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**COMMISSION STAFF WORKING DOCUMENT**
***Accompanying the document***

**Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions**

**The Marco Polo programme - Results and outlook**

{COM(2013) 278 final}

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**The Marco Polo programme - Results and outlook**

## 1. STATISTICAL DATA ON RESULTS ACHIEVED BY THE MARCO POLO PROGRAMME

### a. Overall statistics

Table 1: Marco Polo I and II: calls for proposals 2003-2012

| Year | Number of proposals | No of Contracts | Available budget | Committed funds | Paid funds |
|---|---|---|---|---|---|
| 2003 | 92 | 13 | 15.0 | 13.0 | 7.3 |
| 2004 | 62 | 12 | 20.4 | 20.4 | 12.3 |
| 2005 | 63 | 15 | 30.7 | 21.4 | 12.8 |
| 2006 | 48 | 15 | 35.7 | 18.9 | 9.4 |
| 2007 | 55 | 20 | 58.0 | 45.4 | 19.9 |
| 2008 | 46 | 28 | 59.0 | 34.4 | 11.5 |
| 2009 | 70 | 21 | 66.3 | 61.9 | 18.0 |
| 2010 | 101 | 30 | 64 | 52.2 | 14.3 |
| 2011 | 50 | 18 | 56.9 | 33.6 | n.a. |
| 2012 | 54 | - | - | - | - |
| **Total** | **587** | **172**[1] | **406** | **301.2** | **105.5** |

*Source: EACI data*

Figures representing the payments for Marco Polo II relate to projects that are still on-going and will increase over time.

### b. Effectiveness

The effectiveness of the programme is measured in terms of realised modal shift/traffic avoidance (for modal shift, catalyst, motorways of the sea and traffic avoidance actions). Common learning actions do not have a direct modal shift objective and therefore may not be evaluated on the basis of transport shifted off the road.

Table 2: Marco Polo I: total modal shift by call (Millions of tonne – kilometres)

[1] The significant difference between the numbers of proposals received and contracts signed may be explained by the fact that only limited number of project applications complied with the criteria and conditions set by the programme. In addition, there were also projects withdrawn by the applicants during contract negotiations.

| | 2003 | 2004 | 2005 | 2006 | Total |
|---|---|---|---|---|---|
| Overall target (Mtkm) | 12,000 | 12,000 | 12,000 | 12,000 | 48,000 |
| Expected (Mtkm) | 12,396 | 14,382 | 9,535 | 11,401 | 47,714 |
| Achieved (Mtkm) | 7,253 | 6,143 | 4,952 | 3,554 | 21,903 |
| % expected/achieved | 58.51 | 42,7 | 51.9 | 31.20 | 45,9 |

*Source: EACI data*

Table 3: Marco Polo II: total modal shift at November 2012 by call (Millions of tonne – kilometres)

| | 2007 | 2008 | 2009 | 2010 | 2011 | Total |
|---|---|---|---|---|---|---|
| Overall target (Mtkm) | A substantial part of 20,500 Mtkm shifted annually | | | | | |
| Expected (Mtkm) | 27,835 | 16,334 | 15,685 | 14,150 | 13,700 | 87,704 |
| Achieved at November 2012 (Mtkm) | 10,020 | 3,381 | 2,825 | 3,270 | n.a. | 19,500 |

*Source: EACI data*

Figures for Marco Polo II relate to projects that are still on-going and will increase over time. Figures for traffic avoidance actions are the tonne-kilometres equivalent of vehicle-kilometres.

### c. Road freight transport in the EU

Table 4: Road freight transport in the EU in billions of tonne-kilometres

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|
| Total (billion tkm) | 1,625 | 1,742 | 1,794 | 1,848 | 1,914 | 1,881 | 1690 | 1756 |
| International (billion tkm) | 486 | 547 | 565 | 601 | 622 | 611 | 537 | 579 |

*Source: EU transport in figures. Statistical Pocketbooks 2012: http://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2012_en.htm*

### d. Environmental benefits

The achieved modal shift can be transformed into monetary terms on the basis of external cost coefficients provided for environmental impacts (air quality, noise, climate change) and socio-economic impacts (accidents, congestion).

