Transport

TASK 5 – MEMBER STATE STUDIES

WORK PACKAGE 5

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)
Transport

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1 Introduction

This section of the Interim Report presents the Member State case studies prepared as Task 5 of this study. These case studies were designed to provide insights into the contribution of Cohesion Policy to the transport policy of individual Member States and of the EU as a whole. In particular, these case studies examine five evaluation questions for each of the Member States in question:

- Should Cohesion Policy have supported all the transport sectors, which received assistance?
- Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its [transport] objectives?
- What should be supported by the Cohesion Policy in the area of transport?
- What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?
- Has the Common EU Transport Policy influenced the national transport policy and in what way?

In conjunction with DG REGIO, six Member States were selected to be illustrative of the range of Member States in the EU. The set of six Member States was selected to include: large and small Member States; long standing and relatively new Member States; and both Member States carrying out high and low levels of Cohesion Policy supported transport investment.

The six case study Member States were selected from the 15 Member States selected for study in the inception phase of this evaluation, and examined in Task 1. The six were selected to maximise the coverage of Cohesion Policy funding achieved, and to include Member States with high and low levels of dependence on Cohesion Policy to finance their transport spending. For each case study the following is provided:

- A brief summary of the case study;
- A summary of the policy background;
- An analysis of the contribution of Cohesion Policy in the transport sector; and
- An analysis of the evaluation questions.
Figure 1 Member State case studies
2 Poland

2.1 Case study summary

The overarching objective of transport policy in Poland for the 2007-13 programming period was to address prioritised infrastructure deficits. A focus was placed on the completion of new and modernised infrastructure on the TEN-T, to ensure that intra and inter-national demand could be met. The operational programme for Infrastructure and Environment 2007-13 reflected this with an overarching objective of developing infrastructure to promote economic development, in part through enhancing the accessibility of the main economic centres.

As a consequence, transport investment for both road and rail was focused on the TEN-T. Cohesion Policy funding has played a critical part in achieving transport objectives through the 2007-13 programming period, particularly in the rail sector. Cohesion Policy funding amounts decided was the equivalent of 89% of all investment (€6.1 b) in rail infrastructure, compared with 37% of the total road investment (€42.6 b).

The Cohesion Policy amounts decided for roads (€15.8 b) was almost three times that in rail (€5.5 b). However, as noted above, Cohesion Policy played a significant role in the funding of rail investment. In fact, stakeholders highlighted the importance of Cohesion Policy funding availability in decisions to invest in rail infrastructure. The greater complexities and risks associated with rail modernisation and, to a lesser extent, revitalisation projects meant that many projects would not have progressed in the absence of EU financial support.

Polish stakeholders recognised the importance that Cohesion Policy played in supporting the national priorities for transportation; particularly in relation to roads in terms of the level of investment. In this regard, the immediate priority for Poland was to develop a more extensive motorway network to serve national and international traffic, to improve internal connectivity and to attract inward investment. Stakeholders considered that good progress has been made towards meeting national objectives to develop infrastructure which will allow for the economic development of Poland, through increased accessibility of the main urban centres.

The fact that many of the national road projects were located on the TEN-T further strengthened the viewpoint of stakeholders that Poland was contributing towards meeting EU transport policy objectives through its operational programme for Infrastructure and Environment. In the 2014-2020 programming period, Poland will continue to focus on the Europe 2020 Strategy and the specific recommendation for investment in rail, as well as the ongoing development of the road network. Poland’s operational programmes for the 2014-2020 programming period have an EU amount of €14.6 b allocated to road related themes, compared to €15.8 b in the 2007-2013 programming period. The EU amount for rail related investment was €6.8 b compared to €5.5 b for the 2007-2013 programming period. The National Programme for Rail for the 2015-2023 period, focuses on rail rehabilitation and does not propose the development of any new routes. Overall, the share of roads in the allocation of funds had declined from 62% for the 2007-2013 programming period to 53% for the 2014-2020 programming period. The share of rail in the allocation of funding has increased
from 21% to 25% and the share of “other” transport infrastructure has increased from 17% to 22%.

2.2 Policy background in Poland

Polish national transport policy

The overarching objective of transport policy in Poland for the 2007-13 programming period was to address prioritised infrastructure deficits. A focus was placed on the completion of new and modernised infrastructure on the TEN-T, to ensure that intra and inter-national demand could be met. Decades of underinvestment in the transport network, particularly rail infrastructure, resulted in an operational quality and performance well below optimal. Whilst significant investment has been made in the main urban areas, the focus has remained on providing enhanced journey times and greater reliability for inter-urban movement.

A specific Strategy of Maritime Ports Development up to 2015 was adopted in August 2007. This set five priorities for investment and action in the port sector:

- Improving port accessibility and infrastructure through the construction of modern reloading terminals, for containers and ferries, and logistics and distribution centres;
- Development of port services;
- Better cooperation between administration, port managers and users;
- Make ports the engines for sustainable development of coastal regions; and
- Draft new legislation regarding the functioning of ports and cooperation between government ministries.

Actions in the rail sector were based on a Masterplan for Rail Transport up to 2030\(^1\), commissioned in 2008. This foresaw a key role for the rail network based on it connecting Warsaw to larger agglomerations at higher speeds through the modernisation of existing lines. With respect to longer term goals and modernisation of technology, The Transport Development Strategy 2020 announces:

- The expansion of the electronic toll collection system (viaTOLL has been in operation since July 2011 and is currently used to collect charges for HGV’s on significant parts of the Motorway and major road network\(^2\).); and
- The development of the National Traffic Management System (“KSZR”). Basic benefits, which are planned to be achieved under KSZR, will be related to the following areas: improved safety achieved by minimisation of the number and effects of traffic incidents (e.g. transferring warnings, redirecting traffic, more effective rescue operations); improved traffic flow; improved efficiency of road maintenance; better quality of freight transport

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\(^1\) English language summary of the Master Plan at www.polish-railways.com/prospects/the-infrastructure/

handling (providing information on available parking spaces)); and provision of current and forecast information on traffic conditions regarding the national road system.

Cohesion Policy Instruments

Poland developed a National Strategic Reference Framework (NSRF) for the 2007-13 programming period. This covers all areas where Cohesion Policy funding is spent, including transport. The NSRF was delivered through the following:

- Five operational programmes implemented at the national level;
- Sixteen regional operational programmes implemented by the local governments of voivodships;
- An operational programme intended for supporting the following voivodships: Warminsko-Mazurskie, Podlaskie, Lubelskie, Podkarpackie, Swietokrzyskie;
- A technical assistance operational programme; and
- European territorial co-operation programmes.

The national operational programme for Infrastructure and Environment, 2007-13 had a total amount decided for transport of €19.7 b. This allocation was divided between three priority axes, which focused on the TEN-T road and air network, on environment-friendly transport and on transport safety and national transport networks. The 16 regional operational programmes had a combined amount decided for transport of €4.9 b. The operational programme for eastern Poland had an amount decided for transport of €1.1 b.

These region-specific operational programmes placed a great emphasis on investments in road infrastructure. All of them proposed investments in roads to connect regional road networks with the national network, and with the TEN-T trans-European network. A broad range of other investments were proposed. The majority of the operational programmes contained investments in rail infrastructure, including rolling stock, and urban mass transit. Ten of the regional operational programmes included some investments in regional airports. These ranged from upgrades to existing airports to the construction of new regional airports. One operational programme - for Western Pomerania - included investments in ports.

The Ministry of Infrastructure had primary responsibility for formulating policy in this area and used the development of the operational programme for Infrastructure and Environment, 2007-13 to formalise and communicate these policy goals. The operational programme had the following specific transport objectives:

- The development of infrastructure which would allow for the economic development of Poland, while preserving and improving the condition of the natural environment; and
Increasing the accessibility of the main economic centres in Poland by connecting them to a network of motorways and dual carriageways and other modes of transport alternative to road transport.

