# Lessons learnt from the Marco Polo programme

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**Unit G2**

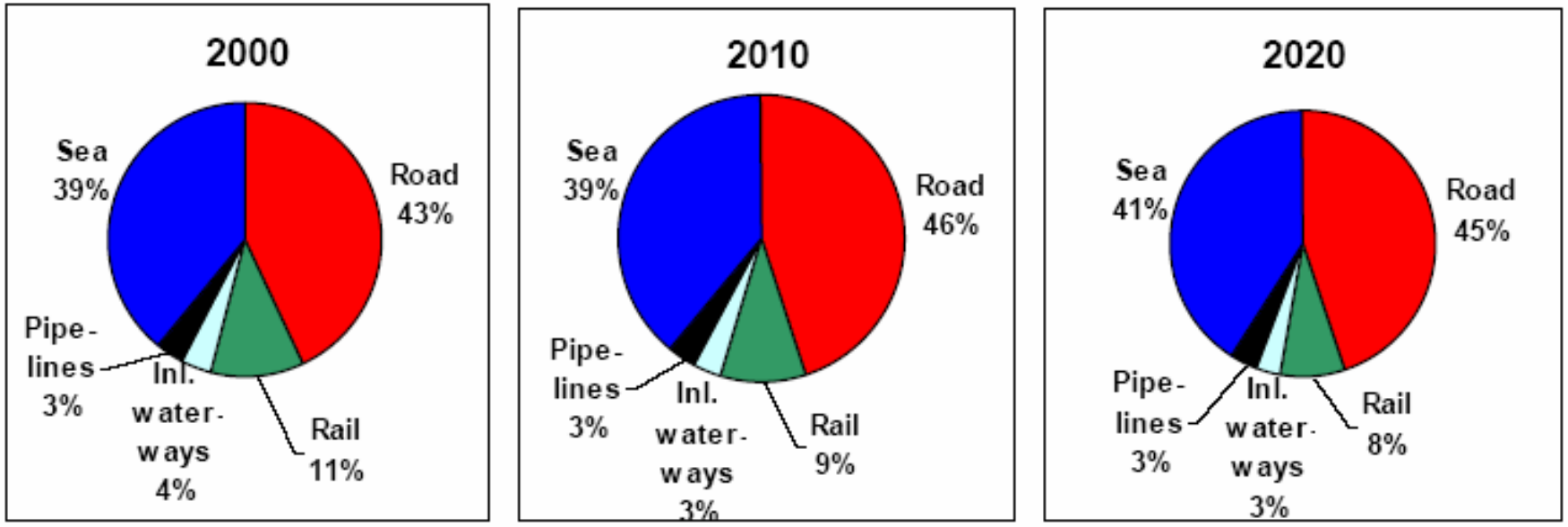
# Outline

- Policy Background
- Results of Calls 2003-2006
- From MARCO POLO I to MARCO POLO II

# Freight Transport Market – 1995-2004

- annual freight transport growth much higher than overall economic growth
- road +35%, short sea shipping +31%, inland waterway +9%, rail +6%
- short sea shipping: strong, sustained dynamism
- inland waterway: considerable unexploited potential
- rail: halted relative decline since 2001, higher increase in states with early market opening
- environmental impacts of transport remain high: 1% of GDP, road congestion cost 1% of GDP

# Freight Transport Market – 2000-2020 (EU 25)



## Policy Background (I)

- 2001: Transport White Paper: intermodality as key concept (shifting the balance, linking the modes)
- 2003: MARCO POLO programme (2003-2006) to support intermodal services and alternatives to road-only transport until commercial viability
- 2006: Keep Europe Moving - Mid-term review of 2001 White Paper
  - co-modality: promotion of optimal use and integration of modes (continuity of policy, no U-turn)
  - logistics: using existing capacities more efficiently, cutting costs, reducing environmental impact

