

Assignment 2 Marco Polo programme

by Alexis Seite

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University of Wales
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The Marco Polo programme and it's impact in Europe and the other countries involved

Student name : Alexis SEITÉ

Student number : P1805682

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Lecturer : Ged Edwards

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Abstract

What were the impacts of the Marco Polo programme on the use of the different modes of transport ?

This essay will be focusing on the appraisal of the impact of the Marco Polo programme in terms of encouraging a modal shift for more sustainable ways of transporting freight.

Introduction

In these days of changes, people, governments and companies are more and more conscious of the need for sustainable solutions in all kinds of domains. The domain of logistics is particularly affected by those changes because it is a major actor in the environmental and economical factors. Measures like the Marco Polo programme are one of those things that greatly influence the evolution of logistics throughout the time and guides the domain to more sustainable solutions. However, sustainability doesn't only mean that solutions to environmental issues have to be found. Sustainability is also about economic and social assets which means that solutions do not only have to be better for the environment, but they also have to be economically viable as well as being beneficial on a social point of view. Along this essay, there will first be a global presentation of the Marco Polo programme which will distinct the two parts of the programme and then an analysis of the impacts of the programme.

It is worth noting that a certain part of this essay was realized in collaboration with Romain Le Moal, student in UWTSO.

What is the Marco Polo programme Stylistics

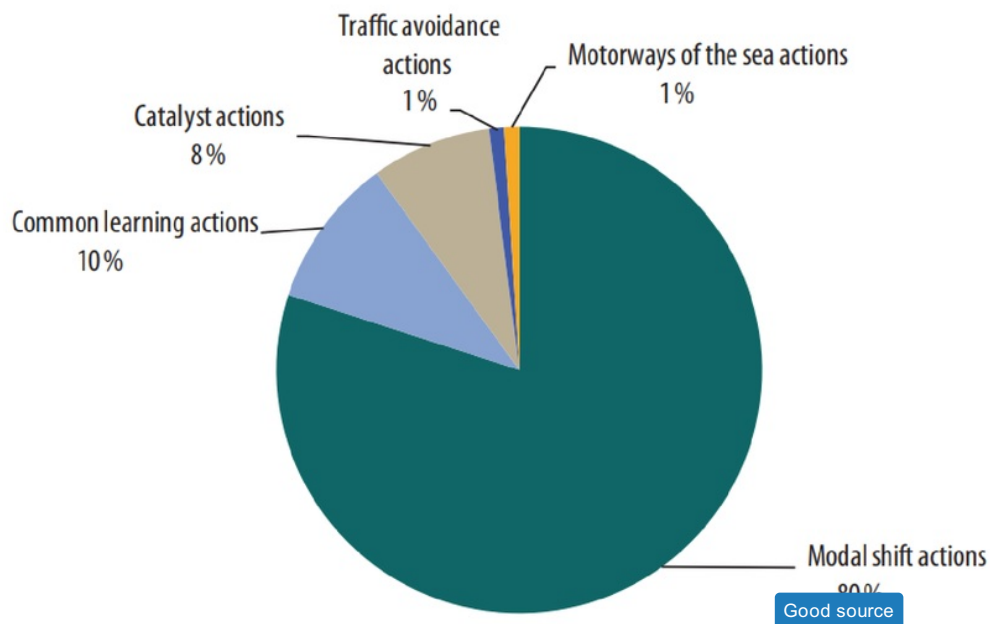
Marco Polo is a programme that was first introduced in 2003 and is a stepping stone to reach the « Transport 2050 ». Goals which are :

- No more conventionally fuelled car in cities
- 40% use of sustainable low carbon fuels in aviation, at least 40% cut in shipping emissions
- A 50% shift of medium distance intercity passenger and freight journeys from road to rail and waterborne transport
- All of which will contribute to a 60% cut in transport emissions by the middle of the century (Transport 2050 : Commission outlines ambitious plan to increase mobility and reduce emissions, 2011)

and « aims to ease road congestion and its attendant pollution by promoting a switch to greener transport modes for European freight traffic. » (Marco Polo – New ways to a green horizon, 2014) The alternatives that the Marco Polo programme is promoting are, among others, the use of inland waterways, rail, short sea shipping, etc...

