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REPORT FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

ON THE IMPLEMENTATION OF THE TRANS-EUROPEAN TRANSPORT NETWORK GUIDELINES 2004 – 2005

Pursuant to Article 18 of Decision 1692/96/EC

{SEC(2009) 18}

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ON THE IMPLEMENTATION OF THE TRANS-EUROPEAN TRANSPORT NETWORK GUIDELINES 2004 – 2005

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1 INTRODUCTION

This report provides an assessment of the development of the trans-European transport network (TEN-T) following the TEN-T guidelines set out in Decision 1692/96/EC. These guidelines constitute a general reference framework for the implementation of the network and identify projects of common interest. The transport modes covered by the guidelines are: road, rail and inland waterway networks, motorways of the sea, seaports and inland waterway ports, airports and other interconnection points between modal networks, as well as traffic management and navigation systems.

Article 18(3) of the Decision requires the Commission, with the assistance of the Member States, to report on the implementation of the guidelines every two years.

This report covers a two-year period, from 2004 to the end of 2005. The investment data it contains refer to the EU-15[1], the EU-25[2] as of 1 May 2004 and the EU-27[3] as from 1 January 2007.

2 POLICY CONTEXT

In July 1996 the European Parliament and Council adopted Decision No 1692/96/EC on Community guidelines for the development of the trans-European transport network (TEN-T). The TEN-T guidelines constitute the general reference framework for the implementation of the network and the identification of projects of common interest. The European Council in Essen in 1994 attached particular importance to fourteen of these projects.

In September 2001, the Commission adopted its White Paper 'European Transport Policy for 2010: time to decide'. In the light of worsening congestion on the roads and the growing external costs of transport, it advocated greater emphasis by the Common Transport Policy on modal shift as a way towards sustainability.

In general, passenger transport is not growing as quickly as GDP, while goods transport is growing more than GDP. Overall, road transport is growing at approximately the same rate as GDP, as are sea transport and air transport. This shows the unbalanced nature of transport growth and the progressive marginalisation of railways, particularly for freight traffic.

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1 Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

2 Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Netherlands, Portugal, Spain, Sweden and United Kingdom; Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

3 EU-25 plus Bulgaria and Romania.

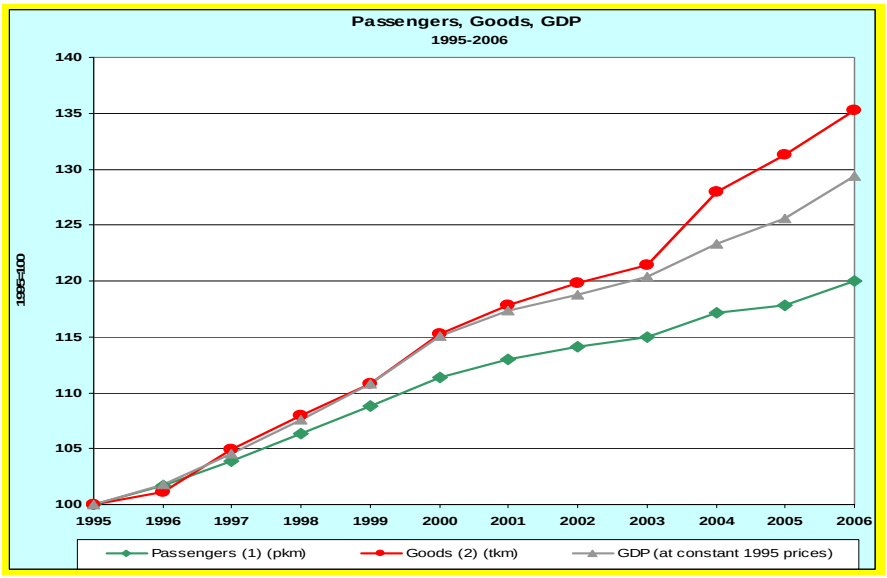

Figure 1: Transport demand versus growth of GDP from 1995 to 2006 in the EU 25[4].

