

# MARCO POLO II

## CALL FOR PROPOSALS 2011

### 1. OBJECTIVES OF THE PROGRAMME

Shifting the balance between transport modes to achieve a more sustainable development strategy has been at the heart of the European policy and notably since the Gothenburg European Council in 2001.

A shift from the road to more environmentally friendly modes was introduced by the European Commission in the 2001 White Paper<sup>1</sup> – ‘European transport policy for 2010: time to decide’ and maintained in its subsequent review<sup>2</sup> in 2006.

In its new White Paper<sup>3</sup> on the European Transport Policy, published in March 2011 the European Commission, amongst other goals, aims at optimising the performance of multimodal logistic chains, including by making more use of more energy-efficient modes. This should lead to shifting 30% of the road freight over 300 km to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050.

The support action engaged on that scheme ran with the first Marco Polo Programme<sup>4</sup> between 2003 and 2006 and after that period the European Union decided to extend its support to the economic operators with the Marco Polo II Programme<sup>5</sup> hereinafter called “the Programme”. A midterm review of the programme has taken place in order to increase its effectiveness. This resulted in a change to the legal basis<sup>6</sup>. The Programme aims at achieving a traffic shift or avoidance that is a substantial part of the expected yearly aggregate increase in international road freight traffic, measured in tonne-kilometres, to modes of transport with lower external costs in which road journeys are as short as possible.

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<sup>1</sup> White Paper - European transport policy for 2010: time to decide, COM(2001) 370 final, 12.09.2001

<sup>2</sup> Communication from the Commission to the Council and the European Parliament No. (2006) 314 final “Keep Europe moving - Sustainable mobility for our continent. Mid-term review of the European Commission’s 2001 Transport White Paper” - 22.06.2006.

<sup>3</sup> White Paper - Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system. COM/2011/0144 final, 28.3.2011

<sup>4</sup> 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.

<sup>5</sup> Regulation (EC) No. 1692/2006 of the European Parliament and of the Council of 24 October 2006 establishing the second “Marco Polo” programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (“Marco Polo II”), OJ L 328, 24.11.2006, p 1.

<sup>6</sup> Regulation (EC) No. 923/2009 of the European Parliament and of the Council of 16 September 2009 amending Regulation (EC) 1692/2006 establishing the second "Marco Polo" programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system ("Marco Polo II"), OJ L 266, 9.10.2009, p 1.

The programme is running between 2007 and 2013 with a global budget of €450 million and will be the subject of annual calls for project proposals.<sup>7</sup>

The programme proposes to support actions to reduce road congestion resulting from freight traffic, to improve the environmental performance of the transport system and to enhance intermodal transport, thereby contributing to a more efficient and sustainable transport system which will provide EU added value without having a negative impact on economic, social or territorial cohesion. It is specifically intended to help cover initial stage losses resulting from freight transport in new or enhanced intermodal services or resulting from freight traffic avoidance actions<sup>8</sup>.

The measures proposed under the Marco Polo Work Programme 2011 shall contribute to achievements of the EU goals for sustainable growth as established in the Europe 2020 Strategy.

In 2011, the programme supports five distinct types of action:

**(1) Modal shift actions**, which focus on shifting as much freight as economically meaningful under current market conditions from road to short sea shipping, rail or/and inland waterways. They may be proposing start-up of new services or significantly enhance existing services. They shall be robust but not necessarily innovative: just shift freight off the road!

**(2) Catalyst actions** change the way non-road freight transport is conducted in the European Union. Under this type of action, structural market barriers in European freight transport are overcome through a highly innovative concept: causing a real break-through. This is essentially done in three steps by applicants: first the barrier must be clearly defined, then a highly innovative solution presented, and finally a modal shift service of great growth potential for freight transport is proposed for timely implementation. Dissemination of results must be ensured within the duration of the EU grant.

**(3) Motorways of the sea actions** offering an integrated service, which shifts freight from long road distances to a combination of short sea shipping and other modes of transport. Actions of this kind are innovative at a European level in terms of logistics, equipment, products or services rendered, imply high quality and frequent transport services, move frequently very large volumes of freight and include preferably, the use of the most environmentally friendly transport modes, such as inland waterways and rail for hinterland freight transport and integrated door-to-door services. Dissemination of results must be ensured within the duration of the EU grant.

The Motorways of the Sea actions shall be consistent with the features of the Motorways of the Sea priority project defined in the framework of Decision no 661/2010 EU of the European Parliament and of the Council on Union Guidelines for the development of the trans-European transport network.

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<sup>7</sup> Undertakings do not have to wait until the call is published to prepare their proposals and to ask for advice from the Marco Polo Help Desk, but proposals can only be submitted when a Call is open.

