The trans-European transport network: new guidelines and financial rules

The trans-European transport network (TEN-T) needs to be broadened to improve territorial cohesion and boost the competitiveness and growth potential of the enlarged European Union. The extension of the network to the future Member States provides a new opportunity to reduce congestion on the major routes and encourage intermodality in the enlarged Europe. It is against this backdrop that the Commission proposed on 1st October 2003, a new revision of the trans-European transport network guidelines and of the TEN-T financial rules with a view to adapting them to their new required dimension. This proposed revision complements and updates its 2001 proposals for an adaptation of the guidelines and of the TEN-T financial rules. Its aim is to concentrate resources on priority infrastructure projects and to facilitate Council and Parliament’s agreement on these new proposals so that they can enter into force as soon as possible, as requested by the European Council.

1. What is the trans-European transport network?

The trans-European transport network (TEN-T) has a crucial role in securing the free movement of goods in the European Union. It carries about half of all freight and passengers. The guidelines for the TEN-T define the Union’s priorities by attaching the network "label" to certain routes, so channelling EU financial support to projects with greater Community added value. The TEN-T budget, Cohesion Fund, & ERDF play important roles supporting, through direct grants TEN-T projects, while the EIB provides loans. The network serves as a reference framework for other Community legislation and promotes the economic, social and territorial cohesion of the Union. Some major projects are included in a list of priority projects. They only represent a part of the numerous projects of the TEN-T, however their selection from a wide-range of projects gives them a high profile making it possible to concentrate, attract and co-ordinate financial resources.

The current TEN-T network in figures

- 75 200 km of roads
- 78 000 km of railtrack
- 330 airports
- 270 international sea ports
- 210 inland ports
- Traffic management systems, navigation and user information systems are also part of the TEN-T network
2. Revising the guidelines and the TEN-T financial rules

The first guidelines for the TEN-T network were established in 1996\(^1\). They need to be reviewed. As underlined in the 2001 White Paper on transport\(^2\), they should be adapted to take into account a worrying increase in congestion due to the persistence of bottlenecks, missing links, a lack of interoperability, and the pressing need to promote a modal rebalancing. The prospect of enlargement to include 12 new countries accentuates the need for a new approach to preserve the competitiveness of the European economy and to guarantee a balanced and sustainable development of transport. Since then, the European Councils of Göteborg, Barcelona and Brussels have repeatedly called on the Community institutions to adopt revised guidelines by 2003 and new priority projects.

A first limited revision was proposed by the Commission in October 2001 and was accepted, in its broad lines, by the European Parliament on 30 May 2002. The Commission issued a revised proposal in September 2002 to outline its positions on the Parliament's amendment but this revised proposal is still awaiting agreement within the Transport Council.

Given the delays that were affecting many key priority projects; particularly in their cross-border sections, a revision of the financial rules for the TEN-T\(^3\) was also proposed in October 2001 with a view to raising from 10 to 20% EU financial support to rail projects affected by difficult geographical conditions on their cross-border sections or for cross-border sections with candidate countries. The Commission issued a revised proposal in January 2003 following Parliament’s agreement but this revised proposal is also still pending an agreement from the Council.

Without waiting for the final adoption of these proposals, the Vice-President of the Commission responsible for Transport and Energy, Loyola de Palacio, decided to initiate a second step for a more profound revision of the guidelines for the TEN-T. In order to involve the States and the European Investment Bank from the outset of this extensive exercise and given the important territorial and financial impacts of major infrastructure projects, a High-Level Group on the TEN-T was set up by the Commission. The Group, led by the former commissioner Karel Van Miert, issued its report on 30 June 2003\(^4\).

After careful examination of the Group’s report, the Commission decided to propose without awaiting new revised proposals for trans-European transport network guidelines and for the TEN-T financial regulation in order to facilitate the Council and Parliament’s agreement, as requested by the European Council. The Commission’s proposals not only identify projects of European interest but also propose a number of solutions to facilitate their financing and their actual implementation.