Key transport related activities included:

- Motorways, sections of expressways connecting the biggest agglomerations, construction of bypasses and the reconstruction of sections of other national roads included in TEN-T;
- Projects concerning modernisation of railway lines included on the TEN-T;
- Projects involving increasing competitiveness of the railway sector and improvement of service quality, in particular the modernisation of railway stations;
- Investments in the scope of information management, management of operational systems and logistic systems;
- Increasing the safety of road traffic;
- Improving national road infrastructure by providing equipment to increase traffic safety, whilst changing the attitude and behaviour of all persons involved in road traffic;
- Improving the condition of national roads not included in the TEN-T and selected sections of roads covered by this network; and
- Development of Intelligent Transport Systems (ITS), in particular traffic management systems.

2.3 Cohesion Policy assistance to the transport sector

Transport investment summary

A total of €51.2 b was allocated from Cohesion Policy funding to Poland for the 2007-2013 programming period. Of this, €25.7 b was allocated to transportation investment (50%) and €25.5 b was allocated to non-transport areas (50%). Cohesion Policy expenditure on transport by the end of 2014 amounted to €20.9 b, which represents 81% of the amounts allocated.

Poland’s allocation of Cohesion Policy funding to transport actually increased by €650 m or 3% over the programming period. The bulk of this extra funding went to the national operational programme. Net extra funding was allocated to TEN-T Motorways and non-TEN-T railways.

A total of €49.9 b was invested from all funding sources in transport infrastructure in Poland between 2007 and 2013 (Table 1). Levels of investment grew steadily from 2007 to 2011 before falling off in the latter part of the programming period.

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3 Based on allocations of funding in OPs as reported to DG REGIO at the end of 2014. Expenditure value from Work Package 13 of the ex post evaluation of Cohesion Policy.
The total amounts decided for Cohesion Policy funding for transport for the 2007-2013 programming period (€25.7 b) was therefore the equivalent to 51% of total spending on transport infrastructure in the programming period (up to the end of 2013\(^5\)).

**Road investment summary**

A total of €42.6 b was spent on roads in Poland between 2007 and 2013, which accounted for 85% of the total €49.9 b spent on all transport infrastructure. The contribution of Cohesion Policy towards roads is presented in Table 2, which shows that the amounts decided was the equivalent of 37% of total spending on the road network up to the end of 2013.

**Table 2 Road infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total road</th>
<th>Cohesion Policy allocation to roads</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (inc motorways)</td>
<td>42.6</td>
<td>15.8</td>
<td>37</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

The recorded outputs of Cohesion Policy co-financed projects, as reported by Poland and recorded in the WP0 database, are presented in Table 3. Road investments co-financed by Cohesion Policy were carried out under the National Strategic Reference Framework 2007-13. The strategic objective for roads during the 2007-13 programming period was to raise the standard of the network to a consistent level in quality, safety and design; improving regional, national and international connectivity whilst helping to reduce journey times and improve reliability. The values for new and reconstructed roads were reported as a core indicator of Cohesion Policy output.

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\(^4\) These values for total investments were calculated as part of Task 2 of this evaluation. The work done is described in the First Interim Report

\(^5\) Amounts decided data from the originally agreed operational programmes have been used so that the period of comparison with total investment in transport is the 2007 to 2013 period.
Table 3 Outputs recorded for road in Poland by the end of 2013

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new roads</td>
<td>1,595</td>
<td>42.0</td>
</tr>
<tr>
<td>Of which, km of new TEN-T roads</td>
<td>834</td>
<td>21.9</td>
</tr>
<tr>
<td>km of reconstructed roads</td>
<td>6,550</td>
<td>172.3</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put this output in context, Poland had 20,768 km of roads\(^6\) in 2013, of which 1,482 km was motorway. Between 2007 and 2013, the volume of roads in the country had increased by 8%, with a total of 1,559 km of new roads developed over the period\(^7\). The quantity of new road funded by Cohesion Policy is actually higher than this net increase in the road network. Separately at least 35 km of roads must have lost their classification as main local roads, and are no longer included in these reported figures for the total stock of roads.

Despite the fact that the population of Poland has remained relatively stable over the period since accession, transport planning officials expect population growth to resume over the longer term. This expected future growth of towns and cities forms part of the rationale for investment in the road network. Motorways and expressways are a basic need for Poland, to improve links to the rest of the EU, and bring the network up to a standard comparable with other Member States. Stakeholders very much viewed this infrastructure need in the context of attracting investment and supporting the national and regional economies.

**Rail investment summary**

A total of €6.1 b was spent on the rail network in Poland 2007-13, which accounted for 12% of the total €50 b spent on all transport infrastructure. Table 4 compares this value for total spending with the amounts decided of Cohesion Policy funding to rail projects for the same period up to the end of 2013. As can be seen from the data, the rail sector had amounts decided that were the equivalent to 89% of spending on rail infrastructure in the programming period. Cohesion Policy funding has played a huge role in financing the rail investment that took place in Poland.

\(^6\) Including motorways, national roads and main local roads
\(^7\) Data from Eurostat updated to March 2015.
Table 4 Rail infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total rail</th>
<th>Cohesion Policy allocation to rail</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail</td>
<td>6.1</td>
<td>5.5</td>
<td>89</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

Rail projects were primarily aimed at improving the quality of the existing network, by rationalising the total size of the national railway, modernising or revitalising infrastructure and increasing lines speeds and capacity. This is reflected in the recorded outputs for rail, the data for which is presented in Table 5, and shows that 332 km of the national rail network were reconstructed in the period 2007-13.

Table 5 Outputs recorded for rail in Poland by the end of 2013

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new railroads</td>
<td>2</td>
<td>0.1</td>
</tr>
<tr>
<td>km of TEN railroads</td>
<td>71</td>
<td>1.9</td>
</tr>
<tr>
<td>km of reconstructed railroads</td>
<td>332</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put this output in context, Poland had a total of 19,617 km of railroad in 2013, with an increase of 198 km since 2007 (+1% between 2007 and 2013).8

One of the key objectives of this investment was to improve the competitiveness of rail travel within Poland by reducing journey times between voivodeship centres and within urban areas, as well as increasing the quality of passenger facilities. Rail investments over the period significantly improved the quality of the network. In 2003, 23% of all rail tracks were considered to be in good condition, whereas in 2012 this figure had increased to 43%. Likewise, the share of tracks which could support line speeds of over 120 km/h increased from 5% in 2003 to 23.5% in 2012.9 As noted above the allocation of Cohesion Policy funding to rail projects was significant compared to levels of spending in the area. Despite significant investment in rail infrastructure, including projects co-financed by Cohesion Policy, the overall condition of the network still requires improvement.10

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8 Source: Eurostat.
9 Polish Railways Annual Report, 2012
10 The Impact of Poland’s EU Membership and of Cohesion Policy on National Development: National Territorial Observatory, April 2014
Urban transport investment summary

Transport investments in areas other than road and rail were made up of urban public transport investments and airport investments. As discussed in the first interim report these investments have not been fully reported in Eurostat, and it has not been possible to arrive at a figure for total investment by local authorities and airports in these areas over the programming period. Cohesion funding of €4.4 b was allocated to these areas.

€11 b, approximately 14% of the overall Cohesion Policy amounts decided for transport, has been identified for the promotion of sustainable urban mobility in the EU. Poland received the highest absolute amounts decided (€3.1 b) in this category, which equated to 12% of Poland’s overall allocation for transport from Cohesion Policy resources.

EU co-financed public transport projects in Poland increased in number between 2007 and 2013, allowing large-scale replacements of existing rail and trolley bus fleets as well as the upgrading of passenger infrastructure. This is reflective of the increased emphasis which cities placed upon public transport within their transport strategies between 2007 and 2013, recognising that modern, fully-integrated networks were vital to support the rapidly growing urban areas, and the increasing levels of personal mobility.

It is noted that the scale of investment was much higher in the 2007-13 financial perspective than the previous funding period, which has been attributed to the longer programming period and the greater use of Cohesion Policy funding.