On 22 May 2001, Decision No 1346/2001/EC[5] was adopted by the European Parliament and the Council, amending the TEN-T guidelines as regards seaports, inland ports and intermodal terminals, emphasising the multimodal dimension of the network and thus responding to recent developments.

In October 2001 the Commission proposed an amendment to Decision 1692/96/EC on Community guidelines for the development of the trans-European transport network. The proposal was approved by the European Parliament at its first reading with some modifications. As the proposal did not make progress in the Council, the Commission decided to bring forward a more comprehensive amendment of the guidelines and set up a High Level Group (HLG) chaired by the former Commission Vice-President Mr Van Miert and comprising representatives from the EU-27 and the European Investment Bank. On 1 October 2003, the Commission presented a new proposal complementing the 2001 proposal, based on the work of the HLG and taking into account comments received from the European Parliament in its first reading. Following the recommendations of the HLG, the proposal identified 30 priority projects of considerable importance for international traffic. The priority projects also included projects in the new Member States.

In April 2004 the European Parliament and the Council adopted the revised guidelines with Decision No 884/2004/EC[6], amending Decision No 1692/96/EC. The amended guidelines give greater priority to key projects and concentrate scarce funds on projects of European interest — such as cross-border sections and natural barriers — and have a time horizon for completion by 2020.

Further to the general objective of ensuring the sustainable mobility of people and goods, mechanisms should be put in place to support the development of motorways of the sea between Member States in order to reduce road congestion and/or improve access to peripheral and island regions and countries.

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4 Source: EU energy and transport in figures 2005 — statistical pocketbook.

5 Decision No 1346/2001/EC amending Decision No 1692/96/EC as regards seaports, inland ports and intermodal terminals as well as project No 8 in Annex III (Official Journal 2001, L 185/1).

6 Decision No 884/2004/EC of the European Parliament and of the Council of 29 April 2004, amending Decision No 1692/96/EC on Community guidelines for the development of the trans-European transport network, OJ L201, 07/06/2004.

IMPLEMENTATION

The funds allocated to TEN-T implementation in 2004 and 2005 were analysed for this report, by project and by Member State, with a special focus on priority projects.

The total investment in the TEN-T network in the EU-27 over the two-year period 2004 – 2005 was approximately EUR 101.74 billion.

A general assessment of the sources of TEN-T investment during 2004–05 shows that national public funding contributed about 76.9%, by far the largest part, and together with loans from EIB accounted for more than 91%.

Chapter 1

1.1 IMPLEMENTATION IN GENERAL

Total investment in the TEN-T network in the EU-27 amounted to EUR 50.4 billion in 2004 and EUR 51.3 billion in 2005.

In terms of modes, investment in the 2004 – 2005 period focused on railways (57%), followed by roads (27%), airports (9%), ports (5%) and inland waterways (2%). This distribution shows an increase in rail investment compared to 1996 – 2003.