The first Marco Polo programme was introduced as a response to the increasing number of trucks on the road in the E.U which lead to traffic congestion. It was also introduced to shift the modes of transport to greener solutions that would be less harmful for the environment and the people as exhaust fumes have an impact on health and environment. The programme is a funding programme Good Intro. 450 million euros to fund various things to reach it's goals :

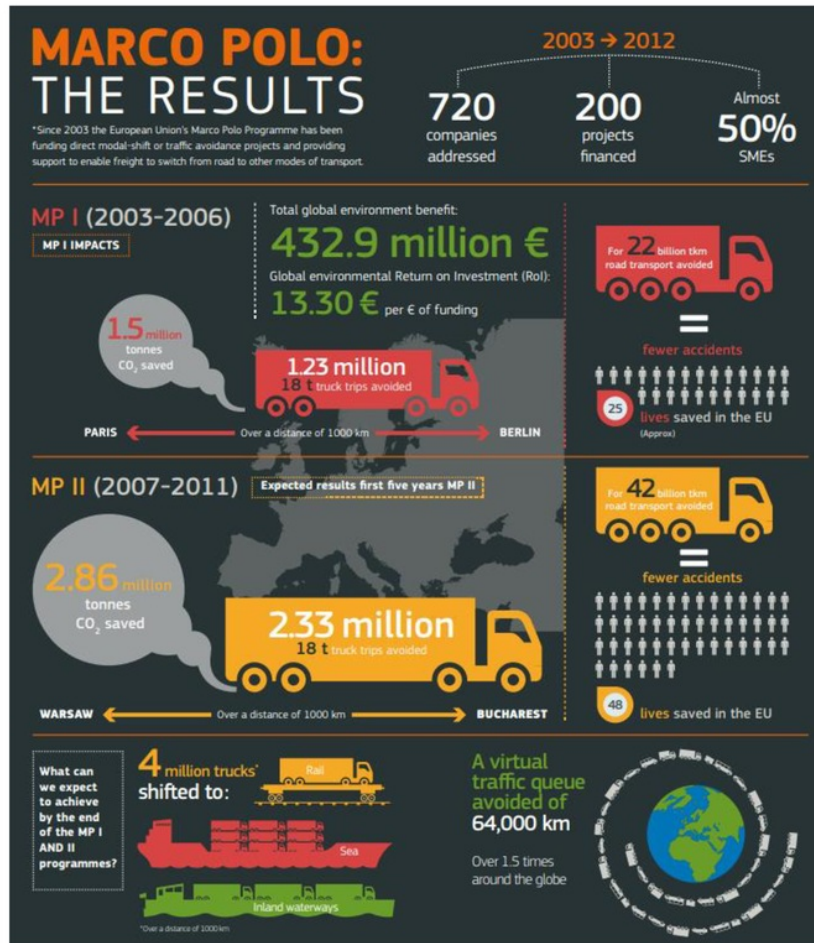
USE OF MARCO POLO PROGRAMMES FUNDING PER ACTION TYPE (ANNUAL ACTIVITY REPORT, EACI 2010, 5.4, POINT 1)



(Special report n°3, 2013)

The goals of the Marco Polo programme is to « free Europe's roads of an annual volume of 20 billion tonne-kilometres of freight, the equivalent of more than 700 000 trucks a year travelling between Paris and Berlin » (Marco Polo – New ways to a greener horizon, 2014).

The European commission also estimated several possible consequences on the economy and the environment if their objectives were reached (Marco Polo – New ways to a greener horizon, 2014) Which you can see on this picture :



The Marco Polo was divided in two with the Marco Polo I, that was applied from 2003 to 2007 and Marco Polo II which was applied from 2007 to 2013 (

The first Marco Polo programme

The first Marco Polo programme was introduced in 2003 and was a successor of the PACT (Pilot Actions for Combined Transport) which also was a programme that was brought to favorize the use of combined means of transport. The budget of the first Marco Polo programme was 102 million euros (Special report n°3, 2013) and the programme was applied in the E.U. This programme allowed, as approximately 80% of the budget goes to funding projects favorizing shift actions, 125 projects involving 500 companies to receive funding over the period 2003-2009 (Marco Polo I and II) (sauce). According to some studies conducted on the Marco Polo programme, a company giving 1 euro to the Marco Polo programme could potentially generate 6 euros in social and environmental benefits because of the projects that it funds.(