Table 5: Marco Polo I: achieved environmental benefits[2] by year (including proxies[3])

| | 2003 | 2004 | 2005 | 2006 | Total |
|---|---|---|---|---|---|
| Environmental benefits achieved (millions €) | 127.7 | 114.1 | 118.53 | 73.736 | 434.05 |

*Source: EACI data/Marco Polo Calculator of external costs coefficients*

2 The values produced by the calculator can be regarded only as indicative.

3 Direct data on achieved environmental benefits are used where available. Where figures are not directly available, the statistics are proxied by the proportional achievement of modal shift.

Table 6: Marco Polo II: achieved environmental benefits[4] by year at November 2012 (including proxies[5])

| | 2007 | 2008 | 2009 | 2010 | Total |
|---|---|---|---|---|---|
| Environmental benefits achieved at Mid-November 2012 (millions €) | 234,3 | 73,5 | 61,76 | 35,51 | 405 |

*Source: EACI data/Marco Polo Calculator of external costs coefficients*

Figures for Marco Polo II relate to projects that are still on-going and will increase over time.

**e. Efficiency**

The efficiency is measured as the ratio of outputs (tkm achieved for projects with a modal shift objective) to inputs (the committed or paid budget). The tables below present data on average modal shift (tonne-kilometres of cargo) by call, realised by one euro of subsidy.

Table 7: Marco Polo I — efficiency actually achieved by selected projects[6], by call (paid funds, projects with the modal shift/traffic avoidance objective)

| | 2003 | 2004 | 2005 | 2006 | Total |
|---|---|---|---|---|---|
| Efficiency achieved (tkm / €) | 1030[7] | 522 | 397 | 517 | 597 |

*Source EACI data*

Table 8: Marco Polo I — efficiency expected by selected projects[8], by call (committed funds, projects with the modal shift/traffic avoidance objective)

| | 2003 | 2004 | 2005 | 2006 | Total |
|---|---|---|---|---|---|
| Efficiency expected (tkm / €) | 981 | 802 | 585 | 630 | 743 |

*Source: EACI data*

4 The values produced by the calculator can be regarded only as indicative.

5 Direct data on achieved environmental benefits are used where available. Where figures are not directly available, the statistics are proxied by the proportional achievement of modal shift.

6 Concerning projects selected under the calls for proposals: 2003, 2004, 2005 and 2006

7 Higher efficiency obtained in 2003 call results from high quantity of modal shift achieved at a relatively low level of payments made from the programme (see tables 1 and 2). This may possibly be explained by a large number of applications submitted by the industry, which allowed selection of projects generating higher modal shift results.

8 Concerning projects selected under the calls for proposals: 2003, 2004, 2005 and 2006

Table 9: Marco Polo II — efficiency expected by the selected projects[9], by call (committed funds, projects with the modal shift/traffic avoidance objective)

| | 2007 | 2008 | 2009 | 2010 | 2011 | Total |
|---|---|---|---|---|---|---|
| Efficiency expected (tkm / €) | 760 | 538 | 312 | 290 | 418 | 438 |

*Source: EACI data*

Figures representing actual efficiency achieved for Marco Polo II are not available at present as the programme is still underway.

## 2. SPECIFIC ISSUES REFERRED TO IN ARTICLE 14 PARAGRAPH (2A) OF REGULATION (EC) NO 1692/2006[10]

### a. The impact of the Regulation as amended by Regulation (EC) No 923/2009 of the European Parliament and the Council of 16 September 2009 amending Regulation (EC) No 1692/2006 establishing the second 'Marco Polo' programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo II)

The overall impact of Regulation 1692/2006 is fully addressed in Chapter 3 "Results delivered by the MPI and MPII programmes" of the Communication text[11].