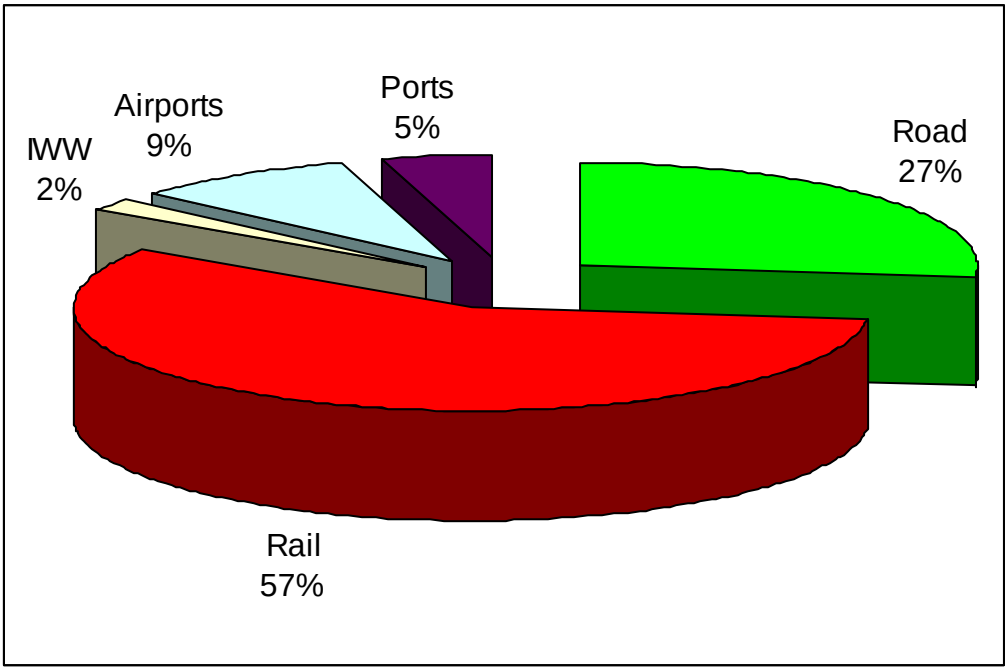

Figure 2: Investment per mode in 2004 and 2005

1.2 IMPLEMENTATION BY MODE AND SECTOR

1.2.1 TEN-T road network

The Guidelines define the TEN-T road network as being composed of motorways and other high-quality roads. The length of the TEN-T road network in the EU-27 in terms of roads existing, planned or to be upgraded in 2005 was approx. 98 500 km.

The total length of the TEN-T roads comprising motorways and high-quality roads in the EU-27 in 2005 was approx. 70 200 km. The remaining roads are still to be constructed or upgraded to meet the general target of the Guidelines. In 2005 some 28 300 km of existing roads were still classified as ordinary roads.

Total investment in the TEN-T road network in the EU-27 amounted to EUR 12.70 billion in 2004 and EUR 14.55 billion in 2005 (a total of EUR 27.26 billion in the 2004 – 2005 period). Compared with investment in previous years, the average annual amount invested in roads remained at the same level over the 2004 – 2005 period.

The total length of motorways and high-quality roads that entered into operation in 2004–05 was 1442 km.

1.2.2 TEN-T railway network

In 2005 the TEN-T railway network — conventional and high-speed lines — had a total length of about 97 600 km. The total length of completed high-speed lines, new and upgraded, increased to 10 677 km in 2005.

Total investment in the TEN-T railway network in the EU-27 amounted to EUR 30.22 billion in 2004 and EUR 28.36 billion in 2005 (a total of EUR 58.58 billion in the 2004 – 2005 period). Compared with investment in previous years, the average annual amount invested in railways increased significantly in the 2004 – 2005 period.

The total length of high-speed rail lines that entered into operation in 2004–05 was 460 km.

1.2.3 TEN-T inland waterways network

The TEN-T inland waterways consist of rivers and canals and various branches and links connecting them. The minimum technical characteristics for waterways forming part of the network are those laid down for a class IV waterway. These allow for the passage of vessels or pushed trains of barges of 80 – 85 metres long and 9.50 metres wide.

Those countries with inland waterways belonging to the TEN-T network in the EU-27 are Austria, Belgium, Bulgaria, Czech Republic, Finland, France, Germany, Hungary, Italy, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania and Slovakia.

The total length of TEN-T inland waterways in the EU-27 was 14 100 km in 2005. The main axes within the network are the Rhine and the Danube.

Total investment in the TEN-T inland waterways network in the EU-27 amounted to EUR 1044 million in 2004 and EUR 1029 million in 2005 (a total of EUR 2 074 million in the 2004 – 2005 period).

1.2.4 TEN-T ports

Decision No 1346/2001/EC[7], amending the Guidelines adopted in 1996 as regards seaports, inland ports and intermodal terminals, as well as project No 8 in Annex III, was adopted by the European Parliament and the Council on 22 May 2001. The Decision states that interconnection points, including seaports, inland ports and intermodal terminals, are a pre-condition for the integration of the different transport modes in a multimodal network.

