at which the measure is administered (central government, regional, other)?

Central government

When did the measure enter into effect ?

01/01/2003 – entry into force of the Act on Inland Waterway Fund and Reserve Fund

30/04/2004 – entry into force of the Ordinance of the Minister of Infrastructure on usage of funds of Inland Waterway Fund for achievement of undertakings promoting inland waterway transport

30/01/2004 – entry into force of Ordinance of the Minister of Infrastructure on payments from Inland Navigation Fund

What is the duration of the measure (expiry date) ?

Unlimited duration

2. Description of the measure

Which transport sector is eligible (rail, aviation, maritime, etc.) ?

inland waterway transport

What are the main aim(s) and objectives of the aid ?

The financial resources of the Inland Waterway Fund can be used to realise the projects aimed at promotion of inland waterway transport in the form of co-financing of purchase, modernisation or reconstruction of the vessels and other projects supporting the restructuring of inland waterway transport.

The financial resources of the Inland Waterway Fund may be granted for the vessels owners who permanently switch off vessels from the carriage of goods operation.

The financial resources of the Reserve Fund can be used for:

- 1) support of projects aimed at restructuring of the inland waterway transport;
- 2) support of the vessels owners, who are introducing the new solutions of technical progress and improvement of conditions and safety of work;
- 3) encouragement of the vessels owners to enter into commercial organisations;
- 4) improvement of qualifications of the vessels owners and the employees of inland waterway transport;
- 5) support rendered to the personnel employed within inland waterway transport in attempt to change their profession through the change of qualifications or early retirement.

Form of the measure (scheme, ad hoc, individual):

Scheme

What are the instruments (or forms) of aid, ex.: direct grant, soft loan (including details of how the loan is secured), interest subsidy, tax relief, guarantee, other (specify):

The Inland Waterway Fund and the Reserve Fund are created in the Bank Gospodarstwa Krajowego. The supervision over the management of the financial resources of the Inland Waterway Fund and the Reserve Fund is performed by the Supervision Council of the Bank Gospodarstwa Krajowego with participation of the representative of the Minister of Infrastructure.

The aid is granted in following forms:

- preferential credits
- subsidies to the credits
- soft loans
- direct grants (scrapping premiums)

For each instrument of aid please give a short description of the conditions applying to the instrument.

Preferential credits could be granted from the Inland Waterway Found for the realization by the vessels owners the investment aimed at improvement of the environment protection and shipping safety on inland waterways, including the purchase, modernisation or reconstruction of the vessels. Interest rate of those credits amounts to 0.4 discount rate defined by the National Bank of Poland.

Subsidies to the credits could be granted from the Inland Waterway Found for the purposes mentioned above. Subsidies to the credits cannot exceed 80% of the credit and can be remitted in part or as the whole, under the condition that the investment is completed.

Subsidies to the credits are granted when the vessel owner:

- 1) submits an application,
- 2) declares that subsidies to the credit will intend for investment financing from the credit,
- 3) pays back the credit and interests on time and paid back at least 20% of the credit amount,
- 4) pays the annual fee to the Inland Waterway Found and other public obligations on time,
- 5) proves that the credit is used accordance with the credit agreement.

Soft loans are granted from the Inland Waterway Found when:

- 1) aimed at promotion of inland waterway transport,
- 2) the vessel owner secures the loan.

The soft loan should be paid back within 2-years period after the day of the soft loan was granted. The deferment of the loan payment cannot exceed 6 months. The loan without interest rate can be granted to the vessel owner in difficult economic situation only when it is assured that the loan would enable to overcome the difficulties and vessel owner would recover the profitability.

Direct grants (scrapping premiums) from financial resources of the Inland Waterway Fund are paid under following conditions:

1. The vessel owner who pays annual fee to the Fund and scrapped vessel obtain right to the scrapping premium from the Fund;
2. Right to the scrapping premium is obtained after 5 years from the day of registration of the vessel;
3. Only vessels which have been operated within inland waterway transport, possess valid certificate of the ability to sail and as performed the carriage of goods at least within ten trips on the routes not shorter than 50 km, in use of at least 70% of the deadweight of the vessel, within the period of the last 24 months before the date of submission for scrapping, can be recognised as the scrapped vessel.
4. The vessel permanently withdrawn from the activity of carriage of goods and being used in purpose not related to the carriage of goods, can be recognised as the scrapped vessel.
5. The vessel owner whose vessel has been indicated for scrapping due to reasons raised from the shipping accident or other serious damage, is not liable to receive the scrapping premium from the Fund.

The rates of scrapping premium are specified in the Ordinance of the Minister of Infrastructure on payments from Inland Waterway Fund as well as in Council Regulation No 718/99.