As the specific provisions introduced by Regulation (EC) No 923/2009 have only been applied to the 2010, 2011 and 2012 Calls for Proposals, it is too early to quantify and fully address their impact on the programme, because the vast majority of projects are running and some have not yet started. However, based on the views expressed by stakeholders, during a recent evaluation of the programme[12], the new provisions may lead to an increase in the number of applications for funding and may help to improve the programme's achievements in terms of modal shift. On the other hand, the first results of Calls 2010, 2011 and 2012, launched in the difficult economic climate, are rather mixed (101 applications in 2010, 50 in 2011 and 54 in 2012). Also, no particular impact on the participation in the programme of the small and medium enterprises (representing around 24 per cent of the total number of beneficiaries[13]) has been observed so far.

### b. The experience of the Executive Agency for Competition and Innovation with programme management

The operational management of the programme was transferred from the Commission to the Executive Agency for Competitiveness and Innovation (EACI) in 2008. In addition to Marco Polo, the Agency manages several others programmes and initiatives: Intelligent Energy

9 Concerning projects selected under the calls for proposals: 2007, 2008, 2009, 2010, and 2011

10 Regulation (EC) No 1692/2006 of the European Parliament and of the Council establishing the second 'Marco Polo' programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo II) and repealing Regulation (EC) No 1382/2003, as amended by Regulation (EC) No 923/2009, OJ L 328/1, 24/10/2006

11 COM (2012) XXX

12 Evaluation of the Marco Polo Programme 2003 – 2010, Europe Economics, April 2011; Evaluation of the Executive Agency for Competitiveness and Innovation, Centre for Strategy and Evaluation Services, May 2011

13 This figure represents only autonomous SMEs (not linked to other enterprises); source: EACI data

Europe (since 2004), Enterprise Europe Network (since 2008), and Eco-innovation (since 2008).

With the capacity to commit greater human resources, the agency has proven to deliver added value to the implementation process of Marco Polo. The externalisation has allowed communication efforts to be stepped up, improved promotion of the programme and provided applicants with increased assistance.[14]

**c. The need to differentiate between transport modes with regard to the conditions for funding on the basis of safety, environmental performance and energy efficiency**

The Marco Polo calculator, which is used to estimate the environmental benefits of the actions financed under the programme, includes external cost values for several modes of transport.

Given that emissions factors differ by mode (or sub-mode) of transport, and that a key aim of the Marco Polo programme is to reduce road congestion and to improve the environmental performance of freight transport, it makes perfect sense that the calculator of environmental costs incorporates appropriate coefficients for each mode and relevant sub-mode. In a policy designed to limit the impact of the freight transport sector on the environment, including such differentiation is critical.

In the Marco Polo programme, the environmental benefits and other external cost savings expected to be achieved by moving cargo from roads to short sea shipping, rail and inland waterways, already form a part of the criteria for evaluation and selection of project proposals.

There are, however, certain difficulties with conditioning the funding for particular modes on the basis of safety, environmental performance and energy efficiency under the current design of the programme.

First of all, this policy may lead to increased complexity of the programme, creating additional administrative barriers for the applicants.

Secondly, this approach would require further improvements in the methodology to estimate the carbon footprint and other external costs of transport which would be accepted and used at the EU level, and which would take into account state of the art technological progress within the modes.

The current calculator represents a compromise between the level of differentiation of specific cost coefficients and user-friendliness for the applicants; as a result the produced results can only be regarded as indicative.

**d. The effectiveness of traffic avoidance actions**

It should be noted that traffic avoidance actions, aimed at reducing traffic on European roads, are different in concept to the other action types, although the planned traffic mitigation is very much in line with the modal shift objective. Examples of actions include cutting the journey distance, increasing loads or reducing the number of empty runs. The measurement used to evaluate traffic avoidance actions is also different than the one used for other action types: vehicle-kilometres[15] rather than tonne-kilometres.