<sup>8</sup> for details see Annex 3 to the Call text

**(4) Traffic avoidance actions** integrating transport into production logistics: reducing freight transport demand by road with a direct impact on emissions. Actions of this type shall be innovative and shall not adversely affect production output and production workforce. Dissemination of results must be ensured within the duration of the EU grant.

**(5) Common learning actions** enhance knowledge in the freight transport and logistics sector and foster advanced methods and procedures of co-operation in the freight market, with an overall objective of promoting intermodal solutions aiming at achieving modal shift or traffic avoidance. Under this type of action, improvement of co-operation and sharing of know-how is encouraged: training on how to cope efficiently and in a sustainable manner with increasingly complex transport and logistics solutions. Dissemination of results must be ensured within the duration of the EU grant.

**The Commission, together with the Executive Agency for Competitiveness and Innovation – hereafter EACI – which is in charge of the management of the Programme, hereby invites interested parties to submit proposals for Modal shift, Catalyst, Motorways of the sea, Traffic avoidance and Common learning actions.**

The following sections describe what is expected from potential applicants. Their proposals will first have to meet general and action-type specific eligibility and selection criteria as described in section 3, and will then be evaluated and ranked on their merits based on award criteria as described in section 4.

For the purpose of this call the definitions as mentioned in the Marco Polo II Regulation and its revision (mentioned in footnote 5 and 6) are repeated in Appendix 1. Please take them carefully into account.

## 2. FUNDING CONDITIONS

2.1. The Programme grant shall be conditioned as follows:

- (i) For Modal shift actions the grant will be limited to 35% of the total eligible costs necessary, and actually incurred, as described in Appendix 3. Ancillary infrastructure costs are eligible up to 20% of the total eligible costs. The grant will not amount to more than €2 (two Euro) for each shift<sup>9</sup> actually realised of 500 tonne-kilometres or 2000 cubic metre-kilometres (in case the volumetric equivalent is used) from road to any other land or water modes. This indicative amount could be adjusted, in particular, in accordance with the quality of the action or the real environmental benefit obtained.
- (ii) For Catalyst actions, the grant will be limited to 35% of the total eligible costs necessary, and actually incurred, as described in Appendix 3. Ancillary infrastructure costs are eligible up to 20% of the total eligible costs. The grant will not amount to more than €2 (two Euro) for each shift<sup>10</sup> actually realised of 500 tonne-kilometres or 2000 cubic-metre-kilometres (in case the volumetric

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<sup>9</sup> The shift will include the goods transported, the intermodal transport unit plus the road vehicle, including empty intermodal transport units and empty road vehicles effectively loaded and unloaded at the beginning and the end of the multimodal journey, if these are shifted off the road too.

<sup>10</sup> The shift will include the goods transported, the intermodal transport unit plus the road vehicle, including empty intermodal transport units and empty road vehicles, effectively loaded and unloaded at the beginning and the end of the multimodal journey, if these are shifted off the road too

equivalent is used) from road to any other land or water modes. This indicative amount could be adjusted, in particular, in accordance with the quality of the action or the real environmental benefit obtained.

- (iii) For Motorways of the sea actions, the grant will be limited to 35% of the total eligible costs necessary, and actually incurred, as described in Appendix 3. Ancillary infrastructure costs are eligible up to 20% of the total eligible costs. The grant will not amount to €2 (two Euro) for each shift<sup>11</sup> actually realised of 500 tonne-kilometres or 2000 cubic-metre-kilometres (in case the volumetric equivalent is used) from road to any other land or water modes. This indicative amount could be adjusted, in particular, in accordance with the quality of the action or the real environmental benefit obtained.
  - (iv) For Traffic avoidance actions, the grant will be limited to 35% of the total eligible costs necessary, and actually incurred, as described in Appendix 3. Ancillary infrastructure costs are eligible up to 20% of the total eligible costs. The grant will not amount to more than €2 (two Euro) for each avoidance<sup>12</sup> actually realised of 500 tonne-kilometres or 2000 cubic-metre-kilometres (in case the volumetric equivalent is used) or 25 vehicle kilometres<sup>13</sup> of road freight. This indicative amount could be adjusted, in particular, in accordance with the quality of the action or the real environmental benefit obtained.
  - (v) For Common learning actions it will be limited to 50% of the total eligible costs necessary and actually incurred.
- 2.2. The action shall start between 1<sup>st</sup> July 2010 and 1<sup>st</sup> July 2013; however **only costs incurred after the date of submission of an application shall be eligible** for European Union financial assistance. Similarly, only modal shift, traffic avoidance and any other deliverables produced after the date of submission of an application shall be eligible. No grant may be awarded retrospectively for actions already completed.
- 2.3. The grant shall under **no** circumstances have the purpose or the effect of producing a **profit** for the beneficiary. The action may not produce an overall profit during the entire duration of the grant. This does not rule out periodic profit over the course of the action, provided the overall balance remains negative.
- 2.4. All requests for European Union financial assistance shall be made in EURO.
- 2.5. Should a pre-financing payment be requested, a bank guarantee will have to be provided.
- 2.6. The Commission may award a smaller grant than the amount requested by the applicant. Grants will not be awarded for more than the amount requested.

