

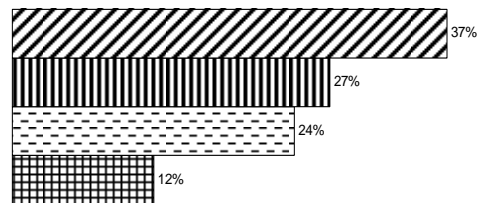
**Annex I: Summary of responses to the 'QUESTIONNAIRE ON HOW TO IMPROVE THE SECOND MARCO POLO PROGRAMME (Regulation (EC) No 1692/2006)'**

**Results**

▶ 97 responses have been received

**Contact details of contributors**

I advise potential Marco Polo applicants.....  
I took already part in a Marco Polo project.....  
I plan to apply for Marco Polo funding in the future.....  
None of he above.....

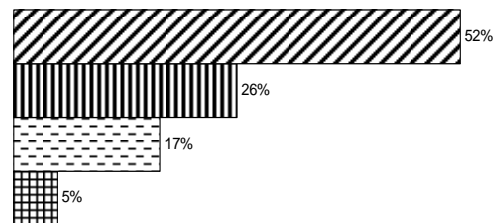


**Definition of freight which includes the transport unit**

The current legal text does not include a definition which describes what is actually included when calculating the modal shift. Article 2 (m) defines "tonne-kilometre" as "the transport of a tonne of freight or its volumetric equivalent over a distance of one kilometre".

*What should be included in the calculation of modal shift in the Marco Polo regulation?*

C) Tare. Meaning the weight of the transport unit, including the motorised transport unit...  
B) Tare. Meaning the weight of the non-autonomous transport unit.....  
A) Freight only.....  
No answer.....



Comments

Although in contradiction with some national schemes, including the carrying unit and the transporting unit (option C) is favoured by the majority of contributions.

The main arguments in favour of including the whole transporting unit in the modal shift calculation are:

1. Empty trucks or trucks carrying empty containers create congestion on the roads.
2. Most of the transport flows are unbalanced, requiring the repositioning of the empty transport units.
3. It is very difficult to separate the weight of the cargo from the transporting elements.

26% of the contributions were in favour of including the carrying unit but not the transporting unit, since this would entail favouring transport by truck against unaccompanied transport, which is more efficient.

18% of the contributions advocated including only the weight of the freight in the modal shift calculations because the aim of the programme is to shift freight (only) out of the roads.

## Adding a modal shift-related eligibility and subsidy threshold to catalyst actions

Catalyst actions are innovative projects aimed at overcoming significant structural barriers in the Community freight transport market which impede the efficient functioning of the markets, the competitiveness of short sea shipping, rail, or inland waterway transport, and/or the efficiency of transport chains making use of these modes, including the modification or creation of ancillary infrastructure; for the purpose of this definition, such structural barriers shall mean any non-regulatory, factual and non-temporary impediment to the proper functioning of the freight transport chain.

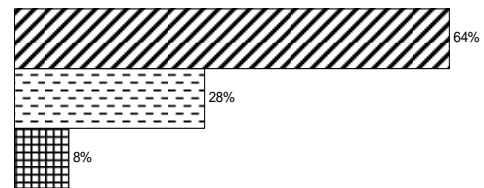
The current text of the Marco Polo regulation is setting a minimum indicative subsidy threshold of € 2 million; meaning that the minimum requested grant has to reach that figure. At present, Catalyst actions do not have any limit to financial assistance linked with the amount of modal shift achieved. Motorways of the Sea, Modal shift and Traffic Avoidance actions receive a maximum of 1 € (2€ if updated for call 2009) per 500 tonne-kilometres shifted or avoided.

*Should financial assistance to Catalyst actions be made conditional to the achievement of modal shift by the action?*

B) Yes.....

A) No.....

No answer.....



