

ITALIAN MINISTRY OF INFRASTRUCTURES AND TRANSPORT

RAM Logistica, Infrastrutture e Trasporti Spa

# FOCUS ON INCENTIVE SCHEME TO PROMOTE INTERMODAL USE OF THE SEA ROUTES

Geneve, 30.10.2019

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# MAREBONUS: HOW TO PROMOTE INTERMODAL USE OF THE SEA ROUTES

RAM Logistica Infrastrutture e Trasporti Spa, acting as implementing body of the Italian Ministry of Infrastructures and Transport, has developed from a legal and administrative point of view, the national incentive schemes aiming at implementing some of the 2011 EC White Paper on Transport objectives: “Marebonus”.

## Objectives

- ✓ **Launch a new season** of start-up of the Motorways of the Sea;
- ✓ **rebalance the freight transportation system** by developing multimodal shipping/road transportation, by compensating the obtained difference of external costs avoiding road transportation, as an economic benefit of the final users;
- ✓ **reduce the social costs** of mobility, reduce environmental **pollution**, decongest the roadway chain and increase safety of circulation;
- ✓ **encourage the road haulage** to make the best possible use of shipping routes;
- ✓ continue to **stimulate the activation of intermodal services and improve the offer of the existing maritime services**, to consolidate and stabilise the results obtained through the previous initiatives (Ecobonus in particular).

## FROM THE SOCIAL COSTS CALCULATION

Externalities	Road Transport €/1000tkm*	Rail Transport €/1000tkm**	Maritime Transport €/1000tkm
Air Pollution	4,91	1,111	1,81
Greenhouse Gases	5,32	-	1,5
Accidents	1,23	0,001	-
Congestion	14,85	0,250	-
Noise	0,09	0,131	-
<b>Total</b>	<b>€ 26,40</b>	<b>€ 1,492</b>	<b>€ 3,31</b>

- ✓ \* Vehicles from 17,1 tons
- ✓ \*\* 100% electric traction

*Source: Price Waterhouse Coopers SpA, 2015*

# TO THE NATIONAL STRATEGIC PLAN FOR PORTS AND LOGISTICS (2015)

The **National Strategic Plan for Ports and Logistics**, starting with a survey of existing infrastructure and services, has placed at the center of the strategy to revitalize the logistics sector in Italy, the national port system focusing ten objectives, declined in several strategic actions.

Marebonus scheme is included in Objective 3 and in the corresponding Action 3.5.

## Objective No. 3

Improvement of accessibility and maritime and land connections

## Action No. 3

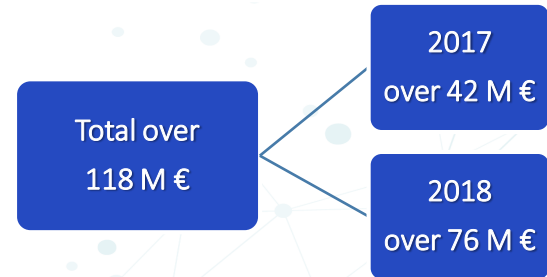
Measures to improve transport services and increase the accessibility of ports by sea and by land

## Action No. 3.5

Measures to promote the development of Ro-Ro traffic and Motorways of the Sea by aggregating and encouraging the freight transport demand

# THE MAREBONUS SCHEME

- Following the Ecobonus Incentive (2007-2010)<sup>1</sup> that provided a **reimbursement of up to 30% of the costs sustained by road haulage companies** that choose to use the Motorways of the Sea rather than roads and motorways, the Italian government, through the implementing body RAM, is boosting the intermodal use of sea routes with the '**Marebonus**' instrument (approved by EC with **decision C(2016) 8459 19 December 2016**).
- The **objective** of Marebonus is to support the launching of new maritime services or the upgrade of existing services for combined freight transport, **sustaining so the whole intermodal chain** and thus generating **environmental and wider social benefits** from reduced lorry journeys on the road network.
- Marebonus, with its budget of over 118M €, provides grants to ship-owners (up to 30% of operational costs) with the intention to offset some of the additional costs of switching to a more eco-friendly mode of transport with the commitment to transfer at least 70% of the aid received as discount or reimbursement to end users/hauliers.