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<sup>11</sup> The shift will include the goods transported, the intermodal transport unit plus the road vehicle, including empty intermodal transport units and empty road vehicles, effectively loaded and unloaded at the beginning and the end of the multimodal journey, if these are shifted off the road too

<sup>12</sup> The avoidance will include the vehicle-kilometres generated by empty or loaded truck movements.

<sup>13</sup> The measure of vehicle-kilometres is needed to account for actions reducing empty runs or increasing load factors. These might not avoid tonne-kilometres but lead to less vehicles on the road.

- 2.7. Eligible costs for a Marco Polo II grant may not be funded by another EU-scheme. However, the grant may be given in addition to other legitimate<sup>14</sup> public funding as long as the combined public grant (for the part of the project financed by the Programme) is below the maximum grant rate of eligible costs highlighted above in 2.1 (i) to (v).
- 2.8. Without prejudice to the application of Directive 2004/18/EC, where implementation of the assisted actions requires the award of procurement contracts (subcontracting), beneficiaries of grants shall award the contract to the tender offering best value for money, that is to say, to the tender offering the best price-quality ratio, while taking care to avoid any conflict of interest.
- 2.9. Except for applications submitted by a single undertaking, a Joint<sup>15</sup> Letter of Intent shall be signed by all members of the consortium<sup>16</sup> participating in the project, stating their commitment and role in the project, and authorising the lead partner to represent them for submitting the proposal and interacting with the Commission services. See Appendix 2, Form I.4.
- 2.10. The grants awarded will be covered by a written agreement between EACI and the successful applicants, which will be subject to an ex-post external financial audit of the expenses planned and incurred. They will be also subject to an external audit of the tonne-kilometres shifted or vehicle-kilometres avoided together with its calculation procedure, in the particular cases of modal shift, catalyst, motorways of the sea and traffic avoidance actions.

### 3. ELIGIBILITY AND SELECTION CRITERIA

The following eligibility criteria define the scope of the call and apply to all five types of actions – Modal shift, Catalyst, Motorways of the sea, Traffic avoidance and Common learning.

#### 3.1. General eligibility criteria

- E1. **Uniqueness:** the type of action for which a project is proposed must be clearly specified by the applicant. Each proposal can only apply for one type of action: there can be no mixing of action types for the same proposal.
- E2. **Transport Services:** the proposal must concern transport **services** or logistics concepts in the market place, i.e. infrastructure, research or study projects are not eligible.

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<sup>14</sup> Please refer to State Aid rules (as mentioned in article 7 of the Marco Polo II regulation as amended).

<sup>15</sup> This may take the form of identical letters of intent signed separately by the undertakings participating in the project.

<sup>16</sup> Subcontractors are not members of the consortium and are therefore not required to submit a Letter of Intent but this may be an advantage.

- E3. European Dimension - Undertakings:** an action can be submitted by either a single undertaking or by a consortium of undertakings established in any EU Member State or fully participating country<sup>17</sup>. In case of actions submitted by consortia, one undertaking should be identified as the lead partner. The lead partner must be established in an EU Member State or in a fully participating country. An undertaking from a close third country may also be involved as an associated partner (not as a lead partner) to a project<sup>18</sup>. Actions shall involve the territory of at least two Member States or the territory of at least one Member State and a fully participating country/close third country.
- E4. European Dimension - Cost:** the budget will only finance costs<sup>19</sup> arising on the territories of the European Union or fully participating countries<sup>20</sup>. Legal or natural persons established outside these countries cannot be the recipients of European Union funds under this call in a capacity of project partner. Their costs shall not be eligible. Furthermore, subcontracting to legal or natural persons established outside these countries shall be duly justified in view of the technical and economic necessity and may not be used to circumvent the eligibility rules applicable to project partners<sup>21</sup>.
- E5. Type of Legal Entity:** all project participants must be legal persons. They must be privately or publicly owned commercial undertakings. Public law entities engaged in economic activities in accordance with their national laws are entitled to participate. Natural persons are not eligible. Project partners must prove the status of being a commercial undertaking, for instance by providing a VAT number or being listed in the commercial register.
- E6. Start-up of action:** the action must start the proposed service or activity between 1 July 2010 and 1 July 2013. No grant may be awarded retrospectively for actions already completed.

