

003050/EU XXIV.GP  
Eingelangt am 10/12/08

EN

EN

EN



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.12.2008  
COM(2008) 847 final

2008/0239 (COD)

**REGULATION (EC) No .../2008 OF THE EUROPEAN PARLIAMENT AND OF THE  
COUNCIL**

**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’)**

**(Text with EEA relevance)**

{SEC(2008)3021}  
{SEC(2008)3022}

(presented by the Commission)

## EXPLANATORY MEMORANDUM

### 1. CONTENT OF THE PROPOSAL

#### 1.1. Grounds for and objectives of the proposal

The second Marco Polo programme is not completely meeting the objectives set in its legal basis in terms of modal shift and traffic avoidance. Although the Programme is actually achieving a significant modal shift, both the results of the second call for proposals, in 2008, under the second Marco Polo programme, and those of the external evaluation of the first Marco Polo programme, show that the Programme will very probably not be able to reach its objective of avoiding or shifting a substantial part of the forecast total growth of international road freight transport in Europe, as envisaged by its legal basis.

The implementation of the first Marco Polo programme is missing its modal shift target, as shown by an external evaluation, which estimates that 64% of the modal shift target<sup>1</sup> will be achieved. This rate of success is corroborated by the level of response to the second call under the second Marco Polo programme, which shows a marked decrease of the total proposed modal shift. Furthermore the new types of actions introduced by this second Programme, Motorways of the Sea and Traffic Avoidance, have not attracted enough applications (only 9% of the proposals in 2007 and 4% in 2008).

The proposed amendments aim to increase the effectiveness of the Programme in terms of tonne-kilometres avoided or shifted off the roads, in order to achieve the goals set in the legal basis. The specific measures intend to stimulate applications for funding by increasing participation by small enterprises, particularly the Inland Waterway Transport companies, lowering the eligibility thresholds, increasing the grant intensity and simplifying the administrative processes of the Programme.

#### Evaluation of the Programme

Article 14 of the Regulation provides that the Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions an evaluation report on the results achieved by the Marco Polo Programme for the period 2003 to 2006. If this report reveals a need to adjust the Marco Polo II Programme, the Commission is required to submit proposals accordingly.

Consequently the Programme underwent an independent evaluation<sup>2</sup> in 2007. The findings of the evaluators show that:

- It is an appropriate strategy to contribute to an efficient and sustainable transport system, with complementarities to other EC interventions.
- Its effectiveness in reducing road congestion should be given more importance and visibility.
- It has a strong leverage effect in generating significant business investments. Every euro of planned subsidy entails €20 of eligible costs.

---

<sup>1</sup> 12 billion tkm a year for MP I.

<sup>2</sup> By Ecorys. [http://ec.europa.eu/dgs/energy\\_transport/evaluation/activites/reports\\_en.htm](http://ec.europa.eu/dgs/energy_transport/evaluation/activites/reports_en.htm).

- It is expected to realise a shift of 30.6 billion tkm, which corresponds to 64% of its target.
  - It has engaged only 73% of the available budget.
  - It is expected to realise external benefits amounting to €650 million in terms of reductions in congestion costs, environmental costs, transport safety costs and other costs.
  - The formal steps for evaluating proposals and the procedures to be followed before contract signature are perceived by applicants as complex, non-transparent and requiring a long time between contract negotiations and contract signature.
  - The contacts between the Commission and the project beneficiaries were very limited.
- The evaluators made the following recommendations:
    - Extending the projects' maximum duration.
    - Lowering the thresholds for Inland Waterways projects aiming at modal shift.
    - Enhancing the visibility of the Programme.
    - Making the aspect of reduction of road congestion more visible in the proposal evaluation stage.
    - Producing user-friendly guides so the applicants and beneficiaries fully understand the rules to be followed when applying for funding and managing the projects.

## 1.2. General context

The Marco Polo programme is one of the instruments to reduce congestion as part of a coherent EU transport policy strategy which includes the internalisation of external costs and the use of market-based instruments to reflect the utilisation of infrastructure.

The mid-term review of the White Paper on Transport<sup>3</sup> estimates the total costs of congestion at 1% of the EU's GDP and its environmental cost at 1.1%. One of the EU transport policy instruments to tackle these costs is the Marco Polo programme. The more successful the Programme is, the lower congestion and environmental costs will be.

The external evaluation of the first Marco Polo programme estimates that 64% of the objective of tkm to be shifted off the road is being met. Therefore if no action is taken, in a context of decreasing proposals and successful projects, then the second Marco Polo programme will in the best case achieve the same percentage of success. This would imply missing the target of avoiding or shifting a substantial part of the estimated 60%<sup>4</sup> growth of international freight transport by road, equivalent to 20.5 billion tonne-kilometres in absolute

---

<sup>3</sup> COM(2006) 314 final.

<sup>4</sup> PRIMES model, included in the Commission report 'European Energy and Transport trends to 2030'.

terms. This will have negative consequences in terms of additional road infrastructure costs, accidents, congestion, local and global pollution, environmental damage and unreliability of the supply chain and of logistics processes.

