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# CPMR

## BALTIC SEA COMMISSION

### Transport Working Group



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## Marco Polo II revision

Standpoint of CPMR-BSC Transport Working Group, version 03, 29.04.2008  
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NB: Basis for this paper is the questionnaire which has been published at <http://ec.europa.eu/transport/marcopolo/ipm/consultation.htm>. Since the consultation demands plainly to fill in the online questionnaire, we do not propose to express general views on the Marco Polo programme or to give a broad introduction.

Selected options are highlighted. If relevant, our comments are given in *italics*.

On its meeting in Schwerin / DE on 29th April 2008, the CPMR-BSC Transport Working Group has decided unanimously upon this paper. After approval by CPMR-BSC chair in written procedure, the Transport Working Group chair will fill in the online questionnaire as proposed in the name of CPMR-BSC until 30 May 2008.

Special attention should be given to question #8 where the Transport Working Group did not feel to be in the position to speak for absent CPMR-BSC member regions. It is recommended that the secretariat contacts these in advance to the chair approval.

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### QUESTIONNAIRE ON HOW TO IMPROVE THE BUDGETARY EXECUTION OF THE SECOND MARCO POLO PROGRAMME

(Regulation (EC) No 1692/2006)

#### 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".

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

A) Freight only

B) Tare. Meaning the weight of the non-autonomous transport unit

C) Tare. Meaning the weight of the transport unit, including the motorised transport unit

*Comments: As explained under #2 in the consultation document "Proposals to improve the budgetary execution of the second Marco Polo programme" (consultation\_proposals.pdf), further referred to as "DG TREN proposals", most modal shifts include the transport unit (i.e. trailers, railcars, containers etc) which should be included into the freight definition. This will be especially important for the RoRo / ferry system in the Baltic Sea. – It has to be*

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Conference of Peripheral Maritime Regions of Europe, Baltic Sea Commission (CPMR-BSC), Transport Working Group

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*safeguarded in the Marco Polo programme that this calculation does not favour trucking against the railway.*

### **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 all 2009) per 500 tonne-kilometres shifted or avoided.

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

A) No

B) Yes

B.1) The same € per tkm ceiling as for other action types (modal shift, traffic avoidance and motorways of the sea)

B.2) A specific ceiling should be used for Catalyst actions

*Comments: No option selected. On one hand, it is desirable that catalyst actions generate real measurable effects.*

*On the other hand, this can take a quite long time. The evaluation report reveals that some of the quite simple measures under mainstream Marco Polo I had difficulties in getting started – this will be even more true for catalyst actions which are defined as being innovative and overcoming structural barriers.*

*If modal shift of catalyst actions is to become a condition for eligibility, the time span should be longer than for mainstream actions.*

### **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".

3. Should the maximum duration of the Common Learning actions be extended?

A) No

B) Yes

Comments: *DG TREN proposals under #4 are reasonable.*

**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"*.

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

A) Yes

B) No

Comments: *DG TREN proposals under #5 are reasonable.*

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

The current thresholds for eligibility of the Marco Polo types of actions are the following:

Type of action	tkm threshold	€ threshold	(new tkmthreshold as proposed by DG TREN)
Catalyst action	-	2.000.000	100.000.000
Motorways of the Sea	1.250.000.000	2.500.000	250.000.000
Modal Shift	250.000.000	500.000	250.000.000
Traffic avoidance	500.000.000	1.000.000	250.000.000
Common Learning	-	250.000	-
IWT (cf. question #8)			25.000.000

5. Should the tkm thresholds be kept in current levels?

A) Yes

B) No

Comments: *New thresholds as proposed by DG TREN under #6 are reasonable.*

*No comment as regards new IWT thresholds (cf. proposal #8, question #8).*

6. 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?

A) No

B) Yes

Comments: *DG TREN proposals under #6 are reasonable.*

### **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...*"

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

A) No

B) Yes

Comments: *DG TREN proposals under #7 are reasonable.*

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

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

A) No

B) Yes

Comments: *No option selected.*

*DG TREN proposals under #8 sound reasonable, however IWT (inland waterway transport) plays no major role for most CPMR-BSC member regions.*

**NB:** *To be commented especially by Västra Götaland + Stockholm + Lahti and other CPMR member regions with significant inland waterway transport. If no comments reach the Transport Working Group in due time, text will remain as above.*

### **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.

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

A) No

B) Yes

Comments: *DG TREN proposals under #9 are reasonable.*

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

A) No

B) Yes

Comments: *DG TREN proposals under #9 are reasonable.*

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

A) No

B) Yes

Comments: *DG TREN proposals under #9 (10% ceiling) are reasonable.*

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

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

A) No

B) Yes

Comments: *DG TREN proposal under #10 to leave the definition of the sum to the yearly programmes is reasonable.*

**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**

13. 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.

A) No

B) Yes

Comments: *Arguments of DG TREN under #11 and #12 (especially avoiding comitology) are reasonable.*

14. Any other specific suggestions for the amendment of the second Marco Polo regulation in order to improve the budgetary execution of the programme?

Comments: *Projects with serious start-up problems should be offered a longer duration to reach their tkm threshold (cf. evaluation of MPI, chp. 5 “Conclusions”). A reserve list of eligible projects should be created (ibid.)*