### Comments

The majority of the contributions favoured requiring a modal shift for Catalyst actions because:

1. Modal shift if the objective of the Programme
2. Catalyst actions should give results since there are already other EU programmes supporting research

It is however recognised that the application of modal shift thresholds to this project type would complicate more the implementation of these projects which have often uncertain results and have not been well understood by the transport industry.

Some suggestions point that a modal shift target would be contradictory with the concept of co-modality and that other performance indicators should be established.

A majority of the contributions suggest using a higher funding intensity for this project type (3 EUR per 500 tkm shifted)

## Extension of the maximum duration for Common Learning Actions

Common Learning Actions are projects aimed at improving cooperation for structurally optimising working methods and procedures in the freight transport chain, taking into account the requirements of logistics.

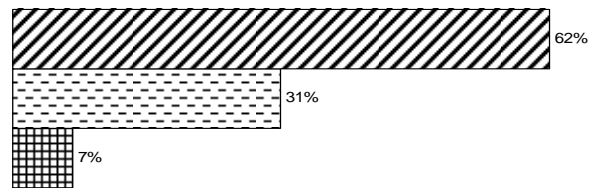
Annex I, part 3, on form and duration of subsidy agreement of the second Marco Polo regulation provides that, for common learning actions, "As a rule, the maximum duration of these agreements shall be 26 months".

### *Should the maximum duration of the Common Learning actions be extended?*

B) Yes.....

A) No.....

No answer.....



### Comments

The majority of contributions favour the extension of the duration of the Common learning projects, since these are complex actions with involvement of various countries which can potentially take long decision-taking periods.

Some recognise that extension would not bring necessarily more projects than in the past and assessing the convenience of prolonging the duration would be difficult. For this purpose precise criteria should be established.

Some suggestions advocate a decreasing support over the years.

Some contributions favour an initial duration of 36 months from the onset.

Other contributions suggest that a too longer period might be not necessary in a quickly evolving transport market and Community subventions for more than two years could distort competition.

A number of contributions suggest that there are no problems with the maximum project duration but with the too general definition of the project type.

Some would actually limit the total duration to 12 months.

## Deleting the minimum 10% vkm shift requirement for traffic avoidance actions

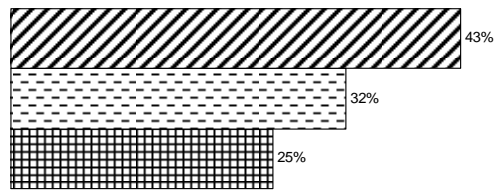
The second Marco Polo regulation introduces a new kind of action to the three types created by the first Marco Polo programme. The traffic avoidance actions are innovative projects integrating transport into production logistics to avoid a large percentage of freight transport by road without adversely affecting production output or workforce. Actions of this kind may include the modification or creation of ancillary infrastructure and equipment. Annex I, letter (d), on funding conditions of the second Marco Polo regulation also provides that "the traffic avoidance action is expected to lead to an actual, measurable and sustainable traffic avoidance of at least 10 percent of the freight volume measured in tonnes-kilometres or vehicle-kilometres".

### Should the 10% vkm shift requirement for traffic avoidance actions be kept?

A) Yes.....

B) No.....

No answer.....



### Comments

The big percentage of contributions with no suggestions (25%) show the difficulties to understand the legal text.

Otherwise a slim majority of the opinions (43% against 32%) favour keeping this threshold on the basis of:

1. The need to control the project
2. The need to avoid small projects
3. The 10% threshold is not too high

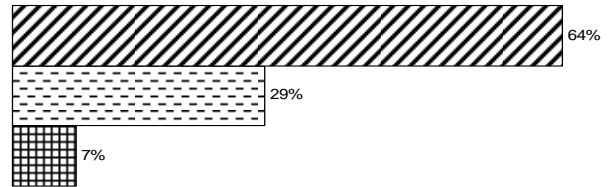
Those advocating the elimination of this threshold did it on the basis of:

1. The too general definition of the threshold
2. The difficulties to achieve it
3. The penalisation imposed to these projects, which are not successful up to date.
4. Volume thresholds would be better

Setting a unique modal shift eligibility threshold of 250 million tkm for Modal shift, Motorways of the Sea and Traffic avoidance actions

*Should the tkm thresholds be kept in current levels?*

B) No.....  
 A) Yes.....  
 No answer.....