The second Marco Polo programme

The second Marco Polo programme is the most important as the budget for Marco Polo II was approximately 450 million € (Marco Polo – New ways to a greener horizon, 2014). It was also more ambitious by the areas in which it was applied as Marco Polo II was applied not only in the E.U, but also in Russia, Belarus, Ukraine, countries of the Balkans, and some countries of the Mediterranean region. The second Marco Polo programme also included more types of projects that were eligible to funding. Indeed, in Marco Polo I, only projects aiming to provide a modal shift were eligible to funding. In Marco Polo II, funding eligible projects also include projects of common learning actions and accompanying measures. The goal is that by funding common learning programmes, to indirectly provoke a modal shift by enhancing knowledge in the freight logistics sector. The other new type of projects that Marco Polo II funds is accompanying measures that consist in developing the programme furthermore, to promote it and fund studies on the impact that it has and therefore to see if the Marco Polo programme was indeed effective.

Another difference between Marco Polo I and II is the organisations that manage them. For Marco Polo I, it was the European Commission only managing the programme whereas Marco Polo II was managed by the European Commission and DG Mobility.

The tasks of the programme were shared by DG Mobility and the EACI as such :

« DG Mobility and Transport is responsible for programme management, which includes priority-setting, drafting and adoption of the annual work programme, drafting of documents for the annual call for proposals and publication of the call in the Official Journal, relations with the Member States' authorities, evaluation of the programme's implementation and impact, and supervision of the EACI's management activity »

« The EACI advises potential applicants, receives, opens and evaluates project proposals, negotiates contract details with applicants, prepares Commission decisions for the awards of grants, receives periodic project reports, monitors projects, makes payments to beneficiaries and reports to the Commission »

(Special Report N°3, 2013)

The impacts of the Marco Polo programme

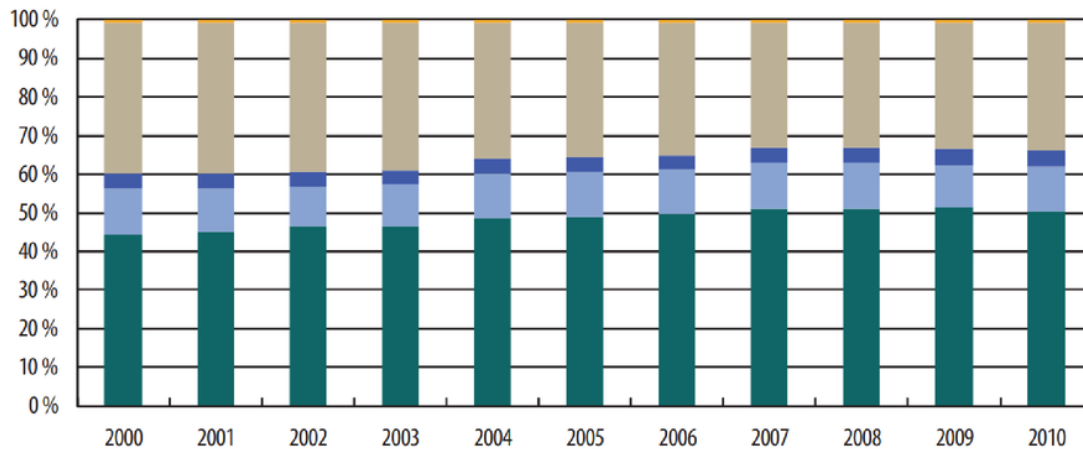
As discussed before, the goals of the Marco Polo programme were to favorize a modal shift from road transport to other alternatives. But how did the Marco Polo programme impact the choices of modes of transport of the companies ?

The impacts of Marco Polo I

The European commission that managed the first Marco Polo programme has set some annual targets when it comes to modal shift. The target was an avoidance of 12 billion ton-kilometre of freight on the E.U's roads.

However, as you can see on this graphic showing the proportion of use of the different means of transport in Europe during the period 2000 to 2010 (Special report n°3, 2013)

USE OF TRANSPORT MODES FOR INTRA-EU, NATIONAL AND INTERNATIONAL, FREIGHT TRANSPORT OVER TIME (DATA PROVIDED BY EUROSTAT TO THE COURT)



The use of road transport in the E.U compared to the other modes of transport kept increasing. We can also see that the share of the rail and IWW (Inland water ways), as well as air transport remained stable throughout the period 2000 to 2007. It seems that the maritime transport has been decreasing to profit the road transport during this period as well. This, unfortunately, is almost the opposite of the aims of the Marco Polo programme, but was this trend explanation required run and did the Marco Polo programme avoid further increase of the use of road transport ?

