

COMMISSION

**CALL FOR PROPOSALS
FOR MODAL SHIFT, CATALYST AND COMMON LEARNING ACTIONS
UNDER THE MARCO POLO PROGRAMME¹**

1. PURPOSE AND GENERAL DESCRIPTION

The European Council held at Gothenburg on 15 and 16 June 2001 has declared that shifting the balance between the transport modes is at the heart of the sustainable development strategy. If no decisive action is taken, total road freight transport in Europe is set to grow from 1998 levels by about 50% until 2010. The effect would be a growth of international road freight of about 12 billion tonne-kilometres per year for EU15².

In its White Paper - European Transport Policy for 2010: time to decide², the Commission proposed to take measures which should make the market shares of the modes of transport return, by 2010, to their 1998 levels. This will prepare the ground for a shift of balance from 2010 onwards.

It was necessary to establish a programme¹, hereinafter referred to as the "Marco Polo Programme", or "the Programme", to reduce road congestion and to improve the environmental performance of the freight transport system within the Community and to enhance intermodality, thereby contributing to an efficient and sustainable transport system. To achieve this objective, the Programme should support actions in the freight transport, logistics and other relevant markets. These actions should contribute to maintain the distribution of freight between the various modes of transport at 1998 levels by helping to shift the expected aggregate increase in international road freight traffic to short sea shipping, rail and inland waterways or to a combination of modes of transport in which road journeys are as short as possible.

All segments of the international freight transport market are within the scope of the Programme.

The Marco Polo Programme features three types of action:

- (1) **Modal shift actions**, which should focus on shifting as much freight as economically meaningful under current market conditions from road to short sea shipping, rail and inland waterways. Under this type of action aid is given to start-up new services, but also to significantly enhance existing services. They shall be robust, but not necessarily innovative: - *just shift freight off the road*; and as much as possible measured in tonne-kilometres.
- (2) **Catalyst actions**, which should change the way non-road freight transport is conducted in the Community. Under this type of action, structural market barriers in European freight transport should be overcome through a highly innovative concept: - *causing a real breakthrough*. This is essentially done in three steps by applicants: first the barrier must be clearly defined, then a highly innovative solution should be presented, and finally a modal

¹ Regulation (EC) No. 1382/2003 of the European Parliament and of the Council of 22 July 2003 on granting of Community financial assistance to improve the environmental performance of the freight transport system ("Marco Polo Programme"), OJ L 196, 02.08.2003, p 1.

² White Paper - European Transport Policy for 2010: time to decide; COM/2001/370final.

shift service of great growth potential for freight transport is to be proposed for timely implementation. Dissemination of results should be foreseen within the duration of the EC subsidy.

- (3) **Common learning actions**, which should enhance knowledge in the freight logistics sector and foster advanced methods and procedures of co-operation in the freight market. Under this type of action improvement of co-operation and sharing of know-how is subsidised: mutual training – *coping with an increasingly complex transport and logistics market*.

Therefore, the Commission invites interested parties to submit proposals for modal shift, catalyst and common learning actions for the freight transport services market. The available budget under the call is specified in chapter 3.

For the purpose of this call the definitions in Appendix 1 apply.

2. SOURCE OF FUNDING

The actions selected will be financed from budget headings 060207 Marco Polo Programme (B2-707).

3. ESTIMATED TOTAL AMOUNT FOR THIS CALL

The estimated total amount for 2005 is EUR 30.1³ million. See also chapter 7 “Work Programme 2005”.

4. FINANCIAL CONDITIONS

Community financial assistance shall be limited for

- Modal shift actions to a maximum subsidy rate of 30%,
- Catalyst actions to a maximum subsidy rate of 35%,
- Common learning actions to a maximum subsidy rate of 50%,

for the total eligible 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 (“Action type specific maximum subsidy rate”).

Additionally, for modal shift actions only, the maximum Community financial assistance is determined by the Commission on the basis of the tonne-kilometres shifted from road to short sea shipping, rail, inland waterways or a combination of modes of transport in which road

³ This amount includes the EFTA-EEA contribution for 2005 of EUR 0.6 million. The total amount might increase slightly in case the specific agreements between the EU and Bulgaria and/or Croatia and/or Romania and/or Turkey, and/or Andorra for Marco Polo are concluded in time (see also eligibility criterion G4 in chapter 5).

journeys are as short as possible. It shall initially be set at EUR 1 for each shift of 500 tonne-kilometres of road freight⁴.

Ancillary infrastructure expenditure shall also be eligible for Community financial assistance only for modal shift and catalyst actions, as long as it remains marginal, up to the action type specific subsidy rates given for the total expenditure (see above). Infrastructure measures are “ancillary”, if they are necessary, but sub-ordinate, to achieve the goals of the action. "Marginal" shall be defined as up to 20% of the total subsidy requested for an action.

A contribution towards the costs of movable assets⁵ 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 contract (“grant agreement”).

All requests for Community financial assistance shall be made in Euros. Such assistance for actions under the Marco Polo Programme shall be given on the basis of grant agreements, based on the standard model to be approved by the Commission. This standard grant agreement will define inter alia eligible costs and payment modalities. Furthermore, a financial guarantee will be requested as part of contract negotiations to cover the pre-financing (i.e. the advance payment) to be made by the Commission.

The indicative minimum subsidy thresholds per funded action are specified under chapter 6 “Specific Eligibility Criteria”. They are different for each type of action.

The Commission reserves the right to award an EC subsidy of less than the amount requested by the applicant. Subsidies will not be awarded for more than the amount requested.

A model of the subsidy contract (“grant agreement”) is available on the Marco Polo website on the “Guidance for Proposers” page. The internet address is given in chapter 13.

⁴ Net freight, i.e. without loading units, trucks, etc. - Hence, inclusion of backflows of empty loading units or trucks is not allowed.

⁵ Movable assets are for example ships, barges, locomotives, train wagons and loading units.

Important notes:

- (1) **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 (see Art. 5(2), 6(4) and 7(3) of the Marco Polo Regulation).
- (2) In order to achieve a sustained modal shift of freight, proposed modal shift and catalyst **actions** are expected to **become viable** after the subsidy ends. For common learning actions such viability is not an essential requirement, but would be an advantage (see chapter 10 “Award Criteria”).
- (3) The grant shall under **no** circumstances have the purpose or the effect of producing a **profit** for the beneficiary during the duration of the EC subsidy.
- (4) The EC-subsidy may be given in addition to other public funding, as long as this does not constitute illegal **state aid**, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent: 30% for modal shift actions, 35% for catalyst actions, and 50% for common learning action (see start of chapter 4). However, requesting a Marco Polo grant for eligible costs of an action already funded by another EC scheme is not permitted. Neither can a second EC-subsidy from another EC-scheme concerning eligible costs of an action funded under the Marco Polo Programme be granted (no double financing).

5. ELIGIBILITY CRITERIA

The following eligibility criteria define the scope of the call and apply to all three types of actions – modal shift, catalyst and common learning.

5.1. General Eligibility Criteria

- G1. **Uniqueness:** the type of action for which a project is proposed must be clearly specified by the applicant; mixing of action types in a proposal is not permitted.
- G2. **Transport Services:** the proposal must dominantly concern transport services in the market place, i.e. infrastructure, research or study projects are not eligible.
- G3. **European Dimension - Undertakings:** an action must be submitted by at least two independent⁶ undertakings established on the territories of two different Member States, or on the territories of one Member State and a close third country.
- G4. **European Dimension - Expenditure:** the budget will not finance costs and expenditure⁷ arising outside the territories of the Community or fully participating close

⁶ Definition of independent: In case of two undertakings A and B; A may control not more than 50% of B, and vice versa; A and B may be controlled not more than 50% by a third undertaking C.

⁷ In practical terms this means that all bills required proving costs or expenditures must bear a location on the territory of a fully participating country, in order to be eligible under a Marco Polo contract. Similarly,

third countries⁸. Nor can legal or natural persons established outside these countries be beneficiaries of funds under this call.

- G5. **Type of Legal Entity:** all project participants must be legal persons. They must be privately or publicly owned commercial undertakings, i.e. public entities are not allowed to take part directly; however, administrations may be up to 100% owners of a participating undertaking. Natural persons are not eligible. These requirements apply also to sub-contractors. The status of being a commercial undertaking may for instance be proven by providing a VAT number or being listed in the commercial register.
- G6. **Modal Shift of freight:** an action must have the objective to shift freight from the road to short sea shipping, inland waterway or rail, or a combination of these non-road modes of transport⁹.
- G7. **Start-up of action:** the action must start operations between 01 January 2005 and 31 December 2006.