3. The proposed revision

1. New “priority projects”

a- A refined concept

The trans-European transport network is made up of many projects of common interest. Some projects are however of particular importance for the European Union given their scale, their role in supporting trans-national trade, in reinforcing the cohesion in the Union or because they help concentrating long distance traffic flows on environmentally friendly modes of transport. A special effort by the Community to support these projects is therefore justified and necessary to ensure a coherent development of the network and to promote a common vision of its main axes towards national and regional authorities. These projects, selected according to a strict methodology included in the guidelines, are called “priority projects”.

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\(^1\) Decision 1692/96  
\(^3\) Regulation 2236/95  
The Commission proposes for each of them a Declaration of European Interest which entails:

- **A concentration of EU financial resources.** Member States, when they send applications for funding under the TEN budget and the Cohesion funds, will have to give an appropriate priority to the projects declared of European interest. The Commission will also ensure that projects declared of European interest are duly taken into account when projects or programmes co-financed by ISPA and the structural funds, in particular in Objective 1 regions, are set up.

- **An incitement for Member States to stick to the agreed timetable** by introducing the possibility of withdrawing the project from the list in case of unjustified delays.

- **Ex-post evaluations of each project** to prepare the next revisions and improve project evaluation methods. These evaluations would be made available to the Commission.

- **A coordinated evaluation and public consultation procedures**, prior to the project’s approval. In the case of certain cross-border sections like tunnels or bridges, Members will have the possibility to implement a single trans-national enquiry to evaluate and consult the project.

**b- A new list of priority projects**

The Commission proposes to include all projects identified in the list 1 of the High Level Group report published on 30th June and three projects which were debated within the group and for which new developments since June mean they meet the criteria. These new projects therefore come as an addition to the 6 new projects and 2 new extensions proposed by the Commission in October 2001 and approved by the European Parliament in May 2002.

New proposed projects (as compared with the 2001 proposal) are in italics. The indicative date for completion is in brackets.

1. Rail axis Berlin-Verona/Milan-Bologna-Napoli-Messina-Palermo
   - Kufstein-Innsbruck (2009)
   - Brenner Tunnel (2015), cross-border section
   - Verona–Napoli (2007)
   - Rail/road bridge over the Messina Strait (2015)

   - Tunnel under the English Channel - London (2007)
   - Bruxelles/Brussel-Rotterdam-Amsterdam (2007)

3. High Speed Rail Axis of South-West Europe
   - Lisboa/Porto–Madrid (2011)
   - Madrid-Barcelona (2005)
   - Barcelona-Figuera-Perpignan (2008)
   - Perpignan–Montpellier (2015)
   - Montpellier–Nîmes (2010)
   - Madrid-Vitoria-Irun/Hendaye (2010)
   - Irun/Hendaye–Dax, cross-border section (2010)
   - Dax–Bordeaux (2020)
   - Bordeaux–Tours (2015)

4. TGV East
   - Paris-Baudrecourt (2007)
   - Metz-Luxembourg (2007)
   - Saarbrück-Mannheim (2007)


6. Rail Axis Lyon–Trieste/ Koper– Ljubljana– Budapest- Ukrainian border
   - Lyon–St-Jean-de-Maurienne (2015)
   - Mont-Cenis tunnel (2015-2017), cross-border section
   - Bussoleno–Torino (2011)
   - Torino-Venice (2010)
   - Ljubljana–Budapest (2015)

For the sake of clarity, not all completed sections are indicated.
Incl. 2 TGV stations (Rotterdam and Amsterdam) not foreseen in the project adopted by the European Council of Essen in 1994.
7. Motorway axis Igoumenitsa/Patra-Athina-Sofia–Budapest
   – Via Egnatia (2006)
   – Pathe (2008)
   – Motorway Sofia-Kulata-Greek/Bulgarian border (2010), with Promahon-Kulata as cross-border section

8. Multimodal axis Portugal/Spain with the rest of Europe
   – Rail line Lisboa-Valladolid (2010)
   – Motorway Lisboa-Valladolid (2010)
   – Motorway Sevilla- Lisboa (completed-2001)
   – Lisboa new airport  (2015)

9. Rail link Cork-Dublin-Belfast-Stranraer7 (2001)

10. Malpensa airport (completed-2001)

11. Fixed link Öresund (completed-2000)

12. Rail/road axis of the Nordic Triangle
   – Road and rail projects in Sweden8 (2010)
   – Motorway Helsinki-Turku (2010)
   – Rail link Helsinki-Vainikkala (Russian border) (2014)

13. Road link UK/Ireland/Benelux (2010)

14. West Coast Main Line (2007)


16. Freight rail line Sines-Madrid-Paris
   – New trans-Pyrenean high capacity rail line (2020)
   – Rail line Sines-Badajoz (2010)

   – Baudrecourt–Strasbourg–Stuttgart (2015) with the Kehl bridge as cross-border section
   – Stuttgart–Ulm (2012)
   – München–Salzburg (2015), cross-border section
   – Wien–Bratislava (2010), cross-border section.