### **1.3. Existing provisions in the area of the proposal**

The current legal basis for the Programme is Regulation (EC) No 1692/2006 of the European Parliament and of the Council of 24 October 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) and repealing Regulation (EC) No 1382/2003.

### **1.4. Consistency with the other policies and objectives of the Union**

The EU transport policy aims to offer a high level of mobility to people and business throughout the Union, while at the same time protecting the environment from the negative effects of transport. This is achieved by building on a broad range of policy tools to achieve shifts to more environmentally friendly modes, optimising each transport mode and aiming at an efficient use of different modes on their own and in combination; all of this should result in an optimal and sustainable utilisation of resources.

In that context two kinds of measures can be distinguished:

- Measures intended to increase the competitiveness and environmental efficiency of all transport modes, particularly those which are less congested and more environmentally friendly, namely, shipping, railways and inland waterways.
- Measures intended to increase the capacity and efficiency of the entire transport system with TEN-T (Trans-European Networks for Transport) funding, Cohesion Policy funds (European Regional Development Fund and Cohesion Fund) and investments by Member States and private operators.

The above-mentioned measures aim to progressively achieve a more efficient and environmentally-friendly distribution of freight flows among the different transport modes. They will however take a number of years to materialise and the only measure at Community level aiming to encourage a more environmentally-acceptable distribution of freight flows in the very short term is the Marco Polo programme.

## **2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

### **2.1. Consultation of interested parties**

On 4.04.08 a public consultation was launched on the website of the Executive Agency for Competitiveness and Innovation (EACI), which manages the programme on behalf of the Commission. A notification of this publication was emailed twice to a list of more than 1500 contacts, including industry representatives involved in preparation and management of Marco Polo projects. On 28.04.08 the consultation was presented to a meeting of the Short Sea Shipping Focal Points and Promotion Network. On 23.05.08 the consultation was presented to the meeting of the Marco Polo Committee.

The external consultation was open from 4.04.08 until 30.05.08. 13 precise questions were asked with the purpose of assessing the acceptability of the amendments proposed by the Commission. Furthermore the questionnaire included a final open question for general

comments. A total of 97 contributions were received from 20 Member States, plus Norway and Serbia. Only 12% of the respondents had not been involved or did not plan to be involved in a Marco Polo application, therefore the added value of the contribution is considered high.

The two yearly meetings of the Marco Polo Programme Committee of Member States have enabled it be continually involved in the consultation.

## **2.2. Collection and use of expertise**

The impact assessment was done with input in the form of the ‘Evaluation of the Marco Polo programme (2003-2006)’, carried out by Ecorys in November, 2007. A second external expert source was the Interim report of a study by Price Waterhouse Coopers on an Impact Assessment of setting up an innovation fund for the Inland Waterway Transport sector, which includes an assessment of the effects of amending the second Marco Polo regulation.

## **2.3. Impact assessment**

The impact assessment concluded that a targeted revision of the legal basis by implementing all the proposed measures will bring considerable added value since it will:

- Improve the effectiveness of the Programme in terms of tonne-kilometres avoided or shifted.
- Achieve a more balanced distribution of modal shift and traffic avoidance among transport modes and project types.
- Simplify the legal basis and the management of the programme with the consequent reduction of administrative costs and burdens, and consequently attract more companies and smaller ones currently afraid of, or simply not equipped to manage, its complexity.
- Have positive effects in terms of multi-dimensional distribution of the effects.

## **3. LEGAL ELEMENTS OF THE PROPOSAL**

### **3.1. Summary of the proposed action**

The proposed amendments aim at a limited revision of the legal basis (Regulation (EC) No 1692/2006) of the second Marco Polo programme to increase its effectiveness in terms of its traffic avoidance and modal shift objectives, measured in terms of tonne-kilometres. Four kinds of amendments are proposed. First, measures to facilitate participation by small enterprises; second, measures lowering the tonne-kilometre thresholds for eligibility; third, raising funding intensity; and fourth, simplification of the Programme procedures.

### **3.2. Legal basis**

Articles 71(1) and 80(2) of the Treaty establishing the European Community set the framework for Community intervention in international transport to or from the territory of a Member State or passing across the territory of one or more Member States.

### **3.3. Subsidiarity principle**

The Marco Polo programme aims to have an impact on international road transport. Since modal shift objectives cannot be sufficiently achieved by the Member States and can therefore, by reason of the scope of the Programme, be better achieved at Community level, the Community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty.

### **3.4. Proportionality principle**

The proposal is in conformity with the principle of proportionality since the Community intervention is much lower than its effects. The current maximum grant intensity is €1 per 500 tonne-kilometres shifted off the road, which compares with the external costs saved by that modal shift amounting to an average of €9.15. Even with the update of the grant intensity to a maximum of €2, the principle of proportionality of the Community intervention is maintained. On the other hand, experience with the Programme shows that one Euro of Marco Polo subsidy entails around €20 in investments in projects aiming at a more environmentally-friendly transport system.

### **3.5. Choice of instruments**

Proposed instrument: Regulation

The proposed Regulation amends 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) and repealing Regulation (EC) No 1392/2003.