Pure infrastructure projects will not be funded. However, ancillary infrastructure measures are eligible to a maximum aid intensity of not more than 20% of the total subsidy requested under this call. Infrastructure measures are “ancillary”, if they are necessary, but sub-ordinate, to achieve the goals of modal shift or catalyst actions.

5.2. Grounds for Exclusion

Applications will not be considered for a EC subsidy if the applicants are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they have been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;

also income generated by the action may only be used in the business plan, if it has occurred on the territory of a fully participating country.

⁸ Under this call these countries are the 25 EU Member States and the following third countries:

- the EFTA-EEA Countries: Iceland, Liechtenstein and Norway; and

- the Third Countries: Bulgaria, Croatia, Romania, Turkey and Andorra, subject to the timely conclusion of the related specific agreements between the EU and each of these countries for the Marco Polo Programme). The Marco Polo website will announce the conclusion of such agreements.

⁹ Common learning actions should at least help or promote the achievement of the modal shift objective of the Marco Polo Programme.

- (e) they have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) following another procurement procedure or grant procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations;
- (g) they are faced with a conflict of interest;
- (h) they have been guilty of misrepresentation in supplying the information required or have failed to supply this information.

Applicants must certify that they are not in one of the situations listed in this sub-chapter.

The applicant declaration form is provided as Appendix 5 of this call.

5.3. Administrative and Financial Penalties

- i) Without prejudice to the application of penalties laid down in the contract, candidates and contractors who have been guilty of making false declarations or have been found to have seriously failed to meet their contractual obligations in an earlier procedure shall be excluded from all contracts and grants financed by the Community budget for a maximum of two years from the time when the infringement is established, as confirmed after an adversarial procedure with the contractor. That period may be extended to three years in the event of a repeat offence within five years of the first infringement. Candidates who have been guilty of making false declarations shall also receive financial penalties representing 10% of the total value of the grant being awarded. Contractors who have been found to have seriously failed to meet their contractual obligations shall receive financial penalties representing 10% of the value of the subsidy in question. That rate may be increased to 20% in the event of a repeat offence within five years of the first infringement.
- ii) In the cases referred to in chapters 5.2 (a), (c), (d) and (f), the candidates shall be excluded from all contracts and grants for a maximum of two years from the time when the infringement is established, as confirmed after an adversarial procedure with the contractor. In the cases referred to in chapters 5.2 (b) and (e), the candidates shall be excluded from all contracts and grants for a minimum of one year and a maximum of four years from the date of notification of the judgement. Those periods may be extended to five years in the event of a repeat offence within five years of the first infringement or the first judgement.
- iii) The cases referred to in chapters 5.2 (e) cover:
 - (a) cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995¹⁰;
 - (b) cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of

¹⁰ OJ C 316, 27.11.1995, p. 48.

Member States of the European Union, drawn up by the Council Act of 26 May 1997¹¹;

- c) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council¹²;
- (d) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC¹³.

6. SPECIFIC ELIGIBILITY CRITERIA

An action submitted to this call will further to all general criteria have to comply simultaneously with the appropriate set of specific eligibility criteria mentioned below.

6.1. Modal Shift Actions

- M1. **Route:** The envisaged road route from which freight is shifted by the action is situated on the territory of at least two EU Member States or on the territory of at least one EU Member State and a close third country.
- M2. **Duration:** The action achieves its objectives within a period of a maximum of 36 months.
- M3. **Threshold:** The minimum indicative subsidy threshold per action is EUR 500,000, which translates into a modal shift of 250 million tonne-kilometres, effected over the entire duration of the action.

6.2. Catalyst Actions

- C1. **Route:** The envisaged road route from which freight is shifted by the action is situated on the territory of at least two EU Member States or on the territory of at least one EU Member State and a close third country.
- C2. **Duration:** The action achieves its objectives within a period of a maximum of 48 months.
- C3. **Threshold:** The minimum indicative subsidy threshold per action is EUR 1,500,000.

6.3. Common Learning Actions

- L1. **Duration:** The action achieves its objectives within a period of a maximum of 24 months.
- L2. **Threshold:** The minimum indicative subsidy threshold per action is EUR 250,000.

¹¹ OJ C 195, 25.6.1997, p. 1.

¹² OJ L 351, 29.12.1998, p. 1. Joint action of 21 December 1998 on making it a criminal offence to participate in a criminal organisation in the Member States of the European Union.

¹³ OJ L 166, 28.6.1991, p. 77. Directive of 10 June 1991, as amended by Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 (OJ L 344, 28.12.2001, p. 76).

7. WORK PROGRAMME 2005

The work programme for 2005 consists of two parts:

- a multi-annual part as laid down in the Marco Polo regulation text itself, and
- a specific part for 2005 defining the political priorities and the budget for this call.

Details are described in Appendix 2.

8. ROUTE OF TRANSPORT SERVICE¹⁴

A clear definition and presentation of both the old “road”-route and the new “modally shifted”-route is obligatory for modal shift and catalyst actions.

8.1. Concept

The overall objectives of the Marco Polo Programme are to reduce road congestion, to improve the environmental performance of the freight transport system and to enhance intermodal transport, thereby contributing to an efficient and sustainable transport system. A freight traffic shift from road to short sea shipping, rail and inland waterways, or to a combination of modes of transport in which road journeys are as short as possible must be effected.

In an action, first the entire route should be described (preferably door-to-door), i.e. including the initial freight collection and final distribution leg by truck, if any. In a second step it should be shown, which parts of the transport/logistics chain are to be shifted from road to short sea shipping, rail and inland waterways.

8.2. Modal Shift

The effected modal shift is to be measured in tonne-kilometres (see definitions in Appendix 1) and principally based on the route the freight would have taken on the road, if not being shifted to the allowed alternative modes of transport, i.e. **the modal shift calculation is mainly based on the old “road”-route (for details see Appendix 3).**

As an **alternative for light goods** the volume equivalent “freight tonnes” measured in m³ may be used by the applicant. This means, that **4 cubic metre–kilometres (m³km) shall be equivalent to 1 tonne-kilometre (tkm)**, and all calculations and key-figures throughout the proposal are to be presented in analogy to the tonne-kilometre case. The choice of basic unit m³km or tkm must be clearly specified by the applicant.

Details are described in Appendix 3.

8.3. Environmental (and Social) Benefits

Environmental (and social) benefits may have quantitative and qualitative elements.

¹⁴ In first instance, common learning actions are not required to be concerned with a transport route. However, there are elements discussed in this chapter, such as environmental benefits, which could be also of relevance to this type of action.

- The qualitative environmental (and social) benefits from the proposed action could be for instance, that the new “modally-shifted” route avoids heavily populated areas and/or natural resorts.
- The quantitative (and social) environmental benefits calculation is based on a **comparison of the relevant external costs for old “road”-route with the new “modally shifted”-route.** In similarity to modal shift (chapter 8.2), also only benefits achieved on the territory of countries fully participating in the Marco Polo Programme may be used for this calculation.

Details on how to calculate and present environmental (and social) benefits are given in Appendix 3. Note, that these calculations are an essential element for a proposal submitted to this call.

8.4. Avoidance of Unacceptable Distortions of Competition

An action must not lead to distortions of competition in the relevant markets, in particular between alternative modes of transport or within an alternative mode of transport, to an extent, which damages the common interest.

9. SELECTION CONDITIONS

The applicants must have stable and sufficient sources of funding to maintain their activities throughout the period during which the action is being carried out or the years for which the EC subsidy is awarded and to participate in its funding. They must have the professional competence and qualifications required to complete the proposed action.¹⁵

9.1. Financial Capacity of Applicants

Corporate bodies must be legally constituted and registered. Applicants must have the financial capacity to complete the action to be supported and will provide their annual accounts for the last financial year or, in the case of public-sector bodies, their annual budget.

Important note: Before awarding an EC subsidy contract, the financial data presented for the implementation of the proposed action will be verified by the Commission with the help of an external auditor.

9.2. Technical Capacity of Applicants

Applicants must have the technical and operational capacity to complete the action to be supported and should provide appropriate supporting documents (e.g. CVs of those responsible for carrying out the action).

