SOUTH EAST EUROPE
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"NETWORK OF DANUBE WATERWAY ADMINISTRATIONS"
South-East European Transnational Cooperation Programme

AFDJ RA GALATI - RIVER ADMINISTRATION OF THE LOWER DANUBE

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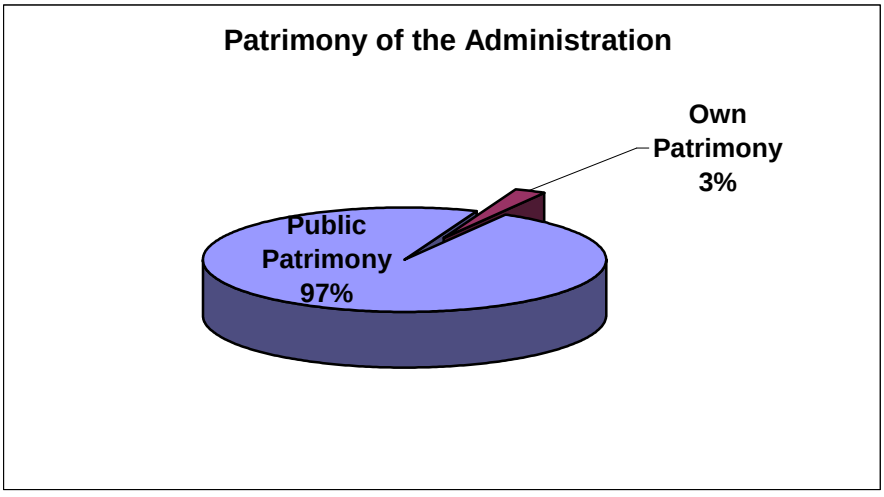
Legal background of A.F.D.J. - R.A. Galati

The "River Administration of the Lower Danube" Galati - for short A.F.D.J. - R.A. Galati - is a Romanian legal person and it operates as an autonomous administration in compliance with the provisions of the Governmental Decision No. 492/2003 and of the international conventions and agreements in which Romania is part.

According to the provisions of the „Convention Regarding the Navigation Regime on the Danube", signed in Belgrade on the 18th of August 1948, ARDJ RA Galati has as main object of activity to assure the navigation conditions on the Romanian Danube sector.

The activity object of the Autonomous Administration "River Administration of the Lower Danube" Galati is to assure the minimum navigation depths by means of carrying out topographic and hydrographic measurements, maintenance dredging, provision of costal and floating signalling, construction and repair works of hydro- technical constructions in order to assure navigability conditions, putting the naval transport infrastructure at the disposal of all users, as well as fulfilling the obligations assumed by Romania in compliance with the international conventions and agreements signed by Romania and which were delegated to the Administration by the Ministry of Transports and Infrastructure, according to the laws in force.

The Autonomous Administration has its own patrimony in value of 5,294,655 RON. Its public patrimony is in value of 203,007,685 RON.



A.F.D.J. RA Galati is carrying out its activity under the authority of the **Ministry of Transports and Infrastructure**, which exercises its role of state authority in the field of maritime transports and on the inland waterways through the **General Directorate of Naval Transports.**

Under the authority of the Ministry of Transports and Infrastructure there are also the following institutions, the object of activity of which is to develop the naval transport infrastructure and to assure the traffic safety on the navigable waterways and channels:

- A.N.R. Constanta – state authority with responsibilities for the control and monitoring of the traffic on the Danube;
- A.C.N. Constanta – assures the management of the Danube –Black Sea Canal and of Poarta Albă – Midia Năvodari Canal.
- A.P.D.F. Giurgiu – is responsible for the administration of the Danube harbours on the sector between Bazias and Cernavoda;
- A.P.D.M. Galati – assures the management of the harbours on the maritime sector of the Danube, between Braila and Sulina.
- Hidroelectrica Drobeta Turnu Severin – provides the management of the dams and retention lakes of Iron Gates I and II.

Based on the Order of the Minister of Transports No. 1075/19.10.2008 regarding the harmonization of the river information services on the inland waterways (RIS) from Romania with those from the European Union, there have been established responsibilities and relations between the institutions involved in the implementation of RIS in Romania. Thus AFDJ has the obligation to prepare the Electronic Navigation Charts according to the Inland ECDIS standard for the whole network of inland navigable ways in Romania.

The legal framework regulating the naval transports defines the authority functions for each institution in its field of activity. Among the institutions subordinated or coordinated by the Ministry of Transports there are no legally established hierarchies, all we can say is that A.F.D.J. RA Galati cooperates with these institutions in solving different problems that appear in its current activities and also that there are partnership relations on certain projects in which they are jointly involved:

- with A.C.N. Constanta, partnership relation in NEWADA project
- with A.N.R. Constanta, partnership on IRIS Europe II project

At the same time AFDJ RA Galati cooperates at international level, on the basis of bilateral agreements and of the recommendations of the Danube Commission with other fairway administrations from Serbia, Bulgaria and Ukraine, for the purpose of assuring the safe navigation conditions on the common Danube sectors.

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Organizational structure and main task of AFDJ RA Galati

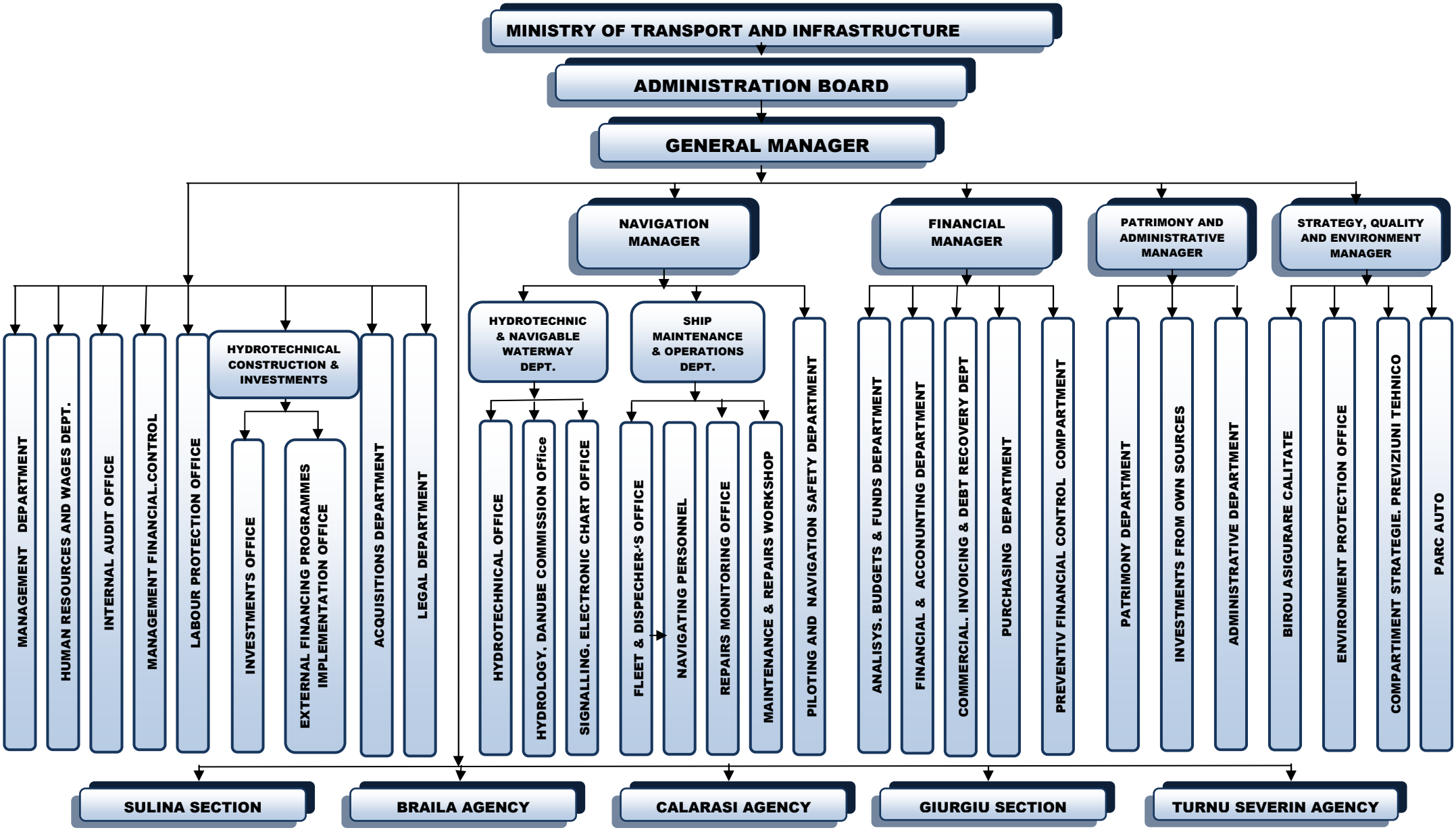
Organisational structure

The management of the Autonomous Administration "Lower Danube River Administration" Galati is assured by the Managing Board consisting of 9 members appointed by Order of the Minister of Transports and Infrastructure, chaired by a president who is also the General Manager of the Administration. At present the Administration is lead by the General Manager and 4 Executive Managers.