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14 Evaluation of the Marco Polo Programme 2003 – 2010, Europe Economics, April 2011

15 Means the movement of a truck, loaded or empty, over a distance of one kilometre. The vehicle kilometres (vkm) can be converted in tonne kilometres (tkm) where 1 vkm equals 20 tkm.

However, at this point, it is too early to fully assess the effectiveness of traffic avoidance actions. At mid-August 2012, only four such actions have received funding: two in 2009, one in 2010 and one in the 2011 call. Data on the success of these projects are therefore, limited.

Traffic avoidance actions aim to make the supply chain more efficient by integrating transport into the production process, to avoid a large percentage of freight transport by road. There is significant potential that such projects will achieve high efficiency gains, however, according to the rules of the programme, an EU grant cannot exceed the cumulative deficit over the duration of the action[16], i.e. projects which are supposed to generate a profit in this period are practically excluded from funding. This may be one of the reasons for the low number of traffic avoidance projects.

**e. The need to set up demand-driven assistance at the application stage, taking into account the needs of small and micro transport enterprises**

Since becoming responsible for operational management of the Marco Polo programme, EACI has provided increased assistance to applicants by setting-up two new functional mailboxes and a help desk with a dedicated phone number to answer queries about the programme. During the two-to-three months of the open call period, between 900 and 1,000 requests are managed by EACI's helpdesk, providing responses in less than 24 hours. During out-of-call periods there are two-to-four requests daily.

The high usage rate of the helpdesk by applicants suggests that it is a useful service value and, in particular, can help SMEs to understand the detail of application procedures.

The Agency also organises annual information days in order to promote the annual calls for proposals, provide detailed information on specific rules and explain the application procedure under the programme, attracting stakeholders from the transport sector and beyond. At these events, dedicated bilateral meetings are arranged with potential applicants, giving them the opportunity to obtain assistance from the project officers and to consult them directly on their ideas for proposals.

Overall, it is considered that the demand-driven assistance provided by EACI at the application stage is appropriate in the context of the current Marco Polo programme.

**f. Recognition of economic recession as an exceptional reason for extending the duration of actions**

Since 2008 a significant drop in transport volumes has been observed at both national and international levels.

Table 11: Performance of freight transport in the EU in billions of tonnes-kilometre

| | **2000** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** |
|---|---|---|---|---|---|---|---|
| Road | 1,519 | 1,794 | 1,848 | 1,914 | 1,881 | 1,690 | 1,756 |
| SSS | 1,314 | 1,461 | 1,505 | 1,532 | 1,498 | 1,336 | 1,415 |
| Rail | 404 | 413 | 435 | 448 | 440 | 361 | 390 |
| IWW | 134 | 139 | 138 | 145 | 145 | 130 | 147 |

*Source: EU energy and transport in figures: Statistical Pocketbook 2012*

16 The EU grant is calculated on the basis of three elements: 2 € for every 500tkm/2000m³km/25 vkm shifted off the road; 35% of all eligible costs of the action and the cumulative deficit over the funding period. The lowest value of these three, sets the maximum level for a subsidy.

As multimodal transport solutions are more complex and difficult to implement than a pure road transportation system, the programme has been particularly sensitive to the effects of the economic downturn.

This situation has made it more difficult for recipients of Marco Polo funding to meet the forecast modal shift volumes, thereby providing a rationale to extend the duration of projects.

The changes brought to Regulation 1692/2006 have foreseen the possibility for such extension: Common learning actions may be extended by up to 26 months, if positive results are achieved during the first 12 months of operation, while other actions may be extended by up to 6 months in the event of extraordinary implementation delays, for example due to an exceptional economic downturn. Indeed, in specific market cases, contract suspensions for 6 months have already been accepted to recover temporarily difficult situations faced by the beneficiary.