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

¹⁵ This is proven by full co-ordinates of lead partner, contact person, all other partners in the consortium and, if any, all subcontractors involved in the action. Experience and track record of all partners and leading individuals (substantiated by proposal’s annexes 4 and 5). See chapter 11 “II.2. Credibility and Viability of Operation” for details.

procedure for selection of the relevant services. Publicly owned entities, which are subject to the EC Procurement Directives, should conform to the provisions established by these directives.

10. AWARD CRITERIA

The Commission will base its selection of actions and the rate of Community co-financing on the basis of a written presentation. Among the proposals being eligible for funding, proposals achieving the highest total score shall be considered for funding, within the limit of the available budget. EC subsidies will be awarded within the limits of the budgetary resources available.

Proposals will be evaluated according to the type of action proposed in an internal evaluation by Commission staff. The ranking of the proposals will normally follow the total score obtained, and in case of equality of this score, the individual scores of the criteria will be used until a differentiation is achieved in the following order: first criterion (a)¹⁶, then criterion (c)¹⁷, and then criterion (b). For example, in case the total score and the mark for criterion (a) for two adjacently listed proposals are identical, but the marks for criterion (c) are different, then criterion (c) determines the relative position of these two proposals on the ranking list.

10.1. Modal Shift Actions

The following evaluation criteria apply to modal shift actions:

A maximum of 100 points will be given to each proposal in the evaluation, distributed as follows:

- (a1) European Added Value – Quantity of freight shifted off the road: 0 to 40 points
- (b1) Credibility and viability of action: 0 to 30 points
- (c1) Environmental benefits: 0 to 30 points

Additionally, the following conditions are scrutinised:

- (d1) Avoidance of unacceptable distortions of competition: Yes / No
- (e1) Justification of financial request.

Proposals must achieve a total score of at least 60 points and simultaneously must have reached a threshold of 24 points for criterion (a1), 18 points for each of the criteria (b1) and (c1), as well as a “Yes” for (d1), to be eligible for funding. In addition, the amount requested (e1) must be duly justified.

10.2. Catalyst Actions

The following evaluation criteria apply to catalyst actions:

¹⁶ In case different types of actions need to be compared because of identical total scores, then a1 is used for modal shift actions, a2 is used for catalyst actions and a3 multiplied by 4/3 is used for common learning actions. Note that the multiplication factor is required to compensate for the different maximum scores of a1 and a2 in comparison with a3.

¹⁷ In case different types of actions need to be compared because of identical scores for criterion a, then c1 is used for modal shift actions, c2 multiplied by 3/2 is used for catalyst actions and d3 multiplied by 3 is used for common learning actions. Note that the multiplication factors are required to compensate for the different maximum scores of c1, c2 and d3.

A maximum of 100 points will be given to each proposal in the evaluation, distributed as follows:

- | | | |
|------|--|----------------|
| (a2) | European Added Value - Innovative approach to overcome structural market barriers: | 0 to 40 points |
| (b2) | Credibility and viability of action: | 0 to 30 points |
| (c2) | Environmental benefits: | 0 to 20 points |
| (d2) | Dissemination plan: | 0 to 10 points |

Additionally, the following conditions are scrutinised:

- | | | |
|------|---|----------|
| (e2) | Avoidance of unacceptable distortions of competition: | Yes / No |
| (f2) | Justification of financial request. | |

Proposals must achieve a total score of at least 60 points and simultaneously must have reached a threshold of 24 points for criterion (a2), 18 points for criterion (b2) and 12 points for criterion (c2), as well as a “Yes” for (e2), to be eligible for funding. In addition, the amount requested (f2) must be duly justified.

10.3. Common Learning Actions

The following evaluation criteria apply to common learning actions:

- | | | |
|------|---|----------------|
| (a3) | European Added Value:
– Improvement of co-operation, sharing of know-how and dissemination | 0 to 30 points |
| (b3) | Credibility and methodology of action: | 0 to 30 points |
| (c3) | Innovative approach: | 0 to 30 points |
| (d3) | Environmental benefits: | 0 to 10 points |

Additionally, the following conditions are scrutinised:

- | | | |
|------|---|----------|
| (e3) | Avoidance of unacceptable distortions of competition: | Yes / No |
| (f3) | Justification of financial request. | |

Proposals must achieve a total score of at least 60 points and simultaneously must have reached a threshold of 18 points for each of the criteria (a3), (b3) and (c3), as well as a “Yes” for (e3), to be eligible for funding. In addition, the amount requested (f3) must be duly justified.

Though sustainability of operation beyond duration of EC subsidy (i.e. viability) is not an essential requirement for common learning actions, it will be taken as a positive element under evaluation criterion (b3).

11. HOW TO PREPARE A PROPOSAL

The objective of this and the following chapters is to guide proposers through the application process.

The principal objective of a **proposal** is to achieve funding and therefore should be written in a way to enable the evaluation panel to judge all eligibility criteria as well as the quality of the type of action presented with regards to all relevant evaluation criteria. It should be sized and structured according to the following guidelines:

A complete proposal consists of:

- I.* A one-page project overview form (A4), followed by a declaration by the applicant form (A4),
- II.* Then, up to ten single-sided A4 pages of main text (in font size 12),
- III.* Finally, the annexes to support the claims made in the main text.

Note that the annexes (part III) will always be treated in strict confidence by Commission staff. During the selection process the project overview form (part I) will be used to provide other parties outside the Commission, which are involved in the selection process such as the Programme Committee and the European Parliament, with timely information. After the selection process has terminated the Commission reserves the right to publish the project overview forms.

Moreover, the main text (part II) will be sent in confidence to the members of the Programme Committee for information. Specific items to be treated confidentially within the main text may be placed in a special annex under part III.

Proposals may be submitted in all official languages of the Community, however, to facilitate the evaluation English is preferred.

11.0. All Types of Action

This sub-chapter applies to all types of action: modal shift, catalyst and common learning¹⁸.

¹⁸ Some of the key elements may not be applicable to common learning actions. In these cases “NA” should be entered.

11.0.1. Project Overview Form

The **one-page project overview form** must be completed to present the key elements **I.1 to I.14** of a proposed action. The form is given as appendix 4 to this call and is also available for downloading from the Marco Polo web site (see chapter 13 for the Internet address).

The key elements are:

- I.1.*** Title of proposal¹⁹
- I.2.*** Acronym for proposal²⁰
- I.3.*** Type of action applied for (*GI* eligibility criterion)
- I.4.*** Lead partner's full address
- I.5.*** Contact person's name (full address only if different from lead partner's address)
- I.6.*** Other partners' names and countries
- I.7.*** Project idea (max 2000 characters)
- I.8.*** Entire transport/logistics route (max 500 characters)
- I.9.*** New "modally-shifted" part of route (max 500 characters)
- I.10.*** Duration of EC subsidy D (months)
- I.11.*** Total modal shift generated over duration of EC subsidy F_{shift} (tkm)
- I.12.*** Environmental benefits B (€)
- I.13.*** Total eligible cost of action C_{total} (€)
- I.14.*** EC subsidy requested S (€)
- I.15.*** Environmental efficiency R_S

11.0.2. Declaration by the Applicant Form

Additionally, a declaration must be completed and signed by the lead partner. The declaration form is given as appendix 5 of this call and is also available for downloading from the Marco Polo web site (see chapter 13 for the Internet address).

¹⁹ Short, but meaningful name for the proposed action. This is important for document handling and comparative discussions in the evaluation panel. The title should be well chosen.

²⁰ Acronym (max. 20 characters) for the proposal to provide a handy abbreviation of the title. This is important for document handling and comparative discussions in the evaluation panel. The acronym should be well chosen.

11.1. Modal Shift Actions

This sub-chapter applies to modal shift actions only.

II. Main Text of Proposal

II.1. Description of Action

Detailed description of concept for new/significantly enhanced service addressing in particular:

II.1.1 General eligibility criteria *G2 to G7* (see chapter 5). For *G3* the ownership relation between all undertakings of the consortium must be revealed.

II.1.2 Specific eligibility criteria *M1 to M3* (see chapter 6.1), for *M3* only a brief outline. Presentation of old “road”-route and new “modally-shifted”-route, including transit times (visualisation by proposal’s annex 1).

II.1.3 Segment(s) of freight market.