The biggest per km investment in public transport was in the large cities of Warsaw, Gdańsk, Kraków and Łódź where the greatest demand for integrated public transport networks exists. The largest project was the II Metro Line in Warsaw, which received PLN 2.8 b (€661 mn) in EU co-financing. Other projects which benefited from between PLN 305 m (€72 mn) to PLN 366.4 m (€86 mn) in EU funding included:

- Tram transport to northern sections of Warsaw, including new rolling stock;
- Upgrading and developing public transport in Olsztyn;
- Integrated public transport system in Lublin
- Enhancement of the tram system in Krakow;
- Expansion and upgrade of the tram line east-west in Łódź; and

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11 The Impact of Poland’s EU Membership and of Cohesion Policy on National Development: National Territorial Observatory, April 2014
Airports investment summary

Polish airports could apply for EU funding from 2007, and since this time the total amounts decided exceeded €615 mn. Projects were co-financed at airports in Warsaw, Gdańsk, Wrocław, Rzeszów, Szczecin, Katowice, Poznań, Kraków, Łódź, Modlin, Bydgoszcz and Lublin. The largest amounts of co-financing were for projects in Mazowieckie Voivodship (€67 mn) and Pomorskie Voivodship (€50 mn)\(^\text{12}\).

The projects implemented at Polish airports were intended to increase capacity by expanding or constructing new passenger terminals and introducing more modern technology or IT solutions comparable with other EU member states. Domestic and international air travel was a key growth area for the country, as evidenced by increase in the number of passengers using Polish airports from 17 mn in 2007 to 23 mn in 2013. Figure 2 below illustrates this growth, showing that the vast majority of it came from increased international travel.

**Figure 2 Polish air travel 2007-2013 (‘000 passengers)**

![Graph showing Polish air travel 2007-2013](image)

Source: Eurostat

Other transport investment summary

The amounts decided were also associated with other modes, specifically ports (€490 mn), ITS (€306 mn) and inland waterways (€90 mn). Port investments included a major project to link the port of Gdańsk with its local airport. ITS investment projects included investments in technology to integrate the public transport systems in Lublin, Rzeszów and Olsztyn. Inland waterway investments were planned for, amongst others the Piast Canal and the Mieliński Canal.

The Table 6 included on next page summarises transport investment in Poland in the programming period.

\(^{12}\) The Impact of Poland’s EU Membership and of Cohesion Policy on National Development: National Territorial Observatory, April 2014
### Table 6 Cohesion Policy allocations compared to spending 2007-2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Spending (€ m)</th>
<th>Share of Total Spending (%)</th>
<th>Cohesion Policy amounts decided (€ m)</th>
<th>Share of Cohesion Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>42,616</td>
<td>85</td>
<td>15,800</td>
<td>62</td>
</tr>
<tr>
<td>Rail</td>
<td>6,139</td>
<td>12</td>
<td>5,468</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>1,220*</td>
<td>2</td>
<td>4,388</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>49,975</td>
<td>100</td>
<td>25,656</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

* These investments have not been fully reported in Eurostat, so this figure is estimated based on the total spending figure and spending figures for road and rail investments.
2.4 Evaluation questions

Introduction
Qualitative interviews were undertaken with Polish stakeholders as part of the preparation of this case study. The stakeholders interviewed are outlined in Table 7 below.

Table 7 Stakeholders interviewed

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Summary of Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Infrastructure and Development</td>
<td>Responsible for Poland’s national and regional development policy, managing and distributing European Union Structural and Cohesion Fund, eliminating spatial economic disparities, and promoting social and economic cohesion. The Ministry is responsible for Poland’s transportation infrastructure, including motorways, expressways, and national roads.</td>
</tr>
<tr>
<td>Centre for EU Transport Projects (CUPT)</td>
<td>Implementing body with regards to EU funds for transport under the operational programme for Infrastructure and Environment, 2007-2013. CUPT provides support to beneficiaries in the process of investment preparation and implementation of projects.</td>
</tr>
<tr>
<td>PKP PLK</td>
<td>Responsible for the management of the national rail network, alongside the management of passenger and freight trains operated by licensed operators.</td>
</tr>
<tr>
<td>JASPERS (Joint Assistance to Support Projects in European Regions)</td>
<td>Provides advice to Member States to help improve the quality of the major projects to be submitted for grant financing under the Structural and Cohesion Fund.</td>
</tr>
<tr>
<td>RDOŚ</td>
<td>The Regional Directorate for Environmental Protection in the voivodeships of Rzeszów and Kraków. Has responsibility for implementing environmental policy for conservation, wildlife management and Natura 2000 sites.</td>
</tr>
</tbody>
</table>

Based on sections A2.1, 2.2 and 2.3 and the qualitative interviews we address each of the evaluation questions in turn.
Should Cohesion Policy have supported all the transport sectors which received assistance?

The data on allocations, outputs achieved and stakeholder opinion demonstrate that the sectors that received assistance from the Cohesion Fund were the right ones, and that the balance of investment was largely representative of need. Road and rail, particularly on the TEN-T, were identified as priorities in the operation programme as being essential to promoting and facilitating economic development. The data in Table 8 presents the combined Cohesion Policy amounts decided for road and rail projects, compared to the total Cohesion Policy amounts which Poland received. As can be seen, the road and rail sectors accounted for 83% of the €25.7 b total for the 2007-13 programming period, reflecting the focus placed upon constructing and modernising this core infrastructure, to fulfil the country’s priority needs. Overall, 43% of the allocations of Cohesion Policy funding by the end of 2014 were on the TEN-T.

Table 8 Road and rail Cohesion Policy contribution and total Cohesion Policy contribution (€b)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>CP Road and Rail</th>
<th>Cohesion Policy amounts decided</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (inc motorways)</td>
<td>21.3</td>
<td>25.7</td>
<td>83</td>
</tr>
<tr>
<td>and Rail</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: DG REGIO

Polish stakeholders recognised the importance that Cohesion Policy played in supporting the national priorities for transportation; particularly in relation to roads in terms of the level of investment. In this regard, the immediate priority for Poland was to develop a more extensive motorway network to serve national and international traffic, to improve internal connectivity and to attract inward investment. A continuous, high standard, road network was considered to be the foundation upon which Poland can develop its transport infrastructure, from the national to the local level. The delivery of 1,595 km of new roads and 6,550 km of reconstructed roads through Cohesion Policy co-financing will have contributed to this. Stakeholders referred to the development of the road network in the context of TEN-T, and therefore considered that Cohesion Policy investment was extremely important in helping to achieve national and EU Transport policy objectives.

Cohesion Policy also made a contribution towards the rail sector in Poland by helping to upgrade the standard of the existing network, which was a key objective of rail policy during this period. In the case of the E30 rail modernisation project, stakeholders emphasised the importance of the line within TEN-T corridor III, and made the point that upgrading this infrastructure was fully consistent with national transport policy at the time to increase the competitiveness of the railway sector.

Cohesion Policy allocations supported the majority (89%) of the investment made in rail, which would suggest that without the availability of EU funding many of the projects may not have been taken forward. This could also be reflective of the large scale, and technically challenging nature, of rail reconstruction projects within the country. However, only €6.1 b (€5.5 b from Cohesion Policy) was invested on rail,
Ex Post evaluation: Transport

compared with €42.6 b (€15.8 Cohesion Policy) on road, highlighting that the balance between these two modes could have hindered the ability to promote the competitiveness of the rail network. This relatively low level of investment in rail, in comparison to road, occurred despite the fact that there were unabsorbed funds available for rail investment as of the end of 2014. Based on the expenditure date gathered under Work Package 13 of the ex-post evaluation, the absorption rate for rail investments in Poland at that time was approximately 46%. This supports the findings from case studies and stakeholder interviews that there were administrative capacity difficulties in investing in rail.

Views were more mixed on whether these investments had improved links between the less developed parts of Poland and the rest of the Member State and the wider EU. This issue arose initially in discussions of the A1 Toruń – Stryków motorway scheme. This motorway forms part of the TEN-T and improves transport along a key north-south route in Poland. This in turn improves an important link from the Czech Republic through southern and central Poland to the strategic port of Gdansk. The potential economic benefits of this for Poland and the EU as a whole are clear. However the spacing of junctions on the road limits its use to increase connections to and from some less developed areas alongside the road. In some cases the road may even reduce the connectivity of an area by causing severance. This was cited as an example of the need to balance local, national and EU wide aims in the delivery of large scale transport projects. Increasing the number of junctions on a road increases its potential contribution to local connectivity and territorial cohesion within Poland. However, too many junctions will hinder the roads ability to deliver benefits on a national or EU wide level.