# Policy Background (II)

- MARCO POLO II (2007-2013): successor programme with larger scale and scope (higher budget, new action types, extended area)
- major policy initiatives
  - NAIADES: Action programme for inland waterway transport (January 2006)
  - Freight Transport Logistics: Communication (June 2006), Action plan (2007)
  - Short Sea Shipping Programme: Mid-term review (July 2006)

# MARCO POLO II – Key Features (I)

- objective: shift international increase in road freight off the road (20.5 billion tkm/year in EU-25)
- 2007-2013, budget of 400 M€ (2004 prices)
- risk funding, business-driven
- all segments of international freight (except air)
- services only <> no research, studies or (core) infrastructure
- 18 € spent by private companies in the market per 1 € EC subvention (average 2003-2005 calls)

>> MARCO POLO: a successful catalyst of modal transfer

# MARCO POLO II – Key Features (II)

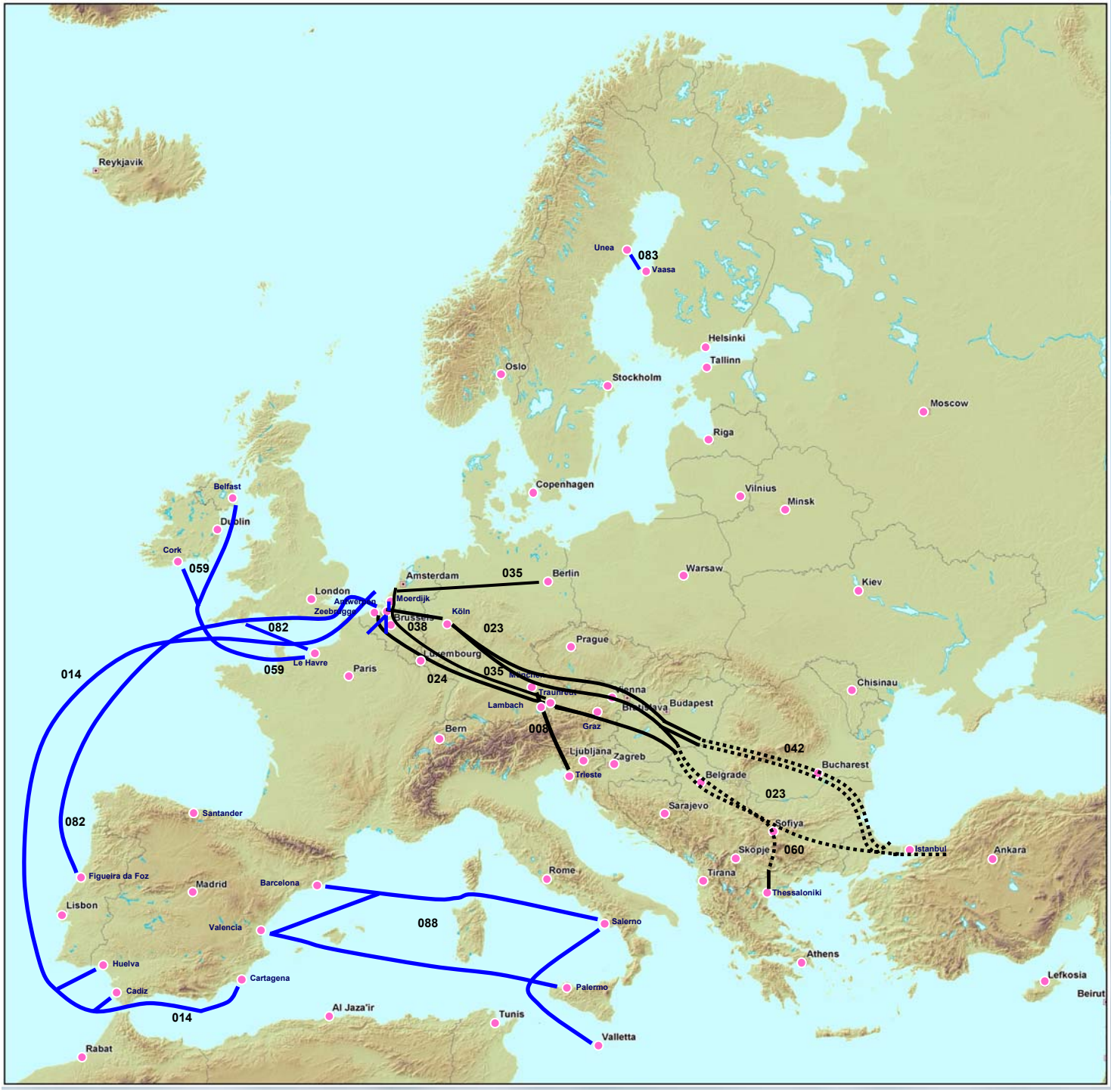
- legal entity: commercial undertakings only (private or public)
- eligible for participation:
  - EU-25 Member States
  - “close third countries”
- eligible for EC-funding:
  - EU-25 Member States
  - EFTA & EEA States after conclusion of specific agreement
  - Candidate and close third countries after Memoranda of Understanding
- European dimension
  - international routes (EU Member states and close third countries)
  - min. 2 undertakings,1 of them in EU – but exceptionally also1 EU MS

