



Evaluation of the Marco Polo Programme (2003- 2006)

Framework Contract for Mid-term and
Ex-post evaluations (Lot2- reference:
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Final Report

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Executive summary

Background

In its White Paper - European Transport Policy for 2010: time to decide¹, the Commission proposed to take measures which should make the market shares of the modes of transport return, by 2010, to their 1998 levels. It was necessary to establish the "Marco Polo Programme", to reduce road congestion, 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 Marco Polo Programme supports actions in the freight transport, logistics and other relevant markets that 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.

The overall duration of Marco Polo was initially set from 2003 to 2010, the first term ending in 2006. The overall budget of the first Marco Polo Programme 2003-2006, being referred to as MP I, is € 102 million. In July 2004, the European Commission submitted to the European Parliament and the Council a proposal for a Regulation for the second Marco Polo Programme covering the period 2007-2013, being referred to as MP II. The MP II² Regulation entered into force on 14 December 2006 and repealed MP I Regulation³. The new Regulation was backed by an extensive ex-ante evaluation and foresees a further extension of the programme in budget and scope.

As stated in Article 14.2 of the MP II Regulation, the MP I Programme has to undergo an evaluation. This report presents the outcome of that evaluation. The Regulation states that the evaluation report "on the results achieved by Marco Polo Programme for the period 2003-2006" shall be submitted by 30 June 2007. The Regulation also states that 'if this report reveals a need to adjust the Marco Polo II Programme, the Commission shall submit proposals accordingly'.

¹ White Paper - European Transport Policy for 2010: time to decide; COM/2001/370final.

² 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) and repealing Regulation (EC) No 1382/2003 *Official Journal L 328 , 24/11/2006 P. 0001 - 0013*

³ Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo Programme) *Official Journal L 196 , 02/08/2003 P. 0001 - 0006*



General programme overview

Between 2003 and 2006, four successive Calls for projects have been launched, with an overall budget of € 102 million. The four calls have the following main characteristics.

Table 0.1 The main characteristics of the different calls

	Call 2003	Call 2004	Call 2005	Call 2006
Available budget (in M€)	15.0	20.4	30.7 (*)	35.7 (*)
Committed budget (in M€)	13.0	20.4	21.4	18.9
Received proposals	92	62	63	48
Eligible proposals	87	59	60	48
Concluded contracts	13	12	15	15 (**)
Contracts cancelled before ending	2	2	0	n.a.
Average subvention per contract (in M€)	1.0	1.7	1.4	1.3
Planned freight to be shifted (in billion tkm)	12.4	14.4	9.5	11.5 (**)
Environmental benefit (in M€)	204	324	245	241 (**)
External costs saved per € subvention	15.7	15.9	11.4	12.7 (**)

(*) this budget includes the EFTA-EEA contribution of EUR 0.6 million for 2005 and EUR 0.721 for 2006.

(**) Estimate based on the shortlist of 15 projects selected for funding

Evaluation methodology

The evaluation involves seven tasks on two different levels. The two levels include the individual project level and the programme level. Some of these tasks have been analysed in detail at the level of individual MP projects, others at programme level or at both levels. Not all individual projects were subject to an in-depth analysis. Thirteen finished, nearly finished or terminated projects were selected for this detailed analysis, representing the different types of actions. The table below gives an overview of the tasks and the level the tasks were executed.

Table 0.2 Tasks to be carried out on project and programme level

Tasks	Project level	Programme level
1. Determine the effectiveness	X	X
2. Determine the efficiency	X	X
3. Determine the effectiveness and efficiency of the management and implementation system		X
4. Determine the appropriateness of the strategy		X
5. Determine the impacts	X	X
6. Determine the Community added value	X	X
7. Determine the sustainability of the interventions	X	

The main data collection methods include:



- Desk research, including previous evaluation reports (e.g. PACT evaluation, ex-ante evaluation MP II), questionnaires sent to relevant actors of the transport industry (as part of the ex-ante evaluation MP II), MP annual reports, summaries of submitted proposals, field visit reports of individual projects, project interim reports and final reports of finalised projects.
- Structured interviews with coordinators of the following 13 MP projects: Eurostars, Portned, eWIT, AIN, EUCON, Graz-Duisburg-Express, CGTK, Shuttle-Isabella, TRITS and DARIS (all from Call 2003) as well as RORO-ESPERANCE, RAFTS and Italo-Express (from call 2004).
- Open interviews with DG TREN officers.

Findings at project level

The 13 selected individual projects were subject to in-depth interviews providing feedback on the following aspects:

- Project partners and project management
- Effectiveness and efficiency of individual projects
- Other impacts

On the project management aspect it appears that the project coordinator is often also the operator of the service, otherwise there was a good reason why it was not. Most projects included either a major shipper or an agent in the consortium to guarantee a minimum of cargo for the service. Often these project partners had previously had positive co-operation experience. In some cases new forms of cooperation, like the creation of an agency or a joint venture have been established for the operation of the new service. The procedures for submitting a proposal were perceived as being complex. Therefore, the majority of the investigated projects used the services of a consultant to assist them in the proposal preparation phase.

The effectiveness in realising the planned modal shift for individual projects can be categorised in the following way:

1. Projects that are successful from the start and achieve results in line with planning during the whole project duration, resulting in a final realisation of about 100%, or even above.
2. Projects that experience start up problems, improve during the project duration and are able to reach their yearly target levels in the last project year. The average final realisation is approximately 80%.
3. Projects that experience start up problems, but cannot seriously overcome these problems during the project duration and lag behind their yearly target levels. They do not terminate the service but remain seriously behind the final cumulative target shift. The cumulative result is about 50% of the initial goal.
4. Projects that experience serious start up problems and terminate the service or simply do not start the service. This is often the consequence of changed market conditions.



On average, the non-terminated projects show a realisation of 75% of their planned target modal shift. Rail projects (99% of target) perform clearly better than shortsea projects (78% of target), while the single IWT project in the selection was not even realising half of the planned target (45% of target). The projects that involve the setting up of a new service have performed better than the project that involved an upgrade of an existing service, however starting a complete new service it is also more risky since three of these projects have been unsuccessful and were cancelled. Projects that have involved a consultant in the proposal preparation phase performed considerably better than the projects without use of a consultant.

The realisation of environmental impacts is directly related to the effectiveness in realising the modal shift target. The innovative character of modal shift actions is limited; it is often the operation of a simple and straightforward transport service. More substantial innovative elements can be found in the development and implementation of new IT applications, like booking, planning and monitoring software, e-learning tools and GPS technology for tracking and tracing. These elements can be found in the catalyst actions.

Findings on programme level

The specific programme objective of aiming to shift international freight off the road makes Marco Polo an appropriate strategy to contribute to an efficient and sustainable transport system. The programme is also complementary to other EC intervention options, in particular the TEN-T network grants. However, the effectiveness of the programme in reducing road congestion - an element of the general programme objective – should be given more importance and visibility.

The programme works as a catalyst for the start-up of new services and the funding helps companies to overcome huge initial start-up losses. By this, it positively influences the business case for new services; the operational and financial risks however remain at the business side. The relative limited funding provides a strong leverage function in generating significant business investments.

An overall analysis of the different calls points out that the ratio between eligible proposals and concluded contracts becomes smaller. Fewer proposals are submitted, but the quality of the proposals is increasing, resulting in a higher chance of concluding a contract. In all calls, the large majority of the projects concern modal shift actions.

In principle, the MP Programme seems quite effective in realising its modal shift target; the sum of the individual targets of all concluded contracts equals the Programme target of 48 billion tonne kilometres (tkm). However, after correction for the differences between planned and realised modal shift, based on the findings of the finished and nearly finished projects, and after correction for cancelled projects, the programme is expected to realise a shift of 30.6 billion tkm, which corresponds to 64% of the programme target. That corresponds to a shift of 2 million shipments by trucks from the road. This could



seem substantial, but it is just 5.8% of total international road freight transport performance in Europe. Shift from road to rail transport is with almost 20 billion tkm responsible for the majority of the achievement, representing almost 10% of international rail freight performance in Europe. The programme contribution to the total freight performance of shortsea and IWT transport is with less than 1% very low.

Just as it happens for the realisation of the planned modal shift, the total budget of MP I of € 102 million will also not be fully consumed. The committed budget for the contracts concluded in the four calls equals € 74 million. In particular Call 2006 remained far behind the planned budget consumption (53%), partly due to the fact that five initially selected proposals for shortsea and inland waterway projects have not led to concluding contracts, which caused a complete absence of shortsea projects in Call 2006.

The lack of SSS projects in Call 2006 is a serious threat and might be an indication that from the beginning of MP new SSS services have been started in the most obvious European SSS corridors from a commercial point of view, raising competition concerns for additional projects. It might also be that participants await the more flexible funding principles of the Motorways of the Sea actions in MPII. Inland waterway transport (IWT) projects are only selected in random occurrences. This is a consequence of the difficulties in generating the critical mass to reach the modal shift thresholds.

In total the MP Programme is expected to realise external benefits representing a monetised value of EUR 650 million. Each Euro of planned MP subsidy realises almost 14 times as much external benefits. These benefits include mostly reductions in congestion costs but also reductions in environmental costs, transport safety costs and other external costs

The leverage effect of the MP funding is considerable. Every Euro of planned subsidy generates on average the production of € 20 of eligible costs by industry partners. In total this means that the programme would have generated industry investment of around € 1.5 billion if the whole budget would have been consumed.

The formal steps for the evaluation of proposals and procedures to be followed before contract signature are perceived by applicants as being complex, non-transparent and requiring a long time between contract negotiations and contract signature. The award criteria as such are clear and not subject to criticism, contrary to the process of establishing the scores on the criteria and proposing a shortlist of projects.

During the project, the level of contact between the project and the responsible MP Officer was often limited and mainly revolved around the formal reporting points in the project and the verification visits of the project. This was mainly a consequence of limited resources available within DG TREN for MP Programme management, which is expected to improve by externalising the programme management to an executive agency.



Participants experienced difficulties with the reporting formats, especially for the final modal shift results and financial data.

The MP Programme has largely supported viable projects, capable of producing convincing and sustainable results and its results make it reasonable to extend the Marco Polo Programme until 2013. However, the evaluation of the programme also indicates that results can be improved by following up a series of recommendations.

- In order to mitigate the risk for commercial applicants, the EC should consider the possibility of extending the project duration for modal shift actions by offering longer duration to projects which have suffered start up problems.
- It is recommended to lower the modal shift threshold for modal shift projects in IWT in order to attract more participants. The thresholds are too high for IWT projects aiming at intermodal services in short distance corridors, which form a significant share of the potential freight that can be shifted from the road.
- In order to avoid serious under spending of available budgets, it is recommended to select a shortlist of high quality proposals, including a reserve list of projects that can be selected when contract negotiations with short-listed projects fail or when project partners withdraw from negotiations.
- Also in order to substantially increase the number of proposals submitted to each call, the visibility of the programme should be enhanced and a dissemination and promotion effort undertaken. As part of this effort, applicants should receive technical advice on how to present the proposals.
- Given the lack of shortsea projects in the Call 2006, it is recommended to sharply monitor the involvement of shortsea projects in the first and subsequent calls of MP II and take necessary actions if necessary.
- Although reduction of road congestion is already taken into account during the evaluation process as part of the environmental benefits, it is also recommended to make the aspect of 'contribution to the reduction of road congestion' more visible in the proposal evaluation stage by entering it as a separate evaluation criterion in future calls and request for a more solid basis on how a project contributes to the reduction of road congestion.
- It is advised that the Commission makes user-friendly guides so the Marco Polo applicants and beneficiaries fully understand the rules and procedures which have to be followed in order to facilitate the application for MP funding and the management of MP contracts by the beneficiaries.



The follow up of these recommendations is expected to contribute positively to the success of the Marco Polo II programme, aiming to continue the success of Marco Polo I and improving the environmental performance of the European freight transport system.



1 Introduction

1.1 Background

Since 1992 the European Union sets distinct financial incentives to foster intermodal transport services as an environmentally friendly alternative to road-only freight transport solutions. The funding programme PACT, which was launched in 1992 with the aim of encouraging a “move from road to other modes of transport and enabling transport operators to be creative” and “to improve the service quality of intermodal networks”, mainly focusing on land bound combined transport solutions, was in 1997 prolonged until 2001. The last project contracts were concluded in 2001 with projects terminating in 2004 at the latest.

In its White Paper entitled “European Transport Policy for 2010: Time to Decide”, published in September 2001, the European Commission reinforced its conviction that a Community support programme is furthermore urgently required to turn intermodality into reality, in order to improve the environmental performance of the European transport system and to secure its competitiveness.

Based on the experiences with the PACT Programme, in 2001 the Commission proposed a Regulation for the Marco Polo Programme which was designed to be broader in scope and budget than PACT. The overall duration of the Programme was initially set from 2003 to 2010, the first term ending in 2006. The overall budget of the first Marco Polo Programme 2003-2006, being referred to as MP I, is € 102 million.

In July 2004, the European Commission submitted to the European Parliament and the Council the proposal for a Regulation for the second Marco Polo Programme covering the period 2007-2013, being referred to as MP II. The 'MP II'⁴ Regulation (EC No.1692/2006) entered into force on 14 December 2006. The new Regulation was backed by an extensive ex-ante evaluation and foresees a further extension of the programme in budget and scope.

⁴ 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) and repealing Regulation (EC) No 1382/2003 *Official Journal L 328*, 24/11/2006 P. 0001 - 0013



At the entry into force of MP II, MP I has been repealed. Article 14.2 of the new Regulation states that the evaluation report "on the results achieved by the Marco Polo Programme for the period 2003-2006" shall be submitted by 30 June 2007. Furthermore the Regulation stipulates the following: "If this report reveals a need to adjust the Marco Polo II Programme, the Commission shall submit proposals accordingly".

1.2 Purpose of the evaluation

As legally requested the MP Programme has to undergo an evaluation. The evaluation should present an analysis of the Programme results having regard to its objectives. The analysis should also take into account programme management aspects as well as the perception of the Programme by the market. The evaluation focuses on two levels (programme level and project level) and specifically analyses:

- Effectiveness
- Efficiency
- Effectiveness and efficiency of the management and implementation system
- Appropriateness of the strategy
- Impacts
- Community added value
- Sustainability of these interventions

In this context the evaluation draws preliminary conclusions and recommendations on the long-term perspective of the Programme, taking account of possible political orientations, and management tasks of a rapidly evolving programme. The evaluation will furthermore explicitly pay attention to a possible need for changing the MP II Programme in case deficiencies in the MP I Programme are encountered which are not properly addressed in the MP II Programme.

1.3 A description of the Marco Polo Programme

Marco Polo is presented as a risk-funding programme, as was PACT, providing financial support to commercial undertakings involved in the transport and logistics market. The main focus of the Programme is to facilitate the set-up of new transport services which create transport alternatives to road-only services, and which shall result in an overall reduction of external costs imposed on society.

MP has the objective to shift road-freight traffic to alternative, more environmentally friendly modes of transport ("rebalancing the modes of transport"). This objective was quantified for the MP Programme and was set at the annual increase of international road freight traffic. Any evaluation of the MP Programme shall therefore be partially based on the measurable outcome of the actions, namely modal shift, catalyst actions and common learning actions.



Three types of actions are featured in the MP Programme:

- Modal Shift actions: just shift freight off the road.
- Catalyst actions: to overcome structural market barriers in European freight transport through a highly innovative concept, causing a break-through.
- Common Learning actions: improvement of co-operation and sharing of know how to cope with an increasingly complex transport and logistics market.

Four subsequent calls for proposals have been launched:

- Call 2003, launched in October 2003
- Call 2004, launched in October 2004
- Call 2005, launched in November 2005
- Call 2006 launched in July 2006

The main characteristics of these calls are presented in the table below.

Table 1.1 The main characteristics of the different calls

	Call 2003	Call 2004	Call 2005	Call 2006
Available budget (in M€)	15.0	20.4	30.7 (*)	35.7 (*)
Committed budget (in M€)	13.0	20.4	21.4	18.9
Received proposals	92	62	63	48
Eligible proposals	87	59	60	48
Concluded contracts	13	12	15	15 (**)
Contracts cancelled before ending	2	2	0	<i>n.a.</i>
Average subvention per contract (in M€)	1.0	1.7	1.4	1.3
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External costs saved per € subvention	15.7	15.9	11.4	12.7 (**)

(*) this budget includes the EFTA-EEA contribution of EUR 0.6 million for 2005 and EUR 0.721 for 2006.

(**) Estimate based on the shortlist of 15 projects selected for funding.

More information about the different calls and the details of the concluded contracts is presented in Annex 1.

The new MP II Regulation (EC No.1692/2006) entered into force in December 2006. MP II introduces two new types of action: “motorways of the sea” and “traffic avoidance actions”.

‘Motorways of the Sea (MoS) action’ means any innovative action directly shifting freight from road to short sea shipping or a combination of short sea shipping with other modes of transport in which road journeys are as short as possible. Actions of this kind may include the modification or creation of the ancillary infrastructure required in order to implement a very large-volume, high-frequency intermodal maritime transport service, including, 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. The threshold for MoS actions is to shift at least 1.25 billion tkm of freight shifted off the road.

‘Traffic avoidance action’ means any innovative action integrating transport into production logistics to avoid a large percentage of freight transport by road without adversely affecting production output or workforce. Actions of this kind may include the modification or creation of ancillary infrastructure and equipment. The threshold for traffic avoidance actions is to shift at least 500 million tkm, or avoid 25 million vkm.

Externalise programme management of Marco Polo

DG TREN is faced with limited resources available for the management of the MP programme. Externalisation of the management of the MP programme is seen as being a solution to the lack of resources. Moreover, externalisation of programme management may also be beneficial for the programme from the point of view of efficiency and quality. Economies of scale may also be expected when the management of MP is carried out by an organisation that is already managing other EC-funded programmes, increasing the critical mass for such an agency. This enables DG TREN to better focus on its core activity of policy development⁵.

The Commission Decision 2007/372/CE amending Decision No 2004/20/EC in order to transform the "Intelligent Energy Executive Agency" into the Executive Agency for Competitiveness and Innovation proposes to follow the conclusions referred above and suggests to merge MP programme management into the activities of the current Intelligent Energy Executive Agency together with other elements from the Competitiveness and Innovation Programme.

1.4 Contents of the report

This chapter presents the background of this study, the objectives of this evaluation and the basic characteristics of the MP Programme. Chapter 2 elaborates on the methodology applied in this evaluation. Chapter 3 presents the results of the evaluation of individual projects, whereas chapter 4 deals with the evaluation on programme level. Finally, chapter 5 presents the main conclusions from the evaluation.

⁵ See also ECORYS (2006), Cost-effectiveness study concerning the externalisation of programme management tasks related to the second "Marco Polo" Programme (2007-2013).



2 Methodology

This chapter discusses the methodology for this evaluation. The evaluation involves two levels, being discussed in paragraph 1: project level and Programme level.

The evaluation includes seven tasks. Each task is carried out either on the level of individual project, or on the programme level or on both levels as presented in paragraph 2. Finally, paragraph 3 deals with the information sources and stakeholders that have been interviewed.

2.1 Evaluation on project level and on programme level

Selection of 13 projects for in-depth analysis

To fulfil the objectives of this evaluation seven tasks have been distinguished, which are presented in table 2.1. Some of these tasks have been analysed in detail at the level of individual MP projects. Not all projects were subject to an in-depth analysis. 13 out of 33 candidate projects suitable for evaluation purposes were selected for this detailed analysis. These 13 projects were selected in order to provide useful evaluation findings to support the evaluation at programme level. The selected projects include mainly finished or nearly finished projects from the first and second call, since some of these projects had already presented their final results or interim results. The selection includes not only successful projects, also projects that have failed, never started or terminated were included in the selection. The selection includes a fair representation of all type of actions as well as the different transport modes. The next chapter provides a short description of each of these selected projects.