The investment and allocation of Cohesion Policy funding to airports was also supported by the growth observed in both domestic and international passenger numbers.

**Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its objectives?**

The stakeholders interviewed for Polish Major Project Case Studies were confident that Cohesion Policy investment has been significant to achieving the key transport objectives of improving links between Poland and the rest of the EU. In the context of roads, investment has helped to create a network or ‘grid’ of motorways which serve international traffic and better connect Poland to neighbouring countries and the rest of the EU. For example, the investment in the A1 will provide Poland with a strategic connection to the ports of Gdansk and Gdynia and the Baltics in the north, and to the Czech border and southern Europe. One stakeholder particularly noted the key link between the investment in the A1 attracting logistics companies to locate in the area and who operate across the EU.

Stakeholders considered that good progress has been made towards meeting national objectives to develop infrastructure which will allow for the economic development of Poland, through increased accessibility of the main urban centres. In relation to road, this means implementing an integrated network of motorways and dual carriageways; something which has been prioritised in the projects selected in the 2007-13
prolonged period. The fact that many of these national road projects were located on the TEN-T network further strengthened the viewpoint of stakeholders that Poland was contributing towards meeting EU transport policy objectives through its operational programme for Infrastructure and Environment.

Looking forward, stakeholders considered that the continued investment in upgrading the quality of the national road and rail networks, serving both the national and international (TEN-T) flow of people and goods would fulfil the priority needs, and transport objectives, for Poland and allow the next phase of more local and regional integration to build upon these foundations.

**What should be supported by the Cohesion Policy in the area of transport?**

Enhanced motorways and rail connections are a basic need for Poland according to stakeholders, to improve links to the rest of the EU, and bring the network up to a standard comparable with other Member States. Stakeholders very much viewed this infrastructure need in the context of attracting investment and supporting the national and regional economies. Alongside this, an increased level of investment in sustainable transport modes, particularly in urban areas, should be sought for the 20014-2020 programming period.

The importance of Cohesion Policy allocations in the rail sector in Poland is acknowledged by the evaluators, and it has been central to the delivery of schemes in the 2007-13 programming period. There was consensus among stakeholders that this will continue to be the case in the 2014-20 programming period. Although there are some, limited, regional funding available for road transport projects, the rail sector remained dependent on the Ministry of Infrastructure and Development for funding. In turn, the Ministry remains dependent on the European Commission for part funding, particularly for major projects and any project on the TEN-T.

Discussions with stakeholders included a review of priorities for the rail sector in the 2014-2020 programme period. It was noted that the focus will be on the rehabilitation of the rail network, rather than the modernisation or introduction of new rail links. The rationale given for this was the considered lower level of risk associated with project delivery, compared with the larger, more complex modernisation projects.

However this may lead to a concentration on those projects and schemes generating the highest Economic Benefit Cost Ratios (EBCR), rather than those generating the highest net present values. Clearly a small project that has a high ratio of benefits to costs is not “better” than a large project that delivers significant benefits that exceed its costs by a large absolute amount, but where the ratio of benefits to costs may be lower than for the small project. The above example from the rail sector and the proposed focus on rehabilitation rather than modernisation illustrates this well. The E30 rail major project generated a EBCR of 1.4, compared with EBCRs of over 2.5-3 for rehabilitation projects. However, the lower track standards and resulting speeds achieved from rehabilitation projects may pose problems for longer distance, international movements. This is a good practical example of a general problem in capital allocation. Where two projects are mutually exclusive it is not necessarily the best approach to pick the project with the higher ratio of benefits to costs. Provided that sufficient funds are available for the larger project it is often better to choose a
larger project that delivers a higher level of net benefits despite having a lower ratio of benefits to costs. In general the choice of rail projects has to be part of a considered strategy for the network as a whole.

A risk noted during consultation was the prioritisation of major projects. Multiple stakeholders noted that a key consideration was a project’s stage of readiness and the associated timetable for implementation. It is acknowledged that TEN-T projects were being prioritised first, but a risk remains that projects that are more easily delivered, in part because of the above focus on lower cost rehabilitation projects in rail for example, will be the focus for Cohesion Policy funding, rather than those generating the highest net benefits.

As noted earlier, Poland had the highest Cohesion Policy amounts decided for ITS (€306 mn) and urban transport (€3 b) of all Member States in the 2007-2013 programming period. However, the latter only represented 14% of total transport Cohesion Policy funding during the period. An increased emphasis on the implementation of sustainable transport solutions, from an environmental and energy perspective, should be pursued. This should build on the foundation of existing Sustainable Urban Mobility Plans implemented in many large Polish urban areas.

**What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?**

Poland will continue to focus on the Europe 2020 (E2020) strategy and the four specific recommendations to Poland to help improve its economic performance, which are in the areas of public finances; pensions and taxation; labour market; and investment in rail. In terms of the last mentioned, the EU noted that despite sizeable investment, bottlenecks and deficiencies in transport continue to weigh on Poland’s growth potential, and that the railway sector suffers from low achieved investment, despite the availability of EU funding. The latest Europe 2020 Country Report for Poland\(^\text{13}\) commented that:

‘rigid and insecure national financing of railway investment and burdensome regulatory environment has led to lengthy and cumbersome project preparation and implementation’.

Stakeholders interviewed in relation to rail projects confirmed some of the difficulties in delivering rail projects within Poland such as difficulties in obtaining building permits, capacity to manage major rail construction contracts, over emphasis on cost in procurement and difficulties when an investment is split into staged projects. Clearly, these present a challenge for Cohesion Policy in terms of delivering such projects effectively, so as to maximise the benefits of the investment.

With regards to the rail sector, the Ministry of Infrastructure and Development for Poland is presently preparing a National Programme for Rail for the 2015-2023 period, in consultation with the Ministry of Finance. The Programme will outline the approach to rail rehabilitation and will confirm that no new routes will be developed. The programme will also outline the approach to the maintenance of the railway network,

\(^{13}\) COMMISSION STAFF WORKING DOCUMENT, Country Report Poland 2015, European Commission
which will be operated as a separate programme; this is a key lesson learnt by the Ministry from the 2007-13 programming period.

Other challenges facing Poland into the next programming period include the ongoing need to enhance and build the technical capacity of Managing Authorities, particular in the area of ex-ante evaluation of projects. The major project case study for the E30 undertaken in Task 3 of this evaluation highlighted the advances made in the 2007-2013 programming period. However, further improvements are needed to ensure that project selection, design, preparation and implementation difficulties are minimised. The ongoing use of cost as the sole selection criteria for transport project contracts will perpetuate the challenge of managing contractor risks into the 2014-2020 programming period.

**Has the Common EU Transport Policy influenced the national transport policy and in what way?**

It was evident from both desk research and discussions with stakeholders that the common EU transport policy has influenced the national transport investment, in two particular areas. First, the prioritisation of infrastructure investment on the TEN-T, to complete national and international transport corridors to facilitate personal and freight movement. This has resulted in extensive investment in the road and rail network with the objective of reducing journey time and generating benefits for medium to long distance travel.

Secondly, EU Communication on Sustainable Urban Mobility Plans (SUMPs14) has significantly advanced the investment in urban transport modes. Historically, transport investment in urban areas was managed through Public Transport Masterplans or Transport Plans for urban areas, resulting in a limited focus. The introduction of SUMPs has resulted in a refocus and the preparation of wider, more integrated transport policy. As a consequence, urban transport has a more prominent position within national transport policy, including the following:

- Transport Development Strategy adopted by the Polish Government in 2013;
- Transport in the National Programme of the Development of Low-emission Economy;
- Draft National Urban Policy (Ministry of Infrastructure and Development) in 2014; and
- Shaping Street Space in City Centres, guidance in 2013.