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<sup>17</sup> The programme is open to participation by countries which are candidates for accession to the European Union. Participation shall be governed by the conditions laid down in the Association Agreements with those countries, and on the basis of the rules laid down in the decision of the Association Council for each country concerned. The programme is also open to participation by EFTA and EEA countries and close third countries, on the basis of supplementary appropriations in accordance with procedures to be agreed with those countries. Currently, in the programme, fully participating countries are: Croatia (the candidate for accession to the EU) and Norway, Iceland and Liechtenstein (EEA countries).

<sup>18</sup> Close third country means any country not a member of the European Union with a common border with the European Union or with a coastline on a closed or semi-closed sea neighbouring the European Union. It is to be noticed that the achievements of an associated partner from a close third country in terms of modal shift/traffic avoidance and costs incurred will not be eligible (see also Article 4 of Regulation (EC) No 1692/2006 of the European Parliament and of the Council of 24 October 2006 establishing the second "Marco Polo programme)

<sup>19</sup> In practical terms this means that the planned route has to be located on the territory of an EU Member State or a fully participating country, in order for these costs to be eligible under a Marco Polo II contract. It is to be noticed that the achievements of an associated partner from a close third country in terms of modal shift/traffic avoidance or costs incurred will not be eligible.

<sup>20</sup> Croatia and EEA countries (Norway, Iceland and Liechtenstein)

<sup>21</sup> In cases where these conditions are satisfied (in addition to the cost eligibility criteria as mentioned in Appendix 3 to the Call of Proposals), the costs of subcontracting shall be eligible

### **3.2. Specific Eligibility Criteria**

All projects submitted for financing will have to comply **simultaneously** with all the corresponding eligibility criteria per type of action mentioned below:

#### ***3.2.1. Modal shift actions***

MOD1. **Route:** The envisaged route, from which transport is shifted by the action, must involve the territory of at least two EU Member States/other fully participating countries or the territory of at least one EU Member State/fully participating country and a close third country. Modal shift shall take place on the territory of at least one EU Member State or a fully participating country.

MOD2. **Duration:** The action achieves its objectives within a period of a minimum of 24 months and a maximum of 36 months.

MOD3. **Threshold:** The minimum modal shift proposed by the action shall be an average of 60 million tonne-kilometres, or its volumetric equivalent, per year. In the specific cases of projects aiming at:

a) modal shift from road to inland waterways only, the minimum modal shift proposed by the action shall be an average of 13 million tonne-kilometres, or its volumetric equivalent, per year;

b) modal shift from road to Single Wagon Load (SWL) traffic only, the minimum modal shift proposed by the action shall be an average of 30 million tonne-kilometres, or its volumetric equivalent, per year<sup>22</sup>;

MOD4. **Competition:** actions will not lead to distortions of competition<sup>23</sup> in the relevant markets, in particular between transport modes alternative to road transport alone or within each mode, contrary to the common interest.<sup>24</sup>

Exclusively for maritime proposals<sup>25</sup> an additional assessment of the market situation and the related risks of undue distortion of competition is introduced in the proposals' evaluation process.<sup>26</sup>

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<sup>22</sup> See the political priority for SWL traffic as referred to in section 4.3 of the Marco Polo Work Programme 2011

<sup>23</sup> as provided in point 1 of the Annex to the Marco Polo II Regulation

<sup>24</sup> Modal shift figures must result from traffic diverted from the road and not from existing maritime, rail or inland waterway services. The verification of the modal shift figures and of the origin of the traffic diverted is subject to ex-ante and ex-post controls and/or audits.

<sup>25</sup> Relevant only for Short Sea Shipping (SSS) – type of projects or for multi-modal projects where the maritime component is predominant in terms of realised modal shift

<sup>26</sup> See Section 2 of the Marco Polo Work Programme 2011

### 3.2.2. Catalyst actions

- CAT1. **Route:** The envisaged route, from which transport is shifted by the action, must involve the territory of at least two EU Member States/other fully participating countries or the territory of at least one EU Member State/fully participating country and a close third country. Modal shift shall take place on the territory of at least one EU Member State or a fully participating country.
- CAT2. **Duration:** The action achieves its objectives within a period of a minimum of 36 months and a maximum of 60 months.
- CAT3. **Threshold:** The minimum modal shift proposed by the action shall be an average of 30 million tonne-kilometres, or its volumetric equivalent, per year.
- CAT4. **Competition:** actions will not lead to distortions of competition<sup>27</sup> in the relevant markets, in particular between transport modes alternative to road transport alone or within each mode, contrary to the common interest.<sup>28</sup>

Exclusively for maritime proposals<sup>29</sup> an additional assessment of the market situation and the related risks of undue distortion of competition is introduced in the proposals' evaluation process.<sup>30</sup>

### 3.2.3. Motorways of the sea actions

- MOS1. **Route:** The envisaged route, from which transport is shifted by the action, must involve the territory of at least two EU Member States/other fully participating countries or the territory of at least one EU Member State/fully participating country and a close third country. Modal shift shall take place on the territory of at least one EU Member State or a fully participating country.