18. Rhin/Meuse-Main-Danube inland waterway route
   – Rhin–Meuse (2019) with the lock of Lanay as cross-border section
   – Višňové–Straubing (2013)
   – Palkovicevo–Mohács (2014)
   – Bottlenecks in Roumana and Bulgaria (2011)

19. High Speed Rail Interoperability of the Iberian Peninsula
   – Madrid-Andalucia (2010)
   – Nordeste (2010)
   – Madrid-Levante y Mediterráneo (2010)
   – Corredor Norte-Noroeste, including Vigo-Porto (2010)
   – Extremadura (2010)

20. Rail axis of Fehmarn Belt
   – Fixed rail/road link Fehmarn Belt (2014)
   – Railway line for access in Denmark from Öresund (2015)
   – Railway line for access in Germany from Hannover (2015)

21. Motorways of the Sea

Projects concerning one of the following motorways of the sea:
   – Motorway of the Baltic Sea (linking the Baltic Sea Member States with the Member States in Central and Western Europe) (2010)
   – Motorway of the sea of western Europe (leading from the Iberian peninsula via the Atlantic Arc to the North Sea and the Irish Sea) (2010)
   – Motorway of the sea of south-east Europe (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean to include Cyprus) (2010)
   – Motorway of the sea of south-west Europe (western Mediterranean), connecting Spain, France, Italy and including Malta, and linking with the motorway of the sea of south-east Europe.7 (2010)

7 A new increase in capacity of the line was decided in 2003 and included in project No 26.
8 Some small road and rail sections will be completed between 2010 and 2015.
   – Rail line Curtici-Brasov (towards Bucuresti and Constanta) (2010)
   – Rail line Budapest–Wien (2010), cross-border section

   – Rail line Katowice–Brno–Breclav (2010)

   – Lyon–Mulhouse–Mülheim,10 with Mulhouse-Mülheim as cross-border section (2018)
   – Genova–Milano/Novara-Swiss border (2013)
   – Frankfurt–Mannheim (2012)

25. Motorway Gdansk–Brno/Bratislava–Wien
   – Motorway Katowice–Brno/Zilina (2010), cross-border section
   – Motorway Brno–Wien (2009), cross-border section

26. Rail/road axis Ireland/United Kingdom/Continental Europe
   – Road/rail corridor linking Dublin with the North (Belfast-Larne) and with the South (Cork) (2010)12
   – Road/rail corridor Hull-Liverpool (2015)
   – Rail line Felixstowe–Nuneaton (2011)
   – Rail line Crewe–Holyhead (2008)
   – West Coast Main Line (2007)

27. “Rail Baltica”: Rail axis Warsaw - Kaunas - Riga – Tallinn
   – Warsaw - Kaunas (2010)
   – Kaunas - Riga (2014)
   – Riga - Tallinn (2016)

28. “Eurocaprail”
   - Rail axis Bruxelles-Luxembourg-Strasbourg (2012)

29. Ionian/Adriatic intermodal corridor
   - Kozani-Kalambaka-Igoumenitsa (2012)
   - Ioannina-Antirrio-Rio-Kalamata (2014)

c- A new mechanism to support motorways of the sea

A new priority project concerns the development of “motorways of the sea” to ensure that transnational maritime links between countries isolated for geographical reasons or affected by road congestion be treated with the same importance as land links. The objective is to concentrate freight transport for some key links on a limited number of ports to increase the viability of these links. Member States will be encouraged to jointly establish transnational maritime links in a way to avoid distortion of competition:

9 Including towards the Black Sea.
10 Including the TGV Rhin-Rhône, minus the western branch.
11 Project No 5 (Betuwe line) links Rotterdam to Emmerich.
12 Including sections of Essen project No 13
- Projects can include both port infrastructures and access infrastructure, electronic systems to manage logistics and start-up aids.
- Projects must concern a limited number of ports and aims at developing transnational links to reduce congestion or link peripheral countries.
- Projects must be proposed by at least two Member States who organise jointly an open tendering procedure.
- Projects can then be submitted to the Commission in view of declaring their eligibility to Community funding.
Traditionally in the field of transport infrastructure, Member States have their own planning systems, provide most of the public financing, canvass private investors, manage the complex administrative procedures prior to construction authorisations and supervise the awarding of contracts and the approval of work. As Member States are carrying out all these tasks separately, coordination becomes an important issue. The profitability of investments is also closely linked to the sequence of putting into operation the various sections on the route in question. Investments therefore have to be synchronised along transnational routes. Given the transnational dimension of the projects declared of European interest, the Commission takes the opportunity of the revision of the guidelines to introduce new coordination mechanisms.

**European coordinators**

For some large projects located on the major European routes, the Commission thus proposes to set up a coordination team. The Commission would designate an individual, after consulting the Member States concerned, to be responsible for this coordination. This European coordinator, acting on behalf of the Commission, would encourage cooperation with users and operators, promote the projects amongst private investors and financial institutions, including the EU, and keep the EU informed of progress so that, if necessary, measures can be taken to overcome any possible difficulties. The Commission will assess the operation of these European coordinators to envisage whether the setup of a common structure, responsible for promoting projects amongst private and public investors, and even carrying out projects, is feasible.

**Transnational enquiry prior to the assent**

Some cross-border projects experience difficulties because of separate evaluation and public consultation procedures carried out by Member States prior to the administrative authorisations. To overcome the difficulties linked to the partitioning of these procedures, the Commission proposes that the Declaration of European Interest calls on the Member States to coordinate their national procedures to evaluate the environmental, economic, social impacts of projects. In the case of certain cross-border sections like bridges or tunnels, Member States will have to carry out a single transnational enquiry based on a "transnational" commission of enquiry which would run the impact assessment studies and obtain the opinion of all interested parties in the Member States concerned prior to the assent.

**3. New financial rules for trans-border projects**

The proposed revision of the guidelines is accompanied by a proposed modification of the financial rules for TEN-T so that cross border sections of projects declared of European interest can benefit from EU funds up to a 30% co-financing level. The current maximum co-financing level is at 10% and proposals made so far by the Commission limited the increased co financing share to 20% only for rail projects on cross-border sections characterised by natural barriers or for cross-border sections with candidate countries. This new increased EU co-financing share should create enough incentive for the creation of public-private partnerships on several cross-border sections.

The proposal also introduces multi-annual financial planning which will give guarantees to investors while allowing flexibility in the financial process.
The estimated amount of investment required to carry out all priority projects (projects already proposed in 2001 plus new projects following the high-level group) is around € 220 billion, of which € 80 billion by 2006 for the most technically and financially mature projects.

The expected contribution from the private sector is estimated at 20%, the remaining part will be financed by the national budgets with leverage support from the Community budget. By 2020 the total cost of the trans-European network, including the projects of common interest not identified as priority projects, will amount to € 600 billion.

The impact assessment conducted for the Commission suggests that carrying out these projects, if coordinated with intermodality, interoperability and charging for the use of infrastructure, as proposed in the White Paper on European transport policy, would:

- produce significant time savings by reducing road congestion and improving rail performance, which could add-up to almost € 8 billion per year for inter-regional traffic alone;
- reduce CO₂ emissions generated by inter-regional traffic flows by 17 million tonnes per year;
- reduce other emissions, cutting external costs of air pollution due to inter-regional traffic alone by over € 700 millions per year;
- produce other benefits in terms of time savings and reduction of emissions at local level for intra-regional traffic thanks to capacity relieved by modal transfer of long distance traffic;
- stimulate international trade, in particular in accession countries;
- produce other advantages including an improvement to safety as a result of promoting alternatives to road transport and thereby reducing the number of road accidents;
- improve welfare which may lead to a boost in economic growth of 0.23% of GDP.

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13 See SEC (2003) 1060