II.1.4 Quantity of freight shifted (total and development over time of EC subsidy).

II.2. Credibility and Viability of Action

Detailed description of technical and financial capacity of consortium as well as operational and financial aspects of projects addressing in particular:

II.2.1 Full co-ordinates²¹ of lead partner, contact person²², all other partners in the consortium and, if any, all subcontractors involved in the action.

II.2.2 Experience and track record of all partners and leading individuals (substantiated by proposal’s annexes 4 and 5).

II.2.3 Development of service, based on business plan and market research, including **financial justification of subsidy request** (substantiated by proposal’s annexes 2, 3 and 6)²³. Indication of likely utilisation of the service in terms of potential customers and types of cargo envisaged for all parts of the modally-shifted route (including return cargo, if any). In case of mixed freight-passenger services, cost/revenue of freight and passenger parts of the service should be included in the business plan to allow an assessment of the overall profit/loss situation. However, EC-support may be requested for the freight part only.

²¹ Full co-ordinates consist of all details to allow timely and unambiguous delivery of mail as well as telephone, fax number and email address.

²² **The name of the contact person (only one) is essential**, because he/she is the individual to whom correspondence concerning the selection procedure should be sent. This person is normally an individual working at the lead partner of the consortium.

²³ **All Sources of funding:** Please state here how the total financing of the project is envisaged (own means, loans, or further public funding). **Important note:** the EC-subsidy may be given **in addition** to other public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent (see chapter 4 “financial conditions”).

II.3. Environmental Benefits

Detailed description of the benefits to the environment (see call appendix 3), addressing in particular:

II.3.1 Detailed presentation of old “road” route and new “modally-shifted” route.

II.3.2 Qualitative environmental (& social) benefits, e.g. for particularly sensitive areas and populations, and highly congested road routes. For all waterborne transport legs, indication of proposed fuel quality (grade and sulphur content) and any abatement technology intended to be used.

II.3.3 Quantitative environmental (& social) benefits. Presentation of detailed calculation of benefits allowing easy verification by evaluation panel (see worked example given in call appendix 3).²⁴

II.4. Distortion of competition

Avoidance of unacceptable distortion of competition demonstrated by clear delimitation of proposed service against other already **existing non-road** freight transport services²⁵. It is of **utmost importance** to truthfully describe the extent to which the proposed new transport service on the ‘modally-shifted’ route would **affect the competition already using short sea shipping, rail or inland waterways**.

III. Annexes²⁶

III.1. Map visualising the old “road” route and the new “modally-shifted” route (including indication of transit times).

III.2. Figure(s) visualising the business development (e.g. tonne-kilometres and loss/profit versus time).

III.3. Business plan, including table with annual figures covering duration of EC subsidy plus at least one year afterwards²⁷.

III.4. Latest annual financial statement of lead partner, validated by an approved external auditor.

²⁴ **Important note:** A complete calculation of all key-figures as described in call appendix 3 should be given, presenting all major steps of the calculation for easy verification. A printout of the results page of the Marco Polo Calculator (see Marco Polo website) is not sufficient, since it does not allow such verification. In case of complex logistic chains it might be advisable to create a specific calculation annex in the proposal.

²⁵ Delimitation for instance possible by choosing a different old “road”-route between two points A and B, a different segment of the freight market and/or a different list of potential customers. Whether the delimitation is sufficient, will be judged case by case by the Commission.

²⁶ **Annexes 1 to 5 are obligatory.** Provision of annex 6 is highly recommended. The addition of further annexes is left to the discretion of the proposers.

²⁷ The budget for the action must have revenue (incl. the requested EC-subsidy and other state aid, if any) and expenditure in balance and show clearly the costs which are eligible for financing from the Community budget. A model of the subsidy contract (“grant agreement”) specifying the eligible costs is available on the Marco Polo website on the “Guidance for Proposers” page. The internet address is given in chapter 13.

- III.5.** CVs of leading individual(s) of consortium (normally one or two per participant).
- III.6.** Result summary of market research or feasibility study, including for instance letters of intent, or even better, letters of commitment of potential customers. - *This helps the evaluation committee to assess the credibility of a proposal.*

11.2. Catalyst Actions

This sub-chapter applies to catalyst actions only.

Conceptually, a proposal for a catalyst action should be done in 3 steps: In step 1 the European structural market barrier for freight transport with short sea shipping, rail or inland waterways should be clearly defined. Then in step 2 a highly innovative solution to overcome the barrier is presented, and finally in step 3 a modal shift service of growth and replication potential is proposed for timely implementation. Note that since costs arise normally only in step 3, the information to be provided in step 3 is nearly identical to a pure modal shift action proposal. However, the theoretical upper limit for EC subsidy of 1 Euro per 500 tonnes-kilometres is not applicable here.

Important note: In case proposers are not able to clearly define the structural market barrier²⁸, they are strongly advised **not** to apply for a catalyst action.

II. Main Text of Proposal

II.1. Description of Action

Detailed description of innovative approach to overcome a European structural market barrier of European dimension and timely implementation of modal shift service, addressing in particular:

II.1.1 Definition of structural market barrier for freight transport with short sea shipping, rail or inland waterways (if possible, visualisation by proposal's annex 0).

II.1.2 Innovative solution to overcome the structural market barrier (if possible, visualisation by proposal's annex 0).

II.1.3 General eligibility criteria *G2 to G7* (see chapter 5). For *G3* the ownership relation between all undertakings of the consortium must be revealed.

II.1.4 Specific eligibility criteria *C1 to C3* (see chapter 6.2), for *C3* only brief outline. Presentation of old "road" route and new "modally-shifted" route, including transit times (visualisation by proposal's annex 1).

II.1.5 Segment(s) of freight market.

II.1.6 Quantity of freight shifted (total and development over time of EC subsidy).

II.2. Credibility and Viability of Action

Detailed description of technical and financial capacity of consortium as well as operational and financial aspects of projects addressing in particular:

²⁸ **Structural market barrier** shall mean any non-regulatory, factual and non-temporary impediment to the proper functioning of the freight transport chain (see also appendix 1 "Definitions").

II.2.1 Full co-ordinates²⁹ of lead partner, contact person³⁰, all other partners in the consortium and, if any, all subcontractors involved in the action.

II.2.2 Experience and track record of all partners and leading individuals (substantiated by proposal's annexes 4 and 5).

II.2.3 Development of service based on business plan and market research, including **financial justification of subsidy request** (substantiated by proposal's annexes 2, 3 and 6)³¹. Indication of likely utilisation of the service in terms of potential customers and types of cargo envisaged for all parts of the modally-shifted route (including return cargo, if any). In case of mixed freight-passenger services, cost/revenue of freight and passenger parts of the service should be included in the business plan to allow an assessment of the overall profit/loss situation. However, EC-support may be requested for the freight part only.

II.3. Environmental Benefits

Detailed description of the benefits to the environment (see call appendix 3), addressing in particular:

II.3.1 Detailed presentation of old "road" route and new "modally-shifted" route.

II.3.2 Qualitative environmental (& social) benefits, e.g. for particularly sensitive areas and populations, and highly congested road routes. For all waterborne transport legs, indication of proposed fuel quality (grade and sulphur content) and any abatement technology intended to be used.

II.3.3 Quantitative environmental (& social) benefits. Presentation of detailed calculation of benefits allowing easy verification by evaluation panel (see example given in call appendix 3)³².

II.4. Dissemination Plan

Since similar market barriers might exist on other European routes, proposers are required to foresee at one stage within the duration of the subsidy to disseminate their solution. Here a brief description of a plan on informing all parties concerned should be presented.

II.5. Distortion of Competition

²⁹ Full co-ordinates consist of all details to allow timely and unambiguous delivery of mail as well as telephone, fax number and email address.

³⁰ **The name of the contact person (only one) is essential**, because he/she is the individual to whom correspondence concerning the selection procedure should be sent. This person is normally an individual working at the lead partner of the consortium.

³¹ **All Sources of funding:** Please state here how the total financing of the project is envisaged (own means, loans, or further public funding). **Important note:** the EC-subsidy may be given **in addition** to other public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent (see chapter 4 "Financial Conditions").

³² **Important note:** A complete calculation of all key-figures as described in call appendix 3 should be given, presenting all major steps of the calculation for easy verification. A printout of the results page of the Marco Polo Calculator (see Marco Polo website) is not sufficient, since it does not allow such verification. In case of complex logistic chains it might be advisable to create a specific calculation annex in the proposal.