Comments

The majority of contributions favour the change of the current thresholds on the basis of the following arguments:

1. The current threshold levels favour the geographically larger Member States.
2. Specific thresholds are needed for IWT projects and for smaller island Member States with short road/rail networks.
3. The thresholds are far too high for the road sector which is very fragmented
4. The current thresholds do not stimulate the potential beneficiaries.
5. Small and medium undertakings need lower thresholds.

Some contributions agree that a mostly uniform threshold will foster the presentation of more proposals.

But many suggest different thresholds to those proposed by the Commission:

- Modal shift should have a threshold of 100 million tkm, or 200 million tkm for other contributors.
- IWT and Micro enterprises should have a 40 million tkm for Catalyst and 25 million tkm for Modal shift projects
- There should be a further reflection to facilitate the modal shift of abnormal indivisible loads and very voluminous goods which hardly meet the current thresholds.
- For Motorways of the Sea big thresholds should be kept in order to keep these projects aligned with the TEN-T criteria.
- The yearly subvention for Motorways of the Seas is too small per year since the duration of this action type is longer than for Modal shift projects.
- A decrease of 50% in all thresholds is needed to motivate potential beneficiaries.
- Traffic avoidance projects should have a 100 million tkm threshold
- The threshold for Motorways of the Sea should be lowered and the rest kept the same

*Should the tkm thresholds be unlinked from the grant intensity in € per tkm, therefore eliminating the thresholds in € so as to allow adapting the ratio of € per tkm in future calls?*

B) Yes.....  
A) No.....  
No answer.....



Comments

The majority of the contributions advocate thresholds in tkm only, because of the following reasons:

1. Expressing the thresholds in tkm only is the right way to simplify and standardise the regulation.
2. The Commission may have a broader field of action for adapting the parameters in future calls.
3. Since the objective is modal shift, thresholds in monetary terms should not be an obstacle for efficient projects being awarded Community support.

On the other hand a small proportion of contributions advised not to delete the monetary threshold on the following reasons

1. Would create further uncertainties.
2. A change of rules should be avoided once other grants have been awarded before with other rules.
3. Monetary thresholds could be kept as indicative only since an analysis multi criterion is essential.

## Allowing applications to be submitted by a single undertaking

In its article 4, the Marco Polo regulation provides that "Actions should be submitted by a consortium of two or more undertakings..."

*Should it be allowed that applications are submitted by a single undertaking established in the EU?*

B) Yes.....

A) No.....

No answer.....



### Comments

The majority of the contributions favour the possibility that applications for funding are presented by a single commercial undertaking, because:

1. Freight flows are becoming more and more international, and, at the same time, it can also be provided more and more by the same entity
2. Simplification of the regulation.
3. A simple structure could be more efficient.
4. Building a consortium can be complicated and costly
5. A single undertaking is not a drawback for the project quality.
6. It can be a good incentive for more applications.
7. Small and medium sized undertakings are able to offer European wide intermodal services on their own.
8. For potential competitiveness reasons it is hard to find two competitive operators working together on the same project.
9. Would stimulate the SME industry and our members to submit proposals

But contributors attach some conditions to a single undertaking presenting a proposal:

1. Single undertaking applicants should be required to provide comprehensive documentary evidence of freight delivery patterns when they submit their applications.
2. Undertakings should have an appropriate size.
3. Provided the undertaking is established in at least one of the Member State concerned by the project.
4. Single undertaking applicants should provide evidence of financial and technical capacity.
5. Provided that the rule of 2 EU countries is respected.
6. Provided that there is an absolute transparency how the subsidy is distributed between the parental company and 'daughters' or business units along the logistic chain.