The Autonomous Administration "Lower Danube River Administration" Galati is structured in directorates, departments and offices depending on the necessity and volume of activity, their respective tasks being established by means of the internal organisation and operating regulations approved by the Board of Administration.

In order to fulfil its object of activity the „River Administration of the Lower Danube" R.A. Galati is organised in two divisions and three agencies, as follows:

- Sulina Waterway Division, whose activity covers the area between Hm 100 and Mm47, including Chilia Branch.
- Braila Waterway Agency, whose activity covers the area between km 175 and km 300, including Măcin, Vâlciu and Caleia branches.
- Călăraşi Waterway Agency, whose activity covers the area between km 300 and km 375, including the Bala – Borcea branches.
- Giurgiu Waterway Division, whose activity covers the area between km 375 and km 845,5.
- Turnu Severin Waterway Agency, whose activity covers the area between km 845,5 and km 1075, including Gogoşu Branch. The tasks of the agency are to assure the navigation conditions on the Danube.
- In the area situated between Mm 47 and Km 175 and on Sf. Gheorghe Branch, the navigation conditions are assured by the ships and personnel belonging to the head-office of AFDJ Galati.

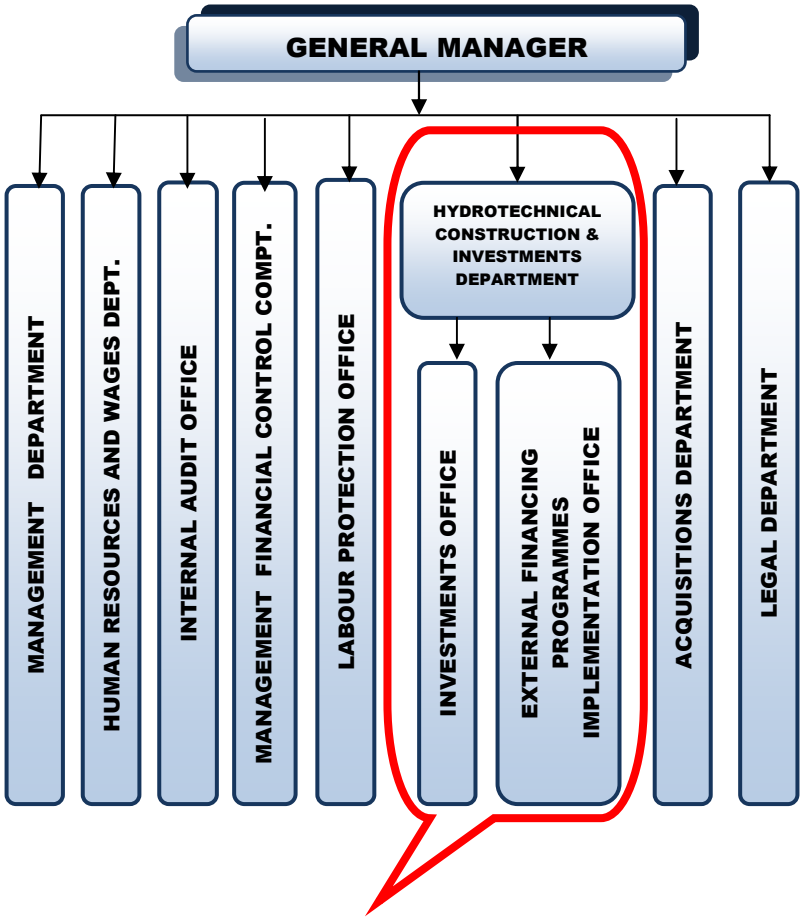

MINISTRY OF TRANSPORT AND INFRASTRUCTURE
ADMINISTRATION BOARD
GENERAL MANAGER
NAVIGATION MANAGER
FINANCIAL MANAGER
PATRIMONY AND ADMINISTRATIVE MANAGER
STRATEGY, QUALITY AND ENVIRONMENT MANAGER
MANAGEMENT DEPARTMENT
HUMAN RESOURCES AND WAGES DEPT.
INTERNAL AUDIT OFFICE
MANAGEMENT FINANCIAL.CONTROL
LABOUR PROTECTION OFFICE
HYDROTECHNICAL CONSTRUCTION & INVESTMENTS
INVESTMENTS OFFICE
EXTERNAL FINANCING PROGRAMMES IMPLEMENTATION OFFICE
ACQUISITIONS DEPARTMENT
LEGAL DEPARTMENT
HYDROTECHNIC & NAVIGABLE WATERWAY DEPT.
HYDROTECHNICAL OFFICE
HYDROLOGY, DANUBE COMMISSION OFfice
SIGNALLING, ELECTRONIC CHART OFFICE
SHIP MAINTENANCE & OPERATIONS DEPT.
FLEET & DISPECHER-'S OFFICE
NAVIGATING PERSONNEL
REPAIRS MONITORING OFFICE
MAINTENANCE & REPAIRS WORKSHOP
PILOTING AND NAVIGATION SAFETY DEPARTMENT
ANALISYS, BUDGETS & FUNDS DEPARTMENT
FINANCIAL & ACCONUNTING DEPARTMENT
COMMERCIAL. INVOICING & DEBT RECOVERY DEPT
PURCHASING DEPARTMENT
PREVENTIV FINANCIAL CONTROL COMPARTMENT
PATRIMONY DEPARTMENT
INVESTMENTS FROM OWN SOURCES
ADMINISTRATIVE DEPARTMENT
BIROU ASIGURARE CALITATE
ENVIRONMENT PROTECTION OFFICE
COMPARTIMENT STRATEGIE. PREVIZIUNI TEHNICO
PARC AUTO
SULINA SECTION
BRAILA AGENCY
CALARASI AGENCY
GIURGIU SECTION
TURNU SEVERIN AGENCY

Administration Tasks

The most important tasks by which the activity object is being fulfilled include, mainly, the following:

- assurance of navigation depths on the Romanian Danube sector, by means of topo-hydrographic surveys which allow to determine and to monitor the morphological situation and to determine the fairway trajectory, mainly in the critical points and consequently to adopt decisions regarding the signalling of the fairway and the guidance for the dredging equipment;
- gathering and processing of hydro-meteorological data, elaboration of forecasts regarding the water level variations on the Romanian sector of the Danube;
- daily transmission of data regarding the navigability conditions for different sectors of the Romanian Danube sector;
- drawing up and distribution of navigation charts;
- approval of studies and projects which include works to be performed in the jurisdiction area of the River Administration of the Lower Danube, Galati;
- execution, maintenance and repair of special hydrotechnical works with the purpose of assuring and improving the navigation conditions and the protection of the river banks on the Romanian Danube sector;
- control of navigation in the difficult sectors, by means of traffic lights and monitoring stations;
- elaboration of proposals for special rules for the navigation on the maritime and river sectors of the Danube and submission of such proposals to the approval of the competent authorities;
- editing and distribution of the hydro-meteorological bulletin for the Danube including hydrological and weather data, minimal depths for the navigation, overall dimensions for the passes and other recommendations for the difficult navigation sectors;
- preparation and transmission, after the approval of the competent authorities of the Ministry of Transports and Infrastructure, of Notices to Skippers regarding the restrictions for the navigation;
- approval of the special works for the crossing and under-crossing of the Danube, as well as of all constructions and works carried out in the river's vicinity;
- transmission of the required information to the Danube Commission for the purpose of drawing up the Plan of Large Works to be carried out on the Danube;
- coordination of ice breaking activities on the Danube, in order to assure the continuity of the navigation, to avoid the formation of ice bridges and the flooding of the neighbouring localities;
- provision of contract-based services and equipment letting out, depending on availabilities, in favour of Romanian or foreign legal persons;
- piloting of sea-going ships on the maritime Danube sector between Sulina Bar and Braila;
- annual examination and authorisation of the pilots and issuing of pilot licenses for the maritime Danube;
- issuing of approvals for the location and exploitation of ballast pits along the Danube and its branches, of the places for dumping the materials resulting from excavations and dredging operations for depth maintenance.

The Organisational Chart of AFDJ RA Galați includes directorates, departments and offices.



