

Fighting congestion – optimising sustainable growth

How to maximise the socioeconomic return of the Marco Polo programme

The burden of congestion - how to keep goods flowing in Europe

The volume of transport in the EU rises each year faster than GDP. More than 10% of the road network and 20% of the rail network at present suffer from chronic congestion. The expected annual increase of international road freight is estimated at about 20.5 billion tkm for EU 25. This strong growth on Europe's roads means more traffic jams, longer and less reliable journey times for commuters, transporters and distributors, while waterways still have spare capacity.

Transport systems carry goods and people and are a driving force behind our economy. When traffic grinds to a halt, costs to business and society escalate. Ever-reducing mobility hits the competitiveness of enterprises and undermines economic growth. Traffic congestion also leads to infrastructure damage, to accidents, to health problems caused by air pollution, to increased CO₂ emissions affecting the EU targets on climate change and to less quality of life for citizens in the touched regions. Waterway transportation is congestion-free, in harmony with the landscape and sustainable in terms of safety and environmental impact.

Ambitious policy initiatives attacking the causes of congestion itself are required to reverse the current harmful trends and to lay the groundwork for promoting traffic avoidance and a shift to modes with lower environmental impacts such as inland waterways.

The Lisbon Strategy and the Sustainable Development Agenda go hand in hand

At the moment of renewing the Lisbon strategy of 2000 with an encompassing agenda to drive a dynamic economy with high social and environmental ambitions, the sustainable development strategy of 2001 finds itself reinforced to improve welfare and living conditions for present and future generations. Both strategies aim at an integration of goals and at creating win-win opportunities between economic activities, social cohesion and environmental protection.

The Marco Polo programme, providing support to commercial undertakings to start-up transport services shifting freight off the road to rail, short sea and inland shipping, is full part of these strategies. By proposing a substantially higher budget, the European Commission has given a strong signal about its willingness to curb congestion and its nuisances. Strengthening multimodal solutions is a key to enhance mobility and to carry goods in a sustainable way increasing the economic and social attractiveness of locations in Europe.

Getting the right incentives to correct unsustainable trends

An accurate analysis of the problem to be solved helps to create effective policy instruments. Understandably, the programme criteria of the European Commission focus on fewer and larger Marco Polo projects involving long distances and heavy goods for reasons of limited manpower to carry out evaluations. Congestion is however generally caused by a concentration of small and fragmented freight flows leading to high-density traffic in the access areas of economically important and densely populated regions. Big mass flows as targeted by the programme criteria are usually maritime flows, rather exceptionally continental flows.

Small and medium sized enterprises are responsible for a very important part of flows of goods inland Europe, both at the level of cargo owners and transport operators. As a matter of fact, SMEs form the backbone of the EU economy with a market share of 99%. How can these small and fragmented freight flows leading to high-density traffic on short distances be shifted off the roads? The transshipment costs involved in multimodal solutions such as transport by water, particularly high on short distances, deter cargo owners from changing modes. Enabling SME transporters such as barge operators to participate in the programme, helps them to convince clients to shift cargo off the road.

A targeted approach of SMEs will allow the Commission to attack existing congestion patterns and to attain a considerable higher modal shift under the revised programme than initially planned. Such an effective contribution to sustainable mobility would be an exemplary use of public money to increase at the same time citizens' quality of life and industry's competitiveness reliant on seamless supply chains. The strategic importance of sustainable mobility is too important to restrain the objectives of the programme to the Commission's staff capacity.

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There are a series of instruments to increase the outcome of the Marco Polo programme:

- a) **Finetune project criteria to cover the most acute congestion troubles** by facilitating the shift of road freight, including the growth market of high-value/lightweight goods, on short distances.
- b) **Lower the thresholds** to encourage the participation of SME transport operators and cargo owners.
- c) **Involve regional authorities to cluster single projects** since they have a strategic interest to decrease the nuisances caused by an excess of road traffic on inter-regional corridors and they can offer an important contribution to the Commission with assistance on the evaluation of projects.
- d) **Authorise co-financing for ancillary infrastructure in all shift actions** to commit partners more firmly to the shift project in the long term. Moreover, in several new EU countries and accession countries, transshipment facilities are in bad shape and upgrades are necessary to initiate modal shift projects.

Last but not least, the European Commission can further enhance the positive impact of the Marco Polo programme by authorising state aids from Member States for national and regional projects set up according to the same legal conditions.

Inland Navigation Europe (INE) is the European platform of national & regional waterway managers and promotion bureaux, established in 2000 with the support of the European Commission. INE sees major opportunities to contribute to long-term strategies for sustainable transportation by moving more goods by water in EU regions with accessible and navigable rivers and canals. To capture this business, INE members share their experience and know-how with enterprises ready to rethink their freight logistics.

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