Task overview

In addition to the evaluation at individual project level, some tasks are completed at the level of the complete MP Programme.



Table 2.1 Tasks to be carried out on project and programme level

Tasks	Project level	Programme level
1. Determine the effectiveness (modal shift)	X	X
2. Determine the efficiency (funding, budget consumption)	X	X
3. Determine the effectiveness and efficiency of the management and implementation system		X
4. Determine the appropriateness of the strategy		X
5. Determine other impacts	X	X
6. Determine the Community added value	X	X
7. Determine the sustainability of the interventions	X	

The way these seven evaluation tasks are executed is described below.

2.2 The seven evaluation tasks

Effectiveness

Effectiveness is: “the extent to which a project has attained its objectives at the goals or purpose level”. The analysis of the effectiveness addresses the following items:

- Degree of realisation of project goals
- The outputs and results achieved
- External factors affecting effectiveness

This evaluation includes answering the following questions:

- How effective are the thirteen projects in achieving their identified project goals?
- Are the projects delivering the quantified targets which have been set out at the outset?

The focus is on the realized shift of road-freight to alternative more environmentally friendly modes of transport, since this is the MP Programme’s main objective. However, also other primary indicators have been evaluated:

- Environmental benefits, namely saved external costs
- Triggering private investment
- Sharing of financial risk between private industry and the European Community
- Project duration

Most of these primary indicators have been evaluated in a quantitative way.

Efficiency

Efficiency is the issue: “how economically inputs are converted into outputs”. The analysis of the efficiency addresses the following items:

- Available budget and budget consumption
- Completion in line with original time scale



- The programme efficiency related to the level of funding

The budget consumptions describes the extent the Commission has been able to consume the available Programme budget. Another item considered under this task is the timing of the projects in relation to the original planning and design. The task includes not only a description of the discrepancies, but also an analysis of the reasons and causes of deviations, with the aim to draw lessons for future project planning and procedures.

The MP I Programme makes a distinction between Modal Shift, Catalyst and Common Learning Actions. On a programme level, *the following indicators* have been included for the Modal Shift and up to a certain degree Catalyst actions:

- Tonne-kilometre (tkm) shift per Euro of subsidy
- External benefits per Euro of subsidy

Effectiveness and efficiency of the management and implementation system

This task consists of an evaluation of approaches of management, implementation and monitoring used, mainly on the programme level. The main purpose is to evaluate the adequacy and detect deficiencies in work processes and management.

Appropriateness of strategy

The appropriateness of the MP Programme strategy has been evaluated by analysing whether this type of intervention is appropriate to achieve the programme objectives and whether the programme objectives fit into the general policy objectives of DG TREN. The eligibility criteria, the type of instruments and the threshold values are analysed by looking on the impact they have on certain target groups.

Analysis of other impacts

The main impact of the Programme is the modal shift that has been realised. Other impacts have been evaluated by using secondary and tertiary indicators that have been identified.

Secondary indicators (non-quantifiable)

- Implementation of innovative ideas and overcoming structural market barriers
- Initiation of new forms of co-operation (advanced methods and procedures)
- Initiation of sharing of know-how
- Effectiveness of dissemination
- Credibility and viability of projects
- Distortion of competition
- Geographical coverage of projects

Tertiary indicators

- Fighting/reducing road congestion
- Improvement of the environmental performance of the freight transport system
- Enhancement of freight intermodality



- Creation and securing of jobs
- Generator of innovation and knowledge
- Generator of third party investment

Most secondary indicators have been evaluated on project level, though the geographical coverage has been evaluated on programme level. The assessment of tertiary indicators was not always possible based on the available data.

Community value added

The key issues in assessing the Community value added is whether the projects co-financed by the MP Programme generate a “value added” in comparison with a situation characterised by the absence of such a public intervention. The “Community” dimension of this added value relates to the specific benefits which result if the public intervention is carried out at Community and not at state or regional level.

Sustainability of interventions

The sustainability of the MP projects relates to the developments after the project subsidy has stopped. The main question being answered for the Modal Shift and Catalyst Actions is whether the project services are still operational. The MP assistance is meant as start-up subsidy for activities which create modal shift and which are not initiated by private parties alone because of financial and risk considerations. Therefore, it would be undesirable that the services are stopped after the subsidy period.

The relevance of the aspect of sustainability is less important for Common Learning Actions and more difficult to evaluate.

2.3 The stakeholder consultation process

Table 2.2 provides the main data collection methods to be used to complete these tasks, both at the project and programme level.

Table 2.2 Main data collection methods

Data Collection Methods	Description
Desk research	<ul style="list-style-type: none"> • Previous evaluations (e.g. PACT evaluation, ex-ante evaluation MP II) • Questionnaire send to relevant actors of the transport industry (as part of the ex-ante evaluation MP II) • MP annual reports • Summary of submitted proposals and related evaluation reports • Minutes of Programme Committee meetings • Project monitoring reports



	<ul style="list-style-type: none"> • Information upon project completion • Other
Open and structured interviews	With beneficiaries and members of the European Commission's DG TREN officers.
Field visits	Collection of additional information and familiarizing with projects.

2.3.1 Interviews with DG TREN officers

Interviews have taken place with responsible project officers within DG TREN responsible for the technical and financial issues of MP projects.

The following persons from unit G2, responsible for technical management of MP have been interviewed:

- Anne Merete Barseth (TREN-G2, Project officer)
- Cristóbal Millán de la Lastra (TREN-G2, Programme coordinator)
- Michael Jordan (TREN-G2, Project officer)
- Guido Mueller (TREN-G3, Project officer)
- Marc Vanderhaegen (TREN-G2, Project officer)

In addition also the following person from Unit B3 responsible for the financial management and contracts of MP has been interviewed:

- Nicole Jakobs (TREN-B3)

2.3.2 Industry point of view

This evaluation does not include a consultation process among industry stakeholders. The ex-ante evaluation of the MP II Programme however included such a consultation process. Parts of those questions were focusing on their involvement and perception of the current Programme, whereas other questions were more aimed at possible directions of a new Programme. The answers on the questions about their experience with the existing MP Programme have been used for the purpose of this study.

2.3.3 Individual project interviews

The following 13 projects have been selected for a detailed evaluation including an in-depth interview. These 13 projects were selected because most of these projects have been finished or nearly finished, which allows evaluating the project results. As a consequence most of the selected projects are from the call 2003: Eurostars, Portned, eWIT, AIN, EUCON, Graz-Duisburg-Express, CGTK, Shuttle-Isabella, TRITS and DARIS.

Some projects from call 2004 have been added since they provide useful information for evaluation purposes. These projects are: RORO-ESPERANCE (the project has never started), RAFTS (the contract has been terminated) and Italo-Express (a Catalyst Action).



These projects were subject to a detailed evaluation, analysing the proposals and project overview forms, field visit reports and interim and final reports. In addition, in-depth interviews with the responsible coordinators have taken place, discussing the relevant evaluation topics. Annex 3 provides the template questionnaire that has been used in these interviews.



3 Evaluation on project level

3.1 Introduction

As explained in the previous chapter 13 projects have been selected for a detailed and representative evaluation. This chapter presents the results of the detailed project evaluation. The next paragraph gives a short description of each of these 13 projects. In the third paragraph the organisation of the project implementation is described, as well as the actors that are involved and the relations between them. Paragraph 3.4 compares the planned and realized modal shift. The evaluation of other impacts is presented in paragraph 3.5. Finally, paragraph 3.6 and 3.7 discuss respectively the added value of receiving MP funding and the sustainability of the projects.

3.2 Selection of projects

Table 3.1 presents the 13 projects, gives a short description of the project ideas and explain the market opportunity or problem which the project ideas wanted to solve.

Table 3.1 Overview of the selected projects

Project	Project idea
Eurostars	Upgrading of SSS services between Italy, Spain, Tunisia, and Malta for intermodal freight (trailer and other rolling Cargo) including the introduction of two newly-built car ferries. The project idea was based on a market opportunity as recognised by the lead partner.
Portned	Setting up a short sea shipping service between Portugal (Figueira da Foz), France (Le Havre), UK (Felixstowe) and the Netherlands (Moerdijk). The main client was Grupo Portucel Soporcel (GPS), which used the service to transport high quality paper from Portugal to the abovementioned countries. The project idea was based on a problem faced by the main client, namely a shortage of trucks (especially in the summer).
eWIT	Establishing a common European training platform on intermodal inland waterway transport and logistics. The project idea was based on a market study (from 2002) which identified the need for IWT training opportunities.
AIN	Achieving a modal shift of container traffic from road transport to inland waterway transport and rail on short distances by supporting the start up of completely new barge or rail services, by supporting the start up of new inland terminals (located near to the port of Antwerp) or by increasing the capacity of existing services. The project idea was based on a problem, namely the planned reconstruction of the circle road of Antwerp in



Project	Project idea
	2004 and 2005, which was likely to create a bottleneck for the cargo coming out of the port.
EUCON	Improved direct Lift-on-Lift-off container connections between Ireland and Rotterdam (Netherlands), Antwerp (Belgium), and Le Havre (France). Planned improvements were the increase of speed, reliability, frequency and the 45' capacity, to be realised by replacing ships. The project idea was generated based on market knowledge of the lead partner.
Graz-Duisburg-Express	Implementation of a regular container shuttle transport on rail between Graz South CCT (Austria) and Duisburg Rheinhausen DIT (Germany), servicing automotive component traffic flows and using large capacity swap-bodies. The project idea was based on concerns related to road transportation caused by developments such as road pricing / tolling and growing costs associated with the administration of road transport fleets.
CGTK	Upgrade of an existing RoPax (cargo and passengers) ferry service between Vasa (Finland) and Umea (Sweden) including investment in a new vessel meeting the demands of today's road freight transport. The project idea was based on a problem faced by the lead partner, namely the decision of the European Commission no longer to allow tax free shopping on the transfer from Vasa to Umea. Because of this, RG Line decided to focus on freight transport. However, the vessel they were using was not really suited for freight transport so it had to be transformed.
Shuttle-Isabella	Gartner KG was transporting up to 400 truck-loads a week from Great Britain, the Benelux countries, France, Germany and Austria across the Brenner- and Tauern-route to Greece and back nearly exclusively by road. The MP Project involved a shift to rail with the operation of up to five trains per week between Lambach (Austria), Neuss (Germany) and Greece. The project idea was based on increasing limitations of road based transport (see: Graz-Duisburg-Express).
TRITS	Establishment of direct 'closed' block trains between Köln (Germany) and Köseköy (Turkey), focusing initially on the movement of automotive industry components (Ford) from Germany to Turkey. Subsequently, reciprocal traffic northbound had to be developed. The project involves innovation: tracking and tracing is to be ensured with help of solar powered GPS / GALILEO equipment. The project idea was based on market knowledge of the lead partner.
DARIS	Development of point to point inter-modal rail shuttle from Rotterdam (Netherlands) - Istanbul (Turkey) operating from three to five trains per week and direction. The project idea was generated based on a market opportunity, namely the idea the Turkish market would become more attractive, and a problem, namely the fact that present road transport on this route caused environmental damage.
RORO-ESPERANCE	Starting and operating a new regular RoRo (rolling stock) ferry service between North France (Dunkirk) and North Spain (Santander). The service intended to accommodate unaccompanied trailers in a schedule of daily departures (in both directions) with 3 vessels.
RAFTS	A rail shuttle sailing from IJmuiden (Netherlands) to Hull (UK), to replicate the trough rail functionality of the Channel Tunnel for North and Middle UK to Europe. Freight trains from the hinterland, arriving at a port, are shunted onto the main deck of a ferry fitted with rail tracks. The project idea was based largely on demand from the primary customer: CORUS (Ijmuiden).
ItaloExpress	The project involved the development of a total service concept on the rail cargo link



Project	Project idea
	between Verona (Italy) and Scandinavia (combining technical hardware and the IT support to monitor and manage all aspects of the operation) to overcome concerns related to rail transport caused by non availability of equipment, poor reliability and border crossing delays. The project idea was based on increasing limitation of road based transport (see Graz-Duisburg-Express).

Table 3.2 presents some additional information of the 13 projects, including:

- The specific call the project corresponds to;
- The type of action being used by the project (MOD = Modal Shift Action, LEA = Common Learning Action, CAT = Catalyst Action)
- The transport mode or combination of modes being used to shift the freight from the road;
- The countries of the beneficiaries of the MP grants;
- The type of service (either a new service or an upgrade of an already existent service);
- The planned modal shift, the planned environmental benefits, the eligible costs and the MP subsidy that was awarded to the project;
- The period in which the project received the MP funding.



Table 3.2 Details of the selected projects

Project	Call	Type	Mode	Countries benefiting	New / Upgrade	Planned modal shift (mln.)	Env. benefits (mln.)	Eligible costs (mln. €)	MP Subsidy (mln. €)	Project period
Eurostars	2003	MOD	SSS	ES, MT, IT, PT	Upgrade	2,896	61.7	80.6	1.50	01-01-04 / 30-06-06 (30 months)
Portned	2003	MOD	SSS	FR, NL, PT, UK	New	736	15.2	10.6	0.98	10-12-03 / 09-02-06 (26 months)
eWIT	2003	LEA	IWT	AT, BE, NL, UK	New	NA	NA	0.72	0.36	10-12-03 / 10-02-06 (26 months)
AIN	2003	MOD	IWT / Rail	BE, DE, FR, NL	New / Upgrade	865	14.6	72.1	1.73	01-01-04 / 31-12-06 (36 months)
EUCON	2003	MOD	SSS / IWT	BE, FR, IE, NL, UK	Upgrade / New	1,180	18.1	37.1	1.00	01-01-04 / 31-12-06 (36 months)
Graz-Duisburg-Express	2003	MOD	Rail	AT, DE	New	774	7.9	19.4	1.55	01-01-04 / 31-12-06 (36 months)
CGTK	2003	MOD	SSS	FI, SE	Upgrade	330	7.3	3.1	0.60	01-01-04 / 31-12-06 (36 months)
Shuttle-Isabella	2003	MOD	Rail	AT, GR	New	1,279	25.8	69.6	1.00	10-12-03 / 9-12-06 (36 months)
TRITS	2003	MOD	Rail	ES, TR(**)	New	486	5.8	5	0.97	01-01-04 / 31-12-06 (36 months)
DARIS	2003	MOD	Rail	NL, UK	New	943	10.5	26.4	1.00	01-10-04 / 30-9-07 (36 months)
RORO-ESPERANCE	2004	MOD	SSS	ES, FR, NL	New	3,903	98.8	73.5	4.00	09-12-05 / 08-06-08 (30 months)
RAFTS	2004	MOD	Rail / SSS	UK, NL	New	1,903	38.1	9.5	2.50	31-12-05 / 31-12-08 (36 months)
ItaloExpress	2004	CAT	Rail	IT, DE	New	1,374	28.3	53.8	3.50	01-01-05 / 31-12-08 (48 months)



Project	Call	Type	Mode	Countries benefiting	New / Upgrade	Planned modal shift (mln.)	Env. benefits (mln.)	Eligible costs (mln. €)	MP Subsidy (mln. €)	Project period
Average						1,389	27.7	35.5	1.5	

**) Not benefiting from EC funding



A representative sample of selected projects for in-depth analysis

- **Distribution of selected projects over the calls**
Ten of the projects were of the 2003 Call and three of the 2004 Call. As described in the previous chapter the choice was made to select only projects that are completed or nearly completed in order to be able to evaluate the results obtained. This is why projects of the Calls of 2005 and 2006 are absent in the selection of projects for in-depth analysis.
- **Types of Actions**
Most of the projects in the selection are modal shift actions. This makes sense, since the two relevant calls only produced three projects that are not modal shift actions. Of the 25 project in total, two are Common Learning Actions and there is only one Catalyst Action.
- **Modes**
Six of the projects involve a shift of tonne-kilometres from road to short sea shipping or inland waterway transport, 5 of the projects involve of shift towards rail and there are two combined projects. A choice was made to select an approximately equal amount of rail and SSS projects.
- **Geographical Spread**
The overview of the countries where the beneficiaries are established shows the selected projects are divided quite well over the territory of the European Union.
- **New or upgraded service**
Most of the projects involve the creation of a new service. There are only two projects which are neatly upgrades of existing services. Two of the projects involve both upgrades and new services.
- **Size of the projects**
The projects differ quite substantially in size in terms of the planned modal shift. The three biggest projects are Eurostars, RoRo Esperance and RAFTS. The four smallest projects are CGTK, TRITS, Portned and Graz-Duisburg Express. The biggest projects involve transport or cargo over long distances on major freight corridors. The smaller projects involve transport to or from a peripheral country and/or over a relatively short distance.
- **Eligible costs**
There are big differences in the amount of eligible costs of the projects, which can only partially be explained by the nature and size of the projects. This seems to reflect big differences in costs between similar projects in different geographical and technical circumstances.



3.3 Assessment of project management

This paragraph presents findings from the way project applicants organised and managed their projects.

3.3.1 Project partners

Table 3.3 presents the nature of the project partners that were involved in each of the 13 projects. Categories are train/ship operators, organisations responsible for delivering the cargo (either a large shipper or an agent), organisations responsible for managing the infrastructure (either the rail infrastructure or the port terminal facilities) and finally the port authorities. In some projects multiple partners from the same category are involved.

Table 3.3 Nature of project partners

	Lead partner	Train / Ship operator	Cargo		Infrastructure		Port authority
			Shippers	Agents	Rail Infrast. Managers	Port Terminal Managers	
Eurostars	Atlantica S.p.A. di Navigazione (Grimaldi)	Yes*	No	Yes	X	Yes	No
Portned	Holland Maas Shipping	Yes*	Yes	Yes	X	No	Yes
eWIT	Via Donau	No	No	No	No	Yes	No
AIN	Antwerp Port Authority (APA)	Yes	No	No	No	Yes	Yes*
EUCON	Irish Continental Group PLC	Yes*	No	Yes	X	No	No
Graz-Duisburg Express	Wenzel Logistics GmbH	Yes	Yes	Yes	No	X	No
CGTK	RG-Line Ab	Yes*	No	No	X	No	Yes
Shuttle – Isabella	Gartner KG	Yes*	No	Yes	No	X	X
TRITS	Transportes Ferroviarios Especiales S.A.	Yes*	No	No	No	X	X
DARIS	European Rail Shuttle	Yes*	No	Yes	No	X	X
RoRo Esperance	Norfolkline Shipping BV	Yes*	No	Yes	No	No	No
RAFTS	RAFTS Ltd	Yes	Yes	Yes	Yes	Yes	No
Italo Express	TX Logistik GmbH	Yes*	Yes	No	No	No	No



A star indicates the nature of the lead partner, a X means the stakeholder is not relevant for the type of project.

Train / ship operator

In all the projects the operator of the service is involved, often being the project coordinator. In three projects there is a good reason why the lead partner is not the operator of the service. In the case of AIN this can be explained by the fact that the project involves many project partners (mainly inland waterway terminals), while only the Port Authority of Antwerp was able to combine their interests and create a joint MP project which produced enough modal shift to reach the threshold value. In the RAFTS project no ship operator was available and in Graz-Duisburg Express a choice was made by the logistics service provider, the lead partner, to work together with two rail operators, one in Germany and one in Austria.

Shippers and agents

In 9 out of 13 projects shippers and / or agents were involved as a project partner. The involvement of these partners often provides a guarantee for a minimum of cargo. The four other project partners had performed a sound and reliable market study on the cargo potential or had reliable information on the commitment of a major customer.