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14 COM(2013) 913
3 Italy

3.1 Case study summary

The overarching objective of transport policy in Italy for the 2007-13 programming period was to improve the accessibility, intermodality, sustainability, quality and efficiency of the transport infrastructure network. There was a particular focus on the south of the country, with the aim to satisfy the demand for personal mobility and freight transport. A focus was also placed on the completion of new and modernised roads and railways; while, in urban areas, the implementation of multimodal transport nodes and links connecting airports with cities were a main objective, together with the improvement of regional and urban railways.

Cohesion Policy funding has contributed to the achievement of Italy’s objectives for transport through the 2007-13 programming period, with Cohesion Policy amounts decided (€4.2 b) being equivalent to 6% of the total investment in transport (€67.6 b) in that period, by the end of 2013. The share of Cohesion Policy amounts decided of total investment was more pronounced for ‘other’ modes of transport where they were the equivalent to 11% of the total investment, compared to road (7%) and rail infrastructure (3%).

However, with regards to infrastructure of national importance, the main areas which Cohesion Policy intervened related to: the development of the railway network for freight; the extension of freight intermodal sea-rail transport; and a shift towards more sustainable modes of transport.

Cohesion Policy also made a contribution to improving long distance connectivity, particularly by developing High Speed/High Capacity (HS/HC) railways and interconnections of ports and airports with the rest of the network.

In addition, Cohesion Policy underpinned the development of the urban transport sector, upgrading the standard of the existing network, minimising the impact on the environment and promoting the shift toward low-carbon transports in cities. Investments in urban areas were mainly financed under regional operational programmes, including the construction of new roads, cycle paths and urban transport lines.

Overall, Italian stakeholders recognised the importance that Cohesion Policy played in supporting the national priorities for transportation, especially in southern regions, in the context of decreasing investment in transport infrastructure, due in part to the current economic downturn.

In the implementation of the Italian transportation policy between 2007 and 2013 a critical issue was the recurring changes in legislation, which intervened during the implementation phase of projects financed under the operational programmes, thus hampering the certainty of the legislative framework and reduced the interest of investors. Accordingly, a large number of projects had to be reviewed, mostly in the maritime and air transport sectors, with consequent delays and increased complexity in project implementation.
In the 2014-20 programming period, Italy plans to focus on investments contributing to the creation of a single European multimodal transport system. In turn this will contribute to the objectives to create transport infrastructure and interconnections needed to support the single market, ensuring free movement of goods and people and to strengthen growth, employment and Union’s competitiveness, in accordance with the EU Lisbon Strategy. Furthermore, interventions to develop and improve sustainable, low noise and low-carbon transport will be a main challenge, including the development of inland waterways and maritime transports, ports, multimodal links and airport facilities, in order to promote sustainable regional and local mobility.

3.2 Policy background in Italy

Italian national transport policy

The policy action to address transport infrastructure and logistics investments of national importance was defined through two main policy instruments: the General Plan for Transport and Logistics\textsuperscript{15} (GTLP) and the Strategic Infrastructure Programme. The GTLP was approved by the Inter-ministerial Committee for Economic Planning (CIPE) with resolution no. 121 of 21 December 2001.

The Strategic Infrastructure Programme is annually updated as an infrastructure annex\textsuperscript{16} to the Document of Economics and Finance (DEF), which includes the national strategy for transport and a list of priority works selected on the basis of three main criteria:

- Consistency with the European guidelines on infrastructure;
- State of the art of the procedure; and
- Chance to raise private capital.

The infrastructure annex integrates the strategy and policy guidelines for transport. This includes the planning and implementation of priority works, in line with the EU policy framework and on the basis of the analysis of the national context. Italy also developed transport sector masterplans and in particular:

- The Logistic Masterplan\textsuperscript{17}, drafted in 2006 by the Ministry for Transport, providing sector policy orientations for logistics in Italy; and
- The National Airport Masterplan\textsuperscript{18}, drafted in 2012 by the Italian Civil Aviation Authority (ENAC). The Masterplan has then been updated by the MIT on 30 September 2014.


\textsuperscript{16}http://www.dt.tesoro.it/modules/documenti_it/analisi_progammazione/documenti_programmatici/Allegato_infrastruttura.pdf

\textsuperscript{17} The Logistic Masterplan, Italian Ministry for Transports, January 2006. The document is available at: http://ponreti.mit.gov.it/index.php?option=com_docman\&task=doc_view\&gid=18\&tmpl=component\&format=raw\&Itemid=1

In accordance with the Integrated Maritime Policy for the European Union\textsuperscript{19}, in recent years a sector planning instrument was established for maritime transport, with the aim of improving the competitiveness of the sector, increase the traffic of goods and people and promote intermodal transport of freight. Article 29, paragraph 1 of Decree-Law no. 133 of 12 September 2014 (converted into Law 11 November 2014, no. 164) provides the adoption of the National Strategic Plan for Ports and Logistics.

Based on the objectives outlined under the General Plan for Transport and Logistics (GTLP) and sector masterplans, the national strategy for transport was developed into Regional Plans for Transport (PRT) and other local planning instruments (such as Municipal Strategic Infrastructure Plans, ANAS Plans, RFI Plans, etc.).

A number of key priorities emerged from this policy making activity, including investments being concentrated in TEN-T corridors. Investments in the rail and maritime sectors were also planned to promote the sustainable movement of passengers and freight. The decision was also made to restructure the regulatory arrangements for transport with the establishment of a Transport Regulatory Authority which, amongst other things, would control access by train operating companies to rail infrastructure.

**Cohesion Policy Instruments**

In respect of transport, European Regional Development Fund (ERDF) resources were channelled into the national operational programme for Networks and Mobility 2007-13\textsuperscript{20} (amounts decided of €1.3 b) and into 15 regional operational programmes (amounts decided of €2.9 b).

The Ministry of Transport and Infrastructure was the managing authority of the national operational programme for Networks and Mobility. The national operational programme was drafted in line with the EU and national strategy on transport policy, with a focus on promoting sustainable transport and removing bottlenecks in key network infrastructures. Particularly, it was aimed to achieve the following main objectives:

- Complement and enhance the corridors of European interest: Corridor 1 Berlin-Palermo; and Corridor 21 of the Motorways of the Sea. This includes developing links between the corridors and between them and the industrial centres located in the regions concerned;

- Enhance intermodal transport systems, strengthening nodal infrastructure - cargo airports, freight nodes, road-rail interchange transport hubs,

A previous version of the National Airport Masterplan was drafted by the Italian Civil Aviation Authority (ENAC) on February 2012. The document is online available at: https://www.enac.gov.it/repository/ContentManagement/information/N1156450804/Piano_Nazionale_Aeroti_Feb2012.pdf


\textsuperscript{20} http://ponreti.mit.gov.it/
including forms of business support for the construction and upgrading of existing logistics nodes; and

- Improve the quality, efficiency and safety of transport networks and freight traffic flows, through the adoption of communication technologies, traffic control systems, security systems and signalling, also in order to directly connect industrial sites to the infrastructure network.

During the 2007-13 programming period, the Italian transport strategy was updated to cope with the urgent needs of economic recovery and infrastructure development. The Member State public contribution to the national operational programmes was reallocated during the period (Law no. 133 of 21 August 2008\(^{21}\)). This contribution was transferred to a national fund – the Fund for Underutilised Areas - which was established in 2008 under the Ministry for Economic Development, aimed to finance measures designed to strengthen strategic infrastructure at a national level, including telecommunications and energy networks. In accordance with the same legislation, at least 85% of the resource managed by the fund had to be concentrated in the south of the country, i.e. a similar regional concentration to the Cohesion Policy spending.

In Italy, it is possible to identify two main areas on which the national transport programmes focused: the first related to large projects, linked to strategic infrastructure; and the second related to the improvement of specific territories, or transport hubs, increasing the efficiency of the network. A strong emphasis has been put on rail and road infrastructures, while multimodal transport infrastructure for freight and ports have also been included among the main priorities.

**Regional operational programmes (ROPs), 2007-2013**

In the 2007-2013 programming period, the managing authorities for ROPs were Italian regions. Fifteen of the 21 Italian regions had a ROP. Each of these ROPs had an axis for improving regional and local transport networks, sustainable mobility and accessibility\(^{22}\). The investments funded through these are described in more detail below. In general these regional programmes focussed on railways and roads.