Therefore, the Marco Polo beneficiaries already have at their disposal a tool to enable more flexibility during this period of economic recession.

**g. Lowering of the eligibility thresholds for product-specific actions**

It is still too early to conduct a full assessment of the impact of lowering the eligibility thresholds introduced by Regulation 923/2009. The first operational results for the calls of 2010 and 2011, where the new rules applied, are mixed and do not show any general trend so far, on whether lower thresholds attracted a larger number of lower tkm/volume proposals.

Table 12: The impact of lowering the eligibility thresholds in Marco Polo II following changes provided by Regulation 923/2009

| Year | Number of proposals | Average value of grants requested by selected proposals (millions €) | Average volumes of modal shift - selected projects (billions tkm) |
|---|---|---|---|
| 2007 | 55 | 2.25 | 1.55 |
| 2008 | 46 | 1.21 | 0.63 |
| 2009 | 70 | 3.01 | 0.84 |
| 2010 | 101 | 1.72 | 0.53 |
| 2011 | 50 | 1.87 | 0.76 |
| 2012 | 54 | 2,25 | n.a |

*Source: EACI data*

Based on a survey which was undertaken during an evaluation of the programme[17], the views of the participants on the potential impact and rationale of lowering the eligibility thresholds were also mixed. Whilst it was recognised that this action would facilitate participation for SMEs and result in more applications, it was also indicated that higher thresholds can encourage collaboration between companies.

Hence, it is difficult to provide an evidence-based forecast of the potential impact of further reducing eligibility thresholds for product specific actions. However, a risk associated with reduced thresholds is that the likelihood of the Marco Polo programme providing finance to micro-projects would increase. If several of such projects were financed in each call, lowering

[17] Evaluation of the Marco Polo Programme 2003 – 2010, Europe Economics, April 2011

the eligibility thresholds would have an important impact on the administrative burden of project management. The beneficiary may also find the operational burden to be significant relative to the subsidy received.

**h. The possibility of indicating targets for minimum funding thresholds for proposed actions in terms of energy efficiency and environmental benefits in addition to tonne-kilometres shifted**

In principle, setting such targets is an attractive proposition and would further the aims of the Marco Polo programme by favouring projects that generate lower emissions and can achieve a greater environmental benefit per tkm shifted off the road.

However, similarly to the analysis made under point 2c, there would be certain difficulties in implementing this policy in an equitable manner.

First of all, due to the existence of various overlapping targets and increased complexity of the programme (the application procedure in particular), incorporating such targets may lead to confusion amongst stakeholders, discouraging applications for Marco Polo funding and creating an additional administrative burden.

Secondly, this approach would require further improvements in the methodology for estimating the carbon footprint and other external costs of transport, in order to be accepted and commonly used at the EU level.

**i. The appropriateness of including the transport unit in the definition of the term "Freight"**

The new definition of freight, as introduced by Regulation 923/2009, includes the weight of the intermodal transport and the road vehicle where these are shifted off the road, on top of modal shift being calculated on the basis of net freight transported.

- Including the transport unit in the calculation of freight that is shifted from the road, in practical terms, increases the funding intensity, thus making the programme more attractive for potential applicants. It may also contribute to further reduction of congestion by having less empty trucks[18] on the roads. However, this change may also entail side-effects such as:
- an indirect reduction in the modal shift eligibility thresholds (less net freight may be effectively shifted from the roads to meet the thresholds), albeit this can facilitate access to the programme for SMEs;
- a reduction in the efficiency of the programme, which pays the same rates for lower net freight shifted;
- by inclusion of the road vehicle to the definition of freight, the programme may favour accompanied transport over un-accompanied transport, which is intrinsically less environmentally friendly.