Other stakeholders

A few projects, 4 out of 13, included infrastructure managers or terminal managers in their project team. In half of the SSS / IWT projects, a port authority was included as a partner.

A consultant was asked to assist in the preparation of the project proposal in 8 of 13 projects (see also Annex 2). These partners had often no experience in European projects and the consultants supported them in the preparation of the proposals and the formal procedures. The experience with consultants was generally positive.

3.3.2 Organisation of project implementation

During the interviews with individual projects one issue of discussion was the way the project partners have cooperated in the implementation of the projects as well as the way the communication between them was organised. This has led to the following findings:

- In all projects the lead partner takes on the major responsibility of the project including the responsibility to monitor the progress and organising the interface between the project partners and with DG TREN.
- The cooperation between the project partners is often based on previously existing relations. However, in some projects new types of cooperation were created, like new agencies (2 out of 13) or joint ventures (2 out of 13).
- Almost all of the projects (12 out of 13) are executed by a relatively small consortium of project partners. The exception is AIN where the involvement of many inland waterway terminals was needed in order to reach the threshold value of the modal shift.



More details are presented in Annex 2.

3.4 Effectiveness and efficiency

Modal shift – planning versus realisation

The comparison of planned modal shift in tkm versus realised modal shift was based on the most recent reports available. Seven projects could provide final results, for 2 projects the latest interim results have been used, 3 projects were terminated and 1 project was a common learning action, with no modal shift objectives.

Based on the interim and final reports, realised modal shift has been compared to the planned targets which were set at the start of each project.

Five of the finished projects were relatively close to realising their planned modal shift or performed even better than planned. The other two finalised projects realised approximately 50% of the planned modal shift. Based on the latest available interim report, the two projects not yet finished realised approximately 70% of the planned modal shift so far. The effectiveness in realising the planned modal shift for individual projects can be categorised in the following way:

1. Projects that are successful from the start and achieve results in line with planning during the whole project duration, resulting in a final realisation of about 100% (some projects even realise significantly more than planned).
2. Projects that experience start up problems, improve during the project duration and are able to reach their yearly target levels in the last project year. The end results are quite diverse: some of these projects realise a modal shift that is equal to or even above planning while others are not able to make up for the low realisation levels at the beginning of the project. The average final realisation is approximately 80%.
3. Projects that experience start up problems, but cannot seriously overcome these problems during the project duration and remain behind their yearly target levels. They do not terminate the service but remain seriously behind the final cumulative target shift. The cumulative result is about 50% of the initial goal.
4. Projects that experience serious start up problems and terminate the service or simply do not start the service. This is often the consequence of changed market conditions.

Based on a quantitative analysis of the available information, feedback on the development of running projects not yet officially reported and trends on the modal shift development in individual projects, an estimate has been made about the average realisation of modal shift versus planning for all concluded contracts in MP I. The sample projects then show an average realisation of 75% of their planned target level. Details are presented in Annex 2.

Elaboration on the differences in realisation of modal shift

The table below shows some conclusions of the comparison of levels of project achievement among transport modes and other features. It should however be noted that



the sample size for this analysis was limited to 13 projects, so conclusions based on this sample analysis should be taken with care.

Table 3.4 In depth analysis of modal shift performance

		Modal shift target realisation (*)
Comparing modalities	SSS	78%
	Rail	99%
	IWT	45%
Upgrade vs new service	New service	99%
	Upgrade	70%
Consultant vs No consultant (in project preparation phase)	Consultant	104%
	No consultant	69%
Shipper or agent in project team vs No shipper or agent in project team	Shipper or agent	85%
	No shipper or agent	67%

* after correction for cancelled projects

- There are significant differences in modal shift realisation between rail, short sea shipping (SSS) and inland waterway transport (IWT) projects. On average the SSS projects have realised 78% of their planned modal shift. The rail projects, on the other hand, have realised 99% of their planned modal shift. The rail projects often experienced serious start up problems but were able to make up for this once the problems were solved. Most SSS projects have shown more constant results during the different project years. There is only one IWT project (AIN) that experienced start-up problems and remained far behind its planned modal shift.
- The projects which involve the setting up of a new service have more easily reached the contractual objectives than the projects that involved an upgrade. It should be noted that existing modal shift before the project is always deducted for the calculation of modal shift when evaluating upgraded services. This shows that developing new services can potentially be a successful way of realising a substantial modal shift. On the other hand it does have to be noted the three projects that have stopped all involved the set up of a new service. Developing such a new service is therefore clearly also more risky, when compared to the upgrade of an existing service.
- The projects that have involved a consultant in the proposal preparation phase have on average performed considerably better than the projects where this was not the case. Apparently, the expertise of the consultant has helped to produce more realistic estimates of the modal shift to be realised by the projects.
- On average, the projects where a shipper or agent is included in the project team have performed better than the other projects. Including these actors in the project team seems to increase the likelihood of a successful project by guaranteeing a minimum amount of cargo and thereby diminishing some of the start up problems.



Success and failure factors

A detailed analysis of the success and failure factors of the 13 individual projects is presented in Annex 2. The analysis describes the progress of the projects in the level they realise the modal shift targets in the subsequent project years. The failure factors often explain why projects remain behind their target levels in the first project year(s).

Based on the factors for success and failure of the 13 individual projects, 6 critical success factors can be distinguished:

- The project should be based on solid market knowledge and market research providing a realistic picture of the market potential, including the competition to be expected, possible market barriers (technical, capacity, administrative and bureaucratic) and methods to overcome these.
- A strong project organisation is required, including the development of a key leader role, selection of the right partners (based on earlier relations between the partners, their commercial and operational capabilities, and their existing contacts) and clear agreements between the project partners themselves and with other relevant organisations outside of the project team.
- For modal shift actions, the project should be based on a simple project idea offering a competitive product to fulfil a need originating from the market. Access to the required infrastructure, equipment and resources is also a necessity to start a new service.
- Some projects require a minimum of political support in order to be successful. The European Commission has the possibility to influence in national issues in certain cases and has done this informally in the BSH project.
- The project partners, or the consultant advising them, should have a solid understanding of the MP rules and procedures; this avoids problems after the contracts have been concluded.
- The project implementation should involve intensive marketing to convince potential clients to use the new service, particularly for return traffic.

3.5 Other impacts

The evaluation of other impacts on the level of individual projects includes the following indicators:

- Improving the environmental performance of the freight transport system
- Generation and implementation of innovation.
- Initiation of new forms of co-operation
- Fighting / reducing road congestion
- Creation and securing of jobs
- Distortion of competition

The evaluation of the sustainability of the projects is presented in paragraph 3.7.



3.5.1 Environmental impacts

Within the methodology of the MP Programme the quantitative environmental benefits are directly related to the generated modal shift. The external costs of the old road route and the new modally shifted route are compared taking into account noise, pollution and climate costs as well as accidents, infrastructure and congestion and resulting in the environmental benefits of the project.

The 13 selected projects had a target of realising environmental benefits of € 332 million. Excluding the 3 project that have stopped, the planned environmental benefits were € 185 million. Assuming an average realisation of environmental benefits in line with the realisation of modal shift, the selected projects are assumed to realise in total € 155 million environmental benefits.

3.5.2 Generation and implementation of innovation

In many projects the generation and implementation of innovation is limited to the creation of a new service and/or using new material. That is not surprising since the modal shift actions are by definition not innovative. Some projects, in particular the catalyst actions, have involved more substantial innovation, often by developing and implementing new IT applications:

- Development of an E-learning tool for inland waterway transport.
- Development of a new central barge planning system.
- Development and implementation of new software to manage monitor and control operations.
- Use of GPS technology for tracking and tracing.
- IT based solution for booking and train monitoring.

3.5.3 Initiation of new forms of co-operation

Overall the initiation of new forms of co-operation is limited. Most project partners have already worked together in the past and/or have longstanding relations between them. For many projects the ability to use existing relation between the project partners, and between the project partners and external actors, was even claimed to be major success factor.

Still, there are a number of projects that involve new types of cooperation or the creation of relations that did not exist earlier.

- The AIN project involves intensive cooperation between the port of Antwerp and inland waterway terminals, leading among other things to the creation of an interest group.
- For one project a new agency has been established (Shuttle Isabella) and one project created a new joint venture (TRITS).



- One project (ItaloExpress) involved the creation of a consortium of project partners who had previously competed. These companies overcame organizational boundaries and potential conflicts of interest to create a new form of cooperation capable of being expanded and replicated.

3.5.4 Fighting / reducing road congestion

There is not necessarily a direct link between the realisation of modal shift from road to rail or SSS and its impact on road congestion. At least in one project the particular road route seems not to be affected by any serious congestion problem (e.g. CGTK in northern Scandinavia). Most of the other projects did not prove the assumption that the corresponding road corridor was hit by severe congestion problems. However, the interviews indicate that several projects (6 out of 13) report that they have contributed to congestion reduction.

Contribution to the reduction of road congestion problems is included as one of the qualitative aspects under the evaluation criterion 'Environmental and social benefits' where there is a possibility of scoring extra points together with other elements such as clean fuel and abatement techniques in shortsea shipping .

For the future, in order to prioritise the projects which create modal shift **and** contribute to diminishing road congestion, impact on congestion reduction should become more visible at the proposal evaluation stage by being a separate evaluation criterion.

3.5.5 Creation and securing of jobs

In general it can be said a shift from road transport to rail or short sea shipping will not directly contribute to job creation. For every new job created to operate the new service (operation, administration, technical or commercial support) probably even more jobs will be lost in the road sector. Only in one case (Portned) it was explicitly said the project contributed to an increasing number of jobs. This is because the starting point was a lack of available trucks to transport the cargo. Besides the direct impacts, the indirect impact of increased transport efficiency might lead to new investments, thus creating new job opportunities.

3.5.6 Distortion of competition

According to the persons who were interviewed, none of the projects generated a major distortion of competition. This is not surprising since distortion of competition is one of the criteria in the proposal evaluation stage and otherwise the projects should not have been selected.



3.6 Added value of Marco Polo funding

For most of the project partners the added value of receiving MP funding is based on a more positive risk / return on capital employed (ROCE) trade-off and on the promotional value.

Risk / Return on capital trade-off

When considering introducing a new product or start a new service the expected return on capital invested as well as the risks and uncertainties are both relevant. Often, there is a trade-off between the two whereby products that are capable of producing high revenues and returns are on the other hand subject to high risks and uncertainties. If things turn out bad, these products might also produce low revenues or even losses. Therefore, every instrument capable of increasing the return (for the same risk) or lowering the risk (for the same return) can be an incentive to introduce a product, which might otherwise not have been introduced.

In the context of this risk-return trade-off the MP subsidy for Modal Shift actions cannot be seen as decreasing the project risks for modal shift actions. This is because, based on the subsidy mechanism, the project partners will only receive a subsidy for every tonne-kilometre the project does in fact realise. Projects that are not successful will receive a lower subsidy or no subsidy at all. The subsidy however increases the return of the project. The subsidy can be used to cover partially or totally the start up investments, causing the project to produce a profit earlier in time.

This is the way the Programme is seen by most of the project partners; as a way to increase the return and cover the start up losses. However, the operational and financial risks remain with the project partners themselves, and are not shared by the European Commission. These risks become visible in projects in which the project partners have to cope with the consequences of increases of the costs of the project caused by rising oil prices, higher costs of charter-hires and infrastructure access charges without being compensated by the European Commission.

Because the project partners face the same risks, with or without the funding, the majority of the projects would also have started without MP subsidy. The major difference is they would have produced profits later in time. However, for many projects the MP subsidy was a reason to start the project earlier than planned, otherwise they would have waited to reduce uncertainties, which might not have been reduced in all the cases. In one particular case it was even explicitly said that without MP funding the project would not have started.

Promotion

For some of the projects the fact the project received funding out of the MP Programme was seen as a kind of 'quality label' for their potential customers. In the eyes of the project partner the subsidy gave credibility to the project and could be used as a



promotional instrument. One large European SSS operator includes its involvement in the MP Programme in its commercial presentations about the quality of the service and the company.

3.7 Sustainability

Except for the three projects that have not started or terminated during the Programme (DARIS, RoRo Esperance and RAFTS) all projects remain operational after the subsidy period. Also, wider applications of the project scope are under investigation in three projects (Graz-Duisburg-Express, Shuttle Isabella and ItaloExpress).

In some projects small changes to the services are being considered after the project has finished, like the expansion with an additional service or the increase of capacity.

It can thus be concluded the MP Programme has largely supported viable projects, capable of producing sustainable results. The modal shift that has been realised during the project period is not always temporary but in many cases a structural shift of freight transport off the road.



4 Evaluation on programme level

This chapter includes the evaluation of MP I on programme level. The next paragraph presents the results of a comparative analysis of the different project calls.

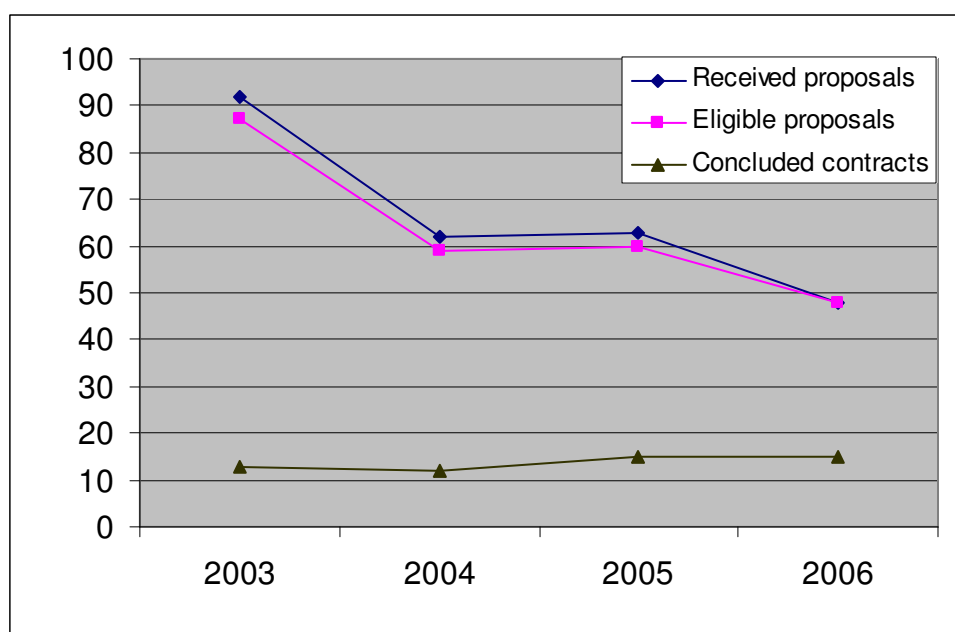
The second paragraph of this chapter evaluates the appropriateness of the strategy of the MP Programme. The third paragraph includes the evaluation of the programme effectiveness and efficiency. The geographical spread of the Programme in the different calls has been assessed in paragraph 4.4, whereas paragraph 4.5 deals with the evaluation of other relevant impacts. Paragraph 4.6 evaluates the programme management and implementation. Finally, paragraph 4.7 assesses the added value of receiving MP funding.

4.1 A comparative analysis of the different calls

Number of proposals and concluded contracts

The following tables show some developments over the different calls. The data on which these two tables are based is presented in Annex 2.

Figure 4.1 Overview of proposals and concluded contracts in the different Calls

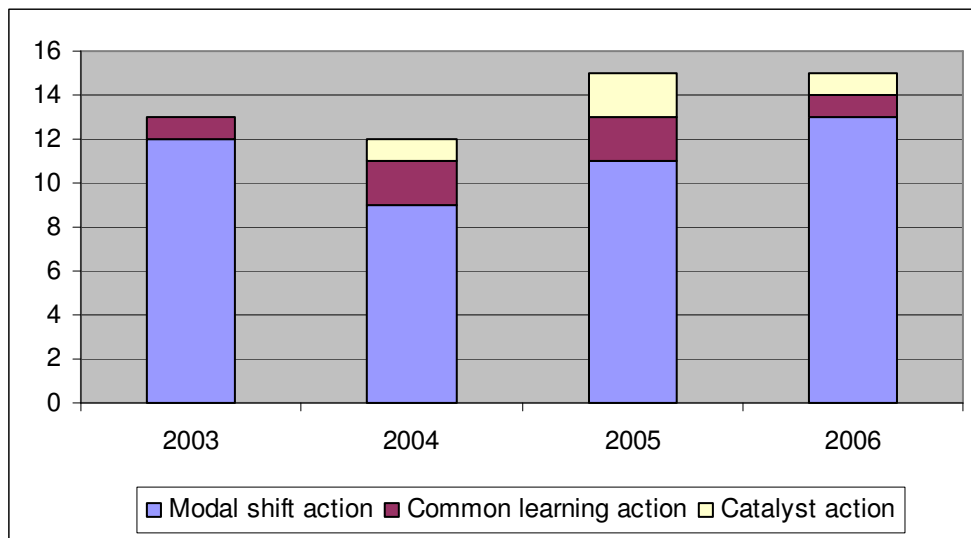


The number of proposals that were received, almost all of them being eligible, has dropped considerably after the first call. This however has not led to a reduced number of eligible contracts, which even has been slightly increased from 2004 onwards without compromising the quality of the selected projects.

Type of actions

The following figure presents an overview of the different action types being selected in the four calls.

Figure 4.2 Action types of concluded contracts in the different calls



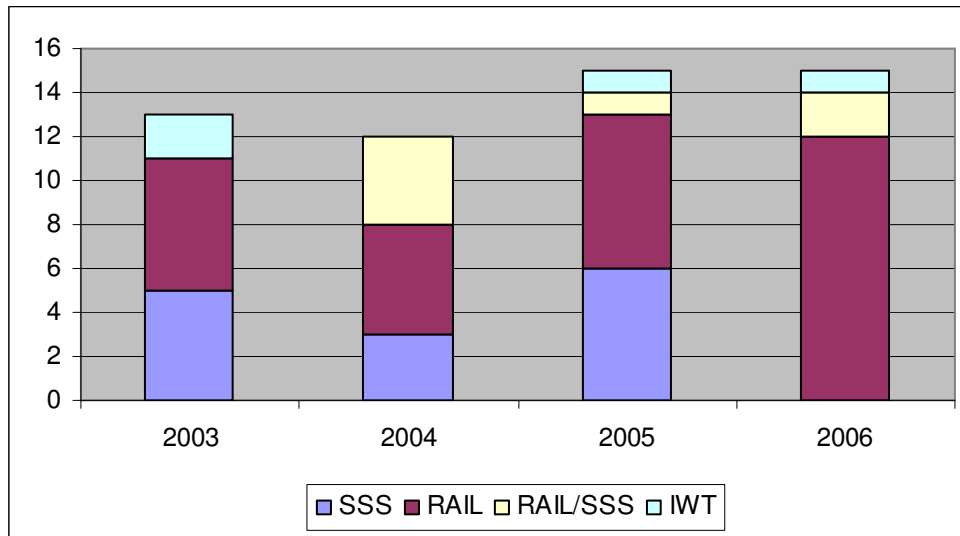
By far, the majority of the concluded contracts are modal shift actions. From 2004 onwards, the number of selected modal shift actions has risen. The number of catalyst actions and common learning actions remain very limited.

Transport modes

The following figure presents an overview of the different modalities being selected in the four calls.



Figure 4.3 Transport modes in the concluded contracts of the different calls



This figure shows that rail projects are well represented in the concluded contracts of the different calls. In the first three calls the number of rail project remains relatively stable, but has risen considerably in the last call.