The Motorways of the Sea actions shall be consistent with the features of the Motorways of the Sea priority project defined in the framework of Decision no 661/2010/EU of the European Parliament and of the Council on Union Guidelines for the development of the trans-European transport network<sup>31</sup>. Therefore, regarding projects within the EU, only those relating to the category A ports as defined in Article 12(2) of the said Decision (i.e. ports with a total annual traffic volume of not less than 1,5 million tonnes of freight or 200.000 passengers) will be eligible to Marco Polo funding under the Motorways of the Sea actions.

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<sup>27</sup> as provided in point 1 of the Annex to the Marco Polo II Regulation

<sup>28</sup> Modal shift figures must result from traffic diverted from the road and not from existing maritime, rail or inland waterway services. The verification of the modal shift figures and of the origin of the traffic diverted is subject to ex-ante and ex-post controls and/or audits.

<sup>29</sup> Relevant only for Short Sea Shipping (SSS) – type of projects or for multi-modal projects where the maritime component is predominant in terms of realised modal shift

<sup>30</sup> See Section 2 of the Marco Polo Work Programme 2011

<sup>31</sup> OJ L 228, 9.9.1996, p.1.

MOS2. **Duration:** The action achieves its objectives within a period of a minimum of 36 months and a maximum of 60 months.

MOS3. **Threshold:** The minimum modal shift proposed by the action shall be an average of 200 million tonne-kilometres, or its volumetric equivalent, per year.

MOS4. **Competition:** actions will not lead to distortions of competition<sup>32</sup> in the relevant markets, in particular between transport modes alternative to road transport alone or within each mode, contrary to the common interest.<sup>33</sup>

Exclusively for maritime proposals<sup>34</sup> an additional assessment of the market situation and the related risks of undue distortion of competition is introduced in the proposals' evaluation process.<sup>35</sup>

#### **3.2.4. Traffic avoidance actions**

TAV1. **Route:** The envisaged route, from which transport is avoided by the action, must involve the territory of at least two EU Member States/other fully participating countries or the territory of at least one EU Member State/fully participating country and a close third country. Traffic avoidance shall take place on the territory of at least one EU Member State or a fully participating country..

TAV2. **Duration:** The action achieves its objectives within a period of a minimum of 36 months and a maximum of 60 months.

TAV3. **Threshold:** The minimum traffic avoidance proposed by the action shall be an average of 4 million vehicle-kilometres or 80 million tonne-kilometres per year.

TAV4. **Competition:** actions will not lead to distortions of competition<sup>36</sup> in the relevant markets, in particular between transport modes alternative to road, contrary to the common interest.

TAV5. **Use of the EU grant:** European Union financial assistance for traffic avoidance actions must not be used to support business or production activities which bear no direct relation to transport or distribution, and should not adversely affect production output or workforce.<sup>37</sup>

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<sup>32</sup> as provided in point 1 of the Annex to the Marco Polo II Regulation

<sup>33</sup> Modal shift figures must result from traffic diverted from the road and not from existing maritime, rail or inland waterway services. The verification of the modal shift figures and of the origin of the traffic diverted is subject to ex-ante and ex-post controls and/or audits.

<sup>34</sup> Relevant only for Short Sea Shipping (SSS) – type of projects or for multi-modal projects where the maritime component is predominant in terms of realised modal shift

<sup>35</sup> See Section 2 of the Marco Polo Work Programme 2011

<sup>36</sup> As provided in point 1 of the Annex to the Marco Polo II Regulation

<sup>37</sup> As provided in points 1 and 2 of the Annex to the Marco Polo II Regulation

### ***3.2.5. Common learning Actions***

LEA1. **Duration:** The action achieves its objectives within a period of a maximum of 24 months.

LEA2. **Threshold:** The minimum grant threshold per action is €250,000.

LEA4. **Competition:** actions will not lead to distortions of competition<sup>38</sup> in the relevant markets, in particular between transport modes alternative to road transport alone or within each mode, contrary to the common interest.

### **3.3. Grounds for exclusion**

Applications will not be considered for an EU grant if the applicants are in one of the situations which are described in Annex 5. Applicants must certify in the declaration form I.2, provided in Annex 2 that they are not in one of these situations.

### **3.4. Selection criteria**

#### ***S.1. Financial Capacity of Applicants***

Applicants must be legally constituted and registered in conformity with their national law and/or European law. They, acting alone or in a consortium, must have the financial capacity to give confidence in the action to be supported. Evidence of this requirement should be provided with audited non-consolidated financial statements of the legal entity requesting the grant.