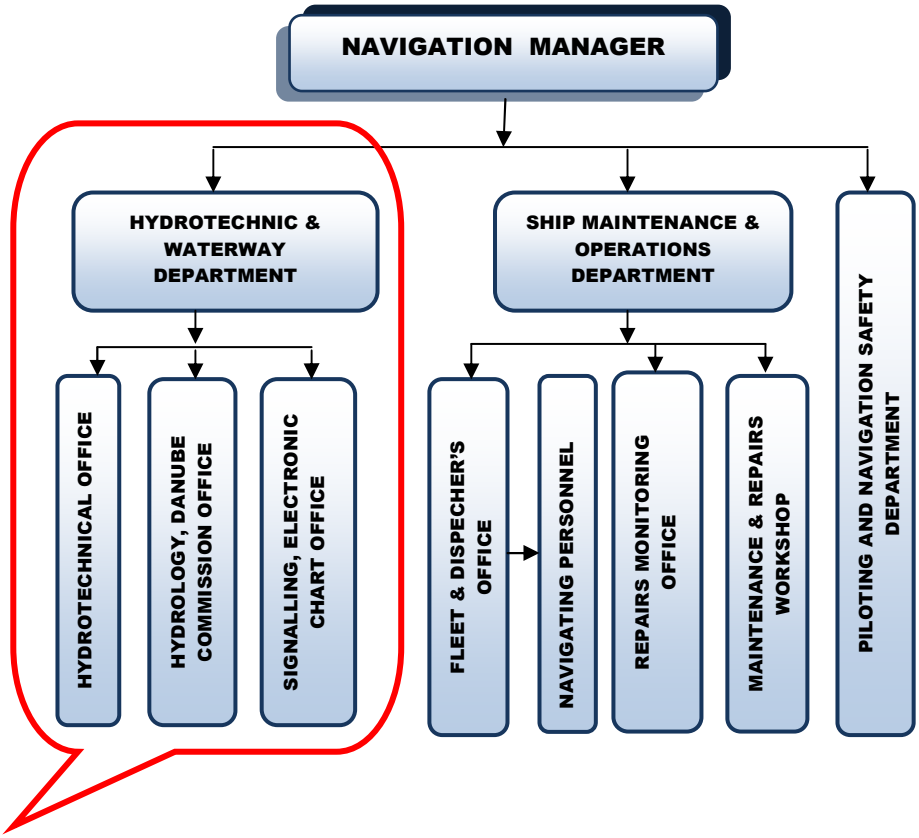
Several departments and offices are placed under the direct control and responsibility of the General Manager among which the **Investments and Hydrotechnical Constructions Department** assures the planning, preparation and monitoring of the investments.

It is responsible for the realisation of the investment objectives and for the commissioning of the production capacities within the deadlines stipulated in the paln.

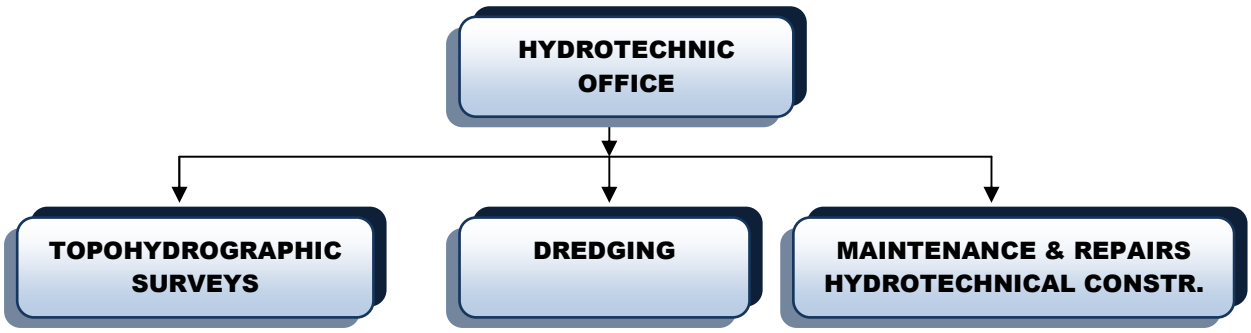
The Investments and Hydrotechnical Constructions Department has distinct tasks in the following fields:

1. programming, preparation, promotion and monitoring of the investments;
2. implementation of projects financed by external financing programmes.

The Directorate responsible for the main activities assuring the navigation conditions on the Danube is the Navigation Directorate which coordinates the hydrotechnical activity, the ship maintenance and operation and the piloting activity.



The Hydro-technical office is responsible for the following activities:



Topo-hydrographic Surveys

The topo-hydrographic surveys include data collection, systematisation and processing for the monitoring of the evolution of the hydrological situation on the Danube.

The topo-hydrographical surveys are the basic activity providing the data for the realization of the geo-morphological model of the Danube bed, the determination of the navigable fairway, drawing up the navigation charts, the realization of the data base for the studies necessary to draw up the river bed evolution models and to determine the necessary dredging volumes in the critical points.

The topo and hydro-graphic measurements activity is carried out as follows:

In order to permanently know the requirements of the navigability of the area, and in order to take the decisions regarding the fairway maintenance activities, under the heading of signalling, dredging and maintenance of hydro-technical constructions, each of the Administration's structures carry out the required measurements in its jurisdiction sector based on the approved plan and on the hydro-morphological evolution in the reference zone.

The measurements are carried out by means of the survey ships and according to the standards and regulations in force.

- The topo-hydrographic surveys are carried out by each measuring team and the quality of the results is directly proportional with the quality of the employed equipment;
- After the execution of the measurements the resulting topo-hydrographic plans are sent to A.F.D.J.- RA Galați, accompanied by a presentation report that must include an explanation of the way the measurements were carried out and problem solving proposals.
- Once received by the hydrotechnical department, the results of the topo-hydrographical measurements are introduced/stocked in documents recording the minimal depths, in the hydro-meteorological bulletin edited by the Administration, documents which are transmitted to the Ministry of Transports and Infrastructure and to the fairway users.
- Depending on the evolution of depths in critical points and of the levels of Danube waters, the approved plan for the topo-hydrographic measurements may be supplemented with the execution of operational control surveys, as well as topo-hydrographic surveys where required by the actual situation on the site.
- The activity program aims to assure the fulfilment of the obligations assumed within the joint commissions, as well as those resulting from the international conventions and agreements signed by Romania.
- Proposals are advanced for the modification of the special navigating rules in the Lower Danube sector taking into account the actual conditions in the field.
- Proposals are advanced for the development of the navigating fairway maintenance works, for specific equipment, installations and appliances.
- The volumes of topo-hydrographic surveys carried out are being certified.

Topo-hydrographic survey ship

Dredging activities

The dredging activity assures the required depths for the safe navigation of the ships on the navigable fairway of the Danube.

This activity is carried out as follows:

- Analysis of topo-hydrographic surveys and determination of dredging execution priorities at each critical point;
- Dredging orders;
- Notices to Skippers;
- Coordination of dredging works execution;
- Periodical verifications of the activity, by means of topo-hydrographic surveys, trips on site on board of the dredging equipment;

- Efficiency monitoring by means of topo-hydrographic measurements, establishment of objective measures for activity fulfilment depending on the geo-morphological evolution of the area, depending on the level evolution, indication of optimal dredging locations;
- Monitoring of dredging works quality by means of measurements, certification of dredged quantities;
- Verification of weekly, monthly reports sent by the sectors/agencies, with the realizations recorded under the heading of dredging, their approval and submission of the realisations to the Planning Department.
- Drawing up of periodical information reports regarding the execution of the dredging program in order to be approved by the Chief of Office, Chief of Department and the General Manager and the transmission of such reports to the Ministry of Transports and Infrastructure and the Danube Commission.
- Elaboration and putting at the disposal of the specialised department of the documents necessary for the compilation of the Terms of Reference for the organisation of the procedure for service public procurement.
- Elaboration of a proposal of contract to be concluded between the buyer and the service supplier;
- Coordination and responsibility for the execution of the works in all critical points on the Danube sector which make the object of the contract, by establishing the dredging priorities according to the topo-hydrografic measurements carried out, request for dredging works starting, notices to skippers, order of dredging, work site delivery report, verification of documentation for payment, works monitoring manner, monthly verifications on site, quantity reporting for payment, works efficiency monitoring by means of periodical measurements, plan realization monitoring taking into account the navigation necessities in the area, output reporting and periodical information reports.

Bucket dredger 750 m^3

Hydrotechnical constructions maintenance and repair activity

The maintenance and repair activities of the hydro-technical constructions consist in dyke completion, pitching base protection, filling up and repairs of pitching. This maintenance and repair activity is organised as follows:

- A synoptic table with the necessary hydro-technical works is made, and the total volumes and surfaces requiring maintenance and repair activities of hydro-tecnical constructions are calculated;
- Depending on the degradation degree of the hydrotechnical constructions, priorities are established and proposals are advanced for the annual/ quarterly / monthly programs under the indicator “Maintenance-Repairs of Hydrotechnical Constructions” for the maintenance of the navigable fairway in order to assure navigation parameters;
- This assures substantiation for the necessary funds required for the execution of the maintenance and repair works of the hydrotechnical constructions, by providing the quantities of works;
- Approval of the service contracts concluded with third parties are for such works
- Proposition, from the technical point of view, for the contract draft which is to be concluded between the buyer and the service supplier.
- After completing the works of hydrotechnical constructions maintenance and repairs which make the object of the contract, the service supplier transmits the date for the reception of the works, at works completion or for the final reception at the end of the guarantee period – depending on the contractual clause.
- After verifications on site a report of works completion or a final reception report is drawn up, document that is necessary for the release of the guarantee of good performance.
- Elaboration of periodical information reports regarding the realization of the program of Maintenance and Repair Works of Hydrotechnical Constructions which are transmitted to the Danube Commission, MTI and other competent bodies.