The TEN-T ports comprise 407 ports (category A seaports and inland ports).

Total investment in TEN-T ports in the EU-27 amounted to EUR 2.08 billion in 2004 and EUR 2.53 billion in 2005 (a total of EUR 4.61 billion in the 2004 – 2005 period).

1.2.5 TEN-T airports

The TEN-T airports comprised 407 airports, including 71 international, 77 community and 259 regional airports, in 2005.

The total investment in TEN-T airports in the EU-27 amounted to EUR 4.37 billion in 2004 and EUR 4.83 billion in 2005 (a total of EUR 9.21 billion in the 2004 – 2005 period).

1.2.6 Combined transport network

The trans-European combined transport network comprises railways and inland waterways suitable for combined transport and shipping allowing the long-distance transport of goods, and intermodal terminals equipped with installations permitting transhipment between

[7] Op cit: 6.

railways, inland waterways, shipping routes and roads. Suitable rolling stock is also included. The inclusion of combined transport in the guidelines is intended to emphasise the multimodal dimension of the network.

1.2.7 Traffic management and navigation systems

The TEN-T Guidelines include the telematics infrastructure for traffic management systems and traffic information services. The aim is to ensure interoperability and the continuity of services across borders.

Several regions in Europe have co-ordinated their ITS plans in the Euro-regional projects CENTRICO, ARTS, CORVETTE, STREETWISE, VIKING and SERTI since the start of the Multi-Annual Indicative Programme in 2001. In May 2004 a new Euro-regional project, CONNECT (Co-ordination and stimulation of innovative ITS activities in Central and Eastern European countries) has been started up. CONNECT is a co-operation between public authorities, road administrations and traffic information service providers from Central and Eastern European (CEE) countries. Partners from Austria, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia and Slovenia are working together to improve cross-border traffic and transport through implementing harmonised and synchronised ITS applications on the high level road network in this area.

A Directive (2004/52) on the interoperability of electronic fee collection has been adopted by the European Parliament and the Council. This Directive will be of paramount importance to the interoperability and service continuity on the Trans-European Road Network (TERN).

Chapter 2

2.1 HORIZONTAL ISSUES

2.1.1 Interoperability

One of the main objectives of TEN-T is the interoperability of national networks. Interoperability should cover national conventional and high-speed rail systems in order to make international services more efficient and thus competitive. Greater interoperability, i.e. the capacity for trains to cross national frontiers without the need to stop or adjust for technical differences, significantly enhances transport performance and reduces operational costs. The EU adopted in 2004 the "second railway package", consisting of two Directives, 2004/49 and 2004/50, and the Regulation 881/2004 creating the European Railway Agency.

2.1.2 Research and development

Research and development is one of the broad measures covered by the TEN-T guidelines. Under the Fifth Framework Programme (1998 – 2002) and Sixth Framework Programme (2002 – 2006) for research, technological development and demonstration, several key actions were launched under specific individual programmes, such as sustainable mobility and intermodality, land transport and marine technologies, efficient energy systems, and services for the citizen.

In particular, the transport research programme has contributed to EU policy on the trans-European transport network by providing support for the planning and financing of the investment programme and the development of new infrastructure and services. Evaluation methodologies and software tools have been provided to help policy makers assess the impacts of different infrastructure plans. New solutions for the efficient operation of networks and terminals have also been assessed.

2.1.3 Environmental protection

Sustainable environmental development and protection is an important cross-cutting issue, highly relevant for the development of the TEN-T network but also for the different horizontal issues. International commitments, standards and recommendations already exist for various environmental issues relating to transport.

Article 8 of the 1692/96 Guidelines states that ‘when projects are developed and carried out, environmental protection must be taken into account by the Member States through execution of environmental impact assessments of projects of common interest which are to be implemented, pursuant to Directive 85/337/EEC and through the application of Directive 92/43/EEC’.