<sup>1</sup> ..."there are lessons to be learned from national programmes that work on the demand side with limited administrative outlay by paying lump sums direct to road transport operators that decide to shift their trucks or containers from road to ship or rail (e.g. 'Ecobonus' and 'Ferrobonus' in Italy)". Special Report n. 3/2013, the *European Court of Auditors*.

# OBJECTIVES

**1) Creation of new, Ro-Ro and Ro-Pax, maritime services for multimodal freight Transport.** The concept of “new” shipping line service will be assessed as from the date of publication of the Marebonus draft decree.

**2) Improvement of existing maritime services for multimodal freight transport on existing sea routes.**

Under the Marebonus Scheme the aid will be granted for projects that meet at least four initiatives from at least two of the following requirements:

- Reduction of the shipping line’s environmental impact (through use of less polluting fuel, emission abatement devices, use of special products for keel care, etc.) or through the reduction of emissions per load unit;
- Sustainable reduction of time frames for the overall intermodal chain (time reduction may be done through reduced navigation times and for embarking and disembarking procedures);
- Improvement of ground services for embarking and disembarking of vehicles;
- Greater frequency of shipping line services;
- Improvement of on-board services during navigation for the driving personnel;
- Implementation of ITS technologies;
- Empowerment of safety and security levels;
- Offer of increased cargo-hold capacity.

# BENEFICIARIES AND MECHANISM

## ❖ Beneficiaries

The ship-owning companies, also in form of consortia or through slots agreement, based in one of the European Union or the European Economic Area, which submit three-year projects for the improvement of new shipping services Ro-Ro and Ro-Pax for multimodal transport of goods or improvement of the services on existing routes, arriving and departing from ports in Italy, connecting ports situated in Italy or in other EU Member States or the European Economic Area.

## ❖ Incentive Mechanism

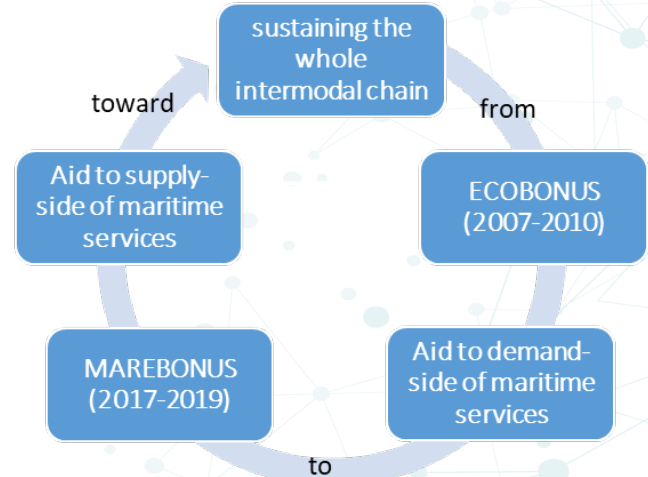
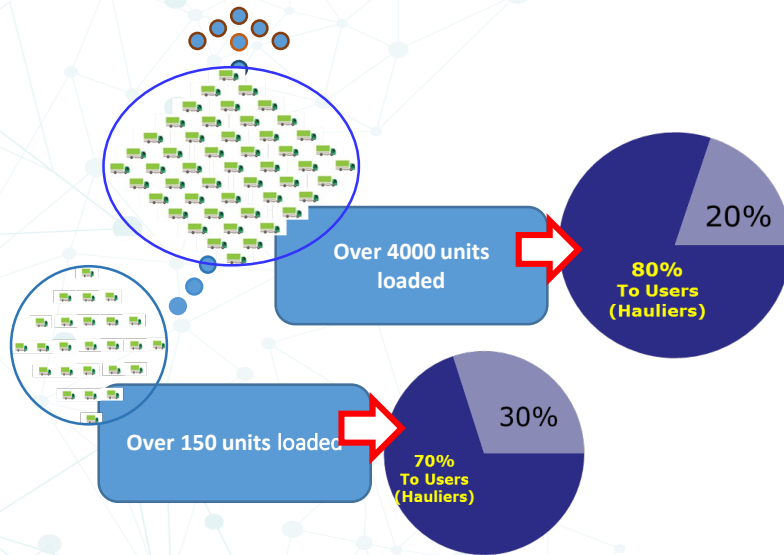
The incentive may vary until an established maximum of 10 euro cents per embarked units multiplied by each kilometer of road avoided. Eligible routes and distances in kilometers of road avoided are contained in an implementing decree issued after the ministerial decree.