Avoidance of unacceptable distortion of competition demonstrated by clear delimitation of proposed service against other already **existing non-road** freight transport services³³. It is of **utmost importance** to truthfully describe the extent to which the proposed new transport service on the ‘modally-shifted’ route would **affect the competition already using short sea shipping, rail or inland waterways**.

III. Annexes³⁴

- III.0.** Flow chart or other graphics visualising the structural market barrier and its solution.
- III.1.** Map visualising the old “road” route and the new “modally-shifted” route (including indication of transit times).
- III.2.** Figure(s) visualising the business development (e.g. tonne-kilometres and loss/profit versus time).
- III.3.** Business plan, including table with annual figures covering duration of EC subsidy plus at least one year afterwards³⁵.
- III.4.** Latest annual financial statement of lead partner, validated by an approved external auditor.
- III.5.** CVs of leading individual(s) of consortium (normally one or two per participant).
- III.6.** Result summary of market research or feasibility study, including for instance letters of intent, or even better, letters of commitment of potential customers. - *This helps the evaluation committee to assess the credibility of a proposal.*

³³ Delimitation for instance possible by choosing a different old “road”-route between two points A and B, a different segment of the freight market and/or a different list of potential customers. Whether the delimitation is sufficient, will be judged case by case by the Commission.

³⁴ **Annexes 1 to 5 are obligatory.** Provision of annexes 0 and 6 is highly recommended. The addition of further annexes is left to the discretion of the proposers.

³⁵ The budget for the action must have revenue (incl. the requested EC-subsidy and other state aid, if any) and expenditure in balance and show clearly the costs which are eligible for financing from the Community budget. A model of the subsidy contract (“grant agreement”) specifying the eligible costs is available on the Marco Polo website on the “Guidance for Proposers” page. The internet address is given in chapter 13.

11.3. Common Learning Actions

This sub-chapter applies to common learning actions only.

Conceptually, a proposal for a common learning action should at least promote or help in achieving modal shift of freight in Europe in order to be instrumental in reaching the overall objective of the Marco Polo Programme.

II. Main Text of Proposal

II.1. Description of Action

Detailed description of concept for improvement of co-operation, sharing of know-how and dissemination, addressing in particular:

II.1.1 General eligibility criteria *G2 to G7* (see chapter 5). For *G3* the ownership relation between all undertakings of the consortium must be revealed.

II.1.2 Specific eligibility criteria *L1 and L2* (see chapter 6.3).

II.1.3 Description of co-operation improvements and/or description of know-how shared.

II.1.4 Presentation of training plan and training content, e.g. event dates, topics, agendas, list of keynote speakers³⁶ – all at least in draft versions (substantiated and, if possible, visualised by proposal's annex 1).

II.2. Credibility and Viability of Action

Detailed description of technical and financial capacity of consortium as well as operational and financial aspects of projects addressing in particular:

II.2.1 Full co-ordinates³⁷ of lead partner and contact person³⁸, all other partners in the consortium and, if any, all subcontractors involved in the action.

II.2.2 Experience and track record of all partners and leading individuals (substantiated by proposal's annexes 4 and 5).

II.2.3 Business plan for activity envisaged (if applicable, as with other action types, development of service and/or market research), including **financial justification of subsidy request** (substantiated by proposal's annexes 2, 3 and 6)³⁹.

³⁶ The listed keynote speakers should at least have already been contacted to obtain their agreement in principle of being available for the foreseen topics and dates.

³⁷ Full co-ordinates consist of all details to allow timely and unambiguous delivery of mail as well as telephone, fax number and email address.

³⁸ **The name of the contact person (only one) is essential**, because he/she is the individual to whom correspondence concerning the selection procedure should be sent. This person is normally an individual working at the lead partner of the consortium.

³⁹ **All Sources of funding:** Please state here how the total financing of the project is envisaged (own means, loans, or further public funding). **Important note:** the EC-subsidy may be given **in addition** to other

II.3. Innovative Approach

Detailed description of innovative approach on how to achieve maximum impact of the common learning action in Europe.

II.4. Environmental Benefits

Detailed description of the benefits to the environment (see call appendix 3). Since direct modal shift is normally not achieved by common learning actions, the proposer is free to present here any positive effect on the environment/society.

II.5. Distortion of Competition

Though the distortion of competition issue affects mainly transport services proposed under modal shift and catalyst actions, the avoidance of unacceptable distortion of competition might also require some delimitation in the case of common learning actions. This depends on what is actually proposed. Applicants are advised to at least mention that they have given this issue sufficient thought.

III. Annexes⁴⁰

III.1. Flow chart or other graphics visualising for instance the training plan or any other graphical interpretation of the proposed action. Draft agendas, list of keynote speakers, etc.

III.2. Figure(s) visualising the business development (e.g. individuals trained and loss/profit versus time).

III.3. Business plan, including table with annual figures covering duration of EC subsidy plus at least one year afterwards⁴¹.

III.4. Latest annual financial statement of lead partner, validated by an approved external auditor.

III.5. CVs of leading individual(s) of consortium (normally one or two per participant).

III.6. Result summary of market research or feasibility study, including for instance letters of intent, or even better, letters of commitment of potential customers (and/or keynote speakers, politicians, public administrators, etc, as appropriate for the proposed common learning action). - *This helps the evaluation committee to assess the credibility of a proposal.*

public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent (see chapter 4 “Financial Conditions”).

⁴⁰ **Annexes 1 to 5 are obligatory.** Provision of annex 6 is highly recommended. The addition of further annexes is left to the discretion of the proposers.

⁴¹ The budget for the action must have revenue (incl. the requested EC-subsidy and other state aid, if any) and expenditure in balance and show clearly the costs which are eligible for financing from the Community budget. A model of the subsidy contract (“grant agreement”) specifying the eligible costs is available on the Marco Polo website on the “Guidance for Proposers” page. The internet address is given in chapter 13.

It is **essential** for all proposals that the name, address, telephone, e-mail address and fax number of the contact person (one only) to whom correspondence concerning the selection procedure should be sent, is provided. This person is normally an individual working at the lead partner of the consortium.

12. HOW TO SUBMIT A PROPOSAL

Applications must be submitted according to the structure given separately for each type of action in chapter 11. A mixing of actions in a single proposal is not allowed (see chapter 5 “General Eligibility Criterion” *GI*). The proposal will need to be fully completed, including a proposed budget following the structure indicated. For each application, the applicant must supply **one signed original and five copies**.

A proposal should be given a short title or acronym and pages should be numbered throughout to minimise handling risks. It is the responsibility of the proposer that **original and copies are identical and complete**.

The proposal submitted will need to be signed and stamped by the lead partner, at the end of the main proposal text (before the annexes).

For any financial statements, originals will be needed in a later phase only. Photocopies can be forwarded at this stage of the procedure.

Applicants interested in these EC subsidies are invited to submit their application to the European Commission.

Applications may be submitted:

- (a) either by **registered letter or courier service**⁴² postmarked **no later than the closing date for submission** (see chapter 14 “Timetable”)⁴³, addressed to:

European Commission
Directorate-General for Energy and Transport
Ref.: Marco Polo Programme – Call 2005
DM 28, 0/91 Courier/archives
B-1049 Brussels

⁴² Note, that now courier services are treated in the same way as national post offices. Applicants are advised to ensure that the submission date is clearly stamped/written on the envelope and on the registration slip. The registration slip should be maintained by the proposer as proof of submission.

⁴³ This means: if an applicant brings his/her proposal to the state post office situated normally just around the corner in his/her town or village, and sends it by registered mail (having a clearly readable date stamp on the envelope and the registration slip !) on the closing date for submission, the deadline would still be met. However, applicants are advised **not** to wait until the very last day of the open call.

- (b) **or by hand delivery to the central mail service of the European Commission** (personal delivery or delivery by any authorised representative of the applicant)⁴⁴ at the following address:

European Commission
Ref. : DG-TREN/Marco Polo Programme – Call 2005
Courrier Central
Rue de Genève 1
B-1140 Brussels

by 16h00 (Brussels time) **on the closing date for submission** (see chapter 14 “Timetable”) at the latest. In this case, proof of submission will be by means of a dated (and time!) and signed receipt issued by the receiving official in the above mentioned department.