Legal provisions on strategic environmental assessment (SEA) were established by Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment. The Member States should have transposed this Directive into national law by July 2004. The Directive applies to all transport plans and programmes that provide for future projects requiring an environmental impact assessment (EIA), including those relating to the trans-European networks. Member States are required to take the results of this environmental assessment into account in the preparation of these plans and programmes.

Chapter 3

3.1 GENERAL ASSESSMENT OF TEN-T IMPLEMENTATION IN THE 2004 – 2005 PERIOD

Total investment in the TEN-T network in the EU-27 amounted to EUR 101.74 billion in the 2004 – 2005 period.

Most of this amount went on the railways (about EUR 58.6 billion), followed by roads (about EUR 27.2 billion) and airports (about EUR 9.2 billion).

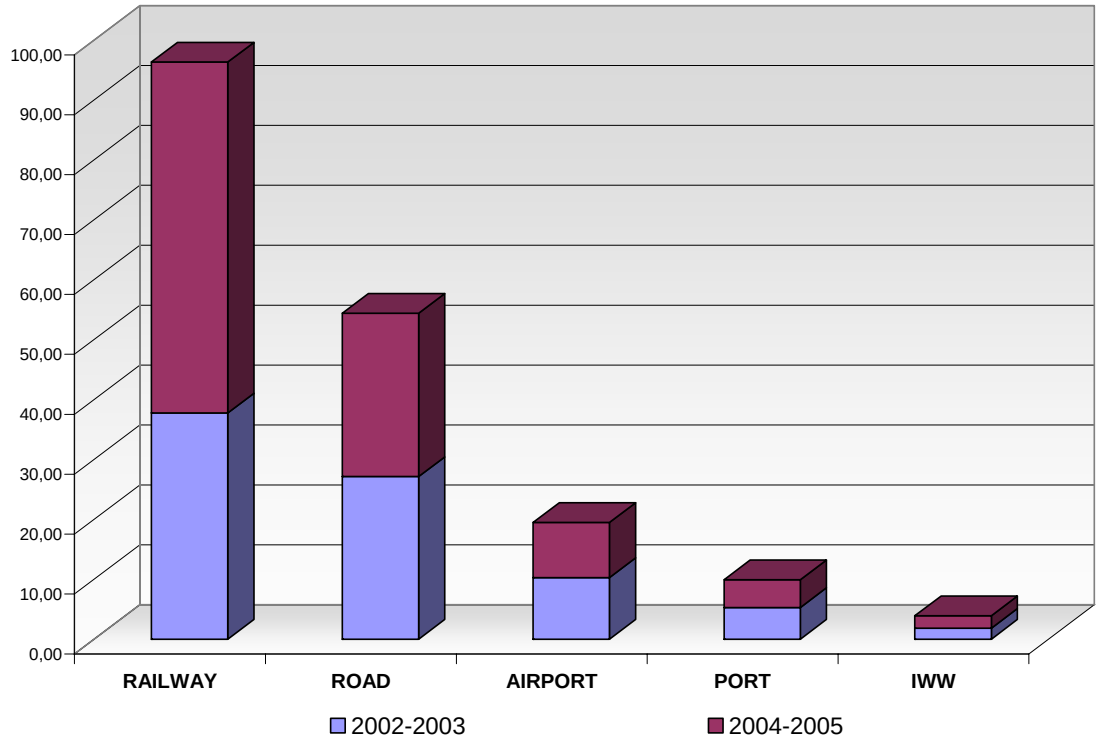

Figure 3: Investment in the TEN-T network in the EU-27 in 2004 and 2005 compared with investment in 2002 – 2003 in EUR billion

The countries with the highest investment in the 2004 – 2005 period were Italy (EUR 17.89 billion), the UK (EUR 17.17 billion), Spain (EUR 13.91 billion), Germany (EUR 10.47 billion), France (EUR 9.10 billion) and the Netherlands (EUR 6.58 billion).