## ❖ Indirect contribution sharing system

In order to reinforce the intermodal chain and the financial sustainability of the projects to be implemented, the beneficiary will be required to allocate annually for customers who have made at least 150 shipments of transport units per year, a quota of at least 70% of the grant received. That percentage is raised to at least 80% for firms that have embarked at least 4000 shipments of transport units per year.

# THE SUBSIDY TRANSFER TO END-USERS

Marebonus provides **grants to ship-owners** (max 0,10 € per loaded unit) with the intention to offset some of the additional costs of switching to a more environmentally friendly mode of transport with the **commitment to transfer at least 70%** of the aid received as discount or reimbursement to end users/hauliers.





# ELIGIBLE ROUTES

Origine	Destinazione	km sottratti alla rete stradale nazionale utili al calcolo dell'incentivo*
Ancona	Igoumenitsa	353
Ancona	Patrasso	361
Ancona	Spalato	431
Ancona	Trieste	463
Bari	Patrasso	519
Bari	Igoumenitsa	444
Bari	Ravenna	638
Bari	Venezia	760
Brindisi	Catania	552
Brindisi	Igoumenitsa	469
Brindisi	Patrasso	524
Brindisi	Ravenna	750
Catania	Livorno	1152
Catania	Genova	1280
Catania	Napoli	589
Catania	Ravenna	1160
Catania	Salerno	537
Catania	Savona	1340
Civitavecchia	Barcellona	577
Civitavecchia	Palermo	994
Civitavecchia	Termini Imerese	957
Genova	Barcellona	160
Genova	Livorno	187
Genova	Palermo	1408
Genova	Patrasso	513
Genova	Salerno	753
Genova	Savona	54
Livorno	Barcellona	339
Livorno	Palermo	1260
Livorno	Savona	234
Livorno	Valencia	339
Messina	Salerno	442
Napoli	Palermo	717
Palermo	Salerno	664
Ravenna	Igoumenitsa	202
Ravenna	Patrasso	214
Ravenna	Venezia	144
Salerno	Valencia	903
Savona	Barcellona	116
Savona	Patrasso	555
Savona	Valencia	116
Trieste	Igoumenitsa	41
Trieste	Patrasso	42
Venezia	Igoumenitsa	113
Venezia	Patrasso	119

The Marebonus decree has identified the **eligible routes** that can be incentivized for the upgrade of maritime services, showing Origin, Destination and avoided kilometers on national network (per Road journeys).

The number of avoided km on the road network for the subsidy calculation has been quantified taking into account the road avoided on the national territory between the port of origin and the port of destination.

Every maritime services have to be regular and frequent (**no seasonal services**).

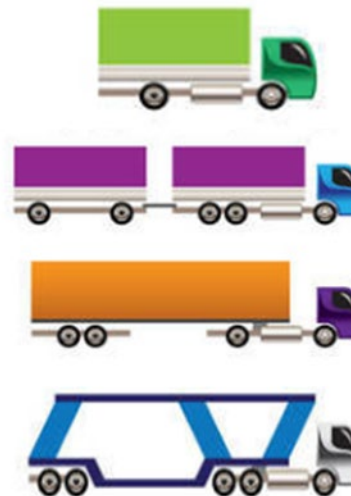
In case of new maritime services, the applicants must demonstrate that the **minimum hold capacity** for each year of the subsidy period will be up to **100.000 linear meters**;

In case of upgrading of existing maritime services, the applicants must demonstrate to have had a **minimum hold capacity** in the last two years up to **100.000 linear meters**.