Budget: give the overall budget made available for the measure (in local currency and Euros):

Not applicable.

Is the budget adopted annually ? If yes, what is the average annual budget ?:

The budget of the Inland Waterway Fund is adopted annually. The average annual budget amount to 11.300.000,00 PLN (about 2.563.180,00 EURO). It consists of:

- 5.000.000,00 PLN (about 1.135.000,00 EURO) – State budget – each year
- 6.000.000,00 PLN (about 1.360.000,00 EURO) – National Fund for Environment Protection and Water Management – each year
- 300.000 PLN (about 68.180 EURO) – the vessels owners collections (depending on EUR exchange) – each year

In the year 2004 planned budget has amounted to 22.787.794,00 PLN (about 5.179.00,00 EURO) as a result of including remaining quota from the year 2003.

On the 1st May 2004 there were no financial resources (budget amounted to 0 PLN) in the Reserve Fund.

Specify the eligible beneficiaries (i.a. their character and estimated number).

The inland waterway vessels owners. Currently, majority of vessels owners qualify as small and medium size enterprises. Estimated number of beneficiaries – 150.

Is the aid available on non-discriminatory basis, open to all potential beneficiaries, irrespective of nationality?

The aid can be granted to the owners of the Polish vessels (vessels, which are owned by the State Treasury, by private persons - permanent resident of Republic of Poland, or legal persons (entity) having its seat on the territory of Republic of Poland) conducting the economic activity as regards carriage of goods for the freight within the period no shorter than 5 years.

Bank Gospodarstwa Krajowego can grant preferential credit, subsidies to the credits or soft loan provided that the vessel owner:

1. in the case of preferential credit:
 - a) has credit worthiness,

- b) secures the credit,
- c) pays their own contribution-minimum 20% of investment costs,
- 2. in the case of soft loan:
 - a) the vessel owner declares that the loan will be intended for projects aimed at promotion of inland waterway transport,
 - b) has credit worthiness,
 - c) secures the loan,
- 3. in the case of subsidies to the credits:
 - a) substantiates that the credit is used accordance with the credit agreement,
 - b) declares that subsidies to the credit will intend for investment financing from the credit,
 - c) pays back the credit and interests on time and paid back at least 20% of the credit amount,
 - d) pays the annual fee to the Inland Waterway Found and other public obligations on time,
 - e) has credit worthiness,
 - f) secures the subsidies to the credits.

Subsidies to the credits can become write-off in part or as the whole on the vessel owner application only in justified cases. The credit can be remitted under the condition that investment is completed.

Direct grants (scrapping premiums) from the financial resources of the Inland Waterway Fund can be paid for those vessels owners who pay annual fee to the Fund, and who scrapped the vessel. In case of scrapping the vessel, the vessel owner has the right to introduce to the transport market another vessel as the replacement. The vessel owner obtain the right to receive the scrapping premium from the Fund for scrapping vessel after 5 years since the date of the registration of the vessel.

What are the eligible costs?

Costs of the purchase, modernisation or reconstruction of vessels and other costs of the projects supporting the promoting and restructuring of the inland waterway sector.

What is the maximum aid intensity?

- in case of preferential credits – vessel owner is obliged to pay its own contribution-minimum 20% of investment costs
- in case of subsidies to the credits – vessel owner is obliged to pay off at least 20% of the credit amount

Specify the criteria according to which the amount of aid and/or the aid intensity has been calculated.

As above

Does the measure provide “operating aid” ? If “Yes”, please provide details.

No

If the measure relates to services of general economic interest or public service obligations, please specify by what means this task has been entrusted to the undertaking and how compensation is calculated.

No

May the aid in question be cumulated with any other aid measures in operation and if so, does the measure contain provisions limiting the cumulation of aid?

Yes, the aid can be cumulated with other aid measures. The Law of 28 October 2002 on Inland Waterway Fund and Reserve Fund doesn't foresee provisions limiting the cumulation of aid

Does the aid measure fall within existing exemption regulations or guidelines? If so, please specify.

Council Regulation (EC) No 718/99 of 29 March 1999 on a Community-fleet capacity policy to promote inland waterway transport (OJ L 090, 02/04/1999)

Commission Regulation (EC) No 805/1999 of 16 April 1999 laying down certain measures for implementing Council Regulation (EC) No 718/1999 on a Community-fleet capacity policy to promote inland waterway transport (OJ L 102, 17/04/1999)

Enclosure:

1. Act of 28 October 2002 on Inland Waterway Fund and Reserve Fund (Journal of Law No. 199, item 1672)