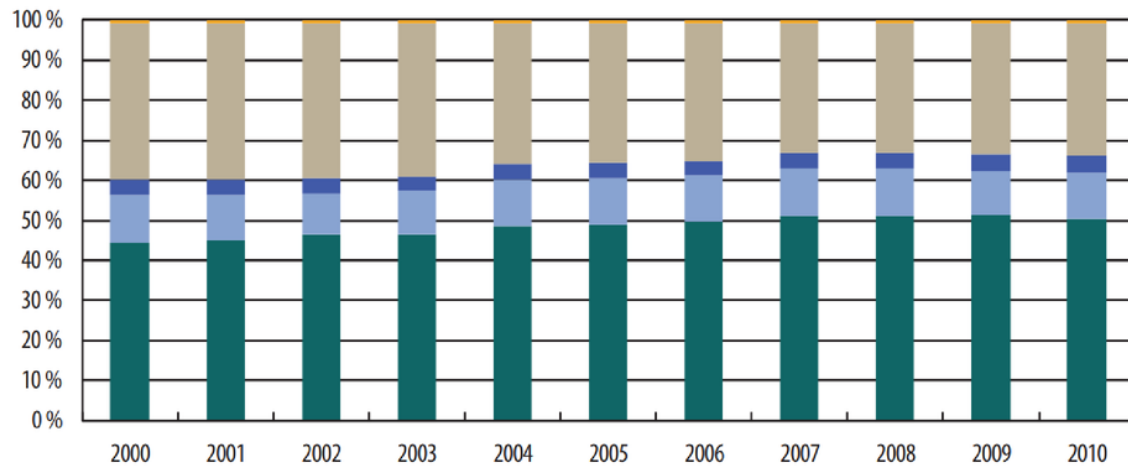
This answer can't be answered with certitude, as the problem with this program to make statistics is that the Marco Polo programme funds projects and projects take time to be realised which makes it hard to measure the real impact of such a programme. Big projects that have impacts on a large scale can take years to be realised and several other years to take effect properly.

The impacts of Marco Polo II

The second Marco Polo programme was set on a larger scale as it had a bigger budget, a larger zone of use and looser requirements of funding as a few more types of projects could be funded. Marco Polo II was also managed differently as the tasks were shared between DG mobility and the European Commission. In all, Marco Polo II was a revamp of Marco Polo I, and was set to be bigger and better.

According to this graphic shown previously in this essay :

USE OF TRANSPORT MODES FOR INTRA-EU, NATIONAL AND INTERNATIONAL, FREIGHT TRANSPORT OVER TIME (DATA PROVIDED BY EUROSTAT TO THE COURT)