The SSS projects were best represented in Call 2003 and Call 2005, but fully disappeared in the Call 2006. The first draft list of 19 selected projects in Call 2006 included 3 SSS and one IWT project, but all four projects withdrew unilaterally from contract negotiations. This lack of SSS projects is a serious threat and might be an indication that from the beginning of MP new SSS services have been started in the most obvious European SSS corridors from a commercial point of view, therefore raising competition concerns for new projects intended for the same corridors. The most obvious SSS projects are the ones in corridors where the old road leg is significantly longer than the maritime leg. This was also revealed by feedback from in-depth interviews with shortsea operators. Another argument mentioned was the relative limited funding for high risk investments in new or upgraded shortsea services. High occupancy rates are needed to construct a solid business case and even small reductions in realised occupancy rates result in major losses. The current funding mechanism is for several shortsea projects insufficient to positively influence these go/no go decisions. The new ‘Motorways of the Sea’ action in MP II could meet this last critical argument. These types of actions require a minimum threshold shift of 1.25 billion tkm but also offer better funding opportunities for ancillary infrastructure. Port infrastructures and hinterland connections by rail and inland waterways are prime targets for funding, but electronic management systems, safety, security and administrative procedures, dredging and icebreaking are also eligible.

Only very few IWT projects are presented to Marco Polo calls. This type of mode is even missing in Call 2004. The only three IWT actions that generate modal shift are AIN (Call 2003), DRS (Call 2005) and ETS-ELBE (Call 2006). AIN focuses on Antwerp’s hinterland IWT corridors towards the main inland terminals in Belgium and the South of



Netherlands. DRS and ETS-ELBE respectively cover the Danube and Elbe corridors and are among the smallest projects in terms of planned modal shift. Important IWT corridors like the Rhine/Main corridor, the Rhone/Saone corridor and the Seine corridor are absent in Marco Polo. One reason might be the national orientation of the two French IWT corridors (whereas MP requires at least two beneficiaries from different Member States or one Member State and a close third country), another reason might be the relatively high modal shift threshold for IWT projects. This aspect is discussed in more detail in the next paragraph.

4.2 Appropriateness of strategy

Programme objectives

The general objective of the MP Programme is:

To reduce road congestion, 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.

This objective fits very well into the European Transport Policy. The objective of an EU sustainable transport policy is that the EU transport system meet society's economic, social and environmental needs. Effective transportation systems are essential for Europe's prosperity, having significant impacts on economic growth, social development and the environment.

The result indicator for the specific objective of the MP Programme is defined in terms of tonne-kilometres (tkm) shifted off the road, or alternatively m³-kilometres. This is a clear and straightforward indicator, meeting the SMART criteria for good indicators: Significant, Measureable, Appropriate, Realistic and Timely. This enables setting up an effective monitoring and evaluation scheme.

MP complementary to TEN-T

The MP Programme is a service-focussed programme. The TEN-T budget is infrastructure-focussed and aims to stimulate EU Member States to cooperate in building an EU infrastructure network. Most of the MP projects focus on short term initiatives that can start directly and become viable within 3 years while TEN-T are long term-infrastructure projects that are completed in much longer periods.

Both funding mechanisms have the general objective to ensure sustainable, efficient transport in the EU, one of the EU priorities. The approach of both funding mechanisms starts from two different angles.

MP I is designed as a completely market-oriented and market-driven programme, and stimulates private companies to start up new services. TEN-T is not only focussing on



major road projects but also on non-road modes and logistic projects. As a consequence, the infrastructure projects of TEN-T, mostly public financed, enhance the start of new intermodal services, mostly private financed, to make better and efficient use of our transport network. And that is where both EC funding mechanisms are not only complementary but also synergise. The ‘Motorways of the Sea’ actions are a good example of these complementarities and synergies.

Focus on large projects of large companies

The large majority of projects represent Modal Shift Actions. Most of the projects are rail and shortsea shipping projects with focus on shifting freight flows on long distances. These projects are concentrated on shifting mass freight flows with involvement of the bigger transport companies. The thresholds of the programme criteria, 250 million tkm of modal shift, are too high for small and medium sized enterprises and not attractive to start new European intermodal services. The MP Programme criteria results in a few large projects of big companies rather than many small projects of smaller companies. A targeted approach of SMEs can contribute in attacking congestion on road traffic on regional and short distance corridors.

High threshold for participation of inland waterway transport (IWT)

In spite of the success of national modal shift programmes, like the Dutch Transactie Modal Shift and SOIT/SBV⁶ programmes and the Flemish ‘Kaaimuur Programme’, the MP Programme has not attracted many inland waterway projects, since, because of its thresholds, it targets long-distance freight flows and large companies, which keeps small and medium sized enterprises (SMEs) at a distance. SMEs such as barge operators and inland terminals operators are responsible for a significant share of the European freight flows, in particular on short and medium distances. The threshold value of shifting at least 250 million tkm per project is too high for individual IWT companies, and even the big IWT companies, to achieve by creating new or upgraded services.

If the thresholds for financing were lower, it would be easier for IWT companies to develop project ideas and contribute in shifting cargo from road to IWT on congested short and medium distances.

In general, there is a fierce competition between IWT and road transport on the short and medium distance, creating high risks for companies to start intermodal IWT services. In Marco Polo II, the current modal shift thresholds can also be realised by grouping individual projects and cooperation of IWT companies. The IWT market is traditionally not used to cooperation and since cooperation increases the complexity of the project and communication between the partners, the market has to get used to this idea of cooperation between competitors. Experience in the AIN project – four partners stepped out of the project - illustrates these difficulties. However, co-operation is for many enterprises the only way to generate the required critical mass for the modal shift

⁶ SOIT – Subsidieprogramma Openbare Inland Terminals



thresholds. The cooperating initiatives currently under development in this market (e.g. activities under the umbrella of VITO⁷ in the Netherlands and the European Federation of Inland Ports) are promising in this respect.

After the consolidation of IWT transport on the Rhine corridor a few major logistics players like Wincanton Rhenania, Rhenus Gruppe and Rhinecontainer (minority interest by Wincanton) have created economies of scale and developed integrated intermodal services. The more recent consolidation in the Dutch IWT terminal market has also led to some major network players operating several terminals (e.g. BCTN, Waalhaven Group, HTS Group). This consolidation is expected to further continue in the IWT market and better enables cooperation between participants to submit cooperative modal shift projects in the MP II programme.

Marco Polo is not covering all freight transport segments

Though the MP Call text states that the Programme covers all segments of the international freight transport market, there is a lack of provision for actions involving air freight transport and pipeline transport.

Air freight transport is not within the scope of the Programme due to the generally weak environmental performance of this transport mode and the limited importance of air freight transport in the total European freight transport performance (less than 1% of the transport performance).

The pipeline infrastructure network of Europe is used for the transport of gas, liquids and chemicals. Pipeline transport could be an alternative for the transport of dangerous goods by road and rail to ensure the safety of people, property and the environment. However, the funding mechanisms make it difficult to separate between infrastructure and services; therefore it is not recommended to include pipeline transport services in the scope of MP II.

Flexibility of eligibility criteria

The Programme has an appropriate set of specific eligibility criteria. Because of the complexity of the start of new services and redevelopment of the intermodal logistic chains the measure in tkm isn't always the only measure to define the success of modal shift. More flexibility in the measurement of the shifted kilometres by taking into account the lightweight nature of some of the cargo, empty containers, etc, can stimulate the potential of shifted road kilometres. This has led to the inclusion of the alternative unit of measure, namely metric (m³) tonne-kilometres in Call 2005 and Call 2006⁸.

Risk funding, business-driven

Setting up new regular maritime, rail and inland waterway services on competitive corridors need a high occupancy factor (about 70 to 90%) to stay viable in order to

⁷ VITO stands for Vereniging (Association) Inland Terminal Operators

⁸ 4 cubic metre kilometres is equivalent to 1 tonne kilometre.



compete with road. Private commercial undertakings usually run high risks when setting up new intermodal services with its own financial resources. Intermodal services are usually loss-making in the start-up period.

The MP subsidy for modal shift and catalyst actions has shown that operators are willing to take a commercial risk for setting-up new non-road transport services, often becoming viable after project duration. But the MP start-up aid is not perceived by commercial undertakings as a risk funding programme because only the business takes real commercial risks, and possible losses, and not the EU Community. The service operator takes all the financial risks and setting up new modal shift services is not always guaranteed even with initial public financing of EU. Each individual company should consider the commercial rewards, in terms of rates of return, with the major risks to start new services and the risks if the project fails (see also chapter 3.6).

A way of reducing the financial risk without harming the programme efficiency is by offering applicants some flexibility in determining the period when the targeted modal shift has to be realised. Experience has shown that several projects experience unforeseen start-up problems but many of them overcome these problems and achieve substantial modal shift later than planned. With a fixed term to achieve the modal shift the start up problems have as a consequence that the cumulative modal shift results are below target, with consequences for the level of subsidy finally being received by the project participants. Building in some flexibility in measuring the modal shift realisation versus target might lower the risk of project applicants not receiving the planned subsidy. This however requires adjustments to the legal base for MP II.

Especially in high competitive road corridors margins are small and investments are high to shift freight flows from road to intermodal transport. On these competitive corridors the time from concept to commercial sustainability of the new service is often longer than the duration of the MP funding period.

Innovations

The innovative character of the modal shift projects is often limited to the creation of a new service and/or using new equipment (see chapter three). The Catalyst Actions have more substantial innovation, for example in the development and implementation of new IT applications. Innovations in intermodal transport (e.g. new transshipment techniques, communication platforms, satellite based applications) are primarily targeted in the European research and technological development (RTD) Framework Programme rather than the MP Programme.

Perception by industry and programme awareness

The perception of the industry was not investigated separately in this evaluation study. However, the ex-ante evaluation of the MP II Programme included a consultation process among industry stakeholders. The following conclusions can be summarised from this



consultation⁹ and have been assessed taking into account the actions taken in the meantime.

- MP was viewed to be a complex Programme, leaving SME little chance of participating in the Programme (especially due to the high funding thresholds, and the high costs involved in coping with the administrative procedures and getting bank guarantees). This argument is still valid.
- The budget was generally considered to be too small. It was considered being insufficient to create major changes in attitude across all Member States. The profiling of MP was also considered to be insufficient. The first argument is remarkable knowing that the reserved budget could not always be committed due to lack of high-quality proposals. The marketing of MP has been improved considerably, most certainly through the regular MP Conferences.
- The subsidy mechanism is often criticised for being too inflexible and rule out some potentially successful projects that do not involve shifting of heavy goods but high volumes. The high threshold criteria favour long distance projects, whereas short distance projects also help alleviate congestion. The first argument is no longer valid after offering the opportunity to apply the alternative unit of measure of m3-kilometres. The second argument is still valid, though the Marco Polo II programme offers the opportunity of grouping individual projects in the same application.
- The railway community is sceptical about the formula used to calculate environmental benefits favours short sea shipping project. Given the share of rail project in the most recent calls, this argument seems not to have influenced the selection of projects.

The lead partners of the 13 projects became aware of the MP Programme through contacts with employees of DG TREN (AIN, Eurostars, RAFTS, EUCON), previous experiences with European Programmes (RAFTS, AIN), MP Conferences (Eurostars, Portned, EUCON), articles in newspapers and magazines (Eurostars, EUCON) and through their network of contacts (Portned, DARIS).

4.3 Programme effectiveness and efficiency

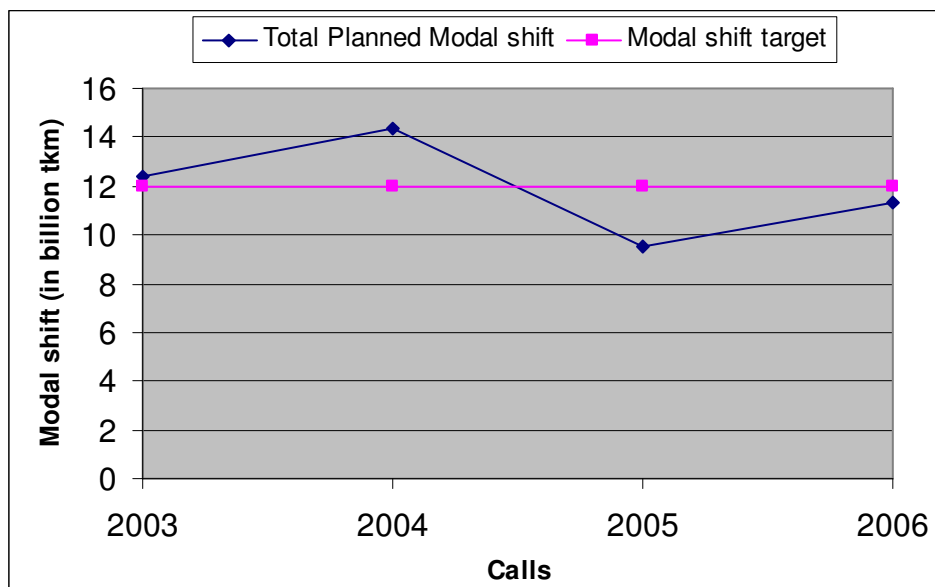
4.3.1 Programme effectiveness

The overall objective of the MP I Programme is to shift 12 billion tkm per year, which amounts to 48 billion tkm during the whole MP I period. Only Call 2005 remained behind the annual target, the planned shift of the concluded contracts in the other calls equals or exceeds 12 billion tkm. The sum of the planned shift of all concluded contracts exactly equals 48 billion tkm.

⁹ ECORYS (2005), Ex-ante evaluation Marco Polo II (2007-2013) – Final Report.



Figure 4.4 Planned and targeted modal shift per call



After correction for the differences between planning and realisation based on the findings of the finished and nearly finished projects and after correction for cancelled projects, the programme is expected to realise a shift of 30.6 billion tkm, which corresponds to 64% of the programme target.

Based on the analysis of the individual projects we assume that the average realisation of modal shift on project level for non-finished projects will on average be 75% of the initial planning.

Table 4.1 Planning and realisation of modal shift objectives

Call	Programme objective (bln. tkm)	Planned shift (bln. tkm) of concluded contracts	Expected final realisation of modal shift (bln tkm)
Call 2003	12.0	12.4	7.9 (64%)
Call 2004	12.0	14.4	6.9 (48%)
Call 2005	12.0	9.5	7.2 (75%)
Call 2006	12.0	11.4 ¹⁰	8.6 (75%)
Total	48.0	47.7	30.6 (64%)

Assuming an average distance of about 800 kilometres in the considered European corridors and an average load of 20 tons per truck, this corresponds to shifting each year almost 2 million shipments by trucks from the road.

¹⁰ This number is based on the provisional list of projects of the 2006 Call and might therefore change.



When the modal shift realisation of Marco Polo is seen in relation to the total road freight performance in Europe, the shift of 30.6 billion tkm is only a small fraction, representing 5.8% of total European international road freight transport performance.

Shift from road to rail transport is responsible for 64% of the expected realisation, which corresponds to almost 20 billion tkm¹¹. That corresponds to 9.6% of total international rail freight performance in Europe.

Table 4.2 Programme effectiveness in relation to the European freight transport system performance

Modal shift to:	Realised shift by MP I	Total international freight performance EU-25 (*)	Share in total performance
Rail	19.7 billion tkm	205 billion tkm	9.6%
SSS	10.1 billion tkm	1525 billion tkm (**)	0.7%
IWT	0.9 billion tkm	99 billion tkm	0.9%
Total from road	30.6 billion tkm	526 billion tkm	5.8%

*) Sources: Statistical Pocketbook – Energy and transport in figures 2006 and Eurostat – Panorama of Transport 2007

***) This figure includes total EU-25 shortsea performance

4.3.2 Programme efficiency

MP I had a total budget of € 102 million, which was divided over the four calls, as visible in table 4.4. In the first two years the committed budget reserved for the concluded contracts was more or less equal to the available budget, in the last two calls this was considerably lower. The poor quality of proposals and the drop out of short-listed projects during the evaluation process were the main reasons for not consuming the available budgets. Especially the Calls 2006 shows a huge difference between the committed budget for concluded contracts and the available budget (46% under consumption).

The real subsidy payment will even be significantly lower than the reserved € 74 million. The four unsuccessful projects in the first two calls have only received a very limited amount of the committed budget of € 10 million and some finalised projects have also led to correcting the final payment due to not having realised the planned modal shift. Also when projects are very successful and already generate profit within the project duration period, the subsidy cannot be claimed.

¹¹ For combined Rail/SSS projects and Rail/IWT projects, 50% of the modal shift has been included in the total shift towards rail transport.

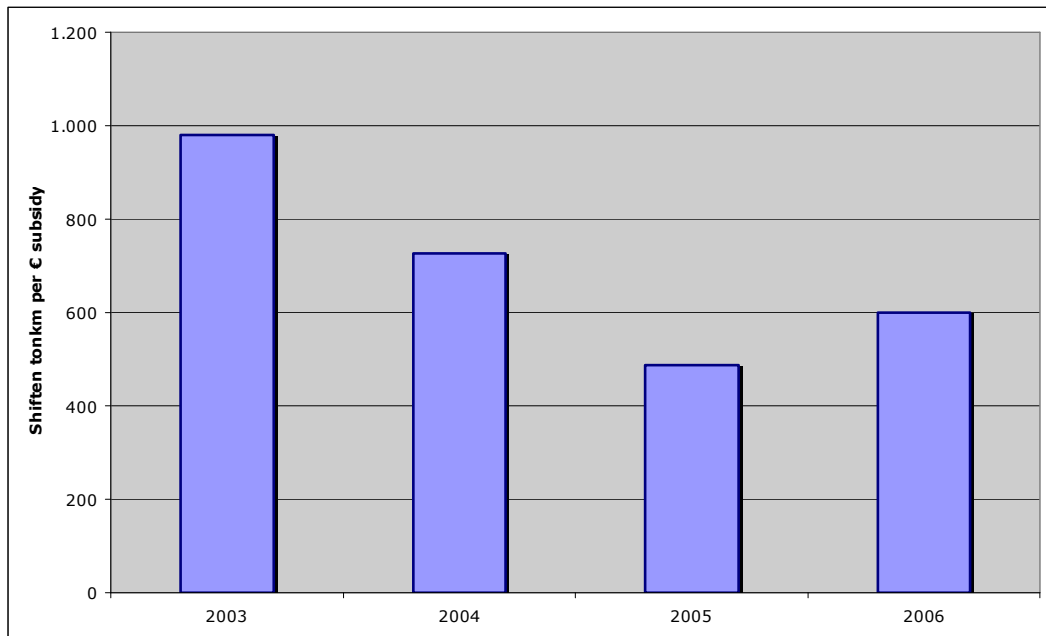


Table 4.3 Available and committed budget

Call	Available budget (mln. €)	Committed budget reserved for concluded contracts (mln. €)
Call 2003	15.0	13.0
Call 2004	20.4	20.4
Call 2005	30.7	21.4
Call 2006	35.7	18.9
Total	101.8	73.8

The average planned modal shift per Euro subsidy has developed over the calls. The figure below presents this development.