### 3.3 Cohesion Policy assistance to the transport sector

**Transport Investment summary**

The total allocation of Cohesion Policy funds, across all sectors, for the 2007-2013 programming period was €20.9 b. Of this, €4.2 b was allocated to transport investment (20%) and €16.7 b was allocated to non-transport areas (80%). Cohesion Policy expenditure by the end of 2014 amounted to €2.9 b which represents 69% of the amounts allocated\(^{23}\). This allocation of Cohesion Policy funding has remained relatively constant over the programming period, increasing by €77 mn between 2007 and 2013.

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\(^{22}\) The 6 regions without Regional Operating Programmes were Emilia Romagna, Friuli Venezia Giulia, Molise, Piemonte, Trento and Valle d'Aosta.

\(^{23}\) Based on allocations of funding in OPs as reported to DG REGIO at the end of 2014. Expenditure value from Work Package 13 of the ex post evaluation of Cohesion Policy
Overall, between 2007 and the end of 2013, total spending on transport infrastructure in Italy amounted to €67,587 mn (Table 9). As shown in the table, the impact of the economic crisis led to a decrease in spending in the latter part of the programming period. However, spending as a percentage of GDP remained relatively close to its average level of 0.6% for the whole period. Over 80% of the total investment in transport infrastructure in Italy has gone to road and rail projects. Road projects accounted for €24 b, corresponding to the 36% of total spending, while rail projects count up to €31 b, 46% of total spending.

### Table 9 Total spending on transport infrastructure

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ mn</td>
<td>10,112</td>
<td>10,215</td>
<td>10,428</td>
<td>9,843</td>
<td>10,271</td>
<td>8,422</td>
<td>8,296</td>
<td>67,587</td>
</tr>
<tr>
<td>As a % of GDP</td>
<td>0.63</td>
<td>0.63</td>
<td>0.66</td>
<td>0.61</td>
<td>0.63</td>
<td>0.52</td>
<td>0.52</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015

Transport projects financed through Cohesion Policy funding in the 2007-13 programming period were mostly located in the southern regions, supporting infrastructure (95.26% of financed investments) and good/service acquisition (4.35% of financed investments).

Total Cohesion Policy allocations to transport amounted to €4.2 b, equivalent to 6% of the total value of investments over the programming period. Within the amounts decided of Cohesion Policy funding there was more emphasis on rail projects (52% of total) than road (17%) and other modes of transport (31%).

Stakeholders considered that Cohesion Policy funding had contributed to the achievement of national transport objectives, particularly with respect to the relevant regions. The overall Italian approach to allocating and managing funds has mainly seen national programmes to address freight transport needs and regional programmes to address passenger transport needs. Overall, improvements in the fulfilment of long distance connectivity needs were pursued by developing high speed rail in the south, as well as interconnections of ports and airports with the rest of the network.

With respect to the objective of improving links between Italy and the rest of the EU, it can be noticed that as interventions co-funded by Cohesion Policy have been implemented in the southern part of Italy, and no cross border infrastructures are present in the area, the connection with the rest of EU has benefited from an improved capacity and connectivity of port infrastructures (e.g. dredging of the Port of Taranto). Rail connections to ports have been planned and financed, particularly with the aim to strengthen the last leg of the supply chain, connecting high-capacity freight stations or ports to the final destinations of goods. Motorways of the Sea interventions as well as links between ports and their hinterland have been financed improving

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24 These values for total investments were calculated as part of Task 2 of this evaluation. The work done is described in the First Interim Report


26 Data includes motorways.
transport performance of the overall national infrastructure network (e.g. logistic developments in Naples and Salerno).

**Road investment summary**

A total of €24.3 b was spent on roads in Italy over the period 2007-13, representing 36% of the total amount invested on transport (€67.6 b). Cohesion Policy allocations were a relatively small proportion of the amount (Table 10).

| Table 10 Road infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b) |
|---------------------------------|-----------------|-----------------|---|
| **Total road**                  | **Cohesion Policy allocation to roads** | **%** |
| Road                            | 24.3            | 0.7             | 3% |

Source: Eurostat database, elaboration and estimates 2015 / SFC2007 application including data on allocations by the end of 2014

**Table 11 Outputs recorded for road in Italy by the end of 2013**

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new roads</td>
<td>61</td>
</tr>
<tr>
<td>km of reconstructed roads</td>
<td>168</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put this output in context, Italy had 26,587 km of roads in 2013, out of which 6,726 km were motorways. Between 2007 and 2013, the volume of roads in the country had increased by 3%, with a total of 709 km of new roads developed over the period. Among those, the 61 km of new roads co-funded by Cohesion Policy resources amounted to only 8% of this increase.

The main strategic objective for roads in 2007-13 programming period was to raise the standard of the network, strengthening the connection between main road axis, urban and logistic centres and avoiding traffic bottlenecks, with particular regard to the southern regions. Indeed, Italy experienced high traffic congestion on some main routes and large city centres; in the national operational programme, it was estimated that about 60% of suburban traffic flows occur on 2% of the network. Furthermore, there was an uneven distribution of the motorways throughout the country with a network density above the national average in the north.

**Rail investment summary**

A total of €31 b was invested in rail in Italy over the programming period. Cohesion policy allocations were equivalent to 7% of this amount (Table 12).

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27 Including motorways, national roads and main local roads
28 Data from Eurostat updated to march 2015.
The share of rail investments co-funded by Cohesion Policy in Italy was relatively significant in terms of kilometres of new and reconstructed railroads.

**Table 13 Outputs recorded for rail in Italy by the end of 2013**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cohesion Policy funded in Italy (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Railroad</td>
<td>31</td>
</tr>
<tr>
<td>New or Reconstructed TEN-T Railroad</td>
<td>728</td>
</tr>
<tr>
<td>Reconstructed non TEN-T Railroad</td>
<td>951</td>
</tr>
</tbody>
</table>

Source: DG REGIO Work Package 0 Output

To put this output in context, Italy had a total of 17,060 km of railroad in 2013, with an increase of 393 km since 2007 (+2% between 2007 and 2013)\(^\text{29}\).

**Other Investments**

Investments in other types of transport infrastructure, principally urban transport, airports, ports and inland waterways amounted to €12 b. Cohesion policy amounts of €1.4 b were decided for these areas (Table 14).

**Table 14 Other infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)**

<table>
<thead>
<tr>
<th>Mode</th>
<th>Total Spending</th>
<th>Cohesion Policy amounts decided</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>12</td>
<td>1.3</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

**Urban transport investment summary**

The development plan of local public transport networks sought to provide innovative proposals for the revival of the sector, focusing on intermodal integration between rail

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\(^{29}\) Source: Eurostat.
and road. It aimed to significantly improve the quality of regional services, with particular regard to large metropolitan areas, through interventions designed to increase the capacity of transport nodes, to speed up the extra-urban routes, to develop interchanges in urban area and to improve accessibility. Urban transport investments were mainly financed under regional operational programmes, including the construction of new roads, cycle paths (At least 156 new kilometres of cycle tracks in Italy between 2007 and 2013 supported by Cohesion Policy resources) and 17.81 km of new tram lines\textsuperscript{30}.

**Airports investment summary**

By the end of 2013, investment projects in the air transport sector were implemented with the main aim of:

- Supporting the rationalization and efficiency of the air transport sector through the development of the air transport infrastructure, taking account of the characteristic of territories, of the potential growth and of the capacity of the airports to meet the traffic demand;

- Improving the establishment of networks or airport systems that can promote the efficiency, integration and specialization of airports; and

- Strengthening the capacity of airports and intermodal accessibility, ensuring in particular connections of intercontinental gates with high speed/high capacity trains.

In 2013, Italy had 44 airports, of which 32 had more than 150,000 passengers per year. Road based public transport links to airports using interurban and city buses showed some improvement in the period \textsuperscript{31}.

**Ports investment summary**

The upgrading of ports of strategic importance and their connections with the hinterland were pivotal objectives of the national operational programme, with a view to create a logistics platform in the Mediterranean area. With particular regard to investment in port infrastructure, the national operational programme took into account that the Mediterranean ports are in a strategic position along routes characterised by strong international trade; also in view of the opening in 2010 of the Free Trade Area envisaged by the "Barcelona Declaration".