First operational results for the calls in 2010, 2011 and 2012, where the new rules applied, are mixed and so far do not show any general trend that inclusion of the transport unit in the definition of the term "Freight" attracted more proposals[19]. A preliminary qualitative assessment based on a survey that was undertaken to evaluate the programme[20], indicates that the majority of Marco Polo beneficiaries considered this change important, as it may lead to

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18 According to Road Freight Transport Vademecum, 2010 Report: Market trends and structure of the road haulage sector in the EU in 2010, DG MOVE, September 2011, almost 24% of the trucks on the EU roads are running empty

19 See also Section 1a and 1g

20 Evaluation of the Marco Polo Programme 2003 – 2010, Europe Economics, April 2011

reduction of project risk. However, it is too early to conduct a full assessment of the impact of the new rules brought in by Regulation 923/2009.

**j. The availability of complete yearly overviews of actions which have been co-financed**

In accordance with Article 110 of the Financial Regulation[21], all grants awarded in the course of a financial year were published on the dedicated Marco Polo website: http://ec.europa.eu/transport/marcopolo/index_en.htm, with due observance of the requirements of confidentiality and security, thus ensuring the safety of the beneficiaries and preserving their commercial interests.

Furthermore, under Article 14 (1) of Regulation (EC) 1692/2006, the Commission informs the Programme Committee at least twice a year on the financial execution of the programme and gives an update on the status of all actions financed under the programme.

**k. The possibility of ensuring consistency between the programme, the Logistics Action Plan and the TEN-T by taking appropriate measures to coordinate the allocation of EU funds, in particular for Motorways of the Sea**

The Marco Polo annual work programmes define their political priorities[22] in line with general transport policy objectives, including the goals of the "Freight Transport Logistics Action Plan"[23] and in coordination with the specific measures and priorities proposed under the TEN-T programme. This approach leads to increased consistency in the implementation of transport policy and helps to explore complementarity between TEN-T and Marco Polo, which is particularly important for the Motorways of the Sea concept (financed mainly from these two programmes). This enables coordinated, focused actions in this transport policy area (for instance the Sustainable Waterborne Transport Toolbox[24]) and also mitigates the risk of overlaps between the programmes.

Consistency between the Marco Polo and TEN-T programmes with respect to Motorways of the Sea is also ensured at an operational level through:

- coordination activities between the executive agencies responsible for implementation of both programmes (TEN-T EA and EACI); for example setting up a Motorways of the Sea one stop helpdesk and a dedicated functional mailbox operated by the agencies;
- internal Commission cross-checks (e.g. texts of the work programmes and calls for proposals, consultation on projects selected for funding etc.).

Furthermore, a dedicated Expert Group (Focal Points and Short Sea Promotion Centres for Short Sea Shipping and Motorways of the Sea) has been established to assist the Commission and coordinate efforts in all matters relating to short sea shipping promotion and facilitation of Motorways of the Sea at both national and EU levels.

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21 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1) as amended

22 See political priorities introduced under annual calls for proposals: http://ec.europa.eu/transport/marcopolo/about/in-law/work-programmes/index_en.htm

23 COM(2007) 607 final

24 Commission Staff Working Paper "Pollutant Emission Reduction From Maritime Transport And The Sustainable Waterborne Transport Toolbox, SEC(2011) 1052 final

Further synergies between instruments supporting both transport infrastructure and sustainable freight transport services are foreseen under the common framework of the Connecting Europe Facility[25] and the new TEN-T Guidelines[26].

**l. The possibility of making costs incurred in a third country eligible if the action is carried out by undertakings from a Member State and the possibility of extending the programme to neighbouring countries**

One of the key aims of the Marco Polo programme is to improve the environmental performance of the European transport system by reducing the external costs arising from international freight transport. This goal is primarily achieved by shifting cargo from road to other, more sustainable modes on routes between two EU Member States or between a Member State and a close third country[27].

Close third country means any country, which is not a member of the European Union, with a common border with the European Union or with a coastline on a closed or semi-closed sea neighbouring the European Union[28].