Hydrology-Danube Commission Office is responsible for the collection and processing of hydro-meteorological data, elaboration of forecasts regarding the Danube water level variations on the Romanian sector, as well as for the daily transmission of the information concerning the navigation conditions on the different sectors of the Romanian Danube sector.

The office activity is supported by a high performance software program, made by the company INTERSOL Bucharest, used for the processing and storage of the hydro-meteorological data collected from the whole Romanian sector of the Danube, from Bazias to Sulina.

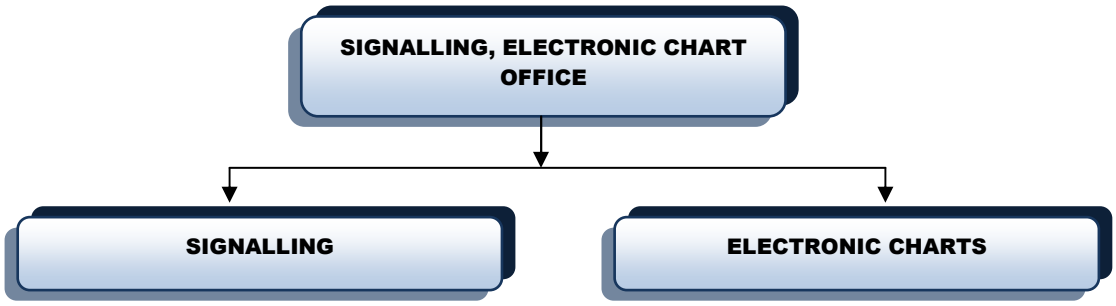
This program called *COTE module* is used for the creation of a data base, for the editing of a bulletin and periodical information for the Danube Commission according to the approved work plan.

Seven sensors for water level and temperature have been mounted in the main harbours on the maritime Danube that assure the automatic remote transmission of the level and temperature data, by GSM.

Data can be stored and represented graphically for different time intervals, in order to realise monthly, quarterly, semester or annual and multiannual statistics.

Regarding the Work Plan of the Danube Commission, the specialists of our Administration elaborate all the requested materials and information, taking part directly in all the meetings and reunions of the work groups and experts of the Danube Commission.

The **Signalling, Electronic Chart Office** is responsible for the following activities:



Signalling

The signalling activity consists in installing the necessary costal and floating signs, according to a signalling diagram resulting from the analysis of the survey results and of the information provided by the navigation charts.

The signals are changed (replaced) in case they get damaged, they disappear from the position as well as in case of fairway modification (narrowing, enlargement, change from one bank to the other) or depending on the necessity to control the navigation in accordance with the Danube waters variations.

The employed types of signalling according to DFND (Dispositions Fondamentales concernant la Navigation sur le Danube) are:

- Costal signals (luminous or not), indicating panels, beacons (with white, yellow, red or green light)
- Floating signalling: maritime buoys (luminous or not), DM (Maritime Danube type) buoys (luminous or not), DF (River Danube type) buoys (luminous or not), DM milestones (non luminous) , DF milestones, winter buoys.

For this activity, a signalling plan or diagram is elaborated, which is analysed and submitted for approval by the Administration Board.

This activity is carried out in practice by the specialised ships based on an Annex to the March Order. Following the trips made in the sector, a signalling report is filled in containing all the modifications carried out as well as the current situation, information used for the up-dating of the navigation charts.

The data base is up-dated according to these reports and every Tuesday in the hydro-meteorological Bulletin of the Danube is published the actual signalling situation on the Romanian Danube sector, as well as Notices to Skippers.

Costal signalling

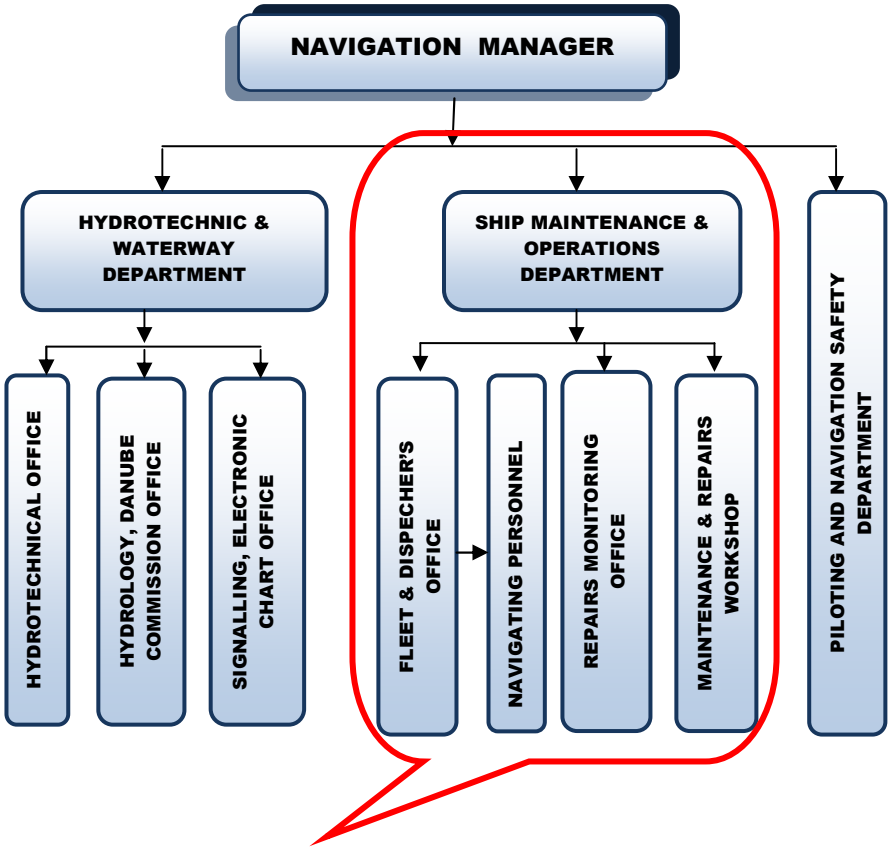
Floating signalling

Electronic Charts

AFDJ also has the obligation to realize the electronic navigation charts according to the Inland ECDIS standard for the whole network of navigable waterways in Romania.

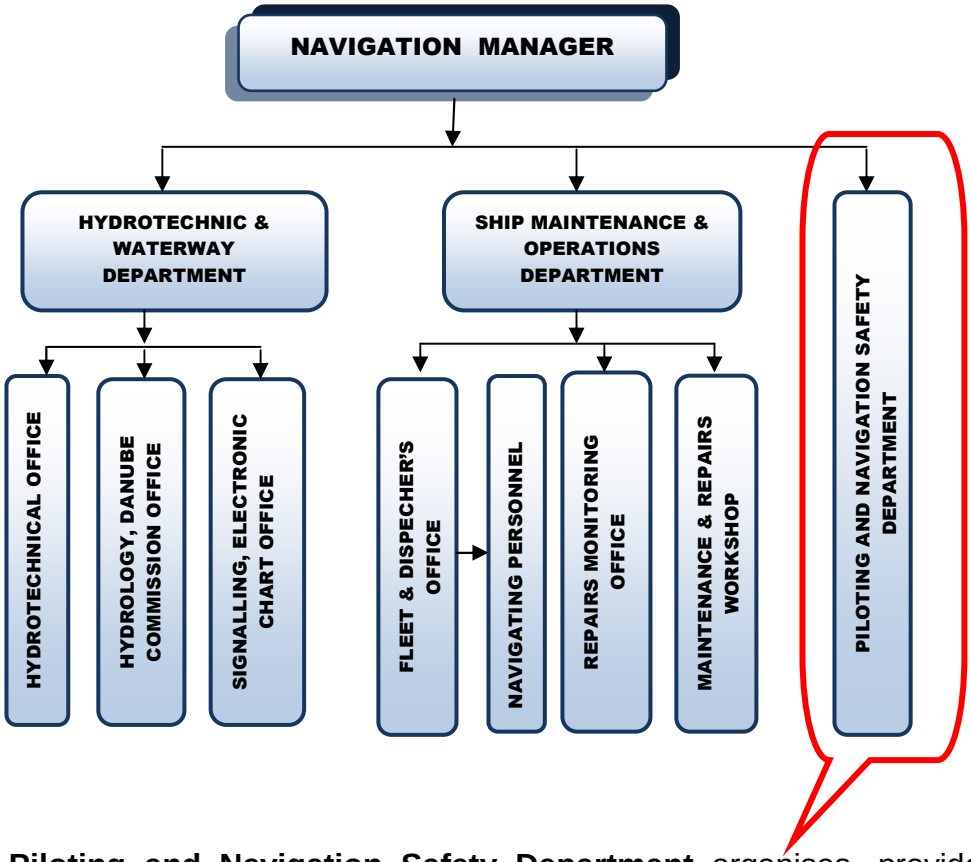
During 2009 the electronic navigation chart in Inland ECDIS format was completed for the Danube sector between Bazias and Cernavoda and the ENC for the sector between Cernavoda and Sulina is now being up-dated. This activity implied a very good collaboration with the Serbian and Bulgarian specialists involved in the joint work groups.

