

## INCENTIVE SCHEME FOR CLIMATE-FRIENDLY SHIPPING

### Chapter 1. Definitions

#### Article 1

In this scheme the following terms have the following meanings:

1. *Company*: an organisation that seeks to sustainably participate in commerce;
2. *PoR*: Port of Rotterdam Authority;
3. *Incentive Scheme*: this Incentive Scheme for Climate-Friendly Shipping, an initiative of PoR, under which an Applicant can apply for financial resources from the Incentive Scheme;
4. *Applicant*: any company/institution or any partnership of companies/institutions in which the active involvement of the relevant parties in the supply chain of the alternative fuel can be demonstrated;
5. *Secretary*: the Secretary designated by the Applicant to represent the Applicant in the context of this Incentive Scheme;
6. *Project costs*: the costs eligible for a financial contribution under this Incentive Scheme;
7. *Financing agreement*: a Financing Agreement concluded between PoR and the Applicant based on this Incentive Scheme;
8. *Evaluation Team*: a group formed by PoR charged with assessing and ranking the applications;
9. *Rotterdam Port Area*: the area within which port dues must be paid to PoR.

### Chapter 2. General

#### Article 2

Under this Incentive Scheme, financial contributions can be made for the implementation of projects in the Port of Rotterdam area that contribute to climate-friendly shipping and in which the specific focus is on innovative projects in which climate-friendly fuels are used in shipping.

### Chapter 3. Conditions for Participation

#### Article 3

An application for a financial contribution can be submitted for a project which, in any event, involves the effective use of a qualified alternative fuel for the propulsion of a sea-going vessel.

#### Article 4

Any party may apply, provided that there is the active involvement of other relevant parties in the alternative fuel supply chain, involving the actual use of a qualified alternative fuel for the propulsion of a sea-going vessel.

#### Article 5

1. Alternative fuel means all biological and synthetic fuels, including electricity and fuel cells.
2. In principle, the alternative fuel must be able to achieve at least a 50% CO<sub>2</sub> emission reduction compared to MGO/MDO (well-to-propeller).

3. If biofuels are used, the products must be certified and comply with European and Dutch legislation and regulations.

#### **Article 6**

The alternative fuel must be delivered to the vessel within the Rotterdam port area.

#### **Article 7**

A financial contribution may only be made if:

- a. The project contributes significantly to climate-friendly shipping;
- b. A working method is applied on the basis of which it may reasonably be expected that the intended goal can be achieved;
- c. The budget shows that, with the financial contribution under this Incentive Scheme, the financial resources required to achieve the goal set are available;
- d. The project leads to new knowledge regarding the modernisation of processes or services in relation to the objectives set in this Incentive Scheme.

### **Chapter 4. Applications**

#### **Article 8**

1. Applications for a financial contribution under this Incentive Scheme may be submitted up to six months before the end of the term of this Incentive Scheme, as referred to in Article 25.
2. All applications must be prepared and submitted in Dutch or English.
3. The Applicant must use the digital application form made available when the details are published. This form shall be made available on PoR's website.
4. Applications submitted prior to the start of the term of this Incentive Scheme or starting six months prior to the end of the term of this Incentive Scheme will not be considered.
5. An Applicant may not apply more than once for the same alternative fuel.

#### **Article 9**

1. The application must at least contain the following:
  - a. A description of the project, including the objectives and intended results;
  - b. An action plan, containing the specifications of the alternative fuel, an overview of the activities to be performed and a planning;
  - c. An explanation of how and to what extent the conditions referred to in Chapter 3 are met;
  - d. An explanation of the way in which the project contributes to the goal served by this Incentive Scheme as described in Article 2 of this scheme and the objective as specified;
  - e. A specification of all parties involved and their role in the project;
  - f. A specification of the amount applied for;
  - g. A budget of total Project Costs per party involved with full financing;
  - h. An explanation of why the project cannot proceed without a contribution under this Incentive Scheme;
  - i. A description of the way in which the achievement of the intended objectives shall be monitored.
2. The Evaluation Team may determine that, in addition to the information referred to in paragraph 1, an Applicant shall submit one or more of the following documents relating to the Applicant:

- a. Balance sheets and profit and loss accounts for previous financial years certified by the Board of the Applicant;
  - b. The income and expenditure account from the previous financial year;
  - c. An explanation and/or an audit opinion regarding the annual accounts referred to under a. and b.;
  - d. The Articles of Association of the Applicant.
3. Applications that do not meet the application requirements set out in paragraph 1 shall be deemed to be incomplete and shall not be taken into consideration.

#### **Article 10**

If applications have a similar object, the Evaluation Team may set cooperation between the different applicants or a joining of the initiatives as a condition.

#### **Article 11**

The application must be submitted through the Secretary.

### **Chapter 5. Evaluation of the Applications**

#### **Article 12**

1. An Evaluation Team shall decide in writing on the application submitted within 1 month of receipt of the application.
2. The Evaluation Team shall in any case consist of 4 representatives of PoR.
3. The Evaluation Team may use recommendations of independent external experts.

#### **Article 13**

1. The applications are processed in order of entry.
2. Applications that meet the minimum requirements set out in Article 9, paragraph 1 shall be assessed by the Evaluation Team in terms of the extent to which they meet the conditions set out in Chapter 3 as well as the applicable objective.
3. Projects which, in the opinion of the Evaluation Team, meet the conditions set out in Chapter 3 and the applicable objective may be eligible for a financial contribution.
4. Projects which, in the opinion of the Evaluation Team, do not meet the conditions set out in Chapter 3 and the applicable objective shall be rejected.