The last available financial statements of at least one of the project partners should show the minimum values for the following two ratios: (1) Current assets/current liabilities >0.75, (2) Total EU grant/Equity <1.

#### ***S.2. Technical Capacity of Applicants***

Applicants must have the technical and operational capacity to complete the action to be supported and should justify it with appropriate supporting documents. This capacity shall be supported with evidence of at least a 5-year experience by the applicants in the commercial and business area where the project will be implemented or with evidence of at least 5-year experience of their directly involved employees<sup>39</sup> in the commercial and business area where the project will be implemented. Documentary evidence of this requirement shall be provided with company records and CVs.

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<sup>38</sup> as provided in point 1 of the Annex to the Marco Polo II Regulation

<sup>39</sup> Staff covered by employment contracts with the applicant and registered on the payroll of the legal entity.

## 4. AWARD CRITERIA

### 4.1. Generalities

Proposals will be evaluated according to the type of action proposed (see Appendix 4) in an internal evaluation with the help of external experts. All evaluators will have to sign a declaration of confidentiality and absence of conflict of interest.

The Commission will base its selection of actions and the rate of European Union financial assistance on the eligible written proposals submitted by applicants complying with the above-mentioned selection criteria. The proposals having reached a total score of at least 60 points, the minimum threshold for each criterion (as required in Appendix 4) and having the highest total score shall be considered for European Union financial aid<sup>40</sup> (initial ranking), within the limit of the available budget. The total score obtained by the proposals shall include the additional extra points as referred to in sections 4.3, 4.6 and Appendix 4.

The final ranking of proposals shall be established following the assessment which proposals meet the criteria established for political priorities set out in the work programme<sup>41</sup>:

4.1.1 Positively evaluated SSS – based proposals<sup>42</sup> presented with the objective of using services which implement innovative technologies or operational practices which significantly reduce polluting emissions of maritime transport; namely the use of low sulphur fuels<sup>43</sup> (priority will be given to those projects which will implement fuel with lower percentage of sulphur content than the one legally binding at the moment of the submission of the proposal and during the implementation of the action, and no more than 0,1% for the SECAs and 0,5% for other areas) or the use of emissions abatement measures with equivalent effect such as the LNG powered vessels, of vessels operating scrubber technologies for the cleaning of exhaust emissions or of vessels using shore side electricity, will have a preference over the rest of successful proposals for up to 10% of the available budget for the call 2011.

4.1.2 Positively evaluated proposals presented with the objective of shifting freight transport from roads to Inland Waterways only will have a preference over the rest of successful proposals for up to 10% of the available budget for the call 2011.

The applicants must demonstrate the credibility and viability of their proposal to maintain the proposed activities throughout the project period, and beyond. This will require documenting the features described in the following sections 4.2. to 4.8.

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<sup>40</sup> On the condition that the project has passed all eligibility, selection, exclusion and selection criteria

<sup>41</sup> See the political priority targets set out in section 4 of the Marco Polo Work Programme

<sup>42</sup> Submitted under Modal shift actions, Catalyst actions or Motorways of the sea actions.

<sup>43</sup> According to the Council Directive 1999/32/EC of 26 April 2009 relating to a reduction in the sulphur content of certain liquid fuels and amending Directive 39/12/EEC, the legally binding limit of sulphur for all bunker oil on board ships is 1,5% for the Sulphur Emission Control Areas (SECA) and 4,5% for other areas. According to the proposed amendments of the Directive 1999/32/EC and Revised MARPOL Annex VI, the legally binding limits of sulphur for all bunker oil on board ships will be 0,1% (effective January 2015) for SECA areas and 0,5% (effective January 2020) for other areas.

## **4.2. Quantity of freight shifted off the road or quantity of road traffic avoided**

This criterion requires a clear definition and presentation of both the old “road”-route and the new “modally shifted”-route for Modal shift, Catalyst and Motorways of the sea actions.

In a Modal shift, Motorways of the sea or Catalyst 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.

Common learning actions are not required to be concerned with a transport route.

For Traffic avoidance actions a clear definition and presentation of the old and new transport service (route, number of trucks, number of tonne-kilometres and number of vehicle-kilometres) are obligatory.

In a Traffic avoidance action, first the “old” transport service should be described: number of trucks, tonnes transported, different journeys and corresponding distances driven. Then the concept used to avoid traffic should be introduced and the corresponding “new” service resulting in a net decrease of vehicle-kilometres or tonne-kilometres.

### ***4.2.1. Modal shift***

The effected Modal shift in a Modal shift, Motorways of the sea or Catalyst action is to be measured in tonne-kilometres.

As an **alternative for light goods** the volume equivalent “freight tonnes” measured in  $m^3$  may be used by the applicant. This means, that **4 cubic metre–kilometres ( $m^3km$ ) 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-kilometres case<sup>44</sup>. The choice of basic unit  $m^3km$  or tkm must be clearly specified by the applicant. The volumetric equivalent can only be used in case actual goods are transported; in the case of transport of empty loading units and empty packaging, the volumetric equivalent cannot be used.