## MAREBONUS: BENEFICIARIES AND MECHANISM

Eligible maritime services must be functional to multimodal transport of swap bodies or complex vehicles with a total vehicle mass of more than 3.5 tons: **lorries, trailers, semi-trailers, articulated lorries**. Thus lower mass vehicles are admitted as goods if expressed in car transporter equivalent (they are incentivized as equivalent in bulk cargo).

Projects should indicate the total hold capacity (per route) destined to freight transport expressed in linear meters and must maintain, on an annual basis and for the whole funding period, at least 70% of said hold capacity.



# MAREBONUS: BENEFICIARIES AND MECHANISM

## Eligible costs

The eligible costs under the Marebonus Scheme have been defined as the additional costs indispensable for launching new services or upgrading existing ones, thus contributing to the compensation of the difference in negative externalities between road and sea transport.

## Aid intensity

The aid will be limited to the 30% of the operational cost (per maritime service).

For upgrade of services on exiting route, the aid amount will not exceed 100% of the additional costs related to the upgrade of the service.

The funding will be granted in the form of 10 euro cents for each embarked unit multiplied by the length in kilometers of road transport avoided on the national network.

$$\text{Max contribution} = x * u * \text{km}$$

$$x = < 0,10 \text{ €}$$

**u = embarked unit of transportation**

**Km = avoided kilometers on the national network**

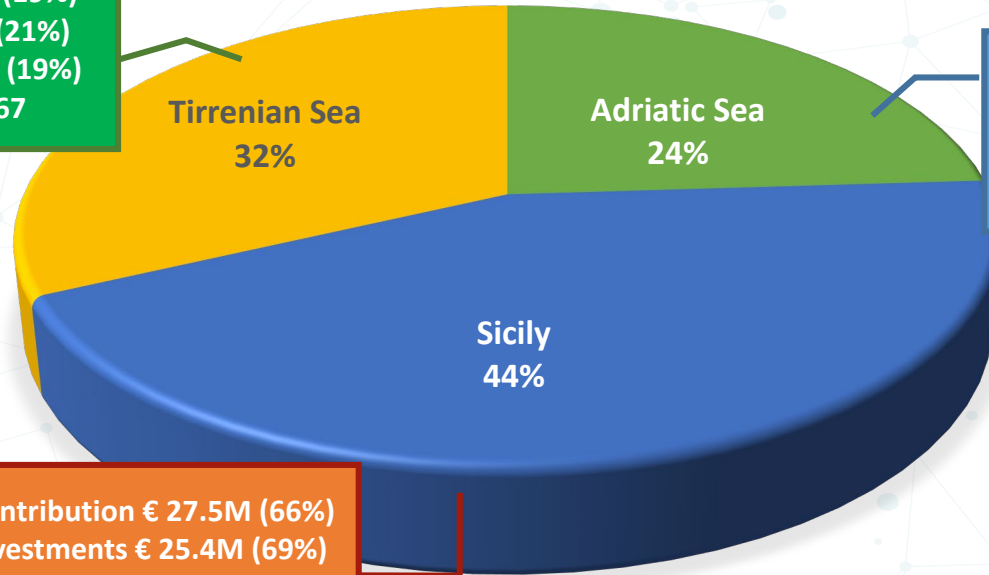
# MAREBONUS: FIRST RESULTS

- ❖ 15 Italian ports
- ❖ 5 European shipowners
- ❖ 41 eligible projects:
  - 2 *new maritime services*;
  - 39 *improvement of existing services*.
- ❖ 40% of sea routes belongs to international maritime cabotage.
- ❖ More than 70% of National resources will be granted to end-users of maritime services.
- ❖ **More than 1,3 M\* units** embarked after the first year (2017/18).
- ❖ The unit value of the contribution for each embarked unit is 0.05 cents euro (year 2017/18).