**REGULATION (EC) No .../2008 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**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’)**

**(Text with EEA relevance)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 71(1) and 80(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee<sup>5</sup>,

Having regard to the opinion of the Committee of the Regions<sup>6</sup>,

Acting in accordance with the procedure laid down in Article 251 of the Treaty<sup>7</sup>,

Whereas:

- (1) The Communication<sup>8</sup> of the Commission 'Keep Europe moving – Sustainable mobility for our continent – Mid term review of the European Commission’s 2001 Transport White Paper' highlights the potential of the second Marco Polo programme as a source of financing for offering operators on congested roads alternatives using other modes of transport. The second Marco Polo programme is therefore one basic element in the current transport policy.
- (2) If no decisive action is taken, total road freight transport in Europe is set to grow by more than 60% by 2013. The effect would be an estimated growth in international road freight by 2013 of 20.5 billion tonne-kilometres per year for the European Union, with negative consequences in terms of additional road infrastructure costs, accidents, congestion, local and global pollution, environmental damage and the unreliability of the supply chain and of logistics processes.
- (3) In order to cope with this growth, greater use must be made of short sea shipping, rail and inland waterways than at present, and it is necessary to stimulate further powerful

---

<sup>5</sup> OJ.

<sup>6</sup> OJ...

<sup>7</sup> OJ...

<sup>8</sup> COM(2006) 314 final.



initiatives from the transport and logistics sector, to encourage new approaches and the use of technical innovations in all of our transport modes and their management.

- (4) According to Article 14 of the Regulation (EC) No 1692/2006 of the European Parliament and of the Council of 24 October 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) and repealing Regulation (EC) No 1382/2003<sup>9</sup> the Commission is to do an evaluation of the Marco Polo II Programme and submit proposals to adjust the Programme if necessary.
- (5) An external evaluation on the results of the first Marco Polo Programme estimated that the Programme would not achieve its objectives in terms of modal shift and gave some recommendations for improving its effectiveness.
- (6) The Commission has carried out an impact analysis of the measures proposed by the external evaluation and other measures aimed at increasing the efficiency of the Programme. This analysis showed the need of a number of amendments to Regulation (EC) No 1692/2006 to facilitate participation by small enterprises, to lower the project eligibility thresholds, to increase the funding intensity and to simplify the Programme's implementation and administrative procedures.
- (7) The participation by small enterprises in the Programme should be increased by allowing single undertakings to apply for funding and lowering the eligibility thresholds for proposals submitted by inland waterways transport companies.
- (8) The eligibility thresholds for proposals for funding should be lowered and expressed in terms of yearly tonne-kilometres shifted, except for Common Learning Actions. There is no further need for a specific threshold applying to Traffic Avoidance actions and a minimum project duration is established for this kind of projects and Catalyst and Motorways of the Sea projects.
- (9) The funding intensity should be increased by introducing a definition for 'freight', in order to include the transport element in the calculation of the modal shift, and allowing exceptional extensions of the maximum project duration for projects with start-up delays. The update of the funding intensity from €1 to €2 following the procedure of provided in letter d), point 2 of Annex I should be reflected.
- (10) In order to simplify the implementation of the Programme Annex II to Regulation (EC) No 1692/2006 on funding conditions for ancillary infrastructure should be deleted. Furthermore the comitology procedure for the yearly selection of projects to be funded should be eliminated and the detailed rules for selection of projects should be applicable to several years.
- (11) A more detailed link between the Programme and the Trans-European Transport Network framework for the Motorways of the Sea should be established and the environmental considerations should be extended to include the whole external costs of the actions.

---

<sup>9</sup> OJ L 328, 24.11.2006, p. 1.

- (12) Regulation (EC) No 1692/2006 should therefore be amended accordingly.
- (13) In order to ensure that the measures provided for in this Regulation can be applied in the most expedient and speedy way, this Regulation should enter into force as soon as possible after its adoption.

HAVE ADOPTED THIS REGULATION:

*Article 1*

Regulation (EC) No 1692/2006 is amended as follows:

1. In Article 2 point (p) is added:  
  
‘freight’ means, for the purpose of the modal shift calculations, the goods transported plus the transport unit, including its motorised parts. Empty transport units which are carried on another transport unit will be considered freight for the purpose of the modal shift calculation.’
2. In Article 4 paragraph 1 is replaced by the following:  
  
‘1. Actions shall be submitted by undertakings established in Member States or participating countries, as provided in paragraph 3 and 4 of Article 3.’
3. Article 5 is amended as follows:
  - (a) In paragraph 1, point (b) is replaced by the following:  
  
‘Motorways of the Sea actions; within the European Union such actions shall be consistent with the features of the Motorways of the Sea priority project defined in the framework of Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network<sup>10</sup>,’
  - (b) In paragraph 2, the second sentence is deleted.
4. Article 6 is replaced by the following:

‘Detailed Rules

The detailed rules concerning the procedures for submission and selection of actions shall be adopted once for the entire life of the Programme following the procedure referred to in Article 10(2).’

5. In Article 7 the second sentence is deleted
6. Article 9 is amended as follows:

---

<sup>10</sup> OJ L 228, 9.9.1996, P.1.

(a) In the first paragraph, point (d) the words ‘the relative environmental merits of the actions’ are replaced by ‘the relative merits of the actions in terms of reduction of external costs’.