Applications received by the Commission after the closing date will not be taken into consideration.

Applications may not be delivered to the Directorate-General for Energy and Transport (whether personal delivery or delivery by any authorised representative of the applicant, including private delivery services).

Proposals must be submitted inside two sealed envelopes. The inner envelope must bear the words:

<p>Call for Proposals TREN/G3/SUB/03-2005</p> <p>Marco Polo Programme</p> <p>NOT TO BE OPENED BY THE POSTAL SERVICE</p> <p>DM 28, 0/91 Courrier/archives</p>
--

If self-adhesive envelopes are used, they must be sealed with adhesive tape and the sender must sign across that tape.

Additionally, for any means of submission, proposers are advised to send at the same time the completed Project Overview Form (part I of the full proposal) by fax or email to the secretariat given in chapter 13 to announce the submission. This fax or email is **not** obligatory.

⁴⁴ **Attention:** This means the proposal has to arrive at the indicated Commission address at the latest by 16:00 on the closing date for submission; - and the applicant has to be able to prove it (date and time !).

13. SECRETARIAT FOR INFORMATION AND ASSISTANCE

Applications should **not** be delivered to this address (see previous chapter). This address is reserved for information and assistance services provided by the Marco Polo Help Desk.

European Commission - **Marco Polo Help Desk**
Directorate-General for Energy and Transport
Directorate G – Unit G3 “Motorways of the Sea and Intermodality”
Ref.: Call for Proposals 2005
Rue de Mot/De Motstraat 28
B-1040 Brussels

Tel: (32-2) 2996448
Fax: (32-2) 2963765
E-mail: tren-marco-polo@cec.eu.int

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

14. TIMETABLE

Closing date for submission of applications	30 January 2006
Date of opening of first batch of applications	10 February 2006
Estimated date of opening of second batch of applications	17 February 2006
Estimated date for Report on Evaluation by Evaluation Committee	Mid April 2006
Estimated period for co-decision process with Member States and Parliament (comitology rules)	May/June 2006
Estimated date of notification of applicants & start of contract negotiations	July 2006
Estimated date for completion of selection procedure	July 2006
Estimated date for signature of EC subsidy contracts	August 2006 onwards

For the purpose of this call the following definitions apply:

- (a) "action" shall mean any project related to the logistics market, executed by undertakings, which contributes to reducing congestion in the road freight transport system and/or to improving the environmental performance of the transport system by optimising transport to and from intermodal transport chains, in the territories of the Member States;
- (b) "modal shift action" shall mean any action directly and immediately shifting freight from road to short sea shipping, rail, inland waterways or a combination of modes of transport in which road journeys are as short as possible, without being a catalyst action;
- (c) "catalyst action" shall mean any innovative action aimed at overcoming Community-relevant structural barriers in the market for freight transport which impede the efficient functioning of the markets, the competitiveness of short sea shipping, rail, or inland waterways, and/or the efficiency of transport chains making use of these modes; for the purpose of this definition, "structural market barrier" shall mean any non-regulatory, factual and non-temporary impediment to the proper functioning of the freight transport chain;
- (d) "common learning action" shall mean any action aimed at improving co-operation for structurally optimising working methods and procedures in the freight transport chain, taking into account the requirements of logistics;
- (e) "accompanying measure" shall mean any measure which seeks to prepare for or to support current or future actions, inter alia dissemination activities and project monitoring and evaluation, and the collection and analysis of statistical data. Measures devoted to the commercialisation of products, processes or services, marketing activities and sales promotion are not "accompanying measures"; **- not applicable to this call.**
- (f) "preparatory measure" shall mean any action in preparation for a catalyst action, such as technical, operational or financial feasibility studies and equipment tests; **- not applicable to this call.**
- (g) "consortium" shall mean any arrangement by which at least two undertakings execute together and share the risk concerning an action;
- (h) "undertaking" shall mean any entity engaged in an economic activity, regardless of the legal status of the entity and the way in which it is financed;
- (i) "ancillary" shall mean necessary, but subordinate, to achieve the goals of "modal shift actions" or "catalyst actions";
- (j) "tonne-kilometre" shall mean the transport of a tonne of freight, or its volumetric equivalent⁴⁶, over a distance of one kilometre;

⁴⁵ Full set of definitions directly copied from the Marco Polo Regulation OJ L196, 03.08.2003, p 1.

- (k) "close third country" shall mean any non-Member State of the European Union, with a common border with the European Union or with a coastline on a closed or semi-closed sea neighbouring on the European Union, or a candidate country for accession to the European Union.

⁴⁶ The modal shift of 4 m³ of freight shall be equivalent to the shift of 1 tonne of freight, i.e. 4 m³km are equivalent to 1 tkm. See also explanations in call chapter 8.2.

The work programme for 2005 of the Marco Polo Programme consists of two parts, a multi-annual and a specific part for 2005.

1. Multi-annual Part

The multi-annual part is laid down in the Marco Polo regulation text itself, and therefore remains unchanged as long as the current version of the regulation is valid⁴⁷. This part is the basis of the other parts of this call text and fully integrated therein.

2. Specific Part for 2005

In the specific part for 2005 the following arrangements apply. They are therefore in addition to the multi-annual part valid for this call:

- (a) The available budget is EUR 30.1⁴⁸ million, with which the Commission envisages to fund maximum of thirty (30) projects (see also chapters 2 and 3). Additionally, an amount of 400.000 € is foreseen to carry-out the mandatory mid-term evaluation of the Marco Polo programme, which is combined with an ex-post evaluation of the PACT programme. Furthermore, administrative expenses especially for meetings, information, publications and other administrative items have to be accounted for⁴⁹.
- (b) The broad priorities of the work programme of 2004 have been carried over to 2005 in order to provide EU25 plus fully participating third countries with a similar range of opportunities as for EU25.
- (c) The political priority targets are defined separately for each type of action.

2.1 Political Priority Targets for Modal Shift Actions

There are no political priority targets for modal shift actions

2.2 Political Priority Targets for Catalyst Actions

- Intra-European maritime freight services, meeting at least one of the conditions below:
 - o Road-competitive quality of service;
 - o Central integrated control of the services and offer of a “door-to-door” concept;

⁴⁷ Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on granting of Community financial assistance to improve the environmental performance of the freight transport system (“Marco Polo Programme”) OJ L 196, 02.08.2003, p. 1.

⁴⁸ This amount includes the EFTA-EEA contribution for 2005 of EUR 0.6 million. The total amount might increase slightly in case the specific agreements between the EU and Bulgaria and/or Croatia and/or Romania and/or Turkey, and/or Andorra for Marco Polo are concluded in time (see also eligibility criterion G4 in chapter 5).

⁴⁹ According to Art. 14 of Regulation (EC) No 1382/2003).

- o High-quality in terms of punctuality, client information and transshipment concepts;
- o Overcoming natural geographic barriers, such as the Alps and the Pyrenees, or involving the Baltic or Adriatic Sea.
- Through-interoperable rail services, meeting at least one of the conditions below:
 - o Road-competitive quality of service;
 - o Central integrated control of the services and offer of a “door-to-door” concept;
 - o Guaranteed departures and arrival times;
 - o Compensation system for quality deficiencies;
 - o Applied international interoperability of equipment, safety or information systems.
- Inland waterway services integrated with rail or maritime shipping, meeting at least one of the conditions below:
 - o Road-competitive quality of service;
 - o Central integrated control of the services and offer of a “door-to-door” concept;
 - o Optimisation of transshipment with other modes in terms of cost efficiency, handling speed and information technology.
- Transport services that shift road freight traffic to a combination of short sea shipping, rail and inland waterways modes of transport in which road journeys are as short as possible, meeting at least one of the conditions below:
 - o Road-competitive quality of service;
 - o Central integrated control of the services and offer of a “door-to-door” concept;
 - o Optimisation of transshipment with other modes in terms of cost efficiency, handling speed and information technology.

2.3 Political Priority Targets for Common Learning Actions

- Common learning actions related to intermodal transport including mutual training, addressing at least one of the following topics:
 - o Adapting procedures and methods in transport systems to meet today’s logistics requirements;
 - o Improving procedures and methods in sea and inland ports;

- o Co-operation between railways and inland waterway and/or short sea shipping and/or road;
- o Integration of inland waterway transport in the logistics supply chain (“door-to-door” concept);
- o New co-operation and capacity management models in rail;
- o Improving pricing, procedures and methods in the terminal;
- o European training centres;
- o Reduction of transport damages and prevention of theft and/or sabotage;
- o Increasing the demand for non-road transport;
- o Improving the shippers’ understanding of intermodal freight transport;
- o Any actions aiming to improve the integration of the new Member States into the logistics chain.