The Electronic Navigation Charts are published on the official site of AFDJ RA Galati www.afdj.ro and they can be downloaded free of charge. These charts are in compliance with the Inland ECDIS standard, version 2.1.



Another department responsible for assuring the means for the performance of the hydrotecnical activities is the **Ship Maintenance and Operation Department** which is responsible for the coordination, organisation, operation and maintenance of the ship fleet of AFDJ RA Galati; it is also responsible for the repairs of the ships, of the signalling means and other equipment of the Administration.

It assures the availability of the necessary ships and equipment, the correlation of the maintenance and repair program of the ships with the activity program of the Administration and with the operation program of the ship fleet and the necessary equipment for assuring the navigability conditions.



The **Piloting and Navigation Safety Department** organises, provides and is responsible for the piloting of the sea-going and river-sea-going ships on the maritime sector of the Danube.

The main tasks of this department are:

- To assure the piloting activity in compliance with the piloting bulletin, with the hydro-meteorological situations and the traffic density on certain zones of the navigable fairway;
- To keep the records of the voyages and of the manoeuvres performed;
- To assure permanent availability of the necessary piloting boats;
- To take part in the internal investigation made by the administration in case of navigation events involving maritime ships;
- To assure the participation of the pilots in the ice-breaking activities, in special transports and other ship salvage or wreck removal activities;
- To take part in the examination and authorization of the pilots.

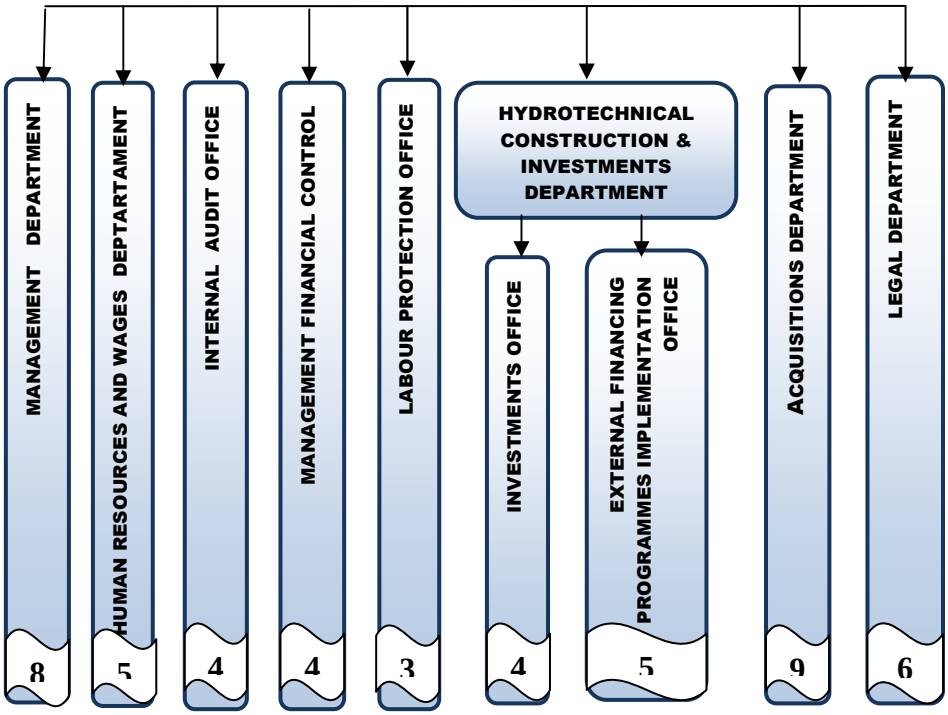
Available resources of AFDJ RA Galati

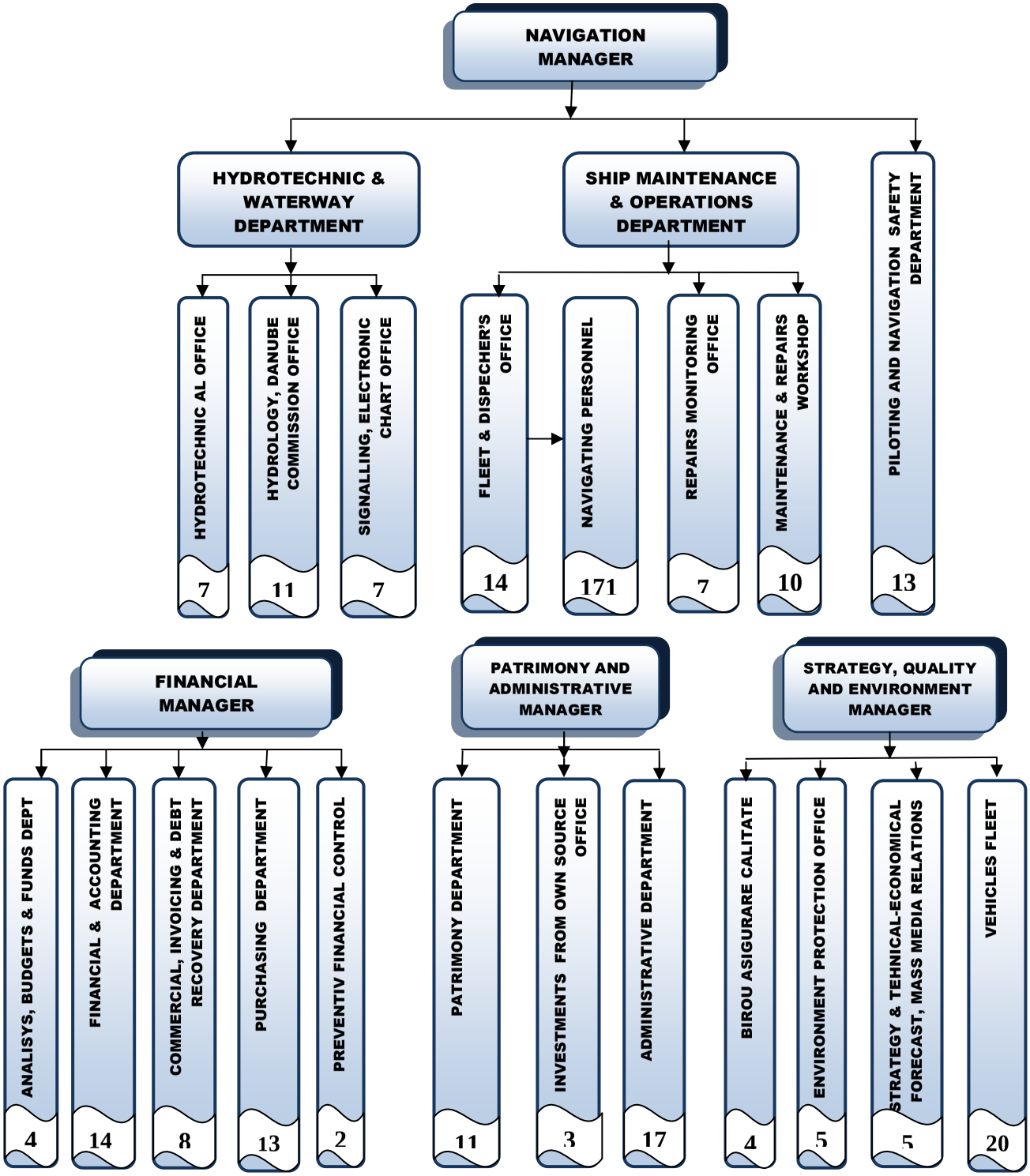
Human Resources

A.F.D.J. RA Galati has a total number of 940 employees. Out of the total number of employees:

- 182 perform dredging activities
- 60 perform measuring activities
- 243 perform signalling activities
- 112 perform Maintenance and Repair works of the Hydro-technical Constructions
- 43 perform piloting activities

As regards the personnel distribution by departments the situation is as follows:





Depending on the distribution in the different locations, the personnel situation is the following:

- A.F.D.J. Galati - 402 employees
- SCN Sulina - 273 employees
- ACN Braila - 83 employees
- ACN Calarasi - 34 employees
- SCN Giurgiu - 111 employees
- ACN Turnu Severin - 37 employees.

Technical Resources

For the performance of its activities, AFDJ RA Galați is equipped with 93 ships of different types starting with signalling ships, survey ships, dredgers, barges, cranes, tugboats, motor boats, piloting boats, pontoons, etc. and can provide various internal and international services.

Among the ships in the patrimony of the Administration it is worth mentioning the suction dredger "***Dunarea Maritima"***. It is one of the last generation ships of this type manufactured by the Dutch company IHC HOLLAND NV of Sliedrecht.

The suction dredger ***Dunarea Maritima***

Among the tugboats a special mention is made for the maritime multifunctional tugboat **"Perseus"** of 6600 HP, with unlimited navigation area. This tugboat can assure the transport of sea-going ships of any size, can perform supply operations for off-shore drilling platforms, shipwreck removal operations and ice-breaking operations.

"Perseus" Tugboat

The signalling ships of **"Semnal" and "Mamaia 2"** type are designed for the location and maintenance of the signalling means of the navigable fairway and consequently they are equipped with storage platforms for the signals on the stern at main deck level, with cranes and buoy lifting devices.