### ***4.2.2. Traffic avoidance***

The effected traffic avoidance is measured in vehicle-kilometres (or tonne-kilometres or its volumetric equivalent)<sup>45</sup>. This is measured in comparing the new quantity of road transport versus the old one.

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<sup>44</sup> see the Marco Polo calculator available on the Marco Polo website: [http://ec.europa.eu/transport/marcopolo/getting-funds/application-packs/2011/index\\_en.htm](http://ec.europa.eu/transport/marcopolo/getting-funds/application-packs/2011/index_en.htm)

<sup>45</sup> see the Marco Polo calculator available on the Marco Polo website: [http://ec.europa.eu/transport/marcopolo/getting-funds/application-packs/2011/index\\_en.htm](http://ec.europa.eu/transport/marcopolo/getting-funds/application-packs/2011/index_en.htm)

### **4.3. Environmental benefits and external costs savings**

Environmental benefits and external costs savings have quantitative and qualitative elements and they must be thoroughly described and justified.

The qualitative environmental and external costs savings from the proposed action could be, for instance, that the new “modally-shifted” route avoids sensitive and congested areas and/or natural resorts or that the “new” concept in a Traffic avoidance action leads to less road congestion in densely populated areas. A maximum of two extra points will be awarded to a proposal achieving qualitative environmental and external costs savings by avoiding nature protection or sensitive areas and/or areas with heavily congested roads.

Other benefits may result from the use of clean fuels or abatement techniques on ships. A maximum of further three extra points will be awarded to a proposal implementing innovative technologies or operational practices which significantly reduce polluting emissions of maritime transport, such as the use of low sulphur fuels, of LNG powered vessels, of vessels operating scrubber technologies for the cleaning of exhaust emissions or of vessels using shore side electricity. The quantitative environmental benefits and external costs savings calculation is based on a comparison of the relevant external costs for the old “road”-route with the new “modally shifted”-route respectively “old” transport service with the “new” concept of traffic avoidance. Only benefits achieved on the territory of EU Member States and other countries fully participating in the Marco Polo Programme may be used for this calculation.

Details on how to calculate and present qualitative and quantitative environmental and other external costs savings are provided in the methodological guidance accompanying the Marco Polo calculator available on the Marco Polo website: [http://ec.europa.eu/transport/marcopolo/getting-funds/application-packs/2011/index\\_en.htm](http://ec.europa.eu/transport/marcopolo/getting-funds/application-packs/2011/index_en.htm). Note, that these calculations are an essential element for a proposal submitted to this call.

### **4.4. Credibility of the action**

The market research or feasibility study results and a business plan coherent with the action described, are vital elements to judge the credibility of the proposal as well as the likely utilisation of the service in terms of potential customers (supported by letters of intent, or even better, letters of commitment), presentation of business objectives etc. When applicable, a proper analysis of the service's competitiveness compared to existing road operators should be provided, covering at least a comparison of costs and travel times.

Assessment of credibility of the action will also cover relevance, credibility and appropriateness of the envisaged route, from which transport is shifted by the action<sup>46</sup> in the context of actual project's objectives<sup>47</sup>.

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<sup>46</sup> As stipulated under Section 3.2

<sup>47</sup> This aims at reducing a possibility of abuse e.g. artificially designing the route only to satisfy eligibility criteria

The business plan of every action has to contain a credible and justified financing plan, clearly differentiating eligible and non-eligible costs as well as revenues (see Appendix 3).

#### **4.5. Viability of the action**

All actions should be sustainable beyond the project duration. This should be clearly demonstrated in a solid business plan, including clear profit and loss projections.

#### **4.6. Innovative approach**

All actions (except Modal shift actions) have to be innovative (cf. Appendix 1). For Catalyst actions and Motorways of the Sea actions, a maximum of two extra points can be awarded to complex, tri-modal proposals integrating in individual logistic chains jointly both rail and maritime/inland waterway modes of transport.

For Motorways of the Sea actions, the innovative approach can concern aspects such as innovative deployment of environmentally-friendly technologies, targeting of new markets or new types of services in existing markets or the degree of integration of the maritime link into the overall door-to-door transport chain, for instance through the availability of integrated tracking and tracing, of a single electronic window for the exchange of information between the service providers and users concerned by the Motorways of the Sea, of a one stop-shop for administrative issues, of a single liability regime covering the whole intermodal chain, coordination of timetables, common marketing and single invoicing.

#### **4.7. Dissemination plan**

For all actions (except for Modal shift actions) the results and methods shall be disseminated based on a concrete and detailed dissemination plan highlighting also the Marco Polo programme and the financial aid received.