The advantages of projects with a single undertaking would be:

1. Easier accountability
2. Increase the number of applicants and help the Programme meet its target objectives

Establishing a special threshold of 25 million tkm for IWT companies and opening this possibility for Micro enterprises from other transport sectors

*Should there be a specific lower threshold for IWT companies and Micro enterprises from other transport sectors?*

- B) Yes.....
- A) No.....
- No answer.....



Comments

A majority of the proposals favour the introduction of a special threshold for projects submitted by IWT companies and extending this to Micro enterprises. The two main reasons highlighted for the new threshold were:

1. Inland waterways have a very high potential, which is still not being used sufficiently. Therefore a low threshold can help to attract many new good ideas.
2. Building consortia in the fragmented Inland Waterways Sector is very difficult and small single undertakings need lower thresholds.

However some contributions highlight that:

1. A special lower threshold for Inland Waterways Transport would be to the detriment of other investments in other transport modes.
2. The Commission should have reassurance from EACI that it can deal with added administrative burdens arising from increased applications though.
3. Thresholds should not be too low, as high thresholds lead to stronger (financial) commitment from bidders and therefore promote projects reaching the critical mass needed for catalyst and lever effects on modal shift. Low threshold can lead to opportunist proposals.
4. 25 million tkm per year is too high, above all for the first year. 25 or 50 million tkm over the entire life of the project could be more reasonable.
4. Discriminating policies are not well received by the rest of the market
5. Lower thresholds for inland waterways are not needed since there is a general reduction of thresholds already proposed.
6. It will be difficult to encourage the commitment of companies with scarce financial resources in a capital-intensive sector, as is the transport sector.
7. A better threshold would be 10 million tkm per year.
8. Small, newly established companies should also benefit from this possibility.
9. All transport modes have to be treated equally, therefore this low threshold should be extended to other sector.
10. Small undertakings managing big projects is difficult to control. Specific measures should be developed to monitor these projects.



## Ancillary infrastructure financing conditions to be simplified

Annex II of the second Marco Polo regulation includes the funding conditions for ancillary infrastructure. However it has been often reported that the rules for calculating the grant for ancillary infrastructure are complex and confusing. It is proposed that Annex II to the regulation is eliminated, that spending in ancillary infrastructure is considered eligible as the rest of the costs and that funding of expenses in ancillary infrastructure is limited to 10% of the Marco Polo grant.

*Should there be a simplification of the conditions for financing infrastructure?*

B) Yes.....

A) No.....

No answer.....



### Comments

Most of the contribution favoured a simplification of the conditions, with the following observations:

1. The regulation also needs to clarify the range of project types that might be funded - such as new handling equipment, capital dredging, portable cranes etc.
2. Financing should be also open to "normal" infrastructure which is open to everyone
3. A maximum period of implementation should be fixed.
4. The relation between the Programme and the TEN-T is not clear.
5. In any case operational costs should be the main source of financing.
6. Financing of infrastructure should also be allowed for Modal shift projects.
7. Infrastructure is usually financed with other Programmes. The infrastructure finance achievable within or by Marco Polo can be neglected.
8. The main objective of Marco Polo is to finance alternative modes to the road, but specific intermodal or IT equipment may require some funding, provided that they are necessary for the success of the action.
9. The problem with specific-use infrastructure: it has a potential to harm the competition between the operators and create entrance barriers for new operators.
10. A simplification of the conditions for financing infrastructure should increase the demand of funds for dedicated terminals.
11. The current rules seem to be complex and confusing.

*Spending in ancillary infrastructure should be considered eligible as the rest of the eligible costs necessary to carry out the action?*

B) Yes.....  
A) No.....  
No answer.....