Figure 4.5 Shifted tkm per € subsidy Call 2003-2006



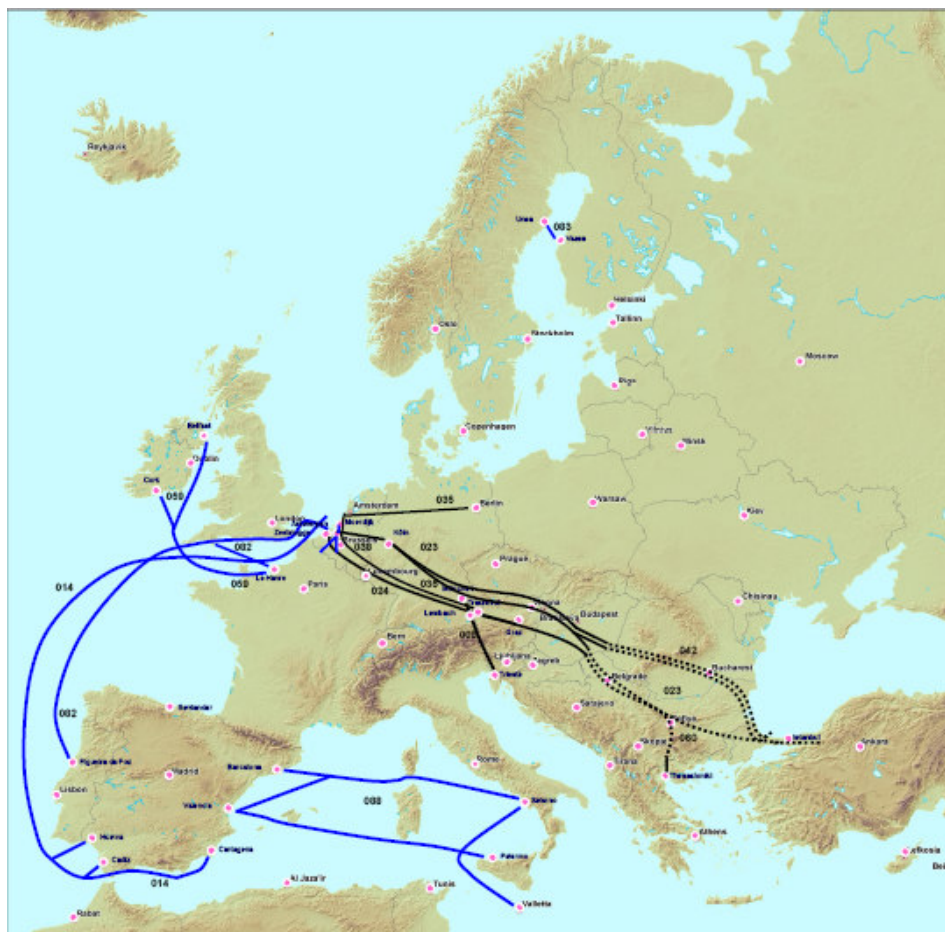
For 2005 and 2006, this level is quite in line with the maximum limit for subsidy following the MP calculator, which takes into account the limit of € 1 subsidy per 500 tkm for Modal Shift actions. Individual projects like Eurostars, Shuttle Isabella, BSH and EUCON in the Call 2003 and Bridge over Europe and IT-POL-IT in the Call 2004 realised or planned to realise more shift per Euro subsidy than the maximum limit which means that they simply do not request the maximum subsidy they could if based on the guideline of reserving 1 Euro subsidy for each 500 tkm shifted. It might be that the total eligible costs do not justify a higher subsidy, since the total funding cannot exceed 30% of the total eligible costs. Misunderstanding of the funding mechanism in the proposal preparation phase might be another explanation.



4.4 Geographical spread of the Marco Polo Programme

The figures below present a geographic representation of the modal shift actions and catalyst actions in each of the corresponding calls (2003, 2004 and 2005).

Figure 4.6 New modally shifted routes Call 2003



In this call, selected shortsea projects are in the Mediterranean Sea, The North Sea, Atlantic and East Sea. Rail projects are mainly on the corridor from Netherlands/Belgium to South-Eastern Europe diagonally crossing the continent. France, Iberian Peninsula as well as Scandinavia are not included in any of the rail projects.



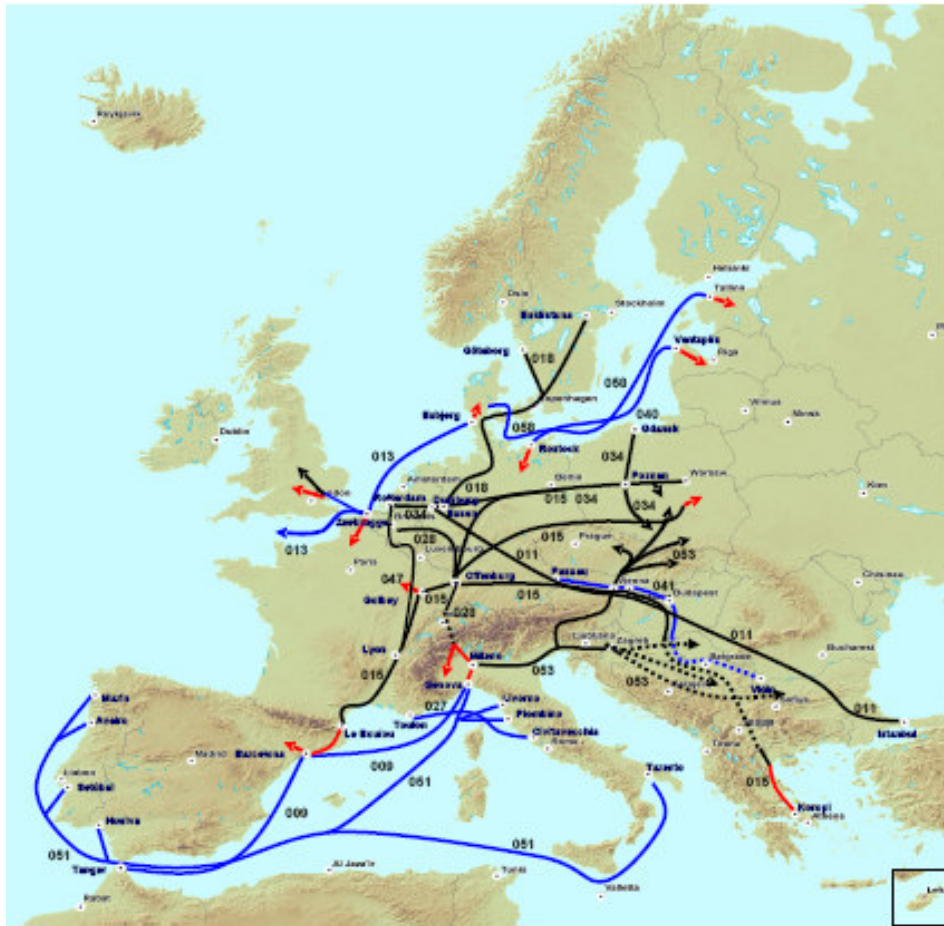
Figure 4.7 New modally shifted routes Call 2004



This call also includes shortsea services in the same geographic areas. The rail projects now become more widespread and also include North-South corridors between Germany and Italy. Call 2004 also includes the first inland waterway project (between Antwerp and the inland terminal network in its hinterland).



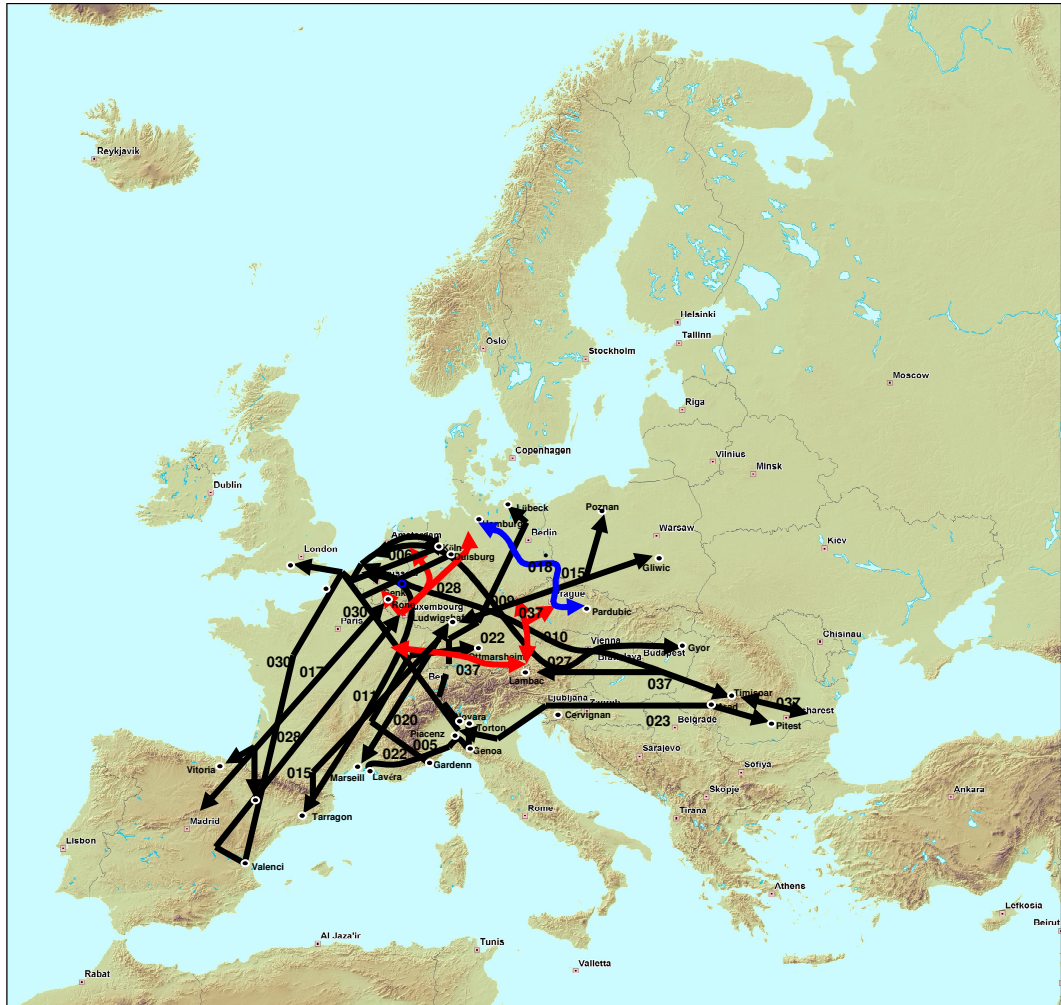
Figure 4.8 New modally shifted routes Call 2005



In Call 2005, the shortsea project also includes the Baltic Sea. Rail projects are now also including France and Scandinavia as well as some new East-west corridors.



Figure 4.9 New modally shifted routes Call 2006



The signing of contracts from Call 2006 is currently under way. The large majority of the projects include modal shift actions – all for rail project - , in which Belgium, Spain and Romania are well represented. Also an inland waterway transport project on the river Elbe is included. Apart from modal shift actions, the shortlist includes two catalyst actions and a common learning action.

Three conclusions can be extracted from analysing the geographic developments between the different calls:

1. Increased geographic spread of projects, following the inclusion of new member states and specific arrangements between the EU and some close third countries.
2. The lack of an SSS project in the Adriatic Sea connecting Greece and Italy in any of the calls.
3. The lack of an IWT project on the Rhine/Main corridor and Rotterdam inland waterway hinterland in any of the calls.



The first conclusion is evident and follows naturally from the European extension process.

The second conclusion, the absence of any SSS project on the Adriatic Sea might be a consequence of the fact that the alternative road route crosses the territory of Albania, Serbia and Montenegro and Croatia. Since these countries are not part of the EU-27 and no Memoranda of Understanding have been concluded between the EU and these countries, they cannot be considered as fully participating third countries. Despite the political priority target for maritime freight services on the Adriatic Sea, the Memoranda of Understandings on the participation of Croatia to the MP Programme was not ratified in time by Croatia for the Call 2006. As a consequence, the modal shift calculation cannot include the tkm shifted on the territory of these countries, which may make SSS-projects between Greece and Italy unattractive from a commercial point of view.

The third conclusion, the absence of IWT projects on the Rhine-Main corridor and the inland waterway hinterland of Rotterdam might have two causes:

- The threshold value for a minimum shift of 250 million tkm appears to be too high for individual IWT services, therefore bundling of individual services is a prerequisite (see also paragraph 4.1).
- Several major logistics operators already offer services on the river Rhine, which is the most mature market for IWT services in Europe. New services on the Rhine might distort competition to an extent which damages the common interest.

In addition, the lack of IWT projects on the Seine corridor and the Rhone/Saone corridors might be a consequence of the national orientation of these French IWT corridors, whereas MP requires at least two beneficiaries from different Member States or from one EU Member State and a close third country. The relatively high modal shift threshold for IWT projects might be another reason. A problem with potential services on the Danube might be the difficulties for the calculation of eligible tkm shifted, given the fact that parts of the Danube form the border between Romania and Serbia and Montenegro. The existing road corridor is leading in determining the eligible modal shift and not the length of the border river between Romania and Serbia.

4.5 Other impacts

In addition to the programme effectiveness and programme efficiency (evaluated in paragraph 4.3) and the evaluation of the geographical coverage of projects (par 4.4.), this paragraph presents the evaluation of other relevant impacts, like:

- Improvement of the environmental performance of the freight transport system
- Generator of third party investment
- Credibility and viability of projects



Some other impacts, like the generation and implementation of innovation, the initiation of new forms of co-operation, fighting road congestion, the creation and securing of jobs and the distortion of competition have been evaluated only on project level, see Chapter 3.5.

4.5.1 Environmental impacts

Within the methodology of the MP Programme the quantitative environmental benefits are directly related to the generated modal shift. The external costs of the old road route and the new modally shifted route are compared taken into account noise, pollution and climate costs as well as accidents, infrastructure and congestion and resulting in the environmental benefits of the project. The specific external cost values for the different transport modes have been updated for the 2004 Call. As a consequence, a comparison of the results of 2003 and 2004 projects is not useful.

In total the sum of the reported planned external benefits represents a monetised value of more than 1 billion Euro. That means that each Euro spent on MP funding would realise almost 14 times as much external benefits, as shown in the table below. This is clear evidence for the environmental success of a modal shift stimulating programme like Marco Polo.

Table 4.4 The environmental benefits of the Marco Polo programme

Call	Planned modal shift	Planned subsidy	Planned external benefits	Environmental efficiency
2003	12.4 billion tkm	€ 13.0 million	€ 204 million	15.7
2004	14.4 billion tkm	€ 20.4 million	€ 324 million	15.9
2005	9.5 billion tkm	€ 21.4 million	€ 245 million	11.4
2006	11.4 billion tkm	€ 18.9 million	€ 244 million	12.9
Total	101.7 billion tkm	€ 73.8 million	€ 1.017 million	13.8

Based on the expected realisation of the modal shift of the different projects (64%) the external benefits to be realised by MP I will be about € 650 million.

By looking into more detail on each of the categories of the external impacts, the following interesting facts can be presented.

- The key figures used to calculate the monetised external benefits have been generated by an internal study of the EC based mainly on the external research projects UNITE and REALISE 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.
- From the external costs of road freight transport, 42% is related to real environmental impacts like air emissions, noise and global warming. Another 33% is related to the



external costs of congestion. About 13% is related to road safety and the external costs of accidents and the remaining 13% is related to other external impacts (e.g. the marginal costs of the infrastructure use).

- Improvement of the external impacts by shifting freight from road transport to other modes is largest for shift to shortsea (3.9 times more efficient) and IWT transport (3.5 times more efficient). Rail transport is 2.3 times more efficient.

4.5.2 Generation of third party investment

The leverage effect of the MP funding is considerable. Every Euro of planned subsidy generates on average the production of € 20 of eligible costs by industry partners¹². In total this means that the programme has generated industry investment of € 1.5 billion. The real leverage function is even higher since not all costs have been eligible for funding.

4.5.3 Credibility and viability of projects

So far only six projects have not started the planned service or terminated the service, two from Call 2003 (DARIS and UNITNET SS&I), two projects from Call 2004 (RORO-Esperance and RAFTS) and two other projects from Call 2005 (Fastlink and TCS). The DARIS and the TCS projects were terminated by the beneficiary due to low volumes and high losses. The UNITNET SS&I contract was terminated due to bankruptcy of the lead partner. RORO-Esperance, RAFTS and Fastlink were facing difficulties to begin and have never started operation. All contracts have been terminated

All other projects started their planned services; some projects even investigate wider applications of the project scope. The finished and nearly finished projects will probably all remain operational after the subsidy period, see also chapter 3.7.

It can thus be concluded the MP Programme has largely supported viable project, capable of producing sustainable results. The modal shift that has been realised during the project period is not temporary, but in many cases a structural shift of freight transport from the road.

¹² This is after excluding the project EXCITE in Call 2006, which strongly deviates from the other projects with enormous eligible costs.



4.6 Programme management and implementation

4.6.1 Preparation of the call texts and the proposals

In general there is not much difference between the Call Text of the different calls of the MP Programme 2003-2006. The main difference is the change in geographical spread of the participating Member States of the European Union. The call of 2003 is for the member states of the EU-15. The call of 2004 is extended with ten new member states to the EU-25 and some third countries (EFTA-EEA countries Iceland, Liechtenstein and Norway). The call of 2005 is also for EU-25 and Romania. Under the call of 2006 the eligible countries are EU-25, EFTA-EEA countries Iceland, Liechtenstein and Norway and Romania and Bulgaria.

In addition a number of changes have been made in the Calls 2004, 2005 and 2006:

- Specific values for external costs have been updated (from Call 2004)
- Unit of measure: m3 kilometres can be used as alternative unit of measure for calculating modal shift.
- Within the current MP Programme, reduction in vehicle kilometres is important to mention in order to support the qualitative score on environmental performance (congestion and emissions). In the new MP II Programme, a specific instrument is being introduced to deal with reduction of vehicle kilometres: traffic avoidance actions.
- From Call 2005 no audit certificate is required for project partners with eligible costs lower than € 50.000.
- For Call 2006 two undertakings from different Member States/ one EU member State and a close third country might be subsidiaries of the same mother company. In previous calls, at least the two undertakings had to be independent, namely not more than 50% control in each other.

Check on eligibility

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

- 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.
- Transport Services: the proposal must dominantly concern transport services in the market place, i.e. infrastructure, research or study projects are not eligible.
- European dimension - undertakings: an action must be submitted by at least two (*independent*) undertakings established on the territories of two different Member States, or on the territories of one Member State and a close third country.
- European dimension - expenditure: the budget will not finance costs and expenditure arising outside the territories of the Community or fully participating close third countries. Nor can legal or natural persons established outside these countries be beneficiaries of funds under this call.
- Type of legal entity: all project participants must be legal persons. They must be privately or publicly owned 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.

- 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 transport.
- Start-up of action: the action must start operations between two dates specified in each call.

Feedback from project participants

The 'Call for Proposals' is for most partners clear in text and procedures. However, the application process for the MP funding support was considered by most of the participants as complex. Many participants needed assistance from consultants to submit proposals. The support from the MP Helpdesk in Brussels and from national contact persons within the Member States was useful and co-operative and important for solving issues. The MP checklist proved to be a useful guide to ensure compliance in the formulation of the proposal document.

Many applicants experienced difficulties in the calculation of eligible modal shift of freight. The MP calculator (which was introduced as a support tool from the Call 2004) was often used for the calculations but apparently not always been used in the correct way. The calculations on the difference of the road transport volume on the old road route and the transport volume on the new modally shifted route sometimes appeared to be more difficult than expected. Participants had to take into account that on some parts of the new intermodal route there were restrictions due to the eligibility criteria, like route sections in non- member states and corrections for empty loading kilometres.

4.6.2 Evaluation of proposals and contract negotiation

This paragraph starts explaining the formal procedure of evaluating proposals. Proposals are in first instance being evaluated by an Evaluation Committee. The Evaluation Committee includes Commission staff from different Directorates and Units of DG-TREN (Intermodal, SSS, Rail and IWT) as well as from other Directorates-Generals and involves also two independent primary reviews for each proposal.

