

AMENDING THE MARCO POLO II PROGRAMME

Attention for small and micro enterprises

Proposal for amendments of COD 2008/239

27 February 2009

1. Proposal for change

Recital 7

<p>The participation by small enterprises in the Programme should be increased by allowing single undertakings to apply for funding and lowering the eligibility thresholds for proposals submitted by inland waterways transport companies.</p>	<p>The participation by small and micro enterprises in the Programme, as defined by Commission Recommendation 2003/361/EC, should be increased by allowing single undertakings to apply for funding and lowering the eligibility thresholds for proposals submitted by small and micro transport companies.</p>
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Although it is true that mainly inland waterway companies are concerned, it is legitimate to set the same thresholds for all small and micro companies to make sure there is no discrimination.

Recital 8

<p>The eligibility thresholds for proposals for funding should be lowered and expressed in terms of yearly tonne-kilometres shifted, except for Common Learning Actions. There is no further need for a specific threshold applying to Traffic Avoidance actions and a minimum project duration is established for this kind of projects and Catalyst and Motorways of the Sea projects.</p>	<p>The eligibility thresholds for proposals for funding should be lowered and expressed in terms of yearly tonne-kilometres shifted, except for Modal Shift Actions by micro enterprises and for Common Learning Actions. There is no further need for a specific threshold applying to Traffic Avoidance actions and a minimum project duration is established for this kind of projects and Catalyst and Motorways of the Sea projects.</p>
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The 1st year of a project is difficult for micro starters, therefore it is more appropriate to reach the threshold over the entire period of the project.

Annex 1, Articles 5(1)(a)-(b)-(c)-(d) : 2. Funding intensity and scope

<p>(a) ... The eligible costs related to ancillary infrastructure shall not be higher than 10% of the total eligible costs for the project.</p>	<p>The eligible costs related to ancillary infrastructure shall not be higher than 20% of the total eligible costs for the project.</p>
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Studiesⁱ have shown that the availability of transshipment locations for industries along rivers and canals is key to viable inland waterway transport. These facilities are often not available, are expensive to build but important to make a modal shift project work. National and regional aid programmes focusing on transshipment facilities also in practice meet an instant success, and provide authorities with a catalyst role to monitor and actively steer their own goals in terms of planning, mobility, sustainability and job creation.

Annex 1, Articles 5(1)(c): 4. Contract value threshold

<p>The minimum indicative subsidy threshold per modal shift action shall be 80 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement. Modal shift actions aiming at implementing a shift to inland waterways will be subject to a special threshold of 17 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement.</p>	<p>The minimum indicative subsidy threshold per modal shift action shall be 80 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement. Modal shift actions aiming at implementing a shift by small enterprises will be subject to a special threshold of 17 million tonne-kilometres or its volumetric equivalent of modal shift per year, to be implemented over the entire life of the subsidy agreement. Modal shift actions aiming at implementing a shift by micro enterprises will be subject to a special threshold of 25 million tonne-kilometres or its volumetric equivalent of modal shift per modal shift action</p>
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Although it is true that mainly inland waterway companies are concerned, it is legitimate to set the same thresholds not only for inland waterway projects, but for all small and micro companies to make sure there is no discrimination. The 1st year of a project is difficult for micro starters, therefore it is more appropriate to reach the threshold over the entire period of the project.

2. Right objectives, problematic instruments

In this period of economic downturn, it is paramount to encourage the transition to a competitive and green economy.

The European Commission definitely sets in its proposal positive steps to create a more effective Marco Polo programme by :

- better focusing on the many small enterprises in the transportation business which need more than big enterprises an effective access to capital for smart investments
- decreasing the eligibility thresholds to cover more types of freight journeys than long-distance hauls
- simplifying administrative procedures
- increase funding intensity from EUR1 to EUR2 per 500tkm shifted
- possibility of single undertaking

The Marco Polo programme is since its establishment problematic for inland waterway transport companies due to their different nature compared to rail and

ⁱ NEA 2008, Policy Research Corporation 2006.

short sea companies. First, inland waterway transport companies are by majority micro size enterprises operating on more short distance markets, which makes it very difficult to meet the high thresholds and deal with the administrative procedures involved.

The newly proposed threshold in the modal shift actions for inland waterway transport companies is representative for large and mature inland waterway transport companies and for those operating on longer distance markets (e.g. Danube market). It is however not representative for the majority of start-up projects which most need starter support.

We therefore expect the proposed changes by the European Commission will work for some major projects (grouping of operations) and for long distance markets (Danube), but we fear it will not lead to a jump increase of inland waterway transport projects in the Marco Polo programme as intended.

We would therefore advocate a separate inland waterway programme tailor made to the specific character and scale of the sector. We see in such an instrument an important case for ancillary infrastructure. Studiesⁱⁱ have shown that the availability of transshipment locations for industries along rivers and canals is key to viable inland waterway transport. Such favourable transport relations prevent expensive transshipments and pre/post truck hauls. National and regional aid programmes focusing on transshipment facilities also in practice meet an instant success, and provide authorities with a catalyst role to monitor and attain their own goals in terms of planning, mobility, sustainability and job creation. As those national and regional programmes lack most often a cross-border dimension, a European instrument could close this gap since 75% of all inland waterway transport movements cross borders.

3. Summary and proposal for change

- The newly proposed threshold by the European Commission in the modal shift action for inland waterway transport companies will work for some major projects (grouping of operations) and for long distance markets (Danube), which INE and its members will help to materialise.
- It will however not lead to a jump increase of inland waterway transport projects in the Marco Polo programme as intended since the newly proposed threshold is not representative for the majority of start-up projects which most need a starter's support.
- A separate European inland waterway instrument tailor made to the specific character and scale of the sector should be examined with an important case for ancillary infrastructure to close the gap with successful national and regional programmes which lack a cross-border dimension.

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ⁱⁱ NEA 2008, Policy Research Corporation 2006.