Signalling boat „Mamaia 2"

„Donaris" type ships for topographic and hydrographic surveys are equipped with modern and high performance positioning devices and multibeam echo-sounders which increase the volume of data gathered in one passage and provide a "photographic" image of the river bed.

These ships can perform high precision measurements on large areas, at a single passage, with the possibility of immediate processing and transmission of the data via satellite- GSM to a PC with specialised software and colour printer for editing high resolution maps of the river bed configuration.

The acquired data were used for the up-dating of the digital maps in Inland ECDIS and S-57 format which represent the support for the RORIS system (Romanian River Information System) managed in cooperation with the Romanian Naval Authority.

Our Administration also possesses a **modern signalling system** (236 luminous buoys and 118 costal luminous beacons), which allow for their remote monitoring by means of 5 sub-stations (Sulina, Galați, Călăraşi, Giurgiu and Dr. Tr. Severin) which transmit the data by VHF and at central level by means of VPN system; these are equipped with LED lamps and devices for operation checking by radio remote control, from maximum 100 meters distance.

The energy autonomy necessary for the operation of these sub-components is assured by high performance solar panels, mounted in secured compact casings to protect them from theft or vandalisms.

For operational efficiency in compliance with international standards, the specific shape and colours (day marks) of each buoy are doubled by a "top mark" supported by the mast of the radio antenna, also playing the role of radar reflector with increased coefficient of retro-reflexion for the night navigation or poor visibility conditions.

Costal beacons disposing of similar equipment are mounted on new, robust structures, with adequate massive foundations and hardly accessible upper platforms to prevent the access of unauthorised personnel. Such structures were realised within the Mechanical Workshop of S.C.N. Giurgiu, according to the Administration's own design.

The signalling system was realised by the German company PINTSCH BAMAG who also supplied the signalling equipment.

The funds necessary for the realisation of the system and the purchase of specialised ships and equipment were assured with the support of the Romanian Government and the European Investment Bank.

This modern signalling system contributes significantly to the improvement of the navigation conditions on the Danube. Floating signalling is presented on the website www.afdj.ro

Income and Expenditure Budget

The Autonomous Administration "River Administration of the Lower Danube" Galați elaborates each year an Annual Income and Expenditure Budget, the balance sheet and the Profit and Loss Account in compliance with the methodology established by the Ministry of Finances.

The **Annual Income and Expenditure Budge**t is elaborated during the last term of each year for the following year.

The elaboration procedure for the annual budgets includes the following steps:

- Establishing the financing sources
- Establishing the necessary for the following year
- Drawing up of a brief plan highlighting the objectives of the administration
- Elaboration of budget projects as a result of testing different scenarios and of negotiating between different departments and with the general management of the administration;
- Elaboration and approval of company budgets.

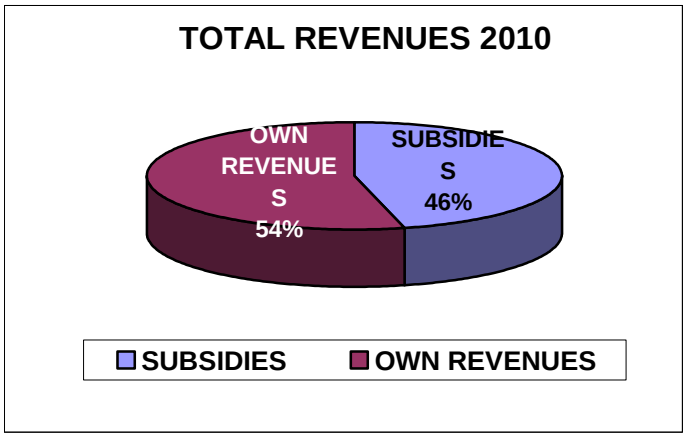
Establishment of financing sources

Within this stage, the volume of financing sources has to be established first for the current activity of the Administration.

The financing sources of A.F.D.J. RA Galati, consist of:

- Own revenues
- Subsidies from the state budget

The total revenues (financing sources) of the Administration proposed to be realised in 2010 amount to the value of 20.008.076 Euro and present the following structure:

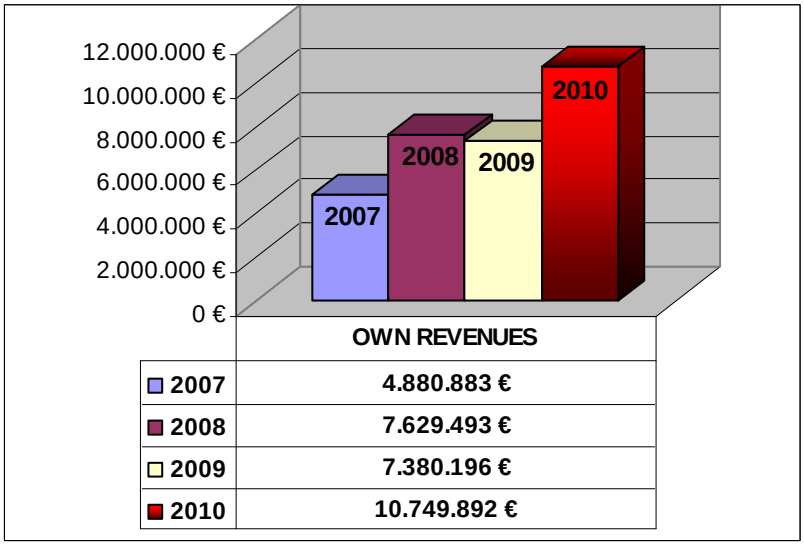


Own revenues

Own revenues are realized in general from the following activities:

- Incomes from navigation tariffs
- Incomes from piloting tariffs
- Incomes from services for third parties
- Revenues from own production

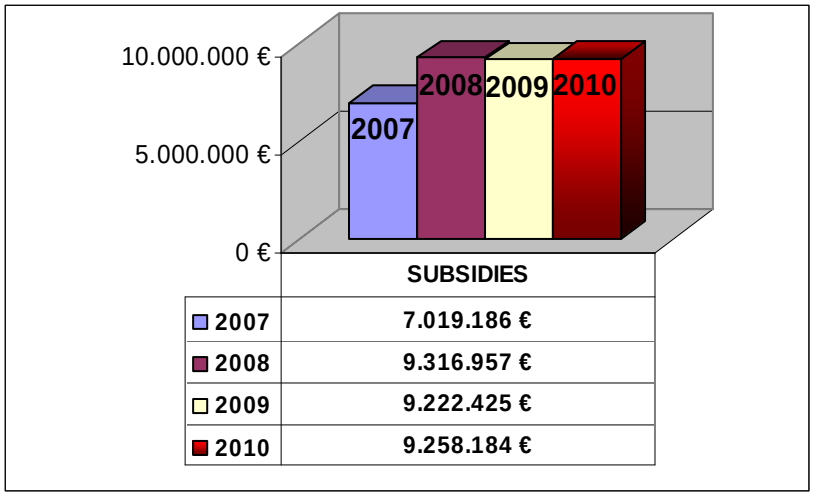
The own revenues realised over the last three years and foreseen to be realised in 2010 are as follows:



Subsidies

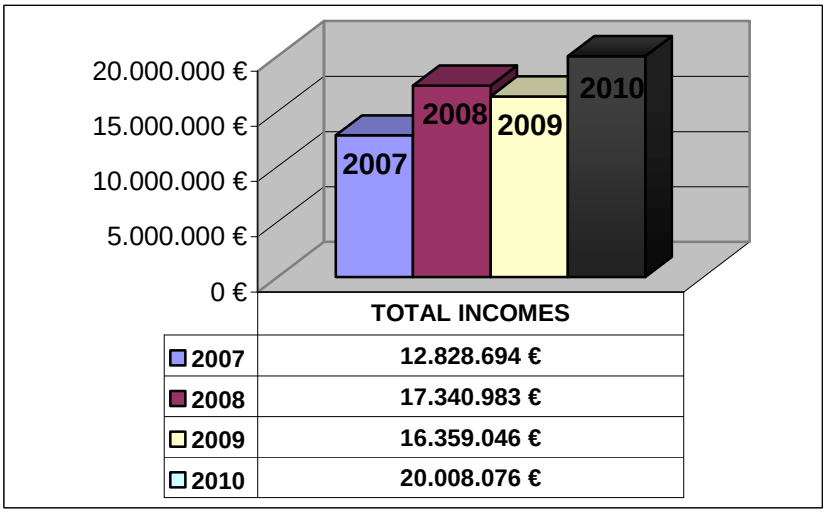
Funds received from the state budget as subsidies are used only for the current activities. The amount of the subsidy received from the state budget is communicated by the main credit ordering authority which is the Ministry of Transports and Infrastructure and it is a fixed amount that may be renegotiated once a year – at the end of the first semester, or twice a year, in exceptional circumstances (for well defined and substantiated objectives or under unexpected weather conditions: heavy ice conditions, very high or very low water levels).