In particular, the national operational programme promoted a wide range of interventions on harbours aimed at developing and strengthening transport infrastructure in the southern regions. These also aimed to consolidate the trans-European corridor "Berlin-Palermo" (Priority Project 1) and the Motorways of the Sea (Priority Project 21), as well as to improve the conditions of competitiveness and accessibility to the logistics system. By the end of 2013, this programme reported

\textsuperscript{30} These values for cycle tracks and tram lines were reported as a programme specific indicator for one or more operational programmes, and may not include all of the output of this type.

\textsuperscript{31} Source of data: Eurostat, Airport infrastructures by type, Last update 28.04.15.
such achievements as an increase the total length of berths for ships in harbours of 800 m and an increase in harbour quay areas of 16,000 m².\(^{32}\)

In view of a national development of intermodal trade, ports and hinterlands assume great importance in the 2014-20 programming period.

Table 15 below summarised investment and Cohesion Policy funding in Italy

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Spending (€ m)</th>
<th>Share of Total Spending (%)</th>
<th>Cohesion Policy amounts decided (€ m)</th>
<th>Share of Cohesion Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>24,345</td>
<td>36</td>
<td>702</td>
<td>17</td>
</tr>
<tr>
<td>Rail</td>
<td>31,296</td>
<td>46</td>
<td>2,248</td>
<td>54</td>
</tr>
<tr>
<td>Other</td>
<td>11,944</td>
<td>18</td>
<td>1,234</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>67,585</td>
<td>100</td>
<td>4,184</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014, DG REGIO

### 3.4 Evaluation questions

Qualitative interviews were undertaken with Italian stakeholders as part of the preparation of this case study. The stakeholders interviewed are outlined in Table 16 below:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Summary of Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Infrastructure and Transport - Department for Infrastructure, General Affairs and Personnel Directorate-General for Territorial Development, Programming and International Projects.</td>
<td>Managing Authority, Networks and Mobility operational programme.</td>
</tr>
<tr>
<td>Ministry of Infrastructures – Department for International Project and European Funds</td>
<td>Intermediate Body, Networks and Mobility operational programme.</td>
</tr>
<tr>
<td>Ministry of Infrastructures – Department for ports and maritime transport</td>
<td>Intermediate Body, Networks and Mobility operational programme.</td>
</tr>
</tbody>
</table>

\(^{32}\) Source of data: ERDF/CF Output Indicators 2012 and 2013. These are programme specific output indicators for specific operational programmes and may exclude similar output from other operational programmes.
Based on sections A3.1, 3.2 and 3.3 and the qualitative interviews we address each of the evaluation questions in turn.

**Should Cohesion Policy have supported all the transport sectors which received assistance?**

Cohesion Policy funding allocations were aligned to the operational programme objectives and delivered new and enhanced transport links. The consensus view amongst stakeholders was that this funding has been extremely valuable in every sector where it was made available, and there was no indication that it would have been better applied in some area that did not receive support. This conclusion should be viewed in the context of the relatively low Cohesion Policy contribution and the focus on addressing accessibility constraints in the south of Italy.

Stakeholders considered that EU Cohesion Policy was of great significance in supporting the national priorities for transportation, especially with reference to the Convergence regions. In a context of progressive decline in private investment in infrastructure, due in part to the current economic downturn, EU resources represented an important, although relatively small, share of the total amount of resources available for investments. Cohesion Policy amounts decided represented 7% of the total transport infrastructure investment (in terms of spend) in Italy over the period 2007-13.

With specific reference to the national operational programme, commentators, including independent academics, considered that it boosted sustainable mobility for people and goods, ensuring efficiency, safety and minimising negative impacts on the environment. This opinion from independent commentators is supported by the output data on Cohesion Policy funding which confirms that EU funds enabled Italy to invest in intermodal connections and in the expansion of railway freight transport networks, particularly in the southern part of the country where public investment is crucial. Such investment would not have been feasible without Cohesion Policy investment.
Indeed, it remains evident that private operators focus on more profitable projects, increasing the importance of EU money for enhancing accessibility and improving seamless connectivity and low-emission transport, which in turn are pivotal to strengthen regional economies and to achieve cohesion and competitiveness.

**Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its objectives?**

As infrastructure of national interest are concerned, the main areas on which Cohesion Policy intervened relate to the development of railway infrastructure for freight and the extension of freight intermodal sea-rail transport network, with the final objective to shift toward more sustainable means of transport.

The changes that occurred in Italian legislation represented a critical aspect, as they intervened during the implementation phase of projects financed under the OP, thus hampering the certainty of the regulation and reducing the interest of investors. Accordingly, a large number of projects had to be reviewed, mostly in the maritime and air transport sectors.

However, despite this and through the interviews conducted, it can be concluded that Cohesion Policy funding has contributed to achieve national transport objectives, in particular in the four Convergence regions and the Basilicata “phasing out” region. The objective to improve long distance connectivity was pursued by continuing to invest in high speed railways and by strengthening the interconnections of ports and airports with the rest of the transport network.

With respect to the objective of improving links between Italy and the rest of the EU, connections have particularly benefited from an improved capacity and connectivity of port infrastructures that allow multi-modal approaches to transport.

**What should be supported by the Cohesion Policy in the area of transport?**

The preparation of the “Infrastructure Annex” attached to the DEF includes an analysis of the strengths/weaknesses/opportunities/threats (SWOT) of the transport sector. This provides the context for identification of the main gaps in the Italian transportation system. The latest exercise identifies the following gaps which should be addressed urgently:

- Underperforming rail transport infrastructure compared to other EU countries, particularly at border crossings and in southern regions, resulting in a reluctance of logistic operators to use rail transport for goods;
- Low safety standards of the TEN-T roads, also in crossings;
- Fragmented and inefficient management of port hubs, lacking connections with major transport networks and limited market competition, with negative impacts on competitiveness;
- Congestion in large urban metropolitan areas and low quality of local public transport; and
- Difficulties in activating private capital to finance infrastructure having expected economic returns.

There was consensus among stakeholders that the above list represents the key priorities for investment in the 2014-2020 programming period, based as it is on the robust prioritisation approach adopted within the DEF. These are considered to be the obvious priorities for Cohesion Policy funding as they are also closely aligned to the 2011 Transport White Paper objectives. The continued focus on rail infrastructure would build on the €31 b investment from all sources identified in the 2007-2013 programming period. Also, the need to enhance safety levels on TEN-T roads and enhance the sustainability of urban transport are key priorities at both the national and EU levels.

Concentrating Cohesion Policy resources on these types of project in the regions that qualify for ERDF support would best serve the transport and development needs of these regions, and of Italy as a whole.

**What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?**

Many of challenges felt by Italian stakeholders arise from the fact that only certain, less developed, regions of Italy qualified for Cohesion Policy funding from the national operational programme. Decision makers in Italy feel constrained to identify projects that are located in the regions in question but that integrate with the transport networks of Italy and of the EU as a whole. This need for balance is reflected in the split of Cohesion Policy funding for transport in the 2007-2013 programming period between the national operational programme that funded projects of national significance that fell the relevant regions and a series of regional OPs that funded more regional projects such as urban transport investments in individual cities. This balancing of needs and institutions will remain a challenge for Cohesion Policy.

An emerging challenge in the use of Cohesion Policy resources was the need to consider the application of EU State Aid rules when using these funds. Prior to the Leipzig Airport decision it had been assumed that all funding for transport infrastructure investments were outside the scope of the State Aid rules. The Leipzig Airport decision clarified that, at least in the case of airports, the operation of transport infrastructure can be a commercial activity and that funding for investments in infrastructure could therefore be subject to the State Aid rules.

Another challenge signalled by Italian stakeholders is the difference between the time that a private investor can allow for financial closing of a large project, and the much longer timescales associated with Cohesion Policy programming and the complexity of controls imposed on these projects. These factors have hindered the capacity of private operators to invest in Cohesion Policy projects in the 2007-2013.