(b) The second paragraph is deleted.

7. Article 14, paragraph 2 is replaced by the following:

‘The Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions an evaluation report on the results achieved by the Marco Polo Programme for the period 2003-2009 by 30 June 2011’

8. In the second paragraph of Article 15 the second sentence is deleted.

#### *Article 2*

1. Annex I to Regulation (EC) No 1692/2006 is replaced by the text in the Annex to this Regulation.

2. Annex II to Regulation 1692/2006 is deleted.

#### *Article 3*

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## ANNEX I

### Funding conditions and requirements according to Article 5(2)

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
1. Funding conditions	(a) the catalyst action will achieve its objectives within a period of a maximum of 60 months, and stay viable after that period, as forecast by a realistic business plan;	(a) the motorways of the sea (MoS) action will achieve its objectives within a period of a maximum of 60 months, and stay viable after that period, as forecast by a realistic business plan;	(a) the modal shift action will achieve its objectives within a period of a maximum of 36 months, and stay viable after that period, as forecast by a realistic business plan;	(a) the traffic avoidance action will achieve its objectives within a period of a maximum of 60 months, and stay viable after that period, as forecast by a realistic business plan;	(a) the common learning action will lead to the improvement of commercial services in the market, and in particular promote and/or facilitate road traffic avoidance or modal shift off the road to short sea shipping, rail and inland waterways, through improving cooperation and sharing of know-how; it will last for a maximum of 24 months;

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	(b) the catalyst action is innovative on a European level, in terms of logistics, technology, methods, equipment, products, infrastructure or services rendered;	(b) the MoS action is innovative on a European level, in terms of logistics, technology, methods, equipment, products, infrastructure or services rendered; account will also be taken of high quality of service, simplified procedures and inspections, meeting safety and security standards, good access to the ports, efficient hinterland connections, and flexible and efficient port services;	(b) the modal shift action will not lead to distortions of competition in the relevant markets, in particular between alternative modes of transport to road transport alone or within each mode, contrary to the common interest;	(b) the traffic avoidance action is innovative on a European level, in terms of integration of production logistics into transport logistics;	(b) the action is innovative on a European level;

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	(c) the catalyst action is expected to lead to an actual, measurable and sustainable modal shift from road to short sea shipping, rail, inland waterways;	(c) the MoS action aims at encouraging very large volume, high frequency intermodal services for freight transport by short sea shipping, including combined freight-passenger services as appropriate, or a combination of short sea shipping with other modes of transport in which road journeys are as short as possible; the action should preferably include integrated hinterland freight transport services by rail and/or inland waterways;	(c) the modal shift action proposes a realistic plan setting out the specific stages by which it seeks to achieve its objectives;	(c) the traffic avoidance action aims at encouraging higher efficiency in international freight transport in the European markets without impeding economic growth by focusing on modification of the production and/or distribution processes, thereby achieving shorter distances, higher loading factors, less empty runs, reduction of waste flows, reduction of volume and/or weight or any other effect leading to a significant reduction of freight traffic on the road, but not adversely affecting production output or workforce;	(c) the action will not lead to distortions of competition in the relevant markets, in particular between modes of transport alternative to road transport alone or within each mode to an extent contrary to the common interest;

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	(d) the catalyst action proposes a realistic plan setting out the specific stages by which it seeks to achieve its objectives and identifies the need for Commission steering assistance;	(d) the MoS action is expected to lead to an actual, measurable and sustainable modal shift higher than the predicted growth rate of freight transport on the road route, from road to short sea shipping, inland waterways or rail;	(d) when the action requires reliance on services provided by third parties not part of the consortium, the applicant submits proof of a transparent, objective and non-discriminatory procedure for selection of the relevant services.		(d) the common learning action proposes a realistic plan setting out the specific stages by which it seeks to achieve its objectives and identifies the need for Commission steering assistance.

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	(e) the catalyst action will not lead to distortions of competition in the relevant markets, in particular between modes of transport alternative to road transport alone or within each mode, to an extent contrary to the common interest;	(e) the MoS action proposes a realistic plan setting out the specific stages by which it seeks to achieve its objectives and identifies the need for Commission steering assistance;		(d) the traffic avoidance action proposes a realistic plan setting out the specific stages by which it seeks to achieve its objectives and identifies the need for Commission steering assistance;	



Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	(f) when the action requires reliance on services provided by third parties not part of the consortium, the applicant submits proof of a transparent, objective and non-discriminatory procedure for selection of the relevant services.	(f) the MoS action will not lead to distortions of competition in the relevant markets, in particular between modes of transport alternative to road transport alone or within each mode, to an extent contrary to the common interest;		(e) the traffic avoidance action will not lead to distortions of competition in the relevant markets, in particular concerning modes of transport alternative to road transport, to an extent contrary to the common interest;	