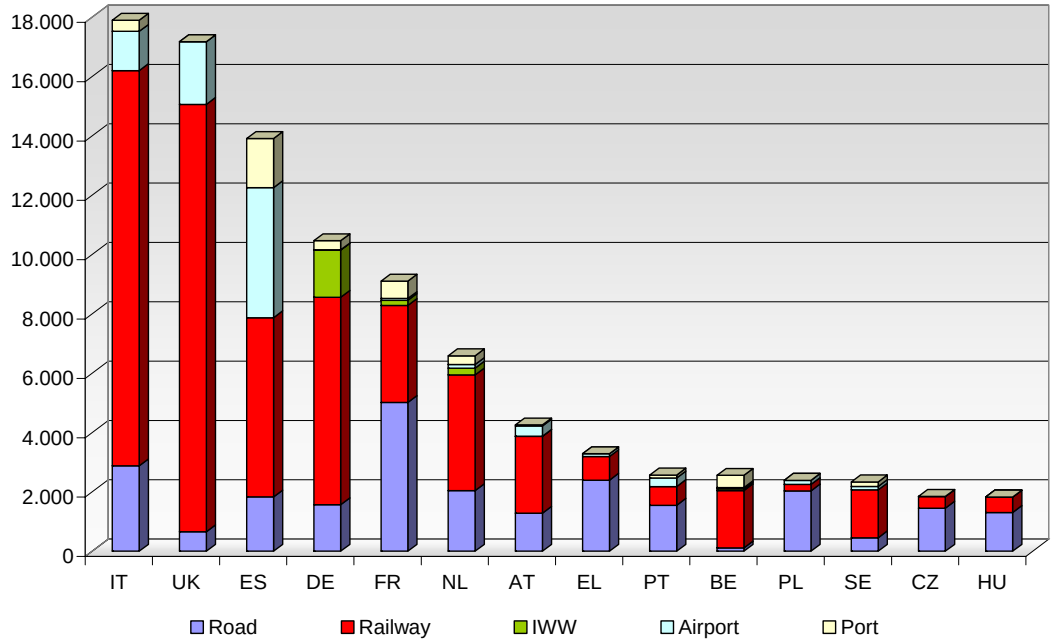

Figure 4: Investment in the TEN-T network per country and mode for the first 14 countries investing most in the EU-27 in 2004 and 2005, in EUR million