Subsidies received from the state budget during the last three years are foreseen to be received in 2010 are:



	SUBSIDIES
2007	7.019.186 €
2008	9.316.957 €
2009	9.222.425 €
2010	9.258.184 €

Total incomes (financing sources) identified:



	TOTAL INCOMES
2007	12.828.694 €
2008	17.340.983 €
2009	16.359.046 €
2010	20.008.076 €

The incomes of A.F.D.J. RA Galati increased in 2008 by 80% compared to those of 2007, and they decreased by 5.66% in 2009 compared to 2008.

Establishing the necessary for the following year

The necessary funds required for the different activities developed by A.F.D.J. RA Galati are assured as follows:

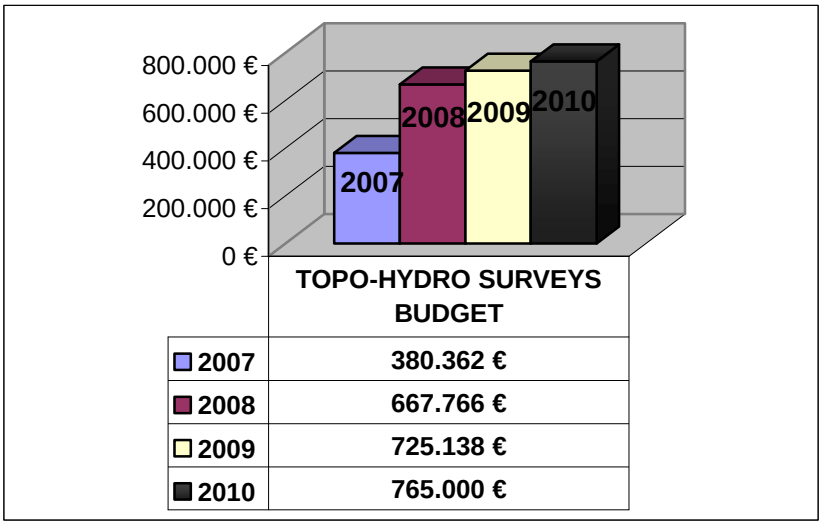
- For the activity of **topo-hydrographic surveys**, which constitute the basis for the study of the evolution of the Danube bed morphology and for the evaluation of the necessary volumes of dredging in the critical points, a prediction is made for the following year, including all critical points and the whole sector of activity.

In order to establish the necessary funds the following are considered:

- topo-hydrographic surveys
- sounding and flow measurements in characteristic sections
- hydro-meteorological data collection

The proposals advanced following such operations are based on a calculation containing as main elements: length and width of the sector, number of measuring points, periodicity of topo-hydrographic measurements and the way of execution of such operations.

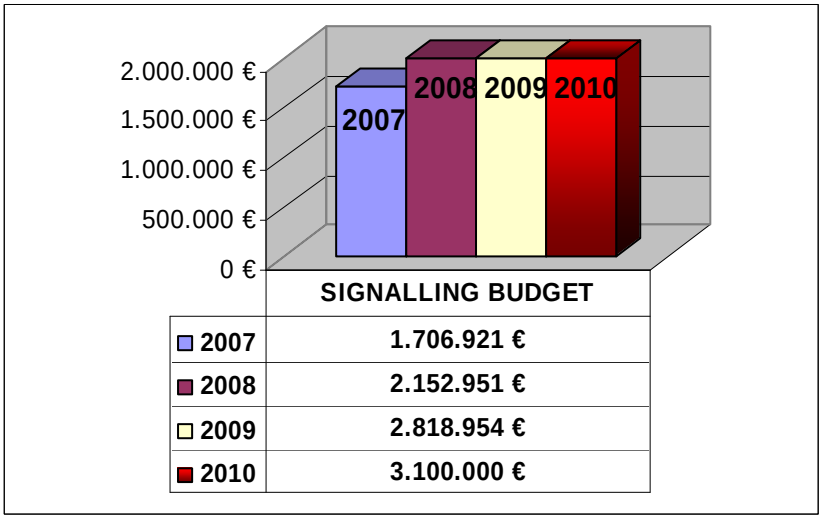
The budget for this activity of topo-hydrographic surveys during the last three years, and foreseen for 2010, is as follows:



TOPO-HYDRO SURVEYS BUDGET	
2007	380.362 €
2008	667.766 €
2009	725.138 €
2010	765.000 €

➢ For the **signalling** activity the budget is elaborated after the approval of the signalling plan for the managed Danube sector. The budget proposed for this activity is the result of the required signalling means, according to this plan, to which are added the expenses for the planting on location, checking and an average of annual losses.

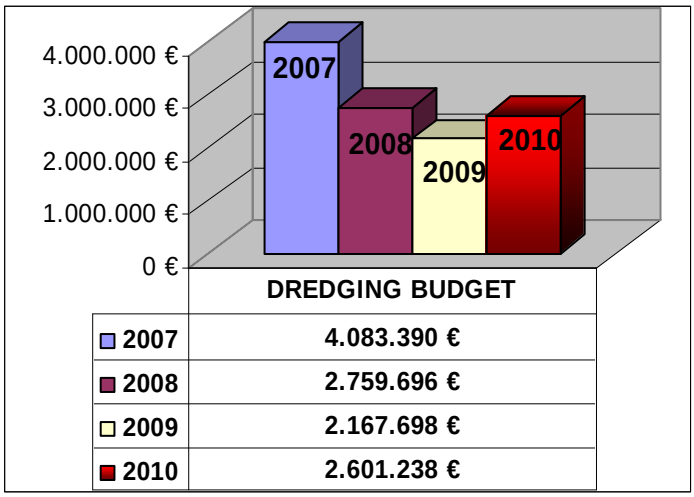
The budget allocated to the signalling activity during the last 3 years, and estimated for 2010, is as follows:



SIGNALLING BUDGET	
2007	1.706.921 €
2008	2.152.951 €
2009	2.818.954 €
2010	3.100.000 €

➢ For the **dredging activity**, a quantitative estimation is made starting from the latest topo-hydrographic measurements made in the critical points areas, based on the analyses made over the time in the respective sector regarding the existing hydro-geo-morphological conditions and the depth evolutions compared to the needs of safe navigation in the area and the recommendations of the Danube Commission.

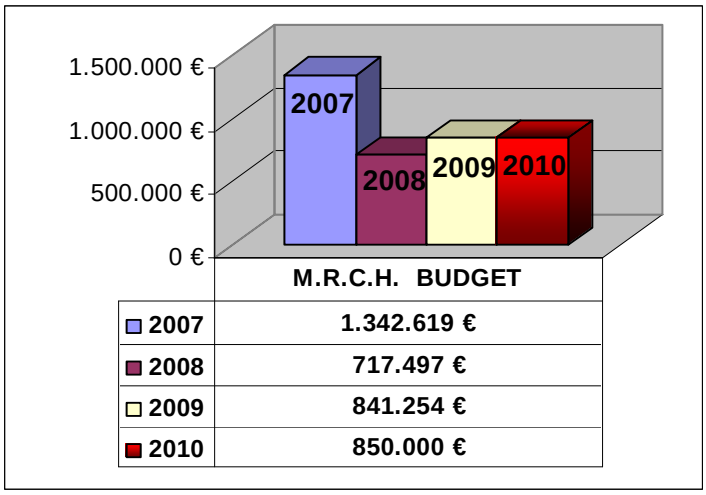
Based on these documentations, a yearly dredging program is elaborated. The proposal advanced for the dredging activity of one year takes into account also the work coverage possibilities of the Administration for the critical points on the maritime Danube agreed by the MRHC and Fleet Departments.



DREDGING BUDGET	
2007	4.083.390 €
2008	2.759.696 €
2009	2.167.698 €
2010	2.601.238 €

➢ The necessary budget for the Maintenance and Hydrotechnical Constructions is established by appointing a commission which has to assess the technical state of the hydrotechnical constructions. This commission goes on site and makes direct measurements of the surfaces requiring maintenance and repair works, topo-hydrographic measurements as well as volumetric evaluations, takes pictures and makes video recordings of the hydrotechnical constructions and of the fixed assets. Based on this inventory made on the site, and also on the basis of maintenance and repair standards, a synoptic table of the necessary hydrotechnical works is prepared and the total volumes and surfaces requiring maintenance and repairs are calculated.

Depending on the degree of degradation of the hydrotechnical constructions, the priorities are established and the proposals for the annual, quarterly and monthly programs are elaborated as regards the necessary works for the maintenance of the navigable fairway and the assurance of the navigation sizes.