# MARCO POLO I: four calls

| | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|
| Received Proposals | 87 | 62 | 63 | 48 |
| Eligible Proposals | 82 | 59 | 58 | 48 |
| Subvention requested € | 174,3M | 106,5M | 86 M | 101,8 M |
| Average size of proposal € | 2,00M | 1,72 M | 1,37 M | 2,12 M |
| Modal Shift actions | 64% | 82% | 73% | 75% |
| Catalyst actions | 14% | 5% | 8% | 10% |
| Common learning actions | 22% | 13% | 19% | 15% |

# MARCO POLO I – Call Results

| | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|
| Committed Budget (in M€) | 13 | 20 | 22 | 19 |
| Concluded Contracts | 13 | 12 | 16 | 15 |
| Freight to be shifted (in billion tkm) | 12.4 | 14.4 | 10.0 | 11.8 |
| Environmental benefit (in M€) | 204 | 324 | 254 | 254 |
| External costs saved (per € subvention) | 15.7 | 15.9 | 11.7 | 13.3 |

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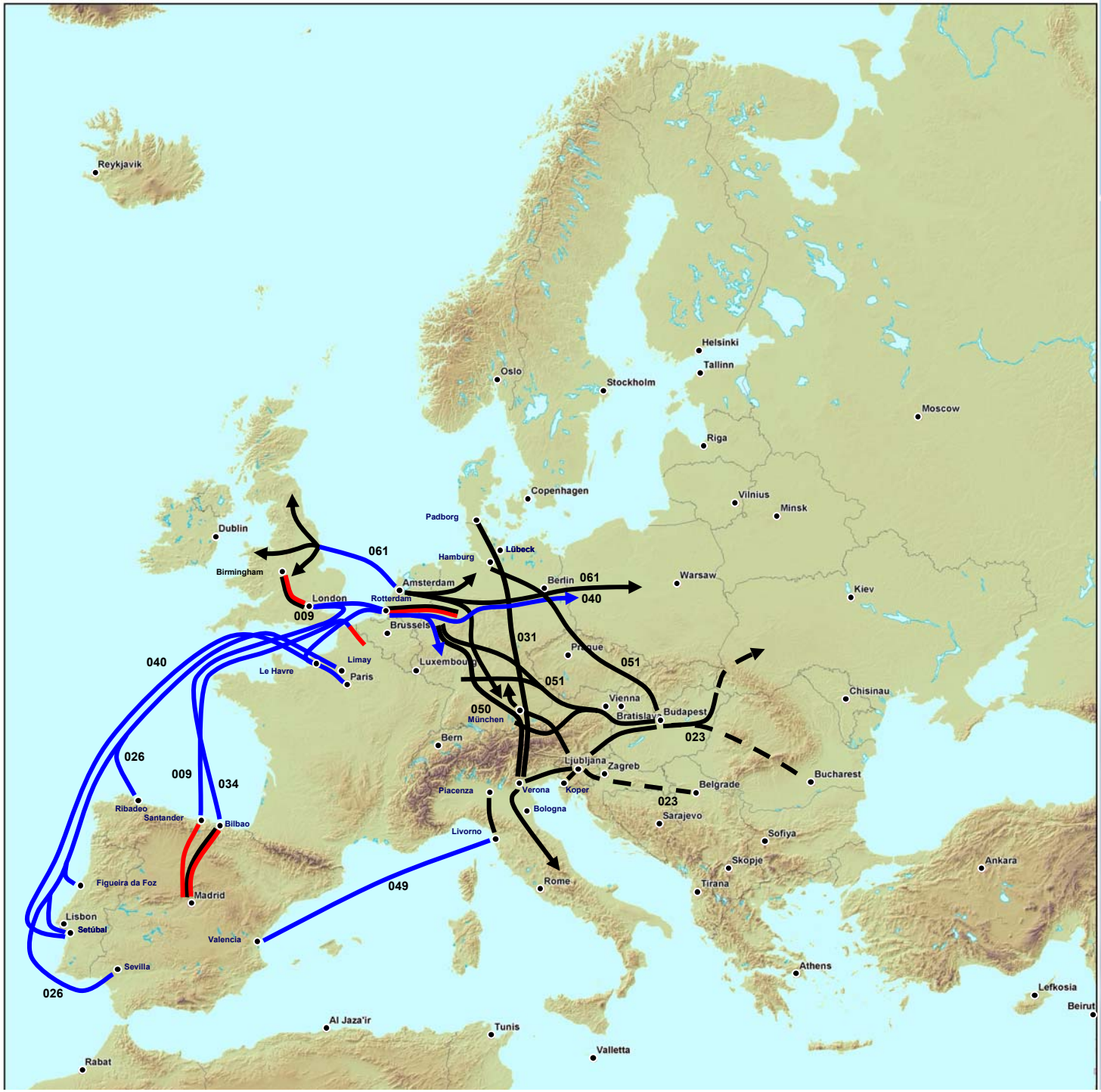
# Marco Polo

## Call 2003

New modally shifted routes

(without common learning actions)