A clear definition and presentation of both the old “road” route and the new “modally-shifted” route is obligatory for modal shift and catalyst actions.

1. Concept

The overall objectives of the Marco Polo Programme are to reduce road congestion, to improve the environmental performance of the freight transport system and to enhance intermodal transport, thereby contributing to an efficient and sustainable transport system. A freight traffic shift from road to short sea shipping, rail and inland waterways, or to a combination of modes of transport in which road journeys are as short as possible must be effected.

In an action, first the entire route should be described (preferably door-to-door), i.e. including the initial freight collection and final distribution leg by truck, if any. In a second step it should be shown, which parts of the transport/logistics chain are to be shifted from road to short sea shipping, rail and inland waterways.

2. Modal Shift

The effected modal shift is to be measured in tonnes-kilometres [tkm] (see definitions in Appendix 1). The modal shift is calculated as the **difference of the road transport volume on the old “road” route and the transport volume still remaining on the road on the new “modally-shifted” route**.

Alternative for light goods: Applicants may choose the transport volume shifted off the road instead of its weight. This concept is introduced by choosing 4 as the unique divisor applicable to volumes of light goods of any kind, such as cars, flowers, and feathers. Thus in legal terms a volumetric equivalent of 4 m³km is introduced for 1 tkm. In practice, when writing a proposal, the modal shift of the light freight is first estimated in m³km and then divided by 4 to arrive at its tkm-equivalent, which is required for all key figures throughout the proposal (e.g. overview form). Such conversion is necessary for enabling easy comparison with projects of heavy goods.

Important note: Referring to chapter 6 of the main text “Specific Eligibility Criteria”, the envisaged road route from which freight is shifted by the action, i.e. the old “road” route, must be situated on the territory of at least two EU Member States or on the territory of at least one EU Member State and a close third country (see definitions in Appendix 1). However, since only costs arising on the territory of countries fully participating⁵¹ in the Marco Polo Programme may be subsidised by the Programme, also only that part of the route may be used in calculating the effective modal shift in tonnes-kilometres. This is of particular importance to modal shift actions when determining their maximum, theoretically possible Community financial assistance (i.e. by multiplying the effective modal shift by 1 EUR per 500 tkm as specified in chapter 4 “Financial Conditions”). Note that this upper limit applies to modal shift actions only.

⁵⁰ In first instance, common learning actions are not required to be concerned with a transport route. However, there are elements discussed in this chapter, such as environmental benefits, which could be also of relevance to this type of action.

⁵¹ Under this call these countries are the 25 EU Member States and the following third countries:
 - the EFTA-EEA Countries: Iceland, Liechtenstein and Norway; and
 - the Third Countries: Bulgaria, Croatia, Romania, Turkey and Andorra, subject to the timely conclusion of the related specific agreements between the EU and each of these countries for the Marco Polo Programme). The Marco Polo website will announce the conclusion of such agreements.

Formulae:

$$F_{old} = \sum_{Section=1}^i F_{old,i} = \sum_{Section=1}^i W_{old,i} * L_{old,i} \quad \text{with } F_{old(R)} \text{ being a subtotal including the road sections only}$$

$$F_{new} = \sum_{Section=1}^k F_{new,k} = \sum_{Section=1}^k W_{new,k} * L_{new,k} \quad \text{with } F_{new(R)} \text{ being a subtotal including the road sections only}$$

$$F_{shift} = F_{old(R)} - F_{new(R)}$$

$$S_{max} = r_{max} * C_{total} \quad \text{for all actions}$$

$$S_{limit} = F_{shift} * I \quad \text{for modal shift actions only}$$

Definitions:

C_{total}	[€]	total eligible cost of the action
F_{old}	[tkm]	total freight volume transported on the old “road” route
F_{new}	[tkm]	total freight volume transported on the new “modally-shifted” route
$F_{old,i}$	[tkm]	freight volume transported on a specific section of the old “road” route
$F_{new,k}$	[tkm]	freight volume transported on a specific section of the new “modally-shifted” route
$F_{old(R)}$	[tkm]	freight volume transported on the road sections of the old “road” route
$F_{new(R)}$	[tkm]	freight volume transported on the road sections of the new “modally-shifted” route
F_{shift}	[tkm]	modal shift realised by the action during the duration of the subsidy contract
I	[€/500 tkm]	subsidy intensity for modal shift actions (1 Euro per 500 tonne-kilometres)
$L_{old,i}$	[km]	length of a specific section of the old “road” route
$L_{new,i}$	[km]	length of a specific section of the new “modally-shifted” route
r_{max}	[%]	maximum subsidy rate, which is different for each type of action
S_{limit}	[€]	upper limit for the theoretically possible subsidy for modal shift actions
S_{max}	[€]	maximum subsidy due to the restriction induced by the combination of maximum subsidy rate with total eligible costs
$W_{old,i}$	[t]	weight of the freight that would have been transported on a specific section of the old “road” route during the duration of the subsidy contract
$W_{new,k}$	[t]	weight of the freight transported on a specific section of the new “modally-shifted” route during the duration of the subsidy contract

3. Environmental Benefits

Environmental benefits may have quantitative and qualitative elements.

3.1 Qualitative Benefits

Qualitative environmental benefits from the proposed action could be for instance, that the new “modally-shifted” route avoids heavily populated areas and/or natural resorts.

3.2 Quantitative Benefits

The environmental benefits calculation is based on a **comparison** and therefore calculated as the **difference between the relevant external costs for the old “road” route and those of the new “modally-shifted” route**. They shall be calculated by the method described below. In similarity to modal shift (chapter 2 of this appendix), also only benefits achieved on the territory of countries fully participating in the Marco Polo Programme may be used for this calculation.

Formulae:

$$C_{old} = \sum_{Section=1}^i C_{old,i} = \sum_{Section=1}^i e_{old,i} * F_{old,i} \quad \text{and} \quad C_{new} = \sum_{Section=1}^k C_{new,k} = \sum_{Section=1}^k e_{new,k} * F_{new,k}$$

$$B = C_{old} - C_{new}$$

$$R_S = B / S$$

$$R_T = B / F_{shift}$$

Definitions:

B	[€]	monetised environmental benefit
C _{old}	[€]	external cost of the old “road” route
C _{new}	[€]	external cost of the new “modally-shifted” route
e _{old,i}	[€/tkm]	mode-specific external cost applied to a specific section of the old “road” route
e _{new,k}	[€/tkm]	mode-specific external cost applied to a specific section of the new “modally-shifted” route
F _{old,i}	[tkm]	freight volume transported on a specific section of the old “road” route
F _{new,k}	[tkm]	freight volume transported on a specific section of the new “modally-shifted” route
F _{shift}	[tkm]	modal shift realised by the action over the duration of the subsidy contract
R _S	[-]	(dimensionless) environmental efficiency of the Community subsidy
R _T	[€/tkm]	environmental efficiency of the shifted traffic volume
S	[€]	actually requested Community subsidy

Table of Specific External Costs for the Environment (and to Society):

Mode of Transport	Specific External Costs e_{old} and e_{new}⁵² (€ per tonnes-kilometre)
Road	0,035
Short Sea Shipping ⁵³	0,009
Rail	0,015
Inland Waterway ⁵⁴	0,010

⁵² Specific external costs taken into account are noise, pollutants and climate costs as well as accidents, infrastructure and congestion as discussed in annex II of the explanatory memorandum of the Commission’s original proposal for the Marco Polo Programme COM(2002)54 final of 04.02.2002 on pages 31 to 33 (English version). Upon request from undertakings, business associations and ministries these original values have been updated already in the call 2004 and are just reproduced in the present call. The values given above are generated by an internal study of the EC based mainly on the external research projects UNITE and REALIZE with some additional input from transport associations. They reflect a compromise until a new large external study supported by the EC (DG Environment) is completed.

⁵³ Note that this external cost figure assumes fuel of average quality and emissions from average engine performance. However, in the evaluation it will be taken as a positive element in case high quality fuels with not more than 1.5% sulphur are used. In the present call usage of such environmentally friendly fuels is on a voluntary basis. It will also be taken as a positive element, if equipment to reduce NOx emissions is used.