The next step is to discuss each proposal in order to get consensus on the evaluation by voting. The Consensus report is an outcome of this process. Based on Evaluation Report per session, records of key decisions (e.g. marks & individual budget), a final ranking session is being held, resulting in a Report on Evaluation including a shortlist, a reserve list and a rejection list.

After the approval of the list of the selected proposals by DGTREN Director-General, the negotiations with the selected projects can start in order to be able to conclude a grant agreement once a Commission Decision with the list of the selected projects has been



adopted. During negotiations, questions are raised by the European Commission to clarify technical or financial elements in the proposal.

Once all project details are clarified, an inter-service consultation is then being launched within the Commission in order to detect possible funding by other EC programmes. A vote by the Programme Committee is then necessary resulting in a single vote on the shortlist, reserve list and rejection list.

The result of the Programme Committee voting is presented to the European Parliament so it can exercise its right of scrutiny and afterwards the Commission can adopt the Commission Decision. The grant agreements can then be sent out to the project applicants for signature.

Feedback from project participants on the formal procedures

The evaluation process is perceived by applicants as being complex, non-transparent and requiring a long time between contract negotiations and contract signature. The adjudication process was also a point of concern with one major project being advised it was not an eligible recipient for funding only to find this decision reversed several days later. Another project was initially rejected and was subsequently awarded funds some months after the original rejection. This was due to the fact that a reserve list is being established for projects that can be financed if budget becomes available (i.e if some of the projects on the short list drop out during contract negotiations).

Also the rotation of key personnel within MP in Brussels caused some delay and concern. For the participants it is important that EC have clear time deadlines in the process of approval and respect these deadlines. They were positive about the transparency of the award criteria and importance of the criteria in itself. Also the negotiations with the EC are seen as a positive process with room for improvement. The award criteria are discussed in the next paragraph.

Evaluation and award criteria

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. In an evaluation process, proposals are being ranked by giving scores. The ranking of the proposals will follow the total score obtained for the criteria presented in the following table. In brackets, the minimum threshold value is given for each score.



Table 4.5 The ranking criteria for the different actions

Criterion	Modal Shift Action	Catalyst Action	Common Learning Action
European Added Value – Quantity of freight shifted off the road	0 – 40 points (24 points)	0 – 40 points (24 points)	0 – 30 points (18 points)
Credibility and viability of the action	0 – 30 points (18 points)	0 – 30 points (18 points)	0 – 30 points (18 points)
Innovative approach			0 – 30 points (18 points)
Environmental and social benefits	0 – 30 points (18 points)	0 – 20 points (12 points)	0 – 10 points
Dissemination plan		0 – 10 points	
Total points	0- 100 points (60 points)	0- 100 points (60 points)	0- 100 points (60 points)
Extra points	*	*	
Avoidance of unacceptable distortions of competition	Yes/no (yes)	Yes/no (yes)	Yes/no (yes)
Justification of financial request			

*) For MSA and CA, extra points can be given for clean fuel and abatement techniques in shortsea shipping

Feedback from project participants on the evaluation criteria and the weights

No particular comments were given by the projects' representatives on the evaluation criteria and the weights.

4.6.3 Monitoring

Monitoring of the MP Programme is carried out on the basis of field visits of the European Commission, interim reports (annual reports) and final reports. These reports are to be submitted by the applicants to the technical MP project officers.

Feedback from project participants

Contact with the MP Officer once the project was under way appears to have been minimal and there was concern that the main contact was through formal monitoring and reporting mechanisms. The level of contact between the project and the responsible MP Officer was limited and mainly revolves around the formal reporting points in the project.

The contacts were mostly initiated by the project participants rather than from the EU. More regular contact was suggested as a means of ensuring confidence in the project and its management. The shift and rotation in people within the MP Programme was also perceived as a problem. No long term personal and project relation could be built on during the two or three year period of the project.



The participants experienced some difficulties with the reporting formats, especially for the finalization of the modal shift and financial data. The audit certificate was based on a template for the 6th Framework programme for RTD and appeared to be not fully applicable to the MP funding scheme. It is recommended to use templates and standard reporting formats that are specifically developed for the purpose of MP.

Finally participants find it important that the time between the approval, and audit, of the final report and the payment of the EU subsidy should be as short as possible.

The plans to externalise the Programme management of MP (see also chapter 1.3) will have an impact on the quality of the monitoring system. The availability of enough resources, agency personnel that is fully dedicated to Programme management and experienced with Programme monitoring procedures, is expected to contribute positively to the quality of the monitoring system.

4.7 Community added value

As was stated in chapter 3.6, the project partners consulted have indicated that many of the projects would also have been initiated without MP subsidy. The major difference is they would have produced profits later in time. However, for several project the MP subsidy was a reason to start the project earlier than planned, otherwise they would have waited to reduce certain uncertainties. The funding also has a positive impact on the risk / return trade-off.

Since all freight corridors in the concluded contracts involve more countries, national funding schemes would not have been appropriate as an alternative. A European Programme for shifting international freight volumes from the road to other modes is indispensable.



5 Conclusions

The Programme characteristics and focus

The MP Programme is a strategic programme aiming to shift international freight off the road. As a consequence of generally higher emissions per tkm for road transport compared to the other modes, the programme positively contributes to the environmental performance of the freight transport system within the Community. This specific objective makes it *an appropriate strategy* to contribute to an efficient and sustainable transport system. The programme is also *complementary* to other EC intervention options, particularly the TEN-T network strategy.

The programme is presented as a risk funding programme. However, applicants perceive the funding mechanism not as risk mitigation, but moreover as an instrument that positively influences the business case for launching a new service. The funding helps to decrease the operational losses in the first years of launching a new service. The financial risk remains on the business side.

The programme criteria apply minimum thresholds and therefore focus on fewer and larger MP projects involving transport of large volumes over long distances. A significant part of potential intermodal freight transport services will not pass these thresholds. This appears to be a particular problem for many potential new IWT services and small and medium enterprises.

More flexibility in the measurement of the shifted kilometres has been applied by taking into account the lightweight nature of some of the cargo by including an alternative unit of measure, namely metric (m³) tonne-kilometres since Call 2005.

Programme effectiveness

The programme is effective in realising modal shift of the road. The Programme target of shifting 48 billion tkm is in line with the planned shift of all concluded contracts. Projects appear to realise on average about 75% of the individual project targets. This would lead to a realisation of about 31 billion tkm in MP I programme (64% of the target). That corresponds to a shift of 2 million shipments by trucks from the road. This looks substantial, though it is just 5.8% of international road freight transport performance in Europe. Shift from road to rail transport is with almost 20 billion tkm responsible for the majority of the realisation, representing almost 10% of international rail freight performance in Europe. The programme contribution to the total freight performance of shortsea and IWT transport is with less than 1% very low.



Looking at the shift realised in the different calls, Call 2005 remains behind the average Call target of 12 billion tkm, due to the not fully consumed budget.

Rail projects perform better than shortsea and IWT ones with respect to their planned target levels. The rail projects generally experience serious start up problems (e.g. problems to get the necessary slots) or delays (e.g. caused by formalities at border crossings) but are able to make up for this once the problems are solved and perform more or less on target (99%). Shortsea projects show more constant results during the years and realise on average 78% of their target. The only modal shift IWT project (AIN) experienced start-up problems and remained far behind the planned modal shift (45%).

The projects that involve the setting up of a new service (99%) have performed better in terms of modal shift than the projects that involved an upgrade of an existing service (70%, after deducting modal shift existing before the project started), however starting a complete new service it is also more risky since four of these projects have been unsuccessful and were cancelled. Projects that have involved a consultant in the proposal preparation phase performed considerably better (104%) than the projects without use of a consultant (69%).

The effectiveness of the programme in reducing road congestion - an element of the general programme objective – could not be assessed properly. Although the Call Text states that *'Modal Shift actions should also lead to a considerable decrease in vehicle kilometres, which has a direct impact on congestion'*, not all evaluated projects did elaborate on this in their project proposals and reports. And if projects referred to their contribution to road congestion, the impact on congestion was not supported by any calculations. The conclusion that reducing vehicle kilometres automatically benefits to road congestion problems is not obvious in all freight corridors. The way this aspect is included in the award criteria should become more viable.

Programme efficiency

Just like the realisation of the planned modal shift, the total budget of MP I of € 102 million will also not be fully consumed. The committed budget of the concluded contracts in the four calls equals € 74 million. In particular Call 2006 remained far behind the planned budget consumption (53%), partly due to the fact that during contract negotiations, four initially selected shortsea and IWT proposals withdrew unilaterally, which caused a complete absence of shortsea projects in Call 2006.

Taking into account that some projects were unsuccessful and have not received any subsidy and other projects will not fully receive the planned subsidy, the final consumption of budget will even be significantly lower.

Other impacts

In total the MP Programme is expected to realise external benefits representing a monetised value of €650 million. Each Euro of planned MP subsidy realises almost 14



times as much external benefits. The reduction in congestion costs is contributing most to the expected savings in external costs (53%), followed by environmental costs (27%), transport safety costs (16%) and other external costs (3%).

The leverage effect of the MP funding is considerable. Every Euro of planned subsidy generates on average € 20 of eligible costs by industry partners. In total this means that the programme has generated industry investment of € 1.5 billion.

The MP Programme has largely supported viable projects, capable of producing sustainable results.

Critical success factors

Based on the factors for success and failure mentioned by the 13 individual projects, 6 critical success factors can be distinguished:

- The projects should be based on solid market knowledge and market research providing a realistic picture of the market potential (including the competition to be expected), possible market barriers (technical, capacity, administrative and bureaucratic) and methods to overcome these.
- A strong project organisation is required, including the development of a key leader role, selection of the right partners (based on earlier relations between the partners, their commercial and operational capabilities and their existing contacts) and clear agreements between the project partners (and other relevant organisations outside of the project team).
- For modal shift actions, the project should be based on a simple project idea offering a competitive product to fulfil a need originating from the market. Access to the required infrastructure, equipment and resources is also an important factor to consider when starting a new service.
- Some projects require a minimum of political support in order to be successful. The European Commission has in some cases the possibility to exert an influence in national issues and has done this informally in the BSH project.
- A solid understanding of the MP rules and procedures is needed to apply for funding; this helps to avoid problems after the contracts have been concluded.
- The project implementation should involve intensive marketing to convince potential clients to use the new service, in particular for return traffic.

Recommendations

In order to mitigate the risk for commercial applicants, the EC should consider flexibility in extending the project duration for modal shift actions, which link the level of subvention to the tkm actually shifted. Many projects face start up problems, which they overcome during the project duration but they do not fully realise the cumulative planned modal shift, with sometimes negative consequences for the final payment. The EC should consider the possibility of extending the project duration for modal shift actions, by offering longer duration to projects which have suffered start up problems. This would not harm the programme efficiency and would decrease the uncertainty for applicants



about receiving or not the complete planned subsidy. However that would require adjustments to the legal base for MP II.

The modal shift thresholds and corresponding funding are too high for many small and medium sized enterprises to build eligible projects for intermodal services in short distance corridors, which account for a significant share of the potential freight that can be shifted from the road. This is particularly a problem for modal shift projects shifting freight to inland waterways. Grouping of smaller projects into one MP proposal appears to be difficult in inland waterway transport (IWT). It is recommended to lower the modal shift threshold for modal shift projects in IWT in order to attract more participants. This however requires adjustments to the legal base for MP II.

The available budget of € 102 million for MP I was not fully consumed by the concluded contracts. The poor quality of proposals, the drop out of short-listed projects during the evaluation process and the lack of a reserve list were the main reasons for not consuming the available budget. It is recommended to select a shortlist of high quality proposals, including a reserve list of projects that can be selected when contract negotiations with short-listed projects fail or when project partners withdraw from negotiations.

Given the enormous budget increase in the MP II programme - a yearly budget that is twice as large as in MPI - and the experiences with budget consumption in the last two calls of MP I, it will be a real challenge to consume the yearly available budgets for future MPII calls. The lack of shortsea projects in the Call 2006 is a serious threat in this respect. It either means that the most obvious and commercially most interesting shortsea projects have already been selected in the first MP calls or that participants await the more flexible funding principles of the Motorways of the Sea actions in MPII. In any case, it is recommended to sharply monitor these developments in the first and subsequent calls of MP II and take actions if necessary.

It is recommended to make the aspect of 'contribution to road congestion' more visible in the proposal evaluation stage by entering it as a separate evaluation criterion in future calls and request for a more solid foundation on how a project contributes to road congestion e.g. by clearly describing the road congestion problems in the particular freight corridor, since not all freight corridors are confronted by road congestion problems to the same extent.

Projects which were supported by consultants in the proposal stage show generally better results. One of the critical success factors is to have a solid understanding of the MP rules and procedures. When this understanding is insufficient among the project partners, they are strongly recommended to get the assistance of experienced consultants in this area or to ask for support through the Marco Polo Help Desk.

It is advised that the Commission takes action in two sides. First it should streamline and simplify procedures as far as possible and, second, it should produce user-friendly guides so the Marco Polo applicants and beneficiaries fully understand the rules and procedures



which have to be followed in order to facilitate the application for MP funding and the management of MP contracts by the beneficiaries

Also in order to substantially increase the number of proposals submitted to each call, the visibility of the programme should be enhanced and a dissemination and promotion effort undertaken. As part of this effort, applicants should receive technical advice on how to present the proposals.



Annex 1 Details of the different calls

Table 0.1 Call 2003 (all figures based on expected results, not based on realisation)

Project	Call	Type	Mode	Planned modal shift	Environmental benefits	Eligible costs	MP Subsidy	Project period
Eurostars	2003	MOD	SSS	2,896,151,676	61,683,513	80,593,690	1,500,000	01-01-04 / 30-06-06 (30 months)
Portned	2003	MOD	SSS	736,458,200	15,188,055	10,605,368	980,000	10-12-03 / 09-02-06 (26 months)
eWIT	2003	LEA	IWT			722,000	361,000	10-12-03 / 9-2-06 (26 months)
AIN	2003	MOD	IWT	864,881,182	14,608,195	73,240,359	1,729,762	01-01-04 / 31-12-06 (36 months)
EUCON	2003	MOD	SSS	1,180,015,020	18,118,675	37,259,000	1,000,000	01-01-04 / 31-12-06 (36 months)
Graz-Duisburg-Express	2003	MOD	Rail	773,784,142	7,887,647	19,412,345	1,548,000	01-01-04 / 31-12-06 (36 months)
CGTK	2003	MOD	SSS	329,800,000	7,346,080	3,111,000	600,000	01-01-04 / 31-12-06 (36 months)
Shuttle-Isabella	2003	MOD	Rail	1,279,099,932	25,778,374	69,568,565	1,000,000	10-12-03 / 9-12-06 (36 months)
TRITS	2003	MOD	Rail	485,704,960	5,755,603	5,018,534	971,000	01-01-04 / 31-12-06 (36 months)
DARIS	2003	MOD	Rail	942,500,000	10,549,968	26,653,466	1,000,000	01-10-04 / 30-9-07 (36 months)
BSH	2003	MOD	Rail	334,122,000	7,622,038	12,727,835	280,000	01-10-04 / 30-9-07 (36 months)
DUE	2003	MOD	Rail	451,670,000	4,681,381	5,644,552	552,000	18-10-04 / 17-05-07 (31 months)
Unitnet SSI	2003	MOD	SSS	2,121,000,000	25,047,325	50,224,925	1,500,000	1-10-04 / 1-10-07 (36 months)



Project	Call	Type	Mode	Planned modal shift	Environmental benefits	Eligible costs	MP Subsidy	Project period
Total				12,395,187,112	204,266,854	394,781,639	13,021,762	
Average				1,032,932,259	17,022,237	30,368,277	1,001,674	



Table 0.2 Call 2004 (all figures based on expected results, not based on realisation)

Project	Call	Type	Mode	Planned modal shift	Environmental benefits	Eligible costs	MP Subsidy	Project period
RORO-ESPERANCE	2004	MOD	SSS	3,902,976,000	98,811,504	71,386,288	4,000,000	09-12-05 / 08-6-08 (30 months)
RAFTS	2004	MOD	Rail/SSS	1,902,500,000	38,050,000	9,460,004	2,500,000	31-12-05 / 31-12-08 (36 months)
ItaloExpress	2004	CAT	Rail	1,374,483,170	28,275,718	53,789,492	3,500,000	01-01-05 / 31-12-08 (48 months)
ACCESS	2004	LEA	SSS	N.A.	N.A.	500,100	250,000	15-05-05 / 15-05-07 (24 months)
IBERLIM	2004	MOD	SSS	800,502,300	20,196,283	11,528,400	1,600,000	01-03-05 / 01-03-08 (36 months)
EUREWA	2004	MOD	Rail	1,611,139,560	31,187,376	30,566,966	3,071,000	01-01-05 / 31-12 -07 (36 months)
INSECTT	2004	LEA	Rail/SSS	N.A.	N.A.	860,000	430,000	01-09-05 / 31-08-07 (24 months)
Bridge over Europe	2004	MOD	Rail/SSS	2,280,384,000	54,667,584	33,084,931	1,000,000	15-12-04 / 15-12-07 (36 months)
MARIS	2004	MOD	Rail/SSS	885,479,760	24,051,762	24,488,242	1,570,000	31-12-05 / 31-12-08 (36 months)
SINGER	2004	MOD	Rail	331,373,210	6,540,945	17,286,059	662,700	01-08-05 / 01-08-07 (24 months)
HAPPY METAL	2004	MOD	Rail	565,548,378	7,875,062	17,872,430	1,131,097	10-01-05 / 10-01-07 (24 months)
IT-POL-IT net	2004	MOD	Rail	727,861,740	14,616,811	31,034,074	723,203	01-01-05 / 31-12-07 (36 months)
Total				14,382,248,118	324,273,045	301,856,986	20,438,000	
Average				1,438,224,812	32,427,304	25,154,749	1,703,166	



Table 0.3 Call 2005 (all figures based on expected results, not based on realisation)

Project	Call	Type	Mode	Planned modal shift	Environmental benefits	Eligible costs	MP Subsidy	Project period
SCAPEMED	2005	MOD	SSS	1,916,620,200	49,070,928	15,233,000	2,103,000	01-03-06 / 01-03-09 (36 months)
ATTAC	2005	MOD	SSS	1,070,444,115	31,589,383	38,675,166	2,090,000	01-02-06 / 31-01-09 (36 months)
SHORTSEA XML	2005	LEA	SSS	N.A.	N.A.	1,800,000	900,000	15-9-06/14-9-08 (24 months)
MAROCCO SEAWAYS	2005	MOD	SSS	921,384,711	28,832,142	23,309,952	1,830,418	31-12-06 / 30-06-09 (30 months)
BASS	2005	MOD	SSS	658,093,800	20,813,957	55,170,959	1,316,000	13-01-06 / 13-01-09 (36 months)
2E3S.COM	2005	LEA	SSS	N.A.	N.A.	2,741,887	993,750	01-9-06 / 31-08-08 (24 months)
ZEST	2005	MOD	Rail/SSS	459,149,918	12,291,296	12,327,894	867,143	30-01-06 / 29-01-09 (36 months)
DRS	2005	MOD	IWT	484,070,576	13,115,710	14,333,383	968,141	01-10-06 / 30-9-09 (36 months)
NEPOLEXPRESS	2005	MOD	Rail	509,549,158	10,999,264	18,527,873	882,363	30-09-06 / 29-01-09 (36 months)
RAIL	2005	MOD	Rail	936,378,000	17,081,670	28,892,061	1,796,066	30-01-06 / 29-01-09 (36 months)
LOGISTIC	2005	MOD	Rail	268,735,516	5,242,531	33,944,180	487,374	31-1-06/30-1-09 (36 months)
TCS	2005	MOD	Rail	574,808,448	11,915,920	20,279,795	1,149,617	1-07-06 / 30-06-09 (36 months)
ROLYS	2005	MOD	Rail	509,640,000	9,749,880	13,591,847	742,000	19-01-06 / 18-01-09 (36 months)
FASTLINK	2005	CAT	Rail	302,574,753	6,849,530	14,021,932	2,814,265	01-09-06 / 31-08-08 (24 months)
SCANDINAVIAN SHUTTLE	2005	CAT	Rail	923,352,500	27,479,463	16,964,412	2,500,000	1-6-06/31/5-10(48 months)
Total				9,534,801,695	245,031,674	309,814,341	21,440,137	
Average				733,446,284	18,848,590	20,654,289	1,429,342	