The programme is already open to participation by countries which are candidates for accession to the European Union. Participation is governed by the conditions laid down in the Association Agreements with those countries, and on the basis of the rules laid down in the decision of the Association Council for each country concerned. The programme is also open to participation by EFTA and EEA countries and close third countries, on the basis of supplementary appropriations in accordance with procedures to be agreed with those countries. Currently, fully participating countries are: Norway, Iceland, Liechtenstein and Croatia.

According to the rules of the programme, the budget only finances costs arising on the territories of the European Union or fully participating countries. Legal or natural persons established outside these countries cannot be the recipients of European Union funds and their costs are not eligible. This approach derives from an assumption that the costs can only be justified insofar as they contribute to achieving the programme's objectives.

**m. The need to take into account the specific characteristics of the inland waterway sector and its small – and medium – sized enterprises, for example by way of a dedicated programme for the inland waterway sector**

Whilst it is a key component of the European transport system, the inland waterway sector is characterised by limited volumes and is also limited in scope geographically. The sector has accounted for less than four per cent of all freight transport in each year that the Marco Polo programme has been in operation. The vast majority of inland waterways are located in northern Europe, with a comprehensive network in existence in one of the most congested regions in the EU (Benelux, France and Germany). The Danube is also a vital link connecting the central and South-Eastern Member States, but is not yet fully exploited and few inland waterways are present in Southern Europe and Scandinavia.

The current Marco Polo programme has shown that it is possible to take the specificities of the inland waterway sector into account within the context of a more general programme. In particular, Regulation 923/2009 has introduced a number of measures intended to favour the inland waterway sector, such as lowering the eligibility thresholds (for modal shift actions an

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25 Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility, COM(2011) 665/3

26 Proposal for a Regulation on Union guidelines for the development of the trans-European transport network, COM(2011) 650/2

27 See Article 3 of Regulation (EC) No 1692/2006.

28 See Article 2 of Regulation (EC) No 1692/2006.

average 13 million tonne kilometres per year, or its volumetric equivalent) and more generally, measures to stimulate the participation of SME's. Furthermore, the inland waterway projects could benefit from a specific political priority introduced in the Marco Polo annual work programmes since 2010[29].

A dedicated accompanying measure supporting development of the Inland Waterway transport policy was also financed under 2011 Marco Polo work programme[30].

Present experience with incorporating the specificities of the various transport modes within the existing Marco Polo programme indicates that a dedicated programme for inland waterways would not be justified. Such a specific programme would lead to fragmentation of funds and support instruments, which would be to the detriment of a coherent transport policy.

A consistent set of measures supporting inland waterways as well as other modes of transport was introduced under the Commission proposals for the Connecting Europe Facility and the new TEN-T Guidelines.

**n. The possibility of further adapting the programme to the insular and archipelagic Member States**

Since the 2011 Call of proposals, the Commission has proposed a new, less restrictive interpretation of the eligible international routes for actions other than Common learning actions. According to the new rules, whilst the route should connect two eligible countries, it is permitted to achieve modal shift / traffic avoidance in only one of these countries. This approach enables insular and island-based Member States to participate in the Marco Polo programme as it allows the modal shift / traffic avoidance to be achieved in another Member State.

However, in some cases it is still difficult to achieve the required quantity of modal shift / traffic avoidance even under the new interpretation of the route. This issue may be addressed in future by putting more emphasis on carbon efficiency and reduction of the external costs of transport. Such a policy would result in a departure from pure start up aid for modal shift thus enabling funding of undertakings to simply switch to a more energy efficient transport unit without changing transport mode (e.g. from a high-emission vessel to a low emission vessel).

29 Positively evaluated proposals presented with the objective of shifting freight transport from roads to Inland Waterways only had a preference over the rest of successful proposals for up to 10% of the available budget.

30 Provision of support services in the field of inland waterway transport focusing on operational support as regards the provision and maintenance of relevant IWT information and corresponding tools including market information, harmonised data and data services as well as the provision of technical assistance in preparing new initiatives as regards the future development of the IWT sector;