#### **4.8. European added value – Improvement of co-operation, sharing of know-how**

This criterion is only applicable to Common learning actions and covers the European dimension of the action, the target groups to be trained or reached, the cooperation among the stakeholders and the sharing of know-how. The added value of the action should be demonstrated through a proper analysis of the situation in the sector and any potential shortcomings the action would contribute to correct.

### **5. HOW TO PREPARE A PROPOSAL**

Applications must be submitted according to the structure given separately for each type of action in Appendix 2. A mixing of action types in a single proposal is not allowed (see section 4 “General Eligibility Criterion” E1).

## 6. HOW TO SUBMIT A PROPOSAL

The proposal will be submitted as follows:

For each application, the applicant must supply **one signed and clearly identifiable original, five copies and an electronic copy on CD-ROM which contains the parts I and II preferably in Word format, together with the "Marco Polo calculator" Excel File.**

It is the responsibility of applicants to ensure that original and copies are identical and complete and that applications are sent to the address indicated in the call for proposals. The Commission cannot be held responsible for wrongly addressed applications. If necessary, applicants must be able to present proof of postage.

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

Photocopies of supporting documents can be forwarded at this stage of the procedure. Originals may be needed later for any financial statements during the contract negotiation phase in view of signing a possible grant agreement with the European Commission.

Applications may be submitted:

- (a) either **by registered letter or courier service<sup>48</sup>** postmarked **no later than the closing date for submission** (see section 9 “Timetable”)<sup>49</sup>, with the following address on the outer envelope:
- (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)<sup>50</sup> at the following address mentioned on the outer envelope:

**European Commission  
Executive Agency for Competitiveness and Innovation - EACT<sup>51</sup>  
Ref.: Marco Polo II Programme – Call 2011  
Courier Central  
avenue du Bourget 1  
BE-1140 Brussels**

**by 16h00** (Brussels time) **on the closing date for submission** (see following section 9 “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.

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<sup>48</sup> Note, that 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 kept by the applicant as proof of submission.

<sup>49</sup> This means that if the proposal is sent 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.

<sup>50</sup> **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!).

<sup>51</sup> The Evaluation of the proposals and the contract management are being handled by the Agency as from 1<sup>st</sup> March 2008

**Applications received by the EACI after the closing date and time will not be taken into consideration.**

**Applications may not be delivered to the Directorate-General for Mobility and Transport nor to the EACI (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 (*written in English and/or French and the applicant's language*):

### **Call for Proposals**

***No DGMOVE/D1/SUB/176-2011***

### **Marco Polo II Programme**

**NOT TO BE OPENED BEFORE THE OPENING SESSION**

Executive Agency for Competitiveness and Innovation

Covent Garden Building

Place Rogier 16

BE-1210 Brussels

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, applicants should send at the same time the completed Project Overview Form (part I of the full proposal) by email to the secretariat given in section 7 to announce the submission.**

## **7. SECRETARIAT FOR INFORMATION AND ASSISTANCE**

**Applications should not be delivered to this address (see previous section).** This address is reserved for information and assistance provided by the Marco Polo Help Desk. The Marco Polo Help Desk is available for any questions related to the Marco Polo II Programme. The Help Desk cannot however give a qualitative assessment of a proposal or its potential for being selected.

**EACI - Marco Polo Help Desk**  
**Executive Agency for Competitiveness and Innovation**

Marco Polo Unit

**Ref.: Call for Proposals 2011**

Covent Garden Building

Place Rogier 16

BE-1210 Brussels

Tel: (32-2) 2950924

Fax: (32-2) 2979506

E-mail: [ecaci-marco-polo-helpdesk@ec.europa.eu](mailto:ecaci-marco-polo-helpdesk@ec.europa.eu)

Internet: [http://ec.europa.eu/transport/marcopolo/index\\_en.htm](http://ec.europa.eu/transport/marcopolo/index_en.htm)

## 8. TIMETABLE

<b>Closing date for submission of applications</b>	<b>16 January 2012</b>
Date of opening of applications	February 2012
Estimated date for Report on Evaluation by Evaluation Committee	May 2012
Estimated date of notification of applicants & start of contract negotiations	June 2012
Estimated date for signature of contracts	Third quarter 2012

## APPENDICES

1. DEFINITIONS
2. HOW TO PREPARE THE PROPOSAL
3. HOW TO CALCULATE THE GRANT; ELIGIBLE COSTS, INCLUDING FINANCING OF ANCILLARY INFRASTRUCTURE
4. DEFINITION OF THE AWARD CRITERIA FOR THE DIFFERENT ACTIONS
5. GROUNDS FOR EXCLUSION AND RELATED ADMINISTRATIVE AND FINANCIAL PENALTIES