Table 0.4 Call 2006 (Based on the shortlist of selected projects pending the commission Decision)

Project	Call	Type	Mode	Planned modal shift	Environmental benefits	Eligible costs	MP Subsidy
SOUTHERN EUROPE GREEN LINK	2006	MOD	Rail	880,559,712	19,528,542	16,723,576	813,000
DZRS	2006	MOD	Rail	247,579,785	4,000,268	8,089,842	503,847
LUNA	2006	MOD	Rail	384,811,560	7,286,857	10,063,071	700,000
T-REX PROJECT	2006	MOD	Rail	641,782,656	12,702,787	13,910,474	1,250,000
ARAGO PROJECT	2006	MOD	Rail	1,363,389,300	27,635,599	36,661,768	2,500,000
TRIANGLE	2006	MOD	Rail	1,297,575,460	23,916,999	31,488,619	2,000,000
IBERSHUTTLE	2006	MOD	Rail	1,086,528,000	20,818,140	26,711,285	1,500,000
ETS-ELBE	2006	MOD	IWT	440,177,80	10,533,927	19,211,116	1,635,330
MARNY	2006	MOD	Rail	968,177,430	19,803,629	26,132,623	1,900,000
IRIS	2006	MOD	Rail	490,039,770	11,191,566	43,471,255	560,000
HRE	2006	MOD	Rail	834,398,617	15,885,232	21,137,307	1,105,111
LORRY RAIL	2006	MOD	Rail	1,145,738,266	20,603,660	58,913,901	2,000,000
EXCITE	2006	CAT	Rail/SSS	1,243,489,711	43,522,140	147,746,445	1,500,000
SHUTTLE ROMANIA	2006	MOD	Rail	337,283,369	6,464,598	19,222,229	637,466
ITS-IT	2006	LEA	Rail/SSS	N.A.	N.A.	671,319	335,660
Total				11,361,531,496	243,893,944	480,154,829	18,940,414
Average				811,537,960	17,420,996	32,010,322	1,262,694



Table 0.5 Total planned modal shift and committed MP Subsidy

Call	Planned modal shift	Committed MP subsidy
2003	12.395.187.112	€ 13.021.762
2004	14.382.248.118	€ 20.438.000
2005	9.534.801.695	€ 21.440.137
2006	11.361.531.436	€ 18.940.414
Total	47.673.768.361	€ 73.840.313

Figure 0.1 Target and planned modal shift

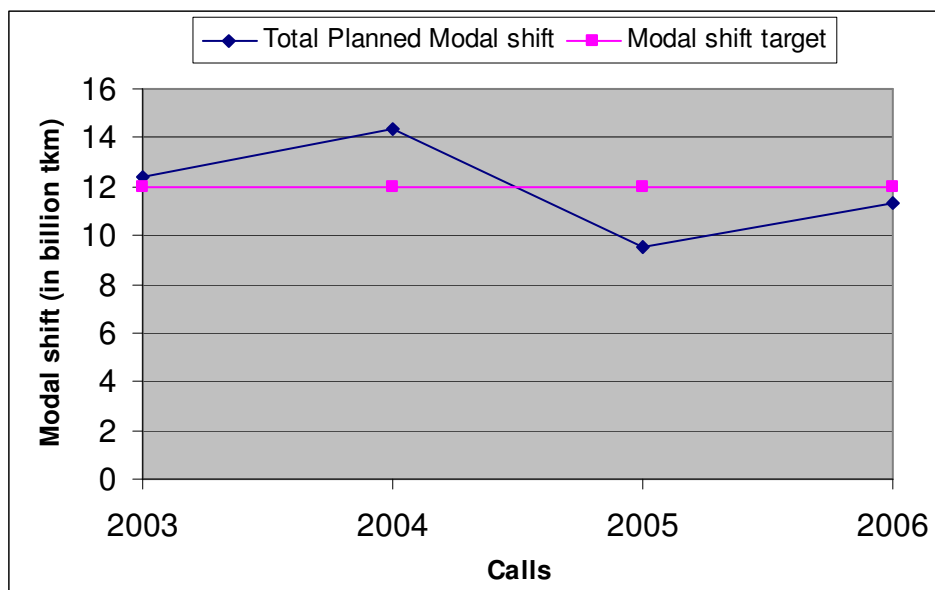


Figure 0.2 Marco Polo budget committed

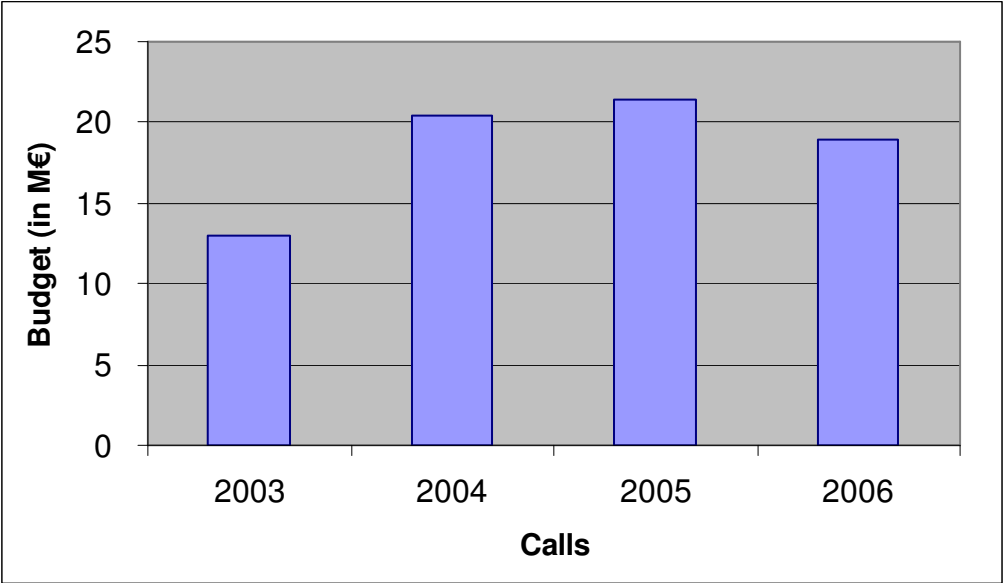


Table 0.6 Averages per project over the different calls (based on planning, not on realisation)

	Planned modal shift	Environmental benefits	Eligible costs	MP Subsidy
2003	1,032,932,259	17,022,237	30,368,277	1,001,674
2004	1,438,224,812	32,427,304	25,154,749	1,703,166
2005	733,446,284	18,848,590	20,654,289	1,429,342
2006	811,537,960	17,420,996	32,010,322	1,262,694

Figure 0.3 Averages per project over the different calls (based on planning, not on realisation)

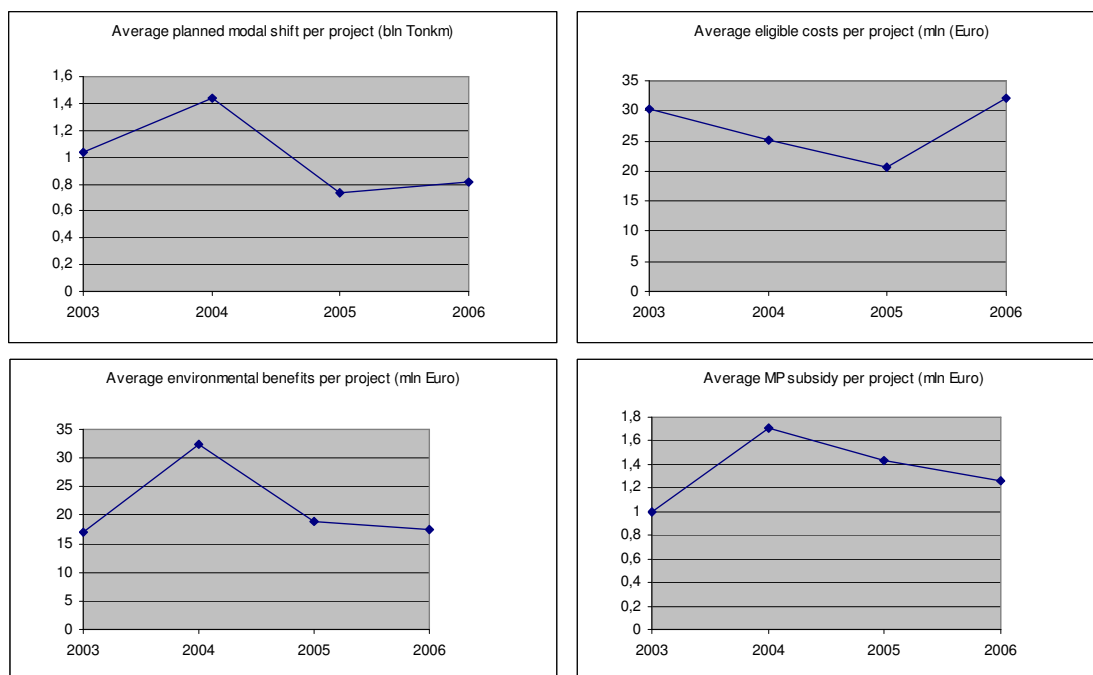


Table 0.7 Number of proposals received, number of eligible proposals and number of contracts concluded

	2003	2004	2005	2006
Received proposals	92	62	63	48
Eligible proposals	87	59	60	48
Concluded contracts	13	12	15	15



Figure 0.4 Number of proposals received, number of eligible proposals and number of contracts concluded

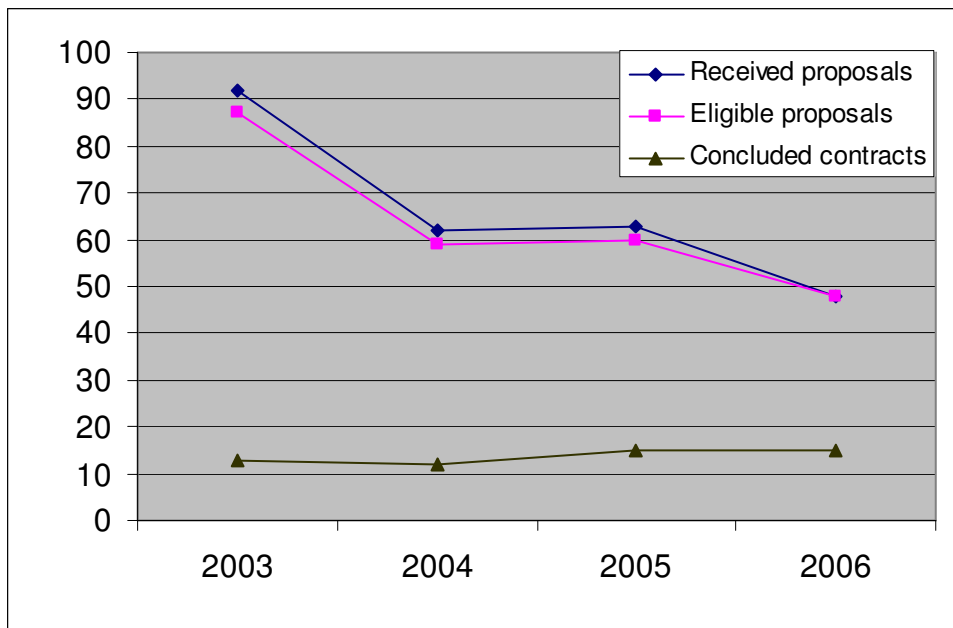


Table 0.8 The use of different action types

	MOD		LEA		CAT	
2003	12	92%	1	8%	0	0%
2004	9	75%	2	17%	1	8%
2005	12	73%	2	13%	2	13%
2006	13	87%	1	7%	1	7%

Figure 0.5 The use of different action types

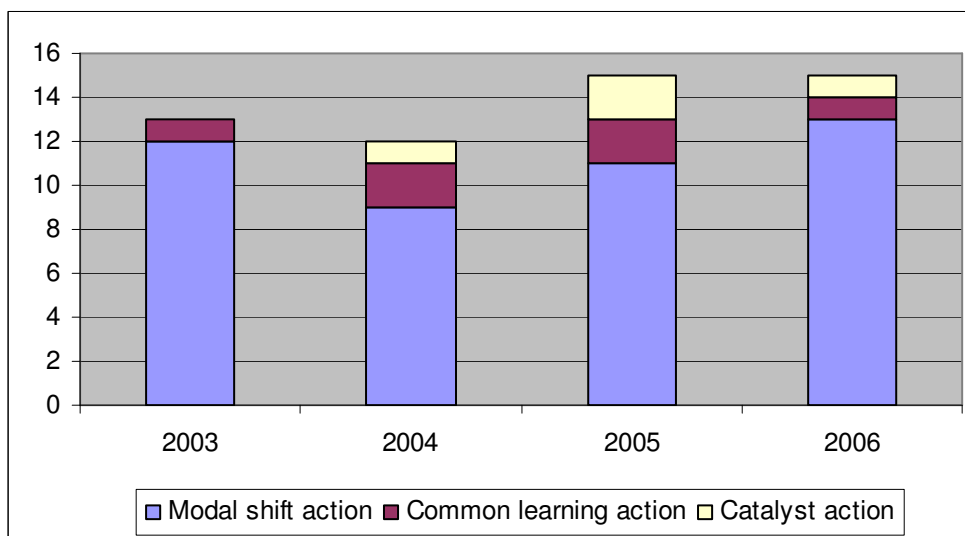
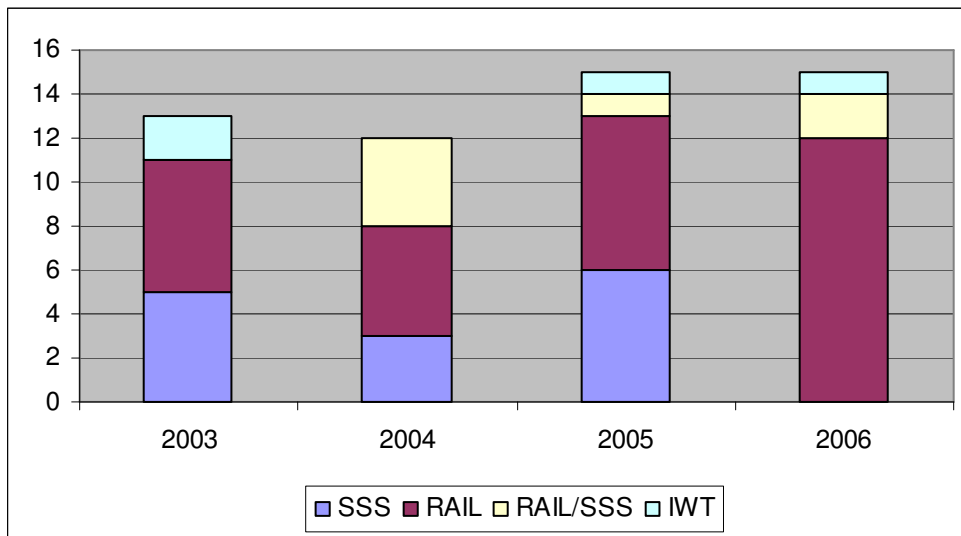


Table 0.9 Use of modalities

	SSS		RAIL/SSS		IWT		RAIL	
2003	5	38%	0	0%	2	15%	6	46%
2004	3	25%	4	33%	0	0%	5	42%
2005	6	40%	1	7%	1	7%	7	47%
2006	0	0%	2	11%	1	5%	12	63%

Figure 0.6 Use of modalities



Annex 2 Details of project evaluations

The use of consultants in project preparation

Table 0.1 Use of consultants in project preparation

	Consultants
Eurostars	No
Portned	Yes
eWIT	No
AIN	No
EUCON	No
Graz-Duisburg Express	No
CGTK	Yes
Shuttle – Isabella	Yes
TRITS	Yes
DARIS	Yes
RoRo Esperance	Yes
RAFTS	Yes
Italo Express	Yes

The organisation of project implementation

Table 0.2 Organisation of project implementation

Project	Organisation
Eurostars	Grimaldi co-ordinates the project, monitors the progress and prepares the reports. Communication between the partners has taken place on a regular basis (both multilateral and bilateral).
Portned	Each partner had its own specific responsibility based on clear agreements: GPS had a compromise to deliver 90 containers for every ships arriving in Figueira da Foz, Holland Maas Shipping was responsible for running the service with a certain frequency and the agents took care to find sufficient southbound cargo. To monitor the progress of the project extensive communication took place between the partners.
eWIT	Every year a project meeting with the project partners was arranged. There was some disagreement with one partner about the required quality level of the



Project	Organisation
	developed storyboard.
AIN	Antwerp Port Authority (GHA) coordinated the project: It initiated and coordinated regular meetings with the partners (bilateral and multilateral), provided help in solving (operation) problems and was responsible for writing the reports. GHA noticed that, after a certain amount of time, the interest for the project diminished among the other partners. Four of the project partners stepped out of the project.
EUCON	Irish Continental Group, the lead partner, coordinated and convinced two of its agents to participate in the project which, according to the Irish Continual Group, was in general 'easy to manage'. Communication about the project took place during frequent meetings between the project partners.
Graz-Duisburg Express	The project was run by Wenzel as the lead partner.. Rail4Chem provided the neutral rail expertise in terms of schedules and resource provision. One partner dropped out of the consortium.
CGTK	RG Line coordinated the project, prepared the reports, and had daily contact with the other project partner.
Shuttle – Isabella	Gartner acted as the lead partner and driving force. A new entity was established in Greece to manage the inbound traffic and to developed reciprocal outbound flows of cargo.
TRITS	Transfesa acted as the primary partner. It chose to develop the service concept together with the OSMAN Logistic Group (Turkey) as a Joint Venture. No further partners were required to ensure the success of the project.
DARIS	The project was intended to be part of the services offered by P&O Nedlloyd B.V. and Maersk Intermodal BV. They would provide most (60%) of the clients. During the project ERS decided to cooperate with German operator Railog, in order to benefit from their experience. There has been much contact between the project partners.
RoRo Esperance	Norfolkline acted as the lead partner but created a joint venture with the other partner Suardiaz for the operation of the service.
RAFTS	The project would be led by RAFTS Ltd, created as a SPV (Special Purpose Vehicle), dedicated to managing this project. RAFTS Ltd would have a large role to play at the beginning of the project (in the process of choosing the ferry operator and facilitating the investment into the set-up of the ferry service). After that, its role would be limited. The remainder of the project would be executed as part of normal business practice.
Italo Express	The project was actively managed with open meetings between the project partners, who had previously been competitors. One of the partners, Trenitalia owns a majority share (51%) in TX Logistik, the coordinator. The project required intense communication between the partners with mutual disclosure of information on freight demand and utilization as a means of exploiting multi-modal flexibility.