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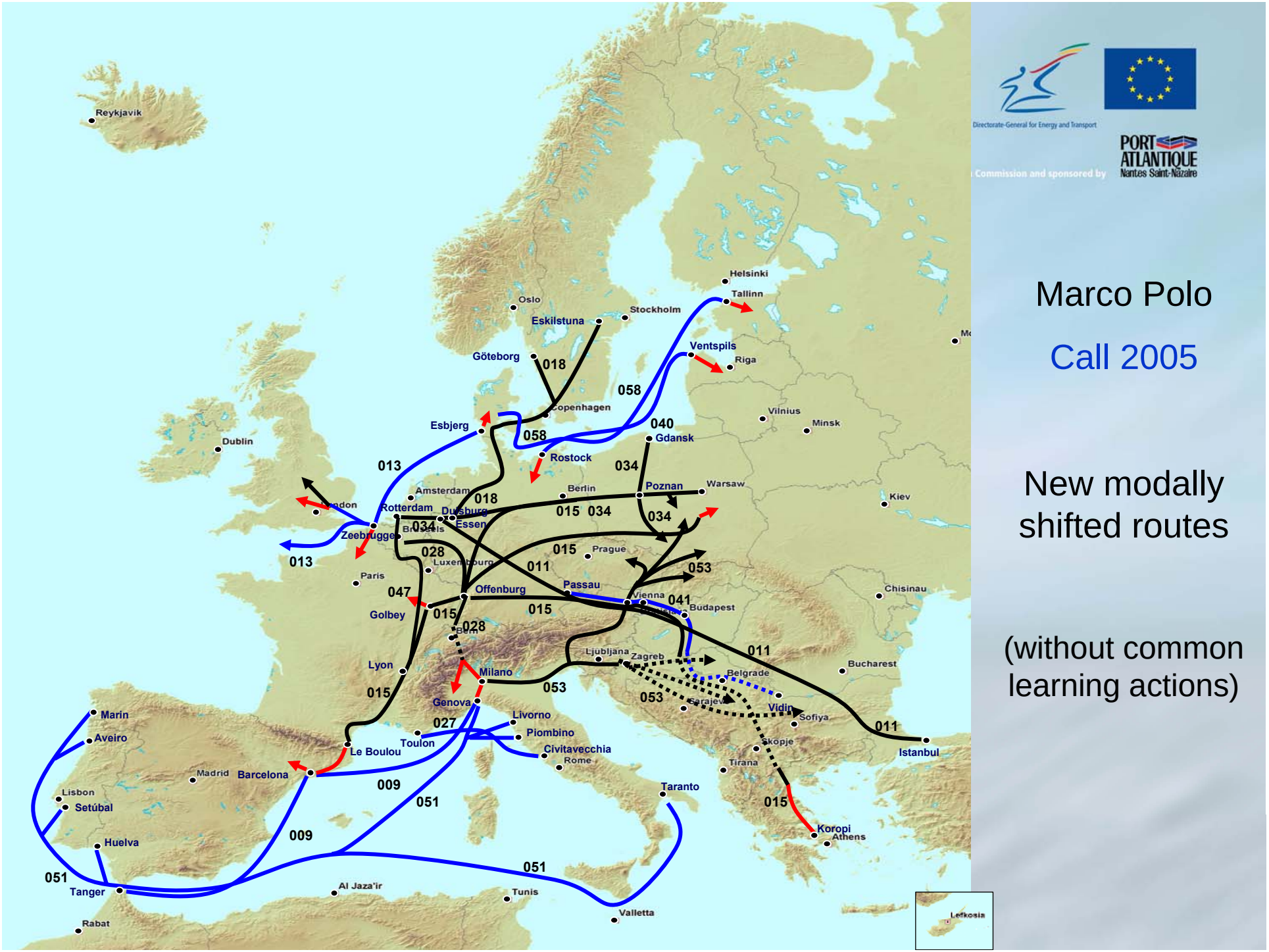
# Marco Polo