Comments

The majority of the contributions favoured the consideration of expenses in ancillary infrastructure as an eligible cost for the projects, with the following comments:

1. The infrastructure has to be necessary for the carriage of goods and open to everyone.
2. Studies demonstrate that the availability of quality transshipment infrastructure located along rivers and canals is key to successful waterway transport. Therefore, ancillary infrastructure is a condition sine qua non for new projects.
3. The eligibility of infrastructure costs is essential for countries where the infrastructure is not developed.
4. Investments in ancillary infrastructure can provide a valuable contribution to the achievement of the project's objective to shift traffic from road to alternative transport mode. It should therefore be a totally eligible cost.
5. Infrastructure costs shall be considered eligible, but with their written-off and finance costs not with their full erection/building costs.

*Marco Polo funding for spending in ancillary infrastructure should be limited to a percentage of the grant?*

- B) Yes.....
- A) No.....
- No answer.....



Comments

The majority of the contributions agree to limit the contribution to infrastructure expenses to a proportion of the grant. The following relevant comments were posted:

1. The maximum allowed contribution for ancillary infrastructure expenses should be 25% of the grant.
2. 10%
3. 15 or 20%
4. At least 20% of the grant, in order to improve the incentive effect of Programme
5. The same limit as overhead expenses: 7%
6. Controls should be implemented to avoid that a same infrastructure is financed by several programmes without limits.
7. 5 to 10% maximum
8. The spending in ancillary infrastructure should not be limited to a percentage of the grant. The maximum threshold should be rather calculated with a percentage of the total infrastructure costs.
9. 25% maximum and not eligible for undertakings whose shareholders are outside the EU.

In order to foster applications the Commission will pay a lump sum for proposal preparation expenses when eligible and presented by Micro enterprises

*There should be the possibility to get a lump sum as refund of the expenses incurred in the preparation of an application for funding?*

B) Yes.....

A) No.....

No answer.....



### Comments

Most of the contributions were in favour of a lump sum refund for eligible proposals submitted by Micro enterprises, with the main following comments posted:

1. Refunds should be capped.
2. Indicative conditions for funding should be given and the sum should be a percentage of the value of the project costs.
3. A starting lump sum could be 20.000-30.000 euros per proposal
4. The lump sum refund should be awarded only when applications are approved according to applicable criteria.
5. It is better to keep all Marco Polo resources for actually supporting successful projects, rather than putting scarce Marco Polo money into refunding application
6. The lump sum should only be obtained if the project is selected and the expenses incurred in the preparation of an application for funding should be demonstrated.
7. It should cover especially feasibility studies and the preparation of credible business plans which entail huge expenses for small companies.
8. The lump sum should be refunded only if the project is not accepted by the commission
9. The lump sum could be regressive and inversely proportional to the turnover of the company.
10. Costs related to applications drafting are very high, even for companies which are not Micro enterprises as defined by Commission Recommendation 2003/361/EC of 6 May 2003.
11. The proposed lump sum refund seems reasonable. It should be granted under the conditions that proposals achieve a minimum level of quality reached.
12. The measure should be complemented with simple application procedures.
13. Since micro enterprises have less resources available than bigger enterprises, it would be a strong incentive for smaller undertakings to apply for funding, which in turn will lead to a wider range of projects.

In order to simplify and shorten the procedures to award and manage the Marco Polo grants the Commission will propose a simplification of the award and management procedures

*There should be a simplification of the award and management procedures for the Marco Polo projects in order to make them more user-friendly for industry and adapted to industry needs?*

B).....

A).....

No answer.....



### Comments

The big majority of the contributions favoured the simplification of the procedures to award and manage the Marco Polo grants. The following comments were posted:

1. It is needed to shorten the time span between the submission of the projects and the signature of the contracts.
2. Waiting for one year between proposing and signing a contract may lead to a total change of the business environment and render the proposed action unfeasible.
3. The delegation of competences to the EACI should be accompanied with control and audit measures.
4. Simplification is convenient but rigorous selection and management procedures should be kept.
5. Electronic submission of documents should be allowed as for other EU programmes.
6. The current complexity of the procedures is a barrier for SMEs
7. Member States should not lose control of the selection process.
8. Delegation to the EACI should bring simplification.
9. The main problem is the reduction of time between the evaluation of proposals and the signature of contracts. Too much time passes from the deadline for submission of applications to the date when a Commission decision is available in order to sign agreement. Often the situation of the market has changed completely by that time.
10. The second consultation to Member States should be avoided.
11. The time between the selection of the project and the signing of the grant agreement and of the first payment should be dramatically reduced, especially for SMEs.
12. Preliminary assessment of projects should take place so as to save time.
13. The complexity of the application and the procedures requires a huge investment in time and manpower, which causes applicants to give up before they start.
14. The procedures should rely more on the project officer and not on formalities. It is very difficult to foresee all the scenarios in advance, therefore flexibility should be kept in the hands of the project officer.
15. The complexity of the current procedures is one of the barriers to SME's to submit proposals.
16. Too much value is placed on the paperwork. This can be replaced by auditing

<b>Additional comments</b>
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The following comments were posted in the last open question:

1. When evaluating proposals a high rating should be given for the use of intelligent transport systems.
2. The MP2 programme should include a provision to support local SPC's to support applications.
3. National-only projects should be allowed to get Marco Polo support.
4. The specific Action "Motorway of the Sea" should be eliminated. This action clearly gives an advantage to Short Sea Shipping compared to other more environmentally friendly alternative modes.
5. Certain definitions should be précised, like Motorways of the Sea and auxiliary infrastructure.
6. Further reflection is needed on how to facilitate the shift of abnormal indivisible loads and very voluminous goods, which do not meet the thresholds given their light weight.
7. The current results of the Programme include many incremental steps in a certain fields but very few breakthroughs.
8. It is very important to maintain the volumetric equivalent for freight, when including the tare weight in tkm calculations, in order to avoid penalisation of lighter freight transport dedicated services.
9. The Programme is improving with each call. However, but care should be taken that the administrative requirements are not extended every year.
10. The possibility to mix actions should be considered. For example, modal shift action often entails common learning. It is hard to divide several actions, as one project may bring multiple benefits.
11. A stronger emphasis must be put on the sustainability of aided projects. Experience has shown, that some projects ended soon after the financial aid has expired.
12. Flexibility is needed when admitting the final eligible costs of the action which can be very different from the ones in the initial budget submitted to the Commission.
13. The alternative to lowering the thresholds, would be to extend the contract periods
14. In the majority of the projects financial support is needed at the start so a regressive maximum Community intensity is proposed.
15. For undertakings presenting several applications, it is a burden to have to provide all official/administrative documents repeatedly. A web-based application system could "remember" the applicant's details.
16. A crucial element in improving Marco Polo is to increase awareness and business benefits to gain related to the existence of the programme, to make it more user-friendly
17. The application process is too complex for SMEs.
18. Flexibility in managing the projects start with allowing flexibility to the project officer to depart from the letter of the initial assumptions of the project.
19. Projects with serious start-up problems should be offered a longer duration to reach their tkm threshold

## Geographical distribution of contributions

As a complement to the first graph of this report showing the contributors' involvement in the Programme, their geographical origin is the following:

Contributions came from 22 countries with the following distribution among them:

<u>COUNTRY</u>	<u>CONTRIBUTIONS</u>
AUSTRIA	11
BELGIUM	12
CZECH REPUBLIC	2
DENMARK	4
FINLAND	1
FRANCE	13
GERMANY	8
HUNGARY	1
IRELAND	1
ITALY	7
LATVIA	1
THE NETHERLANDS	9
NORWAY	1
POLAND	2
PORTUGAL	3
ROMANIA	8
SERVIA	1
SLOVAKIA	1
SPAIN	2
SWEDEN	2
SWITZERLAND	1
UK	6

## Participation of organisations representing small business

The following associations, specifically representing micro and small enterprises, contributed to the consultation:

European Barge Union (EU)

Inland Navigation Europe (EU)

Promotie Binnenvaart Vlaanderen (BE)

Romanian Association of Inland shipowners and port operators (RO)

Fédération Nationale de Transports Routiers (FR)