The project effectiveness

Table 0.3 Comparison of planned and realised modal shift (in million tkm)

Project	Month until which information is available / total months	Planned modal shift until this month	Realised modal shift until this month	%
Eurostars	(Completed) 30/30	2,896	2,381	82%
Portned	(Completed) 26/26	737	701	95%
eWIT	N.A.	N.A.	N.A.	N.A.
AIN	(Completed) 36/36	865	387	45%
EUCON	(Completed) 36/36	1180	669	57%
Graz-Duisburg Express	30/36	774	494	64%
CGTK	(Completed) 36/36	329	247	75%
Shuttle – Isabella	(Completed) 36/36	1,279	1,640	128%
TRITS	(Completed) 36/36	486	483	99%
DARIS	(Stopped)	943	31	3%
RoRo Esperance	(Stopped)	3,902	0	0
RAFTS	(Stopped)	1,903	0	0
ItaloExpress	24/48	506	390	77%
Total (excluding RoRo Esperance, RAFTS and DARIS)		9,052	7,392	82%



Table 0.4 Progress and success and failure factors

Project		
Eurostars	<p>Description of progress: In total Eurostars has realised 82% of its planned modal shift. In the different years of the project 88 (year 1), 78 (year 2) and 82% (year 3) of the planned modal shift was realised. Based on these numbers it can be concluded the project has performed well straight from the start.</p>	
	<p>Success factors:</p> <ul style="list-style-type: none"> • Project idea based on market knowledge and market research, to identify a realistic market potential. • The project mainly involves an upgrade of existing services, which diminishes the amount of insecurity and start-up problems. 	<p>Failure factors:</p> <ul style="list-style-type: none"> • Potential clients used to road transport. • Capacity problems in some of the ports, causing congestion.
Portned	<p>Description of progress: The Portned project has realised 95% of its planned modal shift. The first year the amount of southbound cargo was less than expected, causing the project not to reach its planned modal shift. The second year the project made up for this, because northbound cargo was higher than expected, even if the amount of return cargo was still limited</p>	
	<p>Success factors:</p> <ul style="list-style-type: none"> • Simple project idea based on a guaranteed demand from the market. • Clear logistic concept (based on the old road route) and project organization: each partner knows what to expect from the other partners. For example: the frequency of the service enables the primary client (GPS) to adjust its logistical processes. • Using the existent network of Holland Maas to search for return (southbound) cargo. • Political support • Integrations of a new SSS service with an existing inland barge connection between Le Havre and Gennevillier 	<p>Failure factors:</p> <ul style="list-style-type: none"> • The limited depth in Figueira put limitations on the draught of the ships. Until now the port has not been deepened. • In case of bad weather the port of Figueira is difficult to reach.. • Difficulty of finding return (southbound) cargo and of securing a solid container balance.
eWIT	<p>Description of progress: Presently part of the training material is being used by several institutes and the system has about 300 users, of which many single individual users.</p>	
	<p>Success factors:</p> <ul style="list-style-type: none"> • Clear market potential foreseen by a previous study and 'Letters of Intent' from 15 educational institutes. 	<p>Failure factors:</p> <ul style="list-style-type: none"> • Indirect costs eligible for funding was only 7%, which is low for labour intensive CLA • Disagreement within the consortium about the acceptable quality level
AIN	<p>Description of progress: The AIN project has realised only 45% of its planned modal shift. Earlier figures indicate this gap is caused by low realisation of modal shift during the entire period of the project.</p>	



Project			
	<table border="1"> <tr> <td> <p>Success factors:</p> <ul style="list-style-type: none"> Strong lead partner, with already existing relations with many of the project partners and market knowledge. </td> <td> <p>Failure factors:</p> <ul style="list-style-type: none"> Services developed from some container terminals to other ports, but these tkm's are not eligible for Marco Polo funding. The fact that empty vehicle kilometres cannot be counted as modal shift was only known after the project proposal was engaged. Increasing competition. Capacity problems in the sea port, leading to congestion. Potential client used to road transport. Four project partners dropped out of the project. A high overall complexity of the project caused by many project partners. </td> </tr> </table>	<p>Success factors:</p> <ul style="list-style-type: none"> Strong lead partner, with already existing relations with many of the project partners and market knowledge. 	<p>Failure factors:</p> <ul style="list-style-type: none"> Services developed from some container terminals to other ports, but these tkm's are not eligible for Marco Polo funding. The fact that empty vehicle kilometres cannot be counted as modal shift was only known after the project proposal was engaged. Increasing competition. Capacity problems in the sea port, leading to congestion. Potential client used to road transport. Four project partners dropped out of the project. A high overall complexity of the project caused by many project partners.
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EUCON	<p>Description of progress:</p> <p>Based on the latest figures EUCON has realised 57% of its modal shift. On 2/3 of the project only 40% of the planned modal shift was realised. The low realisation at that time was caused by start up problems. The last year of the project was far more successful: in 2006 the added capacity was completely used.</p>		
	<table border="1"> <tr> <td> <p>Success factors:</p> <ul style="list-style-type: none"> Project idea based on extensive market knowledge and market research, enabling a realistic estimation of the market potential. </td> <td> <p>Failure factors:</p> <ul style="list-style-type: none"> Long delay before the proposal was accepted by DG TREN, making part of the market research obsolete and causing the ships to be replaced later than planned. Many of the customers are price- and time sensitive and put value on the flexibility of road transport. Capacity restraints in Le Havre and Belfast (solved by relocation of activities) Increasing competition. The supply of reefer containers was not expanded because a planned project partner started its own SSS service. The container balance: 25% of the containers that enter Ireland have to go back empty. </td> </tr> </table>	<p>Success factors:</p> <ul style="list-style-type: none"> Project idea based on extensive market knowledge and market research, enabling a realistic estimation of the market potential. 	<p>Failure factors:</p> <ul style="list-style-type: none"> Long delay before the proposal was accepted by DG TREN, making part of the market research obsolete and causing the ships to be replaced later than planned. Many of the customers are price- and time sensitive and put value on the flexibility of road transport. Capacity restraints in Le Havre and Belfast (solved by relocation of activities) Increasing competition. The supply of reefer containers was not expanded because a planned project partner started its own SSS service. The container balance: 25% of the containers that enter Ireland have to go back empty.
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Graz-Duisburg Express	<p>Description of progress:</p> <p>The project has realised about 80% of its planned modal shift (64% after 36 months). However, the lead partner has indicated the low realisation was caused by start up problems. Currently the project is regarded as a commercial and operational success.</p>		
	<table border="1"> <tr> <td> <p>Success factors:</p> <ul style="list-style-type: none"> Significant level of market knowledge, marketing and planning put into the development phase of the project. Positive competitive advantage in terms of </td> <td> <p>Failure factors:</p> <ul style="list-style-type: none"> Late start of German Maut and declining road cargo rates causing reduced traffic demand. Access and space limitations in Duisburg (causing relocation to Neuss). </td> </tr> </table>	<p>Success factors:</p> <ul style="list-style-type: none"> Significant level of market knowledge, marketing and planning put into the development phase of the project. Positive competitive advantage in terms of 	<p>Failure factors:</p> <ul style="list-style-type: none"> Late start of German Maut and declining road cargo rates causing reduced traffic demand. Access and space limitations in Duisburg (causing relocation to Neuss).
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Project		
	reliability, punctuality and compliance with the requirements of JIT and JIS. <ul style="list-style-type: none"> Market potential based on concerns over road based transport. Solid mix of partner interest and skills including a <i>neutral train service arranger / provider</i>. 	<ul style="list-style-type: none"> Potential clients used to road transport. Some technical problems causing delays. Empty equipment imbalances. One partner dropped out of the consortium.
CGTK	Description of progress: Although figures are available from intermediary report those figures were wrong and included also already existing volumes. The only right figure is the final realisation at the end of the project. Therefore it is not possible to comment on the progress.	
	Success factors: <ul style="list-style-type: none"> A relatively simple project idea based on an already existing service. Project focused on a growth market (freight transport between Sweden en Finland). 	Failure factors: <ul style="list-style-type: none"> Finding a suitable ship was difficult because of the circumstances in the Botnic Gulf in the winter. The old ship was subject to a grounding accident, resulting in a traffic break. Potential clients used (and contractually bounded) to road transport. A strike in the paper- and cellulose industry in Finland, decreasing traffic demand.
Shuttle – Isabella	Description of progress: The project has been successful and realised 128% of its planned modal shift. Although the number of trains was slightly lower than planned, the volumes carried were much higher due to longer trains and an increasing capacity utilisation on the return from Greece. Half way to the project the realised modal shift was far behind the planned modal shift.	
	Success factors: <ul style="list-style-type: none"> Major primary initial customer (LIDL) Lead partner who was already a major inter-modal player, willing to invest significantly. Awareness of the increasing limitations of road based transport Use of credible partners among which ICA (the commercial arm of the Austrian national railway company). Good overall management and communication. Political support. Solid market analysis: potential barriers were identified at the outset. 	Failure factors: <ul style="list-style-type: none"> Delays due to systematic (administrative) hindering by a third country. A sharp decrease in road haulage prices causing reduce traffic demand. Wagons that were not regularly available and not always top quality. Technical problems caused by the poor quality of the Greek Public Railways. Potential clients used to road transport (leading to limited return cargo). A limited capacity of the underlying rail network. The audit of the project consumed excessive resources.
TRITS	Description of progress: At the end of the project TRITS had realised 99% of the planed modal shift. The project performed well from the start, with 99% in the first year and 107% in the second year.	



Project		
	<p>Success factors:</p> <ul style="list-style-type: none"> • Major primary initial customer (Ford) • Focus on growth market (Turkey) • Credible, innovate and competitive concept, offering a clear commercial benefit. • Prior contacts of the lead partner with rail service providers. • Intensive marketing efforts. 	<p>Failure factors:</p> <ul style="list-style-type: none"> • Communication problems (between the railways services involved). • Delays at border crossings. • Technical problems (among other things with the tracking and tracing system). • Delays caused by wagon detachments.
DARIS	<p>Description of progress:</p> <p>The project only realised a very limited amount of modal shift. This is because ERS had large difficulties in finding enough cargo to transport. Eventually, at the end of 2005, the service was stopped because the losses were considerably higher than foreseen.</p>	
	<p>Success factors:</p> <ul style="list-style-type: none"> • High potential of Turkish market. 	<p>Failure factors:</p> <ul style="list-style-type: none"> • National railways did not deliver the quality standards they had promised causing high costs and uncontrollable delays. • Bureaucratic rules and procedures causing delays (mainly at border crossings). • Different perception on container transport in eastern European countries. • Reduction in road haulage rates, causing reduced traffic demand. • Potential clients used to road transport.
RoRo Esperance	<p>Description of progress:</p> <p>The project did not realise any modal shift. This is because of the problems explained below. On 11 July 2006 the contract was terminated.</p>	
	<p>Success factors:</p>	<p>Failure factors:</p> <ul style="list-style-type: none"> • Availability of Ro/Ro ships on the charter market • Financial risk in case of diminished occupancy rate (due to fierce competition with road transport)
RAFTS	<p>Description of progress:</p> <p>The project did not realise any modal shift. This is because of the problems explained below. On 26 December 2006 the project was ended by DG TREN.</p>	
	<p>Success factors:</p> <ul style="list-style-type: none"> • Major primary initial customer (CORUS). • Market potential shown by market studies. • Execution of (face-to-face) marketing activities. 	<p>Failure factors:</p> <ul style="list-style-type: none"> • Contract was signed very late and it caused a late start-up of the project. • Ships no longer available, rail capacity in Hull proved insufficient, berth in Ijmuiden was no longer available and CORUS was lost as a primary customer. Alternatives were (and are still



Project		
	being) investigated without success.	
Italo Express	<p>Description of progress:</p> <p>At halftime (December 2006) 24 of 48 months) ItaloExpress realised 77% of the planned modal shift at that moment. According the lead partner the project is, at this moment seen as a success with rapid growth, albeit at a slower rate than originally projected. The planned modal shift will most likely not be realised fully.</p>	
	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Success factors:</p> <ul style="list-style-type: none"> • Market lead initiative backed up by solid market research and marketing. • Competitive product (train) and quality service (IT system) (scale, punctuality, reliability). • The use of the Verona city terminal as an option to distribute/collect traffic. • The withdrawal of the rail ferry wagon option to feed traffic from/to Scandinavia. </td> <td style="vertical-align: top;"> <p>Failure factors:</p> <ul style="list-style-type: none"> • Contract was signed very late and this caused a late start-up of the project. • Competition from East European forwarders and drivers caused reduce traffic demand. • Limited wagon and (liftable) trailer availability and access limitations imposed by the infrastructure operators. • Technical problems (for example related to certification of reefer power supply) </td> </tr> </table>	<p>Success factors:</p> <ul style="list-style-type: none"> • Market lead initiative backed up by solid market research and marketing. • Competitive product (train) and quality service (IT system) (scale, punctuality, reliability). • The use of the Verona city terminal as an option to distribute/collect traffic. • The withdrawal of the rail ferry wagon option to feed traffic from/to Scandinavia.
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Annex 3 Template interview questionnaire

Project Idea

General description of project idea

- *Can you give a general description of the project idea?*

Generation of the idea

- *How did the project idea emerge?*
- *Which actors were involved in the generation of the idea?*
- *Was the project idea generated based on the MP Programme or did the idea already exist before you heard about the Programme?*

Marco Polo Programme

Awareness / Knowledge of the Programme

- *How did you learn about the existence of the MP Programme? Have you for example visited any MP congresses? If so, which congresses?*
- *Did you use any information sources to search for additional information about the Programme. If so, which sources?*
- *How do you judge the quality of the dissemination activities of the MP Programme?*
- *What are, to your knowledge, the objectives of the MP Programme?*
- *Do you now of any other MP Projects. If so, which projects?*

From project idea to proposal

Call for Proposals

- *How did you learn about the Call for Proposals?*
- *Did you have any trouble understanding the Call for proposals? If so, which elements were unclear?*
- *Did you search / ask for addition information about the Call for proposals before deciding to write a proposal? What sources did you use? Was the information helpful?*
- *Was the original project idea changed because of the specific requirements in the Call for proposals? If so, which changes?*

Proposal: Process

- *Did you ask for help from DG TREN while preparing the proposal? (E-mail / Phone / Personal contact)*



- *Did you make use of any of the following instruments:*
 - *The MP Calculator*
 - *The MP Helpdesk*
 - *The MP FAQ*
 - *The MP Checklist*
- *Did you have any trouble writing certain elements of the proposal?*
 - *Added Value*
 - *Viability / Credibility*
 - *Environmental Benefits*
 - *Distortion of Competition*
 - *Overcoming Structural Market Barriers*
 - *Innovative Approach*
 - *Dissemination Strategy*

Proposal: Contents

- *Can you shortly describe the contents of the proposal? (Go into the elements of Added Value, Viability / Credibility, Environmental Benefits, Distortion of Competition, Overcoming Structural Market Barriers, Innovative Approach, Dissemination Strategy)*
- *Did you include Letters of Intent with your proposal? Is so, from which companies?*
- *Was a market study conducted to support the proposal? If so, which organization conducted this study? What were the most important outcomes of the market study?*

From proposal to project

Evaluation

- *How long did the evaluation of the proposal take?*
- *Was it clear to you based on which criteria your proposal would be evaluated?*
- *How were you informed about the outcome of the evaluation?*
- *Did you agree with the remarks made by the Evaluation Committee?*

Negotiation

- *How long did the negotiation phase take?*
- *Which subjects were discussed in the negotiation phase?*
- *Were the important differences in opinion between DG TREN and the project partners? If so, which difference and how were these resolved?*
- *Was the target tonne-kilometres (tkm) modal shift in the proposal adjusted by DG TREN? If so, what was the change? Did you agree with this change?*
- *Did the negotiation phase lead to any (other) changes in the project plan compared to the original project idea and/or the project proposal? If so, which changes?*



Implementation and Results

Process

- *Which project partners are involved in the project?*
- *What are the responsibilities of each of these partners?*
- *How are they involved in the management and monitoring of the project?*
- *How do you judge the quality of the management and monitoring of the project?*
- *Did the service perhaps already start before the start of the contract?*
- *Have any adjustments been made to the project idea (in the contract) during the implementation of the project? If so, what adjustment and because of what reasons?*

Effectiveness and impacts

- *Do you consider the project (likely) to be a success? Why (not)?*
- *What are the main factors contributing to the success / failure of this project?*
- *Will the project (likely) realize its intended shift of road-freight to alternative modes of transport? If not, what are the causes for this?*
- *Will the project (likely) realize its intended environmental benefits? If not, what are the causes for this?*
- *Will the project overcome any structural market barriers? If so, which barriers and how are these overcome?*
- *Will the project (likely) contribute to the enhancement of freight intermodality?*
- *Will the project (likely) contribute to the generation of new forms of co-operation?*
- *Will the project (likely) contribute to the generation of innovative ideas?*
- *Will the project (likely) contribute to the implementation of innovative ideas?*
- *Will the project (likely) contribute to the sharing of knowledge (between organizations and Member States)?*
- *Will the project (likely) contribute to the fighting / reducing of road congestion?*
- *Will the project (likely) contribute to the generation of jobs? Have jobs been lost (eg in the road sector) due to the project? In total, has the project contributed to more or less jobs?*
- *Has the project led to a distortion of competition? If so, in what sense?*
- *Have you received any complaints about the project (from competitors, politicians, etc)?*
- *Do the companies that wrote letters of intent in fact use the service? If not, why not?*
- *Did the assumptions and the conclusions in the project proposal (and market research) prove correct?*

Efficiency

- *Are the results of the project realized in line with the original time planning? If not, why not?*



- *Did the project experiences any “start up problems”? Were these problems expected and considered in the proposal? What was the cause of the “start up problems”? Are they solved now?*
- *Compared to the original cost planning in the proposal, are the costs in reality higher or lower? What are the causes of the difference?*
- *Is there a difference between the expected timing of the costs in the proposal and the realized timing of the costs? What are the causes of the difference?*
- *How do you judge the height of the costs (both time and money) put on the project because of the administrative and procedural requirements of the MP Programme.*
- *Do the realized costs of the project already exceed the barrier of 30%? If so, did you request an interim payment? If not, why not?*
- *How much private investment has the project generated? Is this more or less than expected?*

Sustainability

- *Do you expect the services initiated by the project will remain operational after the completion of the project? If not, why will it not remain operational? If so, will the service change when it is no longer part of the Marco Polo Programme? Is so, what do you expect will be the change?*

Added value

- *not have been initiated in the absence of the MP Programme?*
- *In the absence of the Programme would the project perhaps have been financially supported by another governmental institution?*

Communication

- *Between partners*
- *How was the communication between the project partners organized? How often was there contact? What communication instruments were used? Etc.*
- *What is the quality of the communication between the project partners?*
- *DG TREN*
- *How did DG TREN monitor the project? Did they request reports? Did they conduct field visits? Did they ask questions? Etc*
- *Did DG TREN make any remarks about the progress of the project? If so, can you shortly describe the content of these remarks? Did you agree with these remarks? Have the remarks let to changes in the project planning, management or monitoring?*
- *How often did you communicate with DG TREN about the project?*
- *Which methods were used to communicate with DG TREN? (E-mail, Phone, Reports, Etc)*
- *Did you ask DG TREN for advice? If so, on what subject and what was the advice? Could you use the advice to advance the progress of the project?*



- *In conclusions, what is the quality of the communication with DG TREN?*
- **External**
- *Did you undertake any efforts to inform “the outside world” about the project? If so, which efforts? Which actors did you try to reach? How were the efforts received?*
- *Did you undertake any effort the inform politicians about the project? Was the project supported by these politicians? If so, did this help the progress of the project? If not, did this hinder the progress of the project?*
- *In conclusions, what is the quality of the dissemination activities of the project?*