<b>Type of Action</b>	<b>A. Catalyst</b>	<b>B. Motorways of the Sea</b>	<b>C. Modal shift</b>	<b>D. Traffic avoidance</b>	<b>E. Common learning</b>
	<b>Art. 5(1)(a)</b>	<b>Art. 5(1)(b)</b>	<b>Art. 5(1)(c)</b>	<b>Art. 5(1)(d)</b>	<b>Art. 5(1)(e)</b>
		<p><b>(g) when the MoS action requires reliance on services provided by third parties not part of the consortium, the applicant submits proof of a transparent, objective and non-discriminatory procedure for selection of the relevant services.</b></p>		<p><b>(f) When the traffic avoidance action requires reliance on services provided by third parties not part of the consortium, the applicant submits proof of a transparent, objective and non-discriminatory procedure for selection of the relevant services.</b></p>	

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal Shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
2. Funding intensity and scope	(a) Community financial assistance for catalyst actions shall be limited to a maximum of 35 % of the total expenditure necessary to achieve the objectives of the action and incurred as a result of the action. Such expenditure shall be eligible for Community financial assistance, to the extent to which it relates directly to the implementation of the action. The eligible costs related to ancillary infrastructure shall not be higher than 10% of the total eligible costs for the project.	(a) Community financial assistance for MoS actions shall be limited to a maximum of 35 % of the total expenditure necessary to achieve the objectives of the action and incurred as a result of the action. Such expenditure shall be eligible for Community financial assistance, to the extent to which it relates directly to the implementation of the action. The eligible costs related to ancillary infrastructure shall not be higher than 10% of the total eligible costs for the project.	(a) Community financial assistance for modal shift actions shall be limited to a maximum of 35 % of the total expenditure necessary to achieve the objectives of the action and incurred as a result of the action. Such expenditure shall be eligible for Community financial assistance to the extent to which it relates directly to the implementation of the action. The eligible costs related to ancillary infrastructure shall not be higher than 10% of the total eligible costs for the project .	(a) Community financial assistance for traffic avoidance actions shall be limited to a maximum of 35 % of the total expenditure necessary to achieve the objectives of the action and incurred as a result of the action. Such expenditure shall be eligible for Community financial assistance, to the extent to which it relates directly to the implementation of the action. The eligible costs related to ancillary infrastructure shall not be higher than 10% of the total eligible costs for the project.	(a) Community financial assistance for common learning actions shall be limited to a maximum of 50 % of the total expenditure necessary to achieve the objectives of the action and incurred as a result of the action. Such expenditure shall be eligible for Community financial assistance, to the extent to which it relates directly to the implementation of the action.

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal Shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	Expenditure incurred on or after the date of the submission of an application under the selection procedure shall be eligible for Community financial assistance provided that final approval for Community funding is given. A contribution towards the costs of movable assets shall be contingent on the obligation to use such assets for the duration of the assistance, principally for the action, as defined by the subsidy agreement.	Expenditure incurred on or after the date of the submission of an application under the selection procedure shall be eligible for Community financial assistance provided that final approval for Community funding is given. A contribution towards the costs of movable assets shall be contingent on the obligation to use such assets for the duration of the assistance, principally for the action, as defined by the subsidy agreement.	Expenditure incurred on or after the date of the submission of an application under the selection procedure shall be eligible for Community financial assistance provided that final approval for Community funding is given. A contribution towards the costs of movable assets shall be contingent on the obligation to use such assets for the duration of the assistance, principally for the action, as defined by the subsidy agreement.	Expenditure incurred on or after the date of the submission of an application under the selection procedure shall be eligible for Community financial assistance provided that final approval for Community funding is given. A contribution towards the costs of movable assets shall be contingent on the obligation to use such assets for the duration of the assistance, principally for the action, as defined by the subsidy agreement.	Expenditure incurred on or after the date of the submission of an application under the selection procedure shall be eligible for Community financial assistance provided that final approval for Community funding is given.

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)

**(b) Community financial assistance for traffic avoidance actions must not be used to support business or production activities which bear no direct relation to transport or distribution.**

**(b) The Community financial assistance, determined by the Commission on the basis of the tonne-kilometres shifted from road to short sea shipping, rail and inland waterways, shall initially be set at EUR 2 for each shift of 500 tonne-kilometres of road freight. This indicative amount could be adjusted, in particular, in accordance with the quality of the project or the real environmental benefit obtained.**

**(b) The Community financial assistance determined by the Commission on the basis of the tonne-kilometres shifted from road to short sea shipping, rail, inland waterways, shall initially be set at EUR 2 for each shift of 500 tonne-kilometres of road freight. This indicative amount could be adjusted, in particular, in accordance with the quality of the project or the real environmental benefit obtained.**

**(b) The Community financial assistance determined by the Commission on the basis of the tonne-kilometres shifted from road to short sea shipping, rail, inland waterways shall initially be set at EUR 2 for each shift of 500 tonne-kilometres of road freight. This indicative amount could be adjusted, in particular, in accordance with the quality of the project or the real environmental benefit obtained.**

**(c) The Community financial assistance shall initially be set at EUR 2 for every avoidance of 500 tonne-kilometres or 25 vehicle-kilometres of road freight. This indicative amount could be adjusted, in particular, in accordance with the quality of the project or the real environmental benefit obtained.**

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal Shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
	(c) In accordance with the procedure referred to in Article 10(2), the Commission may re-examine, from time to time as necessary, the developments concerning the items on which this calculation is based and, if necessary, adapt the amount of Community financial assistance accordingly.	(c) In accordance with the procedure referred to in Article 10(2), the Commission may re-examine, from time to time as necessary, the developments concerning the items on which this calculation is based and, if necessary, adapt the amount of Community financial assistance accordingly.	(c) In accordance with the procedure referred to in Article 10(2), the Commission may re-examine, from time to time as necessary, the developments concerning the items on which this calculation is based and, if necessary, adapt the amount of Community financial assistance accordingly.	(d) In accordance with the procedure referred to in Article 10(2), the Commission may re-examine, from time to time as necessary, the developments concerning the items on which this calculation is based and, if necessary, adapt the amount of Community financial assistance accordingly.	