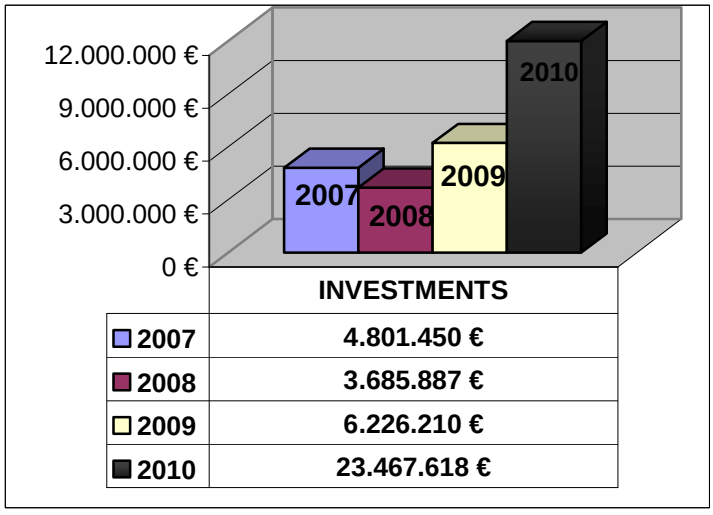


M.R.C.H. BUDGET	
2007	1.342.619 €
2008	717.497 €
2009	841.254 €
2010	850.000 €

Investments

A separate chapter, but an important one in the establishment of the budget of incomes and expenditures is represented by the **investments**.

The value of investments during the last three years, and the one estimated for 2010, is as follows:



INVESTMENTS	
2007	4.801.450 €
2008	3.685.887 €
2009	6.226.210 €
2010	23.467.618 €

The minimum investment volume to be realised in the financial year 2010 shall be 23,467,618 Euro, financed as follows:

- 1,765,617 Euro from own sources;
- 20,177,258 Euro from the state budget;
- 936,637 Euro from ISPA funds;
- 597,106 Euro from the Cohesion Funds;

The investments can be financed from own resources and/or from subsidies from the state budget or from European funds and/or state budget subsidies. The investments made by AFDJ RA Galati in 2010 are:

I. Investment objectives financed by the State Budget and SEE Funds

NEWADA Project No. SEE EoI/A/086/3.1/X aiming to improve and make uniform the activity of fairway maintenance along the Danube and to enhance the exchange of information/data between the countries of the project partners.

Total eligible costs = 344,000 Euro of which:

- SEE Funds representing 85% = 292,400 Euro
- State budget (MDRT) 13% = 44.720 Euro
- Own revenues representing 2% = 6,880 Euro

II. Investment objectives financed by the State Budget and TEN-T Funds

IRIS Europe II Project having as main objective the implementation of the **RIS Directive**

This contract is managed by the Ministry of Transports and Infrastructure through the Management Authority for the TEN-T Programme – General Directorate for Foreign Financial Relations, as Beneficiary and by A.F.D.J R.A. Galati, as Implementation body.

Total eligible costs = 1,613,000 Euro of which:

- TEN-T representing 49% = 805.989 Euro
- State budget 51% = 807.011 Euro

III. Investment objectives financed from the State Budget and ISPA Funds are coordinated by the Programmes Implementation Agency and include the following objectives:

1. ISPA 2005/RO/16/P/PT/03 – „Improvement of Navigation Conditions on the Danube between Călăraşi and Brăila and complementary measures" – phase I with full financing assured:

1. Total eligible costs = 37,700,820 Euro of which:
ISPA representing 50% = 18,850,410 Euro
Romanian Government 50% = 18,850,410 Euro
2.Total non-eligible costs = 1,000,000 Euro
Romanian Government 100% = 1,000,000 Euro
3. TOTAL COSTS = 38,700,820 Euro

The contract is managed by the Ministry of Transports and Infrastructure as Contracting Authority and by the River Administration of the Lower Danube RA Galati as final Beneficiary.

The objective is realized by an association of 4 companies: leader – INTERCONSTRUCT SRL Constanța, and associated members CANAL SERVICES SRL Constanța, SUPERQUATRO GRUP SRL Galați, and G&G ROMANIA SRL Constanța, based on the contract No. 16/PT003-02/2005 of 28.04.2009 in value of 38,671,752.12 EURO and having an execution term of 31 months.

The actual project implementation stage is as follows:

- Works have begun according to the dispositions of the Consultant, on the 26.05.2009 but the actual construction works may not start until the EU point of view regarding the environmental impact monitoring is obtained.

- The constructor started the site organisation, the execution of the topo-hydrographic measurements and the supply with materials necessary for the works;
- An advance payment of 2,297,529.6 Euro, according to the contract provisions, has been paid.

2. ISPA 2005/RO/16/P/PA/002 – „Technical Assistance for the improvement of the navigating conditions in the common Romanian- Bulgarian sector of the Danube" with full financing assured:

1. Total eligible costs	**=**	**2,750,000 Euro, of which:**
ISPA (85%)	=	2,337,500 Euro
Romanian Government (15%)	=	412,500 Euro
2. Total non-eligible costs	**=**	**70,000 Euro, of which:**
Romanian Government	=	70,000 Euro
3. TOTAL COSTS	**=**	**2,820,000 Euro**

The contract is managed by the Ministry of Transports and Infrastructure as Contracting Authority and by the River Administration of the Lower Danube RA Galati as final Beneficiary

- The feasibility study is elaborated by a consortium consisting of TEHNUM NV, TRAPEC SA, TRACTEBEL DEVELOPEMENT ENGINEERING SA, COMPAGNIE DU RHONE and SAFEGE and it shall have four chapters: works for the improvement of the navigation conditions on the Romanian-Bulgarian sector with a total length of 470.5 km, arrangement of Calafat harbour, modernization of the navigation on the Danube – Black Sea Canal, and improvement of the navigating conditions in the area of Tulcea bent between NM 43 and NM 34.

IV. Investment objectives financed from the state budget and from POS-T funds

" Realization of the support geodesic network of the Danube".

Total eligible costs	=	**1.050.000 euro**
Feasibility study budget	=	50.000 euro;
Estimated budget of the works	=	1.000.000 euro.

The works consist in placing on the ground, all along the Romanian Danube sector, of a geodesic network consisting of kilometric landmarks, spaced at abt. 10 km.

The objective of this project is to improve the reference system for the topo-hydrographic surveys in order to enhance the navigation safety and to monitor in detail the hydrological and geo-morphological evolution of the river bed. The execution period for the works: 2 years (2011-2012).

V. Investment objectives financed from the State Budget and from EIB Loans

This project includes the following chapters: Rostok Wreck Removal; Bank protections – stage I, Acquisition of Topo-Hydrographic Measurement Systems and Signalling Systems for the Navigation on the Danube. The only objective still in process of implementation is C1-Bank protections phase I, the others being already finished and finally taken over.

C1 – Bank protections Phase I The works are executed by the German company REINHOLD MEISTER GmbH and consist in building 15 km of bank protections. Works in different stages have been executed on a bank length of 3.5 km. The contact value is of 24,638,493 Euro (without taxes).

VI. Investment objectives financed by the State Budget

Giurgiu Waterway Management Complex – the works are executed based on the contract No. 39/24.06.2009 concluded with the company GROSSMANN ENGINEERING GROUP SRL Bucharest for the value of 1,404,483 Euro without taxes. The approved investment value is of 2,789,720 Euro.

Of the programmed value of 3,200,000 RON for 2009, there have been realised and paid works in value of 775.920 RON.

VII. Acquisitions from own resources

The annual programme has the value of 1,756,617 Euro .

Establishing the priorities

After having established the financing sources and the actual necessary funding of the administration, priorities are established given the fact that the necessary is always larger than the available resources. When establishing the priorities consideration is given to the main objectives of the administration for the current year and for the following years.

After having established the priorities a draft of the total budget for AFDJ RA is designed and it is submitted to the approval of the Managing Board.

SWOT ANALYSIS

Strengths:

- High performance survey systems that permit the rapid analysis of the morphology of the measured area and the quick transmission of the information regarding traffic conditions towards the skippers;
- More than 50% of the budget can be assured from own funding sources;
- A well developed network of hydro-meteorological stations that makes possible the correct identification of the traffic conditions along the whole Danube sector in our administration;
- The capacity to manufacture ourselves part of the signalling means used in our activity and the capacity to assure their maintenance.

Weaknesses:

- An incomplete and un-harmonized set of laws, at national level, for the protection of the waterway infrastructure;
- The incapacity, due to specific geo-morphological conditions on the Danube sector in our administration, to assure all year long, the minimal required depths and widths of the fairway according to the recommendations of the Danube Commission;
- The supporting geodesic network for the execution of the topo-hydrographic measurements is insufficiently well represented on site and is not correlated with the other geodesic networks at national level or to other networks used by the waterway administrations on the common Danube sectors;
- The lack of dredging equipment for the river sector of the Danube;

Opportunities:

- Access to European funds for research projects, infrastructure development of the navigable waterway and for the implementation of the RIS Directive;
- Development of data exchange between administrations and creation of common data bases regarding the characteristics of the navigable way;
- Development of common strategies with the waterway administrations in the neighbouring countries for the realisation of the necessary studies and practical works for the improvement of the navigating conditions on the Danube.

Threats:

- The lack of compliance with the national strategies for the development of the navigation infrastructure and the lack of correlation with the European strategy in this field and mainly with that of the neighbouring countries;
- The lack of state budget allocations of the necessary funds for the works meant to improve the navigation conditions on the Romanian sector of the Danube;
- Insufficiently developed legal frame as regard the construction and protection of the of the navigable way infrastructure on the Romanian Danube sector.