## Call 2004

New modally shifted routes

(without common learning actions)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PORT ATLANTIQUE Nantes Saint-Nazaire
Marco Polo
Call 2005
New modally shifted routes
(without common learning actions)
Reykjavik
Oslo
Stockholm
Helsinki
Tallinn
Eskilstuna
Göteborg
018
Ventspils
Riga
058
Copenhagen
Vilnius
Minsk
Esbjerg
040
Gdansk
Dublin
058
Rostock
034
013
Amsterdam
Berlin
Poznan
Warsaw
Kiev
London
Rotterdam
018
Duisburg
Essen
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Zeebrugge
Brussels
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Prague
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Luxembourg
011
053
Paris
Offenburg
Passau
Vienna
041
Budapest
Chisinau
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Golbey
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Bern
Ljubljana
Zagreb
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Lyon
Milano
Belgrade
Bucharest
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Genova
Sarajevo
Vidin
Sofiya
Livorno
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Piombino
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Marin
Aveiro
Toulon
Civitavecchia
Skopje
Istanbul
Le Boulou
Rome
Tirana
Madrid
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Setúbal
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Athens
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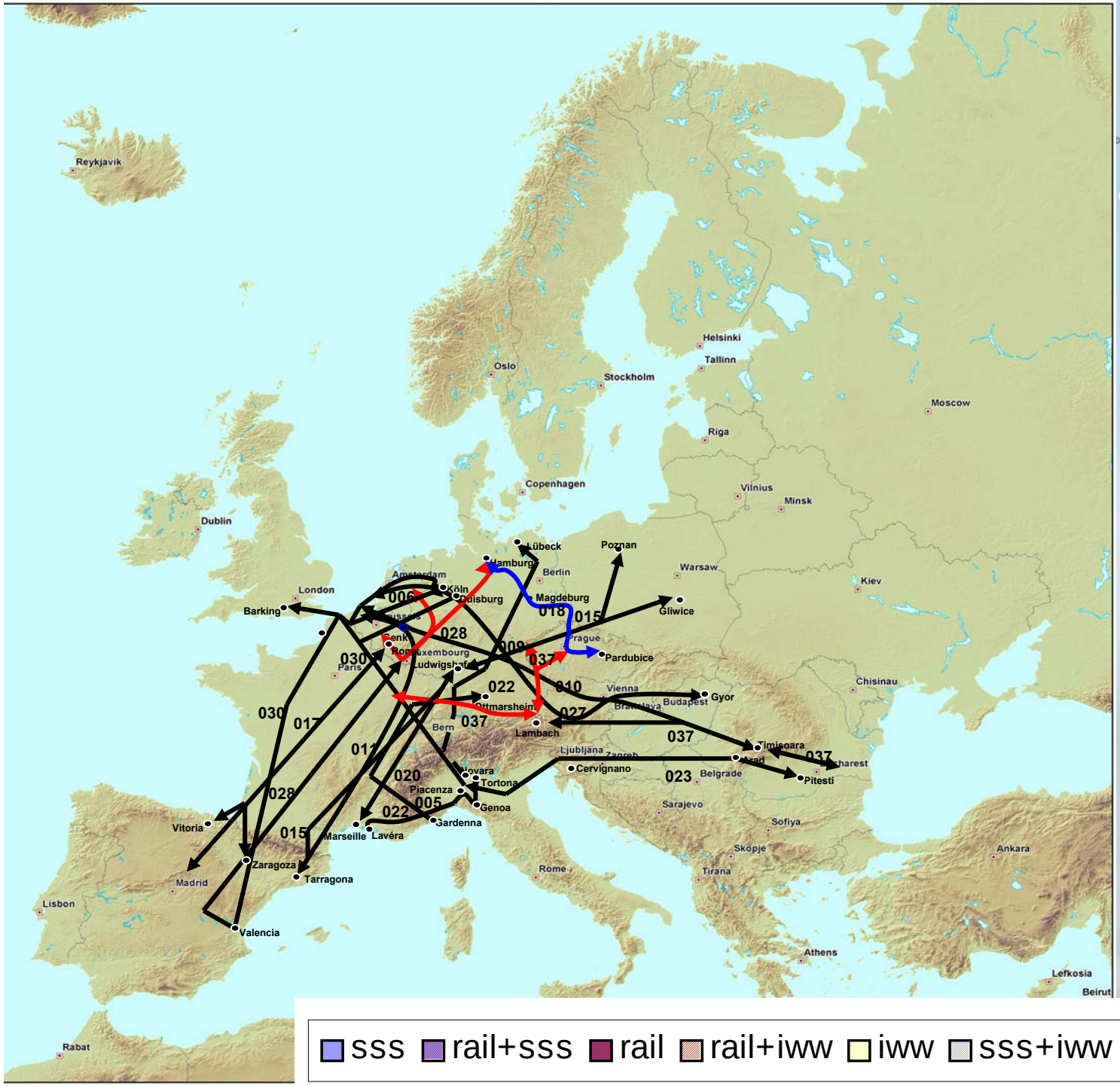
Al Jaza'ir
Tunis
Valletta
Rabat
Lefkosia

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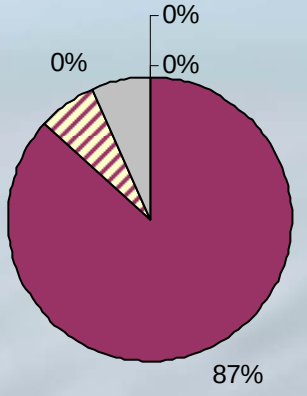
# Marco Polo I

## Call 2006

New modally shifted routes

(without common learning actions)

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# MARCO POLO I - Experience from running projects