#### **Article 14**

1. The Evaluation Team will assess the applications that are eligible for a financial contribution based on the following criteria:
  - a. Degree of CO<sub>2</sub> reduction;
  - b. The role and position of the Port of Rotterdam;
  - c. Degree of feasibility and scalability of the alternative fuel;
  - d. The quality and impact of the parties involved in the supply chain;
  - e. The innovative character of the alternative fuel.
2. The criteria set out in paragraph 1 shall apply only if all the conditions set out in Chapter 3 and Article 9 are already met.

## **Chapter 6. Financing**

### **Article 15**

1. This Incentive Scheme has a financing ceiling of EUR 5,000,000.
2. The financial contribution per project under this Incentive Scheme amounts to a maximum of 40% of the Project Costs referred to in Article 16 paragraph 1.
3. A financial contribution may be made as long as the budget is adequate.

### **Article 16**

1. Project Costs are understood to mean:
  - a. System costs: the investment necessary to make the propulsion system suitable as well as facilities for the use of the alternative fuel;
  - b. The additional costs of the alternative fuel compared to the regular fuel.
2. Costs incurred prior to the submission of the application do not qualify for a financial contribution.

### **Article 17**

1. A financial contribution is only granted to an Applicant as described in Article 1, paragraph 4.
2. A financial contribution is not granted to a project that has already started or been completed prior to the submission of the application for finance.
3. The second paragraph of this article shall not apply if a project that has already started is at risk of being discontinued because of unforeseen financial circumstances and can be successfully continued and completed if a financial contribution is made under this Incentive Scheme.
4. A financial contribution is not granted to a project which has already received a contribution from PoR for the financing.

### **Article 18**

A financial contribution shall only be made after a Financing Agreement containing arrangements regarding the financial contribution has been concluded with the Applicant.

Such an agreement must in any case contain the following:

- a. Arrangements regarding the periodic issue of a progress report during the term of the project;
- b. Arrangements regarding the issue of a final report, including an audit opinion;
- c. Performance agreements regarding the way in which the initiative must be implemented;
- d. The amount of the financial contribution and any advances;
- e. Payment arrangements for the provision of advances on the financial contribution;
- f. Arrangements regarding the Applicant's obligations in order to be entitled to payment;
- g. Arrangements regarding the documents of importance to the (amount of the) financial contribution that the Applicant must supply;
- h. Arrangements regarding the way in which an assessment as to whether the initiative was properly implemented shall be made;
- i. The obligation to comply with the provisions of this Incentive Scheme;
- j. Arrangements regarding the way in which the financial contribution shall be reduced or must be repaid in the event of a failure to comply in full with the provisions of the agreement or the provisions of this Incentive Scheme;

- k. Arrangements regarding reporting on the extent to which the intended benefits are being achieved following project realisation.

#### **Article 19**

In the event funding to be granted to a project may qualify as State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union and exceeds the permitted de minimis limit, and the Applicant has not demonstrated that a block exemption applies, it shall be notified to the European Commission prior to the conclusion of the agreement referred to in Article 18 and the agreement can only be entered into if, and after, the notification procedure is completed successfully.

#### **Article 20**

The recipient of a financial contribution (the Applicant) must state in each external communication that the initiative was in part made possible by a contribution under this Incentive Scheme.

### **Chapter 7. Obligations**

#### **Article 21**

Applicants participating in this Incentive Scheme are obliged:

- a. To commence the project within six months of the granting of the financial contribution;
- b. To report on the achieved CO<sub>2</sub> emission reduction (compared to the use of MGO), on the practical experiences gained during the project and on any follow-up actions after completion of the project;
- c. To prepare a communication plan in collaboration with PoR prior to the implementation of the project, and to communicate within the framework of this plan;
- d. Allow inspections regarding the various project implementation aspects by or on behalf of PoR.

### **Chapter 8. Financial Completion of the Project**

#### **Article 22**

The Applicant shall conclude the project with a final report on the implementation and the results of the activities as well as an audit opinion issued by an auditor. The final report and the audit opinion must comply with the arrangements made with the Applicant in the Financing Agreement pursuant to Article 18 of this Incentive Scheme.

### **Chapter 9. Concluding Provisions**

#### **Article 23**

Insofar as the granting of the financial contribution could be wholly or partly in conflict with obligations arising from national and international and European regulations, the consequences shall be entirely at the risk and expense of the Applicant or Applicants. PoR shall not be liable for the consequences of such conflict.

#### **Article 24**

PoR and/or persons working under its responsibility or on its instructions are not liable for the way in which applications submitted under this Incentive Scheme are assessed and ranked.

**Article 25**

This Incentive Scheme enters into force on 17 January 2019 and will apply until 31 December 2022. PoR reserves the right to deviate from this term if this is in the interest of achieving the objectives of this Incentive Scheme.

**Article 26**

One year after the date of its entry into force, PoR will evaluate this Incentive Scheme, after which PoR shall be entitled to amend the scheme.

**Article 27**

This Incentive Scheme is of a private law nature and concerns decisions that are not open to objection or appeal.

**Article 28**

PoR has the right to reject applications and suspend, reduce, withdraw and reclaim financial contributions, including interest, if this Incentive Scheme is not complied with.