# MAREBONUS: FIRST RESULTS

- Contribution € 7.9M (19%)
- Investments € 7.6M (21%)
- Contr. Transf. € 5.9M (19%)
- Avg. € per Unit € 20,67



- Contribution € 6.1M (15%)
- Investments € 3.6M (10%)
- Contr. Transf. € 4.4M (14%)
- Avg. € per Unit € 20,77

- Contribution € 27.5M (66%)
- Investments € 25.4M (69%)
- Contr. Transf. € 20.9M (67%)
- Avg. € per Unit € 51,87

# MAREBONUS: FIRST RESULTS

The Marebonus has stimulated at least two main economic effects:

- ❖ an investments leverage effect for the shipowner
- ❖ an overall investments leverage effect

Starting from the overall 2017 budget (42M €) and taking into account the overall Investments amount generated (over 36M €) and the overall end-users reimbursement (over 31M €) it is possible to calculate the following factors:

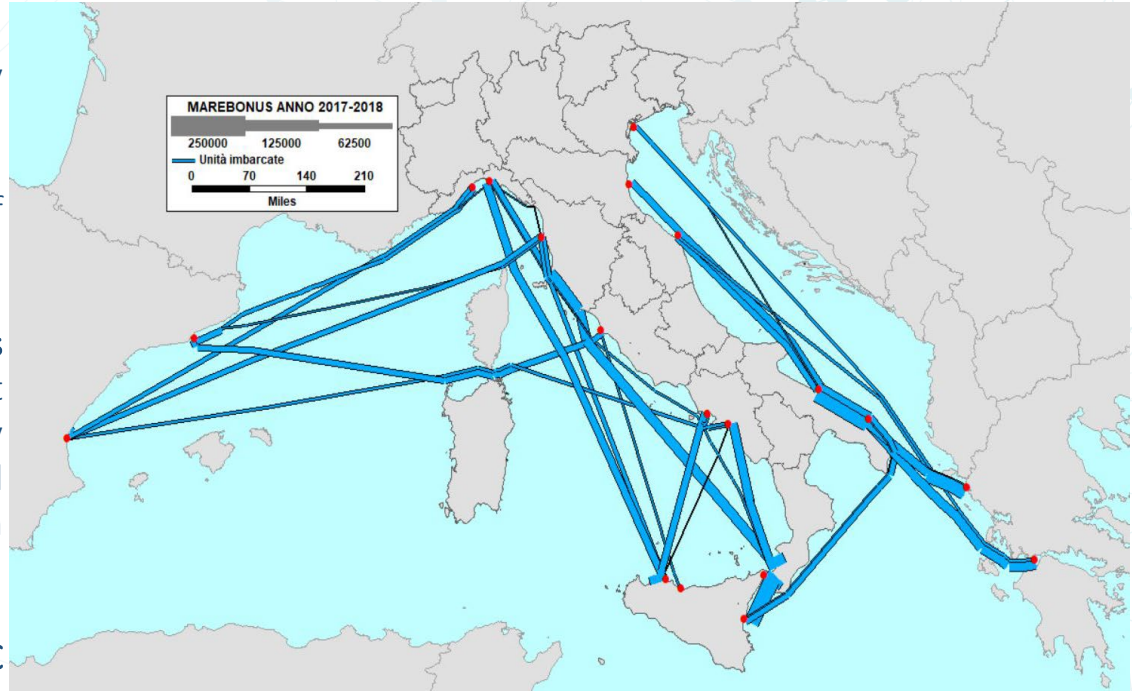
$$\begin{aligned} &+ 353\% \\ &\textit{shipowner leverage factor} \\ &\frac{\textit{Investments}}{\textit{(budget - end users quota)}} \end{aligned}$$

$$\begin{aligned} &+ 163\% \\ &\textit{overall leverage factor} \\ &\frac{\textit{(Investments + end users quota)}}{\textit{(budget)}} \end{aligned}$$

# MAREBONUS: FIRST RESULTS

## Marebonus freight traffic 2017/2018:

- ❖ about 4,7% of the motorways heavy duty vehicles flows in Italy (2018);
- ❖ 922 Mln of vehicles·km in terms of avoided Km from road;
- ❖ estimated save: more than 650,000 tons of CO2 equivalent during the first reporting period (approximately comparable with the emissions produced by the traffic in a city of a almost 1 Mln inhabitants per year);
- ❖ external costs savings: around 360 Mln. € during the first reporting period.



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**Thank you for your attention!**

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