- no generalities – case by case analysis needed
- large majority of projects on track and growing to be viable
- waterborne projects general on-target, rail projects with more challenges (bottlenecks, market demand, quality)
- 4 (of 25) projects with serious problems
  - 2 contracts terminated due to high losses/ bankruptcy
  - 2 services terminated/will be - not yet started
- actual modal shift slightly less than forecast

# FROM MARCO POLO TO MARCO POLO II

- Problems in MARCO POLO I
  - relative unattractiveness of catalyst actions
  - too low support for ancillary infrastructure
  - geographical scope limited
  - quality leaves much to be desired
  - not enough attention to justify credibility of actions
  - lack of justification for not distorting competition
- Solutions of MARCO POLO II
  - new innovative action types: Motorways of the Sea, traffic avoidance
  - upgrade support for ancillary infrastructure
  - wider Europe to participate via agreements (and additional budget)
  - more than twofold increase of annual budget

# New Action Type: Motorways of the Sea


- frequent, large volume intermodal services based on short sea shipping:

- innovative logistics, technology, equipment etc.
- high quality of service
- efficient hinterland connections by rail and inland waterway
- simplified procedures
- safety and security
- flexible port services

# Motorways of the Sea – MP II and TEN-T

- same general objective of sustainable efficient transport but different approach
- funding is fully complementary

| MARCO POLO II | TEN-T |
|---|---|
| Transport services | Infrastructure |
| Ancillary infrastructure | Strategic infrastructure |
| Modal shift objective | Creation of transport network |
| Private sector driven | Public sector driven |
| Bottom-up (undertakings) | Top-down (Member States) |
| Short-term | Long-term |

## Ancillary infrastructure – Funding rules in MP II

- Infrastructure required for timely completion of new modally shifted transport service
- Works are completed within 24 months after start of action
- Transport service starts within 3 months after the completion of the works
- Other EU funding, especially TEN-T funding, is excluded
- Total aid (state aid and EC funding) not more than 50% of eligible costs
- For all action types except modal shift actions (at the start)

## New Action Type: Traffic Avoidance Actions

- innovative integration of production and transport logistics
- higher efficiency in international freight transport through modifications in production and distribution:
  higher loading factors, combination of light and heavy goods, less empty runs, reduction of waste flows, reduction of volume and/or weight etc. > be creative!
- shall not adversely affect production output and workforce (e.g. no dislocation of industries out of EU)
- funding not to be used to support business activities with no direct relation to transport and distribution

# Options for traffic avoidance

$$\text{Road Traffic T [vkm]} = \frac{\text{Weight W [t] or Volume V [m}^3\text{]}}{\text{Average Load Aw [t] or Av [m}^3\text{]}} \times \text{Distance L [km]}$$

- Decrease Weight or Volume
- Decrease Distance
- Increase Average Load per Vehicle
- Decrease Number of Vehicles

*or combinations*

## New Action Type: Traffic Avoidance Actions

# Some best practices

- Saint Gobain Isover
- Smith food group
- Diafer
- Mangnus & Van der Heijden

## New Action Type: Traffic Avoidance Actions

# Saint Gobain Isover

Greater compression of glass-wool mats

- Adapting production of glass-wool mats for compact transport
- Reduction of volume by 33%
- Savings up to 46 million volume km's per year

## New Action Type: Traffic Avoidance Actions

# Smith Food Group


Less air in master bags of crisps

- Block bags instead of ‘pillowcase’
- Less air, reduction of volume by 1/3
- 175,000 trip km’s per year in NL
- Potential many times greater in other countries

## New Action Type: Traffic Avoidance Actions

# Diafer

Stowable and stackable trays

- Compact transport of empty barrels
- 67% saving on return volume
- Introduction is feasible in sectors with sufficient uniformity in products and packaging

## New Action Type: Traffic Avoidance Actions

# Mangnus & Van der Heijden

Separating beans from waste in the field

- Combining bean harvesting machines with cleaning system
- Savings up to 260,000 trip km's per year
- Remove about 20% in waste and leave it on the land

Thank you for your attention!

## MARCO POLO Help Desk

http://europa.eu.int/comm/transport/marcopolo/index_en.htm


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