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal Shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
3. Form and duration of subsidy agreement	Community financial assistance for catalyst actions shall be granted on the basis of subsidy agreements, with appropriate provisions for steering and monitoring. As a rule, the maximum duration of these agreements shall be 62 months, and the minimum 36 months. In case of extraordinary implementation delays adequately justified by the beneficiary, an exceptional extension of 6 months can be awarded.	Community financial assistance for MoS actions shall be granted on the basis of subsidy agreements, with appropriate provisions for steering and monitoring. As a rule, the maximum duration of these agreements shall be 62 months and the minimum 36 months. In case of extraordinary implementation delays adequately justified by the beneficiary, an exceptional extension of 6 months can be awarded.	Community financial assistance for modal shift actions shall be granted on the basis of subsidy agreements. As a rule, the maximum duration of these agreements shall be 38 months. In case of extraordinary implementation delays adequately justified by the beneficiary, an exceptional extension of 6 months can be awarded.	Community financial assistance for traffic avoidance actions shall be granted on the basis of subsidy agreements, with appropriate provisions for steering and monitoring. As a rule, the maximum duration of these agreements shall be 62 months and the minimum 36 months. In case of extraordinary implementation delays adequately justified by the beneficiary, an exceptional extension of 6 months can be awarded.	Community financial assistance for common learning actions shall be granted on the basis of subsidy agreements, with appropriate provisions for steering and monitoring. As a rule, the maximum duration of these agreements shall be 26 months, which can be extended at the request of the beneficiary, within the initial budgetary envelope, for an additional period of 26 months, if positive results are achieved during the first 12 months of operation.
	Community financial assistance shall not be renewable beyond the stipulated maximum period of 62 months, or in exceptional cases 68 months.	Community financial assistance shall not be renewable beyond the stipulated maximum period of 62 months, or in exceptional cases 68 months.	Community financial assistance shall not be renewable beyond the stipulated maximum period of 38 months, or in exceptional cases 44 months.	Community financial assistance shall not be renewable beyond the stipulated maximum period of 62 months, or in exceptional cases 68 months.	Community financial assistance shall not be renewable beyond the stipulated maximum period of 52 months.

Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal Shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
4. Contract value threshold	The minimum indicative subsidy threshold per catalyst action shall be 30 million tonne-kilometres or its volumetric equivalent of modal shift or traffic avoidance per year, to be implemented over the entire life of the subsidy agreement;	The minimum indicative subsidy threshold per MoS action shall be 250 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement	The minimum indicative subsidy threshold per modal shift action shall be 80 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement. Modal shift actions aiming at implementing a shift to inland waterways will be subject to a special threshold of 17 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement	The minimum indicative subsidy threshold per traffic avoidance action shall be 80 million tonne-kilometres or 4 million vehicle-kilometres of freight traffic avoided per year, to be implemented over the entire life of the subsidy agreement	The minimum indicative subsidy threshold per common learning action shall be EUR 250 000.



Type of Action	A. Catalyst	B. Motorways of the Sea	C. Modal Shift	D. Traffic avoidance	E. Common learning
	Art. 5(1)(a)	Art. 5(1)(b)	Art. 5(1)(c)	Art. 5(1)(d)	Art. 5(1)(e)
5. Dissemination	The results and methods of catalyst actions shall be disseminated, and the exchange of best practices shall be encouraged, as specified in a dissemination plan, in order to help achieve the objectives of this Regulation.	The results and methods of MoS actions shall be disseminated, and the exchange of best practices shall be encouraged, as specified in a dissemination plan, in order to help achieve the objectives of this Regulation.	Specific dissemination activities for modal shift actions are not foreseen.	The results and methods of traffic avoidance actions shall be disseminated and the exchange of best practices shall be encouraged, as specified in a dissemination plan, in order to help achieve the objectives of this Regulation.	The results and methods of common learning actions shall be disseminated and the exchange of best practices shall be encouraged, as specified in a dissemination plan, in order to help achieve the objectives of this Regulation.