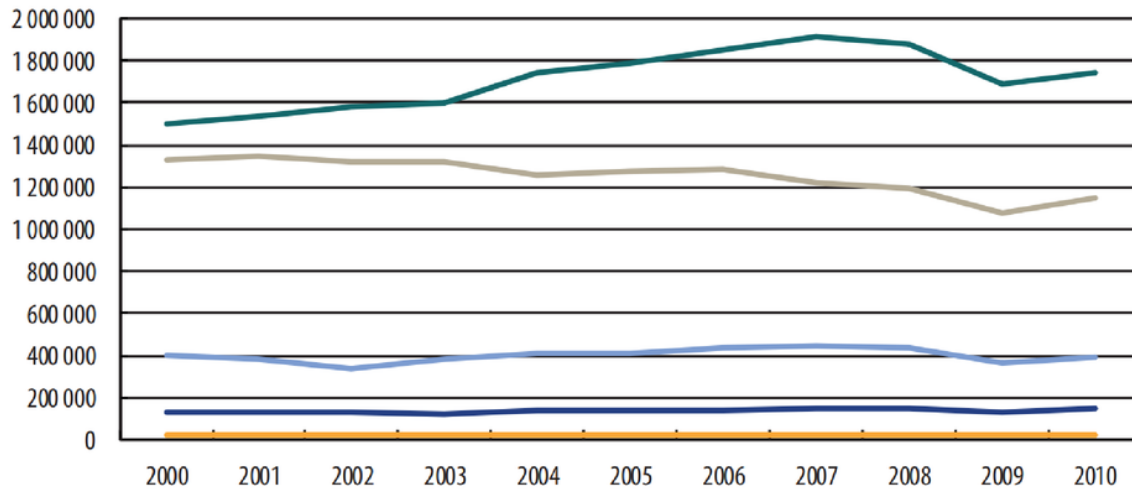


As you can see on this graphic, after the introduction of the Marco Polo programme in 2007 the increase of the use of road transport that was happening stabilized at approximately 50% of use of road transport which could show a certain effectivity of the programme. This statistic can also be the delayed consequences of the first Marco Polo programme due to the funded projects taking effect at that time.

To be considered as well that at the same time in 2007, there was the international economic crisis which shocked businesses around the world.

The impact on the businesses during the 2007 economic crisis can be seen on this graphic (Special report N°3, 2013)

EU FREIGHT TRANSPORT BY MODE IN MILLION TKM (FIGURE 3 DATA PRESENTED AS A PERCENTAGE SHARE BY TRANSPORT MODE)



As an example, the amount of freight transported by rail during the period of the crisis that you can see on the graphics above dropped by 17.9% and Inland water ways dropped by 10.6%.

Another impact of the economic crisis that could explain the change of the trend is that it is estimated by the European Commission that as a response to the economic crisis, transporters, in order to keep their vehicles running decided to lower their prices which created incentives for some companies to switch to non-road transport and incentives for other companies to switch to road transport during that period. Good conclusion

The impact of the whole programme

As you can see on the number below, it can be tempting to say that the Marco Polo programme was ineffective. But the European commission when they tried to estimate the evolution of the demand in road transport didn't anticipate such an increase. Originally, the European commission forecasted an increase of 48 billion ton-kilometer but it turned out that the growth in demand was actually of 113.7 billion ton-kilometre which is more than twice as much than what they forecasted. Another thing not in favor of the Marco Polo programme is that the Marco Polo programme only reported in some cases the modal shift instead of permanently making companies shift from Good analysis other.

Here is a board showing the estimated impact of the Marco Polo programme :

TARGETED, COMMITTED AND REPORTED VOLUMES OF FREIGHT SHIFTED FROM THE ROAD BY THE MARCO POLO PROGRAMMES IN BILLION TKM (COURT CALCULATIONS BASED ON COMMISSION AND EACI DOCUMENTATION¹)

	Annual target	Committed shift ²	Reported shift (by EACI)	% achieved ³
MP I				
2003	12,00	12,40	7,25	58,51
2004	12,00	14,38	6,33	43,99
2005	12,00	9,53	4,95	51,94
2006	12,00	11,40	3,55	31,17
MP I Total	48,00	47,71	22,08	46,28
	average for MP I			46,00
MP II	⁴			
2007	20,50	27,83	10,02	36,00
2008	20,50	16,33	3,40	20,82
2009	20,50	15,68	2,82	17,98
2010	20,50	14,15	3,40	24,03
2011	20,50	13,70	0,00	0,00
MP II 2007–11	102,50	87,69	19,64	22,40
	average for MP II 2007–10 (31.12.2012)			19,16
Grand total	150,50	135,40	41,72	

¹ Using the latest data available of 31.12.2012.

² Quantities planned to be shifted on the basis of the grant agreements signed by the Commission and, since March 2008, EACI.

³ Reported versus committed shift quantities.

⁴ For MP II the annual target should be a 'substantial part' of 20,5 billion tkm.

As you can see, unfortunately the two Marco Polo programmes did not reach their goals. It is estimated that they indeed good explanation get trucks out of the E.U's road but the impact wasn't as high as they expected.

One of the reasons of these results is that the European Commission did not get as much projects proposals as they expected which as a consequence made the programme way less efficient.

Here is a board showing various data of project proposals that the European commission received.