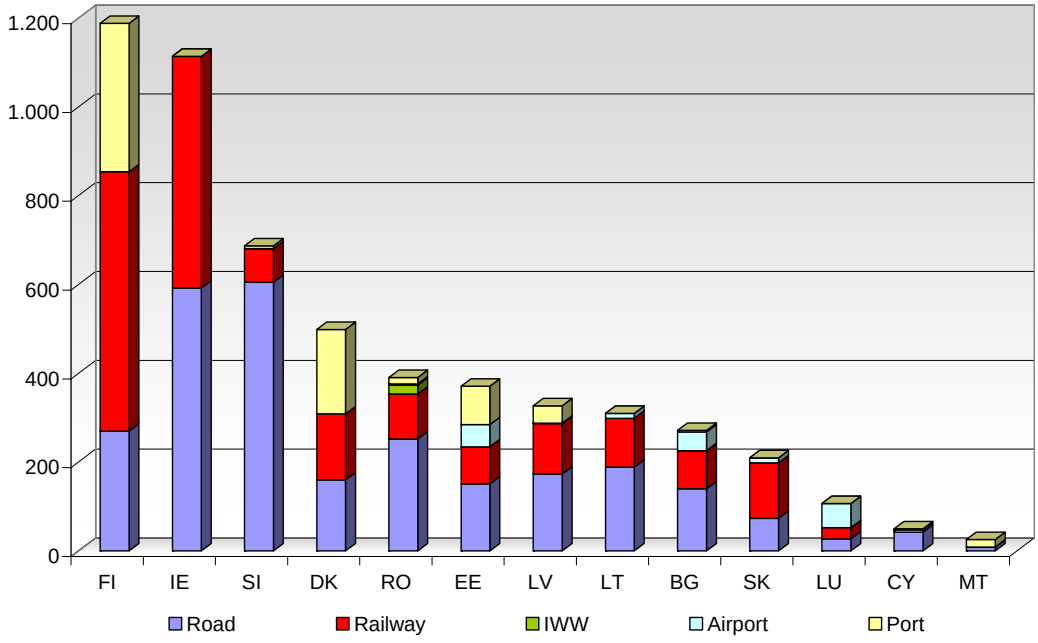

Figure 5: Investment in the TEN-T network per country and mode for the remaining countries of the EU-27 in 2004 and 2005, in EUR million

3.2 PRIORITY PROJECTS

The trans-European transport network consists of many projects of common interest. However, some projects are of particular importance to the European Union given their scale, their role in supporting trans-national trade and in reinforcing the cohesion of the Union, or the extent to which they help in shifting long-distance traffic flows to environmentally friendly modes of transport.

The 1996 guidelines[8] included 14 priority projects to be completed by 2010. On 29 April 2004 the European Parliament and the Council adopted revised guidelines[9], which include 30 priority projects to be completed by 2020.

Three priority projects have already been completed since 2001:

PP9 Railway axis Cork-Dublin-Belfast-Stranraer (Ireland, UK) in 1989 – 2001.

PP10 Malpensa Airport (Milan, Italy) in 1995 – 2001.

PP11 Öresund fixed link (Denmark, Sweden) in 1992 – 2000.

The investment in the priority sections of the priority projects up to the end of 2005 amounted to EUR 108.1 billion. The remaining investment in these projects in the 2006 – 2020 period will be about EUR 289.1 billion. The total cost of the priority projects, as notified by the Member States in 2008, is EUR 397.2 billion for the entire 1996 – 2020 period.

Provided that the Member States focus in future on investing in the priority projects, most of the projects could be completed before 2020.

3.3 SOURCES OF FUNDING

In addition to national funding (by public authorities), a certain proportion of the investment in the TEN-T network is co-financed by various Community funds, such as the TEN-T budget, the Cohesion Fund, the European Regional Development Fund (ERDF), and funding provided by the European Investment Bank (EIB). These sources of support have their specific eligibility criteria, objectives and funding conditions. A limited number of projects, mainly in the airport, port and road sectors, receive funding from the private sector.

3.3.1 TEN-T budget

In the 2004 – 2005 period, a total amount of EUR 1.36 billion was funded by the TEN-T budget. In line with the TEN-T guidelines, the majority of funding was allocated to railways, accounting for 61.3% of total TEN-T support in this period. In addition, the importance of Global Navigation Satellite Systems (GNSS) was underlined again in the 2004 – 2005 period. A total amount of about EUR 250 million (18.4%) was allocated to Galileo.

3.3.2 European Regional Development Fund (ERDF)

The EU budget for 2004 was the first with 25 Member States (EU-25). The accession of ten new Member States (EU-10) in May 2004 resulted in additional budget needs, which were covered by means of amending budgets.

For payment appropriations under the Structural Funds, the year 2004 marked an absolute peak, due mainly to good progress with EU-15 programmes but also to payments for the new EU-10 states.

The year 2005 was devoted to bringing the ‘programming period 2000 – 2006’ to a successful end and to preparing the new ‘Cohesion Policy Programmes for 2007 – 2013’.

Under the ERDF, more than EUR 8.8 billion was spent mostly on TEN-T projects in the period 2000 – 2006.

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8 Op cit: 1.

9 Op cit: 7.

3.3. Cohesion Fund

On 1 May 2004, all of the 8 new Member States formerly benefiting from the ISPA programme — together with Malta and Cyprus — met the criteria for Cohesion Fund eligibility. The projects previously under the ISPA programme were automatically transferred to the Cohesion Fund.

For structural assistance in the 10 new countries (for the years 2004 – 2006), an overall budget of EUR 24 billion was earmarked, from which EUR 8.5 billion was set aside for the Cohesion Fund.