## LEGISLATIVE FINANCIAL STATEMENT

### NAME OF THE PROPOSAL :

Amendment of Regulation 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")

### ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

06: Energy and transport

06 02: Inland, air and maritime transport

06 01: Administrative expenditure of Energy and Transport policy area

### BUDGET LINES

06 01 04 01: Programme Marco Polo II: Expenditure on Administrative management

06 01 04 32: Executive Agency for Competitiveness and Innovation – Marco Polo II subsidy

06 02 06: Marco Polo II Programme

Duration of the action and of the financial impact:

Start: 2010 end: 2015

Budgetary characteristics :

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
06 01 04 01	Non-comp	Non-Diff	NO	YES	YES	1a
06 01 04 32	Non-comp	Non-Diff	NO	YES	YES	1a
06 02 06	Non-comp	Diff	NO	YES	YES	1a

## SUMMARY OF RESOURCES

### Financial Resources

Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		2010	2011	2012	2013	2014	2015	Total
------------------	-------------	--	------	------	------	------	------	------	-------

#### Operational expenditure<sup>11</sup>

Commitment Appropriations (CA)	8.1	a	62.275	64.200	68.100	71.100			265.675 <sup>12</sup>
Payment Appropriations (PA)		b		24.910	31.908	43.001	63.563	102.293	265.675

#### Administrative expenditure within reference amount<sup>13</sup>

Technical & administrative assistance (NDA)	8.2.4	c	1.725	1.800	1.900	1.900	1.392	1.421	10.138
---	-------	---	-------	-------	-------	-------	-------	-------	--------

#### TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	64.000	66.000	70.000	73.000	1.392	1.421	275.813
Payment Appropriations		b+c	1.725	26.710	33.808	44.901	64.955	103.714	275.813

#### Administrative expenditure not included in reference amount<sup>14</sup>

Human resources and associated expenditure (NDA)	8.2.5	d	0.317	0.317	0.317	0.317	0.317	0.317	1.902
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e							

#### Total indicative financial cost of intervention

<b>TOTAL CA including cost of Human Resources</b>		a+c+d+e	64.317	66.317	70.317	73.317	1.709	1.738	277.715
---	--	---------	--------	--------	--------	--------	-------	-------	---------

<sup>11</sup> Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

<sup>12</sup> An amount of 20 M€ could be added between 2010 and 2013 to restore the amount not executed in 2008 and transferred in 2008 to another program

<sup>13</sup> Expenditure within article xx 01 04 of Title xx.

<sup>14</sup> Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

<b>TOTAL PA including cost of Human Resources</b>		b+c+d+e	2.042	27.027	34.125	45.218	65.272	104.031	277.715
---	--	---------	-------	--------	--------	--------	--------	---------	---------

### Compatibility with Financial Programming

The proposal is compatible with existing financial programming.

### Financial impact on Revenue

The proposal has no financial implications on revenue

**Human Resources FTE** (including officials, temporary and external staff) – see detail under point 8.2.1.

<b>Annual requirements</b>	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later
Total number of human resources	2.6	2.6	2.6	2.6	2.6	2.6

## CHARACTERISTICS AND OBJECTIVES

The implementation of the first Marco Polo programme is not meeting its modal shift target, as shown by the external evaluation, which estimates that 64% of the modal shift target<sup>15</sup> will be achieved. This situation is corroborated by the level of response to the second call of the second Marco Polo programme, which shows a marked decrease of the total proposed modal shift. Furthermore the new types of actions introduced by this second Programme, Motorways of the Sea and Traffic Avoidance, have not attracted enough applications (only 9% of the proposals in 2007 and 4% in 2008).

Two measures have already been taken to improve the Programme's results without any need for a change in the Regulation: First, the outsourcing of the management of the Programme to an Executive Agency which is expert in managing projects, and second, the doubling of the funding intensity for projects from €1 to €2 per 500 tkm shifted or avoided, so as to attract more projects.

But these measures will not be enough and a targeted revision of the Programme has been proposed, which will bring:

- a further increase in the effectiveness of the programme,

<sup>15</sup> 12 billion tkm a year for MP I.

- a more balanced distribution of community support among project types,
- a substantial simplification of the legal basis and the management of the Programme,
- a significant reduction of administrative costs to manage the programme,
- a positive effect in terms of benefits for peripheral areas and non-member countries,

**Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy**

As stated in the external evaluation report, the Marco Polo programme constitutes an appropriate strategy to contribute to an efficient and sustainable transport system. The programme is also complementary to other EC intervention options, in particular the TEN-T network grants.

The objective pursued by the measures proposed will reinforce the already existing consistency of the Programme's objectives with other EU policies.

In order to escape the adverse effects of mobility in terms of substantial growth of freight transport over the coming years, the mid-term revision of the White Paper on the Common Transport policy, of June 2006 proposes, among other measures, to continue with the policy of shifting freight towards the least polluting and most energy-efficient modes of transport.

Modal shift and co-modality are two of the current objectives of the Union's transport policy which put it at the heart of the Lisbon strategy for growth and jobs. The set of transport policy objectives where modal shift is included are also longer term in nature, balancing the imperatives of economic growth, social welfare and environmental protection in all policy choices.

As stated in the mid-term review of the White Paper on transport, besides the continuous reflection on possible policy measures to be adopted in the future, the congestion of the EU road transport system and the environmental efficiency of the whole transport system are directly tackled with various measures which are currently being implemented or will be in the near future.

At Member State level, national schemes like the Ecobonus, in Italy, address the same issue at national level only and for a limited amount of time. In any case the Marco Polo regulation establishes a ceiling for Community assistance which takes into account national aid given to the transport link of the contract.