OVERVIEW OF PROJECTS AND FUNDS AVAILABLE, COMMITTED AND PAID UNDER THE MARCO POLO PROGRAMMES, IN MILLION EURO (COURT CALCULATIONS BASED ON DOCUMENTATION FROM THE COMMISSION AND EACI¹)

	No of projects	Budget available	Funds committed	% committed versus total budget	Funds paid	% paid versus total budget
MP I						
2003	13	15,0	13,0	86,7	7,3	48,7
2004	12	20,4	20,4	100,0	12,3	60,3
2005	15	30,7	21,4	69,7	12,8	41,7
2006	15	35,7	18,9	52,9	9,4	26,3
MP I Total	55	101,8	73,7	77,3	41,8	41,1
MP II						
2007	20	58,0	45,4	78,3	18,7	32,2
2008	28	59,0	34,4	58,3	9,9	16,8
2009	21	66,3	61,9	93,4	23,2	35,0
2010	30	64,0	52,2	81,6	17,1	26,7
2011	18	56,9	33,6	59,1	8,8	15,5
MP I Total	117	304,2	227,5	74,1	77,7	25,5
Grand total	172	406,0	301,2		119,5	

¹ Using the latest data available of 31.12.2012.

We can see on this board that the budget of the Marco Polo programme was not used entirely. The budget for Marco Polo I was 102 million € and only 41.8 millions were used to fund projects for modal shift which is approximately 41.1% of the total budget (Special report N°3, 2013). Marco Polo II was facing the same problems as the total budget for the programme was 450 million € and only 119.5 million € were used to fund projects for sustainability and the other new options of Marco Polo II. This represents 25.5% of the total budget which is even less in proportion than Marco Polo I although Marco Polo II could be used to fund more types of projects than Marco Polo I.

What we can also notice from these data is that the percentage of the budgets that were used for Marco Polo I and II which are respectively 41.1% for Marco Polo I and 25.5% for Marco Polo II are really close to the percentages of achievement of the goals that were shown previously that were respectively 46% of the goal for Marco Polo I and 19.16% for Marco Polo II.

It seems like there is a correlation between the percentage of the budget that was used and the percentage of achievement of the programme's goals in terms of modal shift. If this correlation link turns out to be a causality link, this means that the Marco Polo programme would have almost or would have reached its **Good analysis** was more, and more relevant project proposals that were funded and realised.

Conclusion

To conclude, the Marco Polo programme was an initiative that had potential. It could have had a big impact on the sustainability in Europe as it had the potential to impact the European Union economically by improving transport infrastructures which could have reduced the costs of transport and therefore improving the economy in some ways. It could also have had a big impact on the environmental side as it was favorizing modal shift to modes of transport that would be more environmentally friendly such as Inland water ways, Short sea shipping and train which can transport a lot more merchandises than trucks or in the case of trains be electrically powered which is way more environment friendly. And by reducing the number of trucks on the roads, it would also reduce traffic congestions which could make traffic more fluid and reduce the amount of air pollution which causes all sorts of diseases and even deaths to the population which improves the social aspect of sustainability.

Unfortunately though, the programme was not used at it's fullest potential as the number of funded projects wasn't enough because either of irrelevance of the proposals, or number of proposals that the European commission received.

The use of road transport is also very hard to reduce because it is a flexible mode of transport compared to the other solutions. Road transport allows companies to be delivered directly at their door which makes it way easier to manage than if they were using other modes of transport. Small companies also may not have the competence to manage the transport of goods via train or ship.

But hopefully, the evolution of technologies, notably in the area of electricity, will allow in a near future to have more sustainable means of transport that will allow Good conclusion to travel off the roads and be as profitable for the companies, the people and the environment.

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Assignment 2 Marco Polo programme

GRADEMARK REPORT

FINAL GRADE

75/100

GENERAL COMMENTS

Instructor

Excellent research and use of informed literature.

Very good knowledge and understanding of topic demonstrated.

Very good analysis. Evidence used well to form well presented arguments and conclusions.

Very well structured and presented. Referencing not in Harvard formal.

This is an excellent piece of work. Well done.

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PAGE 2

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QM

Stylistics

Stylistics. Academic reports should be written in 3rd person not 1st person

Additional Comment

Questions shouldnt be posed in academic writing

QM

Good Intro.

Good introduction

PAGE 4



Good source

Good, reliable source

PAGE 5



Good source

Good, reliable source

PAGE 6

PAGE 7



Good Intro.

Good introduction



explanation required

explanation required

PAGE 8



explanation required

explanation required

PAGE 9



Good conclusion

Well concluded



Good analysis

Good analysis

PAGE 10



good explanation

good explanation

PAGE 11



Good analysis

Good analysis

QM

Good conclusion

Well concluded

QM

Incorrect referencing

Additional Comment

Not Harvard format