**Has the Common EU Transport Policy influenced the national transport policy and in what way?**

The national transport policy 2007-13 was anchored to the identification of TEN-T priority projects. At the same time, the NOP Networks and Mobility 2007-13 assumed as a priority the shifting to sustainable mobility, with a key role of the rail and
maritime sectors, in accordance with the EU guidelines. Furthermore, an important change occurred in the national regulation on transport, with the establishment of a Transport Regulation Authority, whose first acts included the revision of the criteria to access to railway infrastructure. Even in the development of ITS and in overcoming the existent administrative fragmentation, Cohesion Policies have been an important factor.

Among the indirect effects was the review of the existing national planning instruments, which was also in fulfilment ex-ante conditionalities, with particular regard to the maritime and logistic sector.

A key area of influence of the wider EU transportation sector and Cohesion Policy investment is the requirement for sufficient institutional capacity. With regards to the 2014-2020 programming period, Italy has the opportunity to learn from the experience gained, in order to avoid the bottlenecks that occurred in the implementation of the previous NOP Networks and Mobility 2007-13. These regard in particular the need to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline which received support from EU funding, as well as the importance to overcome critical processes that affect total public infrastructure investments. A specific plan to increase institutional capacity, the PRA, has been developed as part of the planning for the 2014-2020 programming period.

The development of the PRA provided an initial diagnosis on the problems that occurred in relation to the legislative, procedural and organizational aspects which affected the implementation of the NOP Networks and Mobility 2007-13. These critical factors are mainly related to the phase of projects selection and evaluation, particularly due to the low level of project maturity and to the extensive presence of major projects that require a longer timetable for presentation and approval.
4 Romania

4.1 Case study summary

The overall objective of the National Strategic Reference Framework, which set out the policy principles for the 2007-2013 operational programmes, was to reduce economic and social disparities between Romania and EU Member states, by generating 15-20% additional growth of GDP by 2015. The role of transport was therefore to facilitate movement, trade and economic activity. Two operational programmes for the 2007-13 programming period allocated funding to transport projects. These were:

- The sectoral operational programme "Transport" (SOPT); and
- The "Regional Operational Programme" (ROP).

The SOPT focussed on investments of national significance, mainly the modernisation of road and rail on TEN-T corridors. The ROP consisted of a range of projects in different sectors meeting the regional development needs of specific regions of Romania. These included the modernisation of road and rail networks, with an emphasis on projects to meet relatively local needs. These tended to be county or urban road projects.

Overall transport spending in Romania was dominated by road infrastructure with €17.6 b of the total €22 b, compared with €2 b on rail and €2.4 b on other modes. Stakeholders were of the view that whilst transport policy normally requires a balance between road, rail and waterways investment, road investment plans have had a higher political priority and are less problematic to implement than rail investments and reforms. The initial allocation of funds in the operational programmes was heavily weighted towards road projects, and funds were reallocated from rail to road during the programming period.

Cohesion Policy funding played a critical role in rail investments, with allocations being the equivalent of 85% of all rail investment, compared with 19% for road investment. Data indicates that by the end of 2013, Cohesion Policy had contributed to the delivery of 22 km of reconstructed railroads. The General Transport Master Plan developed to meet the ex-ante conditionality for the 2014-2020 programming period, identifies that significant reforms and investment are still required in the rail sector, with declining passenger volumes and 60-80% of the track-related assets life expired.

Stakeholders recognised the importance of Cohesion Policy funding in delivering major road investment projects, whilst the length of rehabilitated county roads funded through the ROP has exceeded the target. Road safety remains however a major problem in Romania and the length of motorway network within Romania is still well below the European average, based on population density. The General Transport Master Plan outlines a prioritised programme of investments for future enhancements to the national road network, which will contribute towards reducing this infrastructure deficit in the 2014-2020 programming period.

With transport infrastructure investment focused on the TEN-T, stakeholders were clear that the projects funded have improved links between Romania and the rest of
Ex Post evaluation: Transport

the EU. Romania relies on EU Cohesion Policy for much of its funding for investments in transport infrastructure. Some stakeholders expressed concern that this led to national transport policy being focused on infrastructure projects which are eligible for Cohesion Policy funding, at the expense of other projects which could have provided more benefit to Romania in alleviating the problems which face the transport sector, but which were not eligible for EU funds.

In the 2014-2020 programming period, the General Transport Master Plan provides the prioritised list of projects for investment across all modal sectors. This list has been established through a comprehensive review of the problems and issues which face the transport sector in Romania, leading to the identification of projects which resolve these issues. Cohesion Policy funding will be key to delivering eligible projects. The allocation for roads in adopted programmes for 2014-2020 was €4 b, compared to €3.4 b in 2007-2013. This represents, however, a decline in the share accounted for by roads in the overall transport allocation from 62% to 51%. The equivalent amount for rail was €1.5 b, compared to €1.7 b in 2007-2013..

4.2 Policy background in Romania

Romania national transport policy

The Ministry of Transport published a Strategic Plan for Transport and Infrastructure in June 2009. The Ministry of Transport’s Mission as set out in the Minister’s Foreword to the Strategic Plan emphasises the following points:

- Economic Efficiency: a transport system that generates benefits that are greater than its costs;
- Equity: the costs and benefits of the transport system should be distributed fairly among citizens, industries and geographic areas;
- Safety: the transport infrastructure and services should be provided in a manner that protects people from death and injury;
- Integration: the transport system should enable people to travel conveniently and reliably using a combination of different modes of transport and to minimise the costs of transporting goods; and
- Environment: the transport system should protect the environment and by so doing should support social and economic development for the benefit of today’s and future generations.

Cohesion Policy Instruments

The National Strategic Reference Framework (NSRF), 2007 set the policy principles upon which all of the 2007-13 operational programmes were prepared. The NSRF did not set specific transport aims. The role of transport was therefore to facilitate movement, trade and economic activity, post accession to the European Union. Two operational programmes established by NSRF are directly related to Transportation.

Sectoral Operational Programme Transport (SOPT), 2007-13

The Managing Authority within the Ministry of Transport is responsible for the operational programme (SOPT) 2007-13. The SOPT had the following specific objectives:

- Modernisation and development of the TEN-T priority axes, with the implementation of the measures necessary for environment protection;
- Modernisation and development of the national transport infrastructure, in accordance with the sustainable development principles;
- Promotion of rail, waterborne and intermodal transport; and
- Supporting the development of sustainable transport by minimizing the adverse effects of transport on the environment and the improvement of traffic safety.

The SOPT had total EU funding of €4.2 b and was divided into four transport based priority axes:

- Priority Axis 1 - Modernisation and development of the TEN-T priority axes, with a view to the development of a sustainable transport system and to its integration with the EU transport networks. This TEN-T related axis was accounted for just over 70% of the total funding for this OP;
- Priority Axis 2 - Modernisation and development of the national transport infrastructure outside the TEN-T priority axes, with a view to the creation of a sustainable national transport system;
- Priority Axis 3 - Modernisation of the transport sector aiming at a higher degree of environmental protection and passenger safety; and
- Priority Axis 4 - Technical Assistance for SOPT.

In the 2007-2013 programming period projects were selected by:

- Identifying potential TEN-T projects;
- Prioritising non-TEN-T projects based on their relevance to Romanian transport needs;
- Review and sifting of the resulting long list of projects by the Ministry of Transport based on their level of urgency and compatibility with EU funding conditions; and
- Informal discussions with DG REGIO prior to submission of OPs and applications for funding of major projects.

The focus for the 2007-13 programming period was therefore on using Cohesion Policy funding to enhance the strategic transport network, and increase Romania’s connectivity with other EU Member States.
Regional operational programme (ROP), 2007-2013

The Ministry of Regional Development and Public Administration was the Managing Authority for the ROP. The overall objective of the ROP was defined as:

‘The ROP strategic objective consists in supporting the economic, social, territorially balanced and sustainable development of the Romanian Regions, according to their specific needs and resources, focusing on urban growth poles, improving the business environment and basic infrastructure, in order to make the Romanian Regions, especially the ones lagging behind, more attractive places to live, visit, invest in and work.’

The ROP had a total EU contribution of €1.2 b and was based on the following specific objectives:

- To increase the economic and social role of urban centres