⁵⁴ Note that this external cost figure assumes fuel of average quality and emissions from average engine performance. However, in the evaluation it will be taken as a positive element in case high quality fuels with not more than 0.0345% sulphur are used. In the present call usage of such environmentally friendly fuels is on a voluntary basis. It will also be taken as a positive element, if equipment to reduce NOx emissions is used.

Note: Specific external cost figures are valid for the whole of Europe.

3.3 Example

Let's imagine a modal shift action, where trucks would have been transporting in 3 years 300.000 tonnes of freight on a road route of 1.800 kilometres between A (being a port) and B (being close to port C). From B, freight is distributed to its final destinations over an average distance of 200 kilometres.

The long-haul road transport is shifted to short sea shipping between the ports A and C. The sea route length is 2.400 kilometres. The average distance between port C and the final destinations is now 250 kilometres. The old "road" route would have been running entirely on EU territory. The estimate of total eligible costs is 3 million Euros.

a) Calculation of modal shift and environmental benefits:

Old "road" route:

Two successive sections:

- 1. long haul (1.800 km, road)
- 2. distribution (200 km, road)

$$\begin{aligned}F_{old,1} &= L_{old,1} * W_{old,1} = 1.800 \text{ km} * 300.000 \text{ t} = 540.000.000 \text{ tkm} \\F_{old,2} &= L_{old,2} * W_{old,2} = 200 \text{ km} * 300.000 \text{ t} = 60.000.000 \text{ tkm} \\F_{old} &= F_{old,1} + F_{old,2} = 600.000.000 \text{ tkm}\end{aligned}$$

Thereof being road transport $F_{old(R)} = 600.000.000 \text{ tkm}$.

$$e_{old,1/2} = 0,035 \text{ €/tkm}$$

$$\begin{aligned}C_{old} &= F_{old,1} * e_{old,1} + F_{old,2} * e_{old,2} \\&= 540.000.000 \text{ tkm} * 0,035 \text{ €/tkm} + 60.000.000 \text{ tkm} * 0,035 \text{ €/tkm} \\&= 21.000.000 \text{ €}\end{aligned}$$

New "modally-shifted" route:

Two successive sections:

- 1. long haul (2.400 km, short sea shipping)
- 2. distribution (250 km, road)

$$\begin{aligned}F_{new,1} &= L_{new,1} * W_{new,1} = 2.400 \text{ km} * 300.000 \text{ t} = 720.000.000 \text{ tkm} \\F_{new,2} &= L_{new,2} * W_{new,2} = 250 \text{ km} * 300.000 \text{ t} = 75.000.000 \text{ tkm} \\F_{new} &= F_{new,1} + F_{new,2} = 795.000.000 \text{ tkm}\end{aligned}$$

Thereof being road transport $F_{new(R)} = 75.000.000 \text{ tkm}$.

$$e_{new,1} = 0,009 \text{ €/tkm}$$

$$e_{new,2} = 0,035 \text{ €/tkm}$$

$$\begin{aligned}C_{new} &= F_{new,1} * e_{new,1} + F_{new,2} * e_{new,2} \\&= 720.000.000 \text{ tkm} * 0,009 \text{ €/tkm} + 75.000.000 \text{ tkm} * 0,035 \text{ €/tkm} \\&= 9.105.000 \text{ €}\end{aligned}$$

Modal shift:

$$F_{shift} = F_{old(R)} - F_{new(R)} = 600.000.000 \text{ tkm} - 75.000.000 \text{ tkm} = 525.000.000 \text{ tkm}$$

Environmental benefits:

$$B = C_{\text{old}} - C_{\text{new}} = 21.000.000 \text{ €} - 9.105.000 \text{ €} = 11.895.000 \text{ €}$$

Hence, the environmental (& social) benefit for this example modal shift action would be 11,895 million €.

b) Calculation of final subsidy request:

$$F_{\text{shift}} = 525.000.000 \text{ tkm}$$

$$S_{\text{limit}} = 525.000.000 \text{ tkm} * (1 \text{ €} / 500 \text{ tkm}) = 1,050,000 \text{ €}$$

Hence, the (theoretical) upper limit for Community financial support given by the Marco Polo Programme would be 1,05 million Euros for this modal shift action.

$$r_{\text{max}} = 30 \%$$

$$C_{\text{total}} = 3.000.000 \text{ €}$$

$$S_{\text{max}} = 0,30 * 3.000.000 \text{ €} = 900.000 \text{ €}$$

Finally, the restriction through maximum subsidy rate and total eligible costs would allow the applicants to apply for a Marco Polo subsidy of up to 0,90 million Euros only. Since the subsidy may not exceed the deficit of the project demonstrated in the business plan, the applicants actually apply to the Marco Polo Programme for 0,80 million Euros subsidy only.

$$\underline{\underline{S = 800.000 \text{ €}}}$$

In the example the applicants actually request 0,80 million Euros only, because they otherwise would have made a profit during the duration of the EC subsidy⁵⁵ (see chapter 4 “Financial Conditions” of main call text).

c) Environmental Efficiency:

$$R_S = 11.895.000 \text{ €} / 800.000 \text{ €} = 14,9$$

$$R_T = 11.895.000 \text{ €} / 525.000.000 \text{ tkm} = 0,023 \text{ €/tkm}$$

In this example the environmental efficiency of the subsidy is 14,9 , meaning that for each Euro of subsidy spent, the benefits to society are 14,9 Euros. The environmental efficiency of the shifted traffic volume is 0,023 Euros per tonne-kilometre, meaning that society benefits with more than 2 Cents for each tonne of freight shifted away per kilometre off the old “road” route.

Important note: Further worked examples are available on the Marco Polo website (see chapter 13 “Secretariat for Information and Assistance” for address). In order to facilitate the correct calculation of the required figures the website additionally offers the Marco Polo Calculator.

⁵⁵ Other reasons for not requesting S_{max} could be availability of other public funding.

- I.1** Title of proposal:
- I.2** Acronym for proposal:
- I.3** Type of action applied for:
- I.4** Lead partner's full address:
- I.5** Contact person's name, full address, tel., fax and email:
- I.6** Other partners' names and countries:
- I.7** Project idea (max 2000 characters):
- I.8** Entire transport/logistics route (max 500 characters):
- I.9** New "modally-shifted" part of route (max 500 characters):
- I.10** Duration of EC subsidy D (months):
- I.11** Total modal shift during EC subsidy F_{shift} (tkm⁵⁷):
- I.12** Environmental benefits B (€):
- I.13** Total eligible cost of action C_{total} (€):
- I.14** EC subsidy requested S (€):
- I.15** Environmental efficiency R_S :

⁵⁶ See main text of call, chapter 11. "How to Prepare a Proposal", for explanations on how to complete this form.

⁵⁷ In the case of having chosen the volume equivalent option, please put the m³km and the equivalent tkm value.

Declaration by the Applicant Form

In accordance with Article 114 §2 on the award procedure of the Financial Regulation published in Official Journal L 248 of 16 September 2002 and in accordance with the detailed rules for implementation published in Official Journal L 357 of 31 December 2002, I declare on my honour that I am not in any of the following situations which would exclude me from participating in a grant award procedure:

- (a) I am not bankrupt, being wound up or having my affairs administered by the courts, I have not entered into an arrangement with creditors, I have not suspended business activities, I am not the subject of proceedings concerning any such matters, and I am not in any similar situation arising from a similar procedure provided for in legislation or regulations;
- (b) I have not been convicted of an offence concerning my professional judgement by a judgement which has the force of *res judicata*;
- (c) I have not been found guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) I have not failed to fulfil obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which I am established or with those of the country or the contracting authority or those of the country where the contract is to be performed;
- (e) I have not been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) as a consequence of another procurement or grant procedure financed by the Community budget, I have not been declared to be in serious breach of contract for failure to comply with my contractual obligations.

I undertake to provide, as soon as possible, documents in connection with points (a), (b), (d) and (e) at the request of the European Commission, failing which I expose myself to the risk of being definitively excluded from the procedure in accordance with Article 114 of the Financial Regulation and Articles 134 and 174 of the detailed rules for implementation.

I also confirm that this application for funding is not the subject of any other application for funding under the Community budget.

Done at on

Name:

Function:

Signature:.....