The Cohesion Fund resources available for commitment were EUR 5.62 billion in 2004 and EUR 5.13 billion in 2005 for the 13 beneficiary Member States.

In 2004, the transport sector accounted for marginally over half (51,8%) of total Cohesion Fund commitments and for a fraction less than half (49,8%) in 2005.As in the past, in order to improve the total balance, the Commission asked the Member States to give particular preference to rail projects.

3.3.4 European Investment Bank loans

The EIB finances a large number of TEN-T projects provided that they pass a technical, financial and environmental evaluation and are consistent with EU objectives.

A key aspect of EIB loans is that they can cover up to 50% of the project costs, while another advantage compared with commercial banks is that they have a longer term. Moreover, EIB loans are provided without the need for project-specific premiums, as the EIB requires that loans are backed by guarantee.

EIB loans in 2004 and 2005 amounted to nearly EUR 13.75 billion, while the EIB has about EUR 75 billion available to lend to TEN-T projects for the 2004 – 2013 period.

For the period 2007–13, the EIB has set up the new JASPERS instrument (Joint Assistance to Support Projects in European Regions) in conjunction with the EC and the EBRD to help the new Member States in particular to prepare major infrastructure projects needing funding form the Cohesion Fund, the Structural Fund and the EIB.

General assessment of funding sources

It can be concluded that investment in the TEN-T is funded by a variety of sources, including national funds, various different European Community funding programmes and loans. A general assessment of the sources of TEN-T investment shows that national public funding contributed almost 78%, by far the largest share, in the 2004 – 2005 period. The second largest share, at approximately 13.5%, comprised loans from the European Investment Bank. Together, these sources contributed more than 90% of the investment in the TEN-T.

Although the exact amount of private funding is difficult to determine (due to the fact that it is difficult to obtain investment data for infrastructure in private hands such as ports and airports), it is estimated to represent only a minor part. As a consequence, national public funding is still the main source of finance for TEN-T related projects.

Source of funding	2004	2005	2004–05	in %
TEN-T budget	526.52	564.38	1090.9	1.1%
Cohesion Fund (incl. ISPA)	1611.84	1459.77	3071.61	3.0%

EIB	6374	7371	13745	13.5%
EBRD	197.3	176.2	373.5	0.4%
ERDF (estimated)	2045.9	1855.6	3901.5	3.8%
National budget & private sources	39669.39	39889.34	79558.73	78.2%
Total	**50424.05**	**51316.29**	**101770.2**	**100.0%**

Table **Error! No text of specified style in document.**-1: Distribution of TEN-T funding sources in € million for EU-27

CONCLUSION

The total investment in the TEN-T network in the EU-27 over the two-year period 2004 – 2005 shows an increase in average annual investment in the TEN-T network compared with the previous period 2000 to 2003, with average spending already reaching about EUR 51 billion, a figure significantly higher than in previous years.

Moreover, average total investment as a percentage of GDP in the EU-27 increased from 0.43% in 2002–03 to 0.47% in 2004–05.

One of the reasons is certainly the increase in grants due to the fact that the 10 new Member States were eligible for this funding from 1 May 2004.

However, a more detailed analysis of the investment shows that in some countries, especially in the EU-15 (Denmark, France, Germany), the total investment as a percentage of GDP was well below the EU average.

Concerning financing, it can be concluded that national public funding still contributed by far the largest part of the investment in the TEN-T network. In order to concentrate the scarce Community funds and to facilitate the coordinated implementation of certain projects, in particular cross-border projects, the Commission has designated 'European Coordinators', in agreement with the Member States concerned and after having consulted the European Parliament. The European Coordinators act in the name of and on behalf of the Commission and should speed up the implementation of the projects of common interest.

The completion of the 30 priority projects for international traffic by 2020 is in general on track. With an annual investment volume of about EUR 50 billion, transport infrastructure can be improved significantly; nevertheless, the elimination of cross-border bottlenecks in particular is still lagging behind and needs to be improved.