The above-mentioned measures aim to achieve progressively a more efficient and environmentally-friendly distribution of freight flows among the different transport modes; but they will take a number of years to materialise and the only action at Community level aiming at encouraging a reduction of congestion in the very short term is the Marco Polo programme.

## **Objectives, expected results and related indicators of the proposal in the context of the ABM framework**

131 outputs are envisaged for six years (2010-2013), an average of 36 interventions out of 120 proposals submitted per year. This provides a success rate of around one in three, which is essential to receive proposals from the best market players (see Marco Polo ex-ante report, chapter 7 “Stakeholders’ consultation”). The average financial assistance intensity per output is estimated in around EUR 1.8 million. The number of tonne-kilometres to be avoided or shifted off the road is estimated in 60 billion for the period 2010-2013, 15 billion tkm per year.

### **Method of Implementation**

Centralised Management: Delegation to the Executive Agency for Competitiveness and Innovation (EACI)

## **MONITORING AND EVALUATION**

### **Monitoring system**

The granting of subsidies will be based on the standard subvention contract of the European Communities. The various monitoring, information and auditing provisions of this contract will fully apply.

EACI staff will be closely involved in the projects. Depending on the specific features of the project, “accompanying measures” for dissemination or monitoring of outputs should be included in the individual project’s work plan and budget.

### **Evaluation**

An external evaluation of the Marco Polo II Programme has been carried-out. The evaluation report is available on the DG TREN website at [http://ec.europa.eu/dgs/energy\\_transport/evaluation/activites/reports\\_en.htm](http://ec.europa.eu/dgs/energy_transport/evaluation/activites/reports_en.htm)

### **Terms and frequency of future evaluation**

In 2011 an evaluation will take place of the results achieved by the Marco Polo Programme for the period 2003-2009

## **ANTI-FRAUD MEASURES**

As the contracts for all actions envisaged will be standard subvention contracts, the generally applicable anti-fraud measures will apply.

Output will be clearly visible and measurable in all types of action. The types of subsidy will be straightforward: expenditure in investment, and costs arising from operations. These items can be verified in details, and there is enough material and knowledge through the PACT and Marco Polo I projects to make an informed assessment of the dangers of fraud.

On the spot visits will be a steady feature of all projects.

## DETAILS OF RESOURCES

### 8.1. Objectives of the proposal in terms of their financial cost

*Commitment appropriations in EUR million (to 3 decimal places)*

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	2010		2011		2012		2013		2014		2015		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
<b>OPERATIONAL OBJECTIVE No.1<sup>16</sup></b>																
Action 1: TKM shifted/avoided																
- Output 1	contract	1.8	35	62.275	36	64.200	38	68.100	39	71.100					131	265.675
TOTAL COST		1.8	35	62.275	36	64.200	38	68.100	39	71.100					131	265.675

<sup>16</sup> As described under Section 5.3

## 8.2. Administrative Expenditure

### 8.2.1 Number and type of human resources

Types of post	Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
	2010	2011	2012	2013	2014	2015
Officials A*/AD	1.6	1.6	1.6	1.6	1.6	1.6
or temporary staff <sup>17</sup> (XX 01 01)	1	1	1	1	1	1
Staff financed <sup>18</sup> by art. XX 01 02						
Other staff <sup>19</sup> financed by art. XX 01 04/05						
<b>TOTAL</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>

### 8.2.2. Description of tasks deriving from the action

Programme definition and coordination

Policy feedback to the EACI

Adoption of annual work programmes serving as financing decisions

Representing the Commission in the Programme Committee and the submission to it of measures to be taken where there is a comitology procedure

Undertaking inter-service consultations within the Commission

Strategic evaluations and strategic tenders

Activities involved in launching and taking enforceable recovery decisions.

### 8.2.3 Sources of human resources (statutory)

The posts are currently allocated to the management of the programme

<sup>17</sup> Cost of which is NOT covered by the reference amount

<sup>18</sup> Cost of which is NOT covered by the reference amount

<sup>19</sup> Cost of which is included within the reference amount



8.2.4 Other Administrative expenditure included in reference amount (06 01 04 32 – Executive Agency for Competitiveness and Innovation –Marco Polo II subsidy)

EUR million (to 3 decimal places)

Budget line (number and heading)	2010	2011	2012	2013	2014	Year 2015 and later	TOTAL
<b>1 Technical and administrative assistance (including related staff costs)</b>							
Executive agencies <sup>20</sup>	1.500	1.575	1.675	1.675	1.392	1.421	9.238
Other technical and administrative assistance	0.225	0.225	0.225	0.225			900
- <i>intra muros</i>							
- <i>extra muros (IT maintenance)</i>							
<b>Total Technical and administrative assistance</b>	1.725	1.800	1.900	1.900	1.392	1.421	10.138

8.2.5. Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)	0.317	0.317	0.317	0.317	0.317	0.317
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.)  (specify budget line)						
<b>Total cost of Human Resources and associated costs (NOT in reference amount)</b>	<b>0.317</b>	<b>0.317</b>	<b>0.317</b>	<b>0.317</b>	<b>0.317</b>	<b>0.317</b>

<sup>20</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– *Officials and Temporary agents*

*Reference should be made to Point 8.2.1, if applicable*

*Year 2010 and later: 2.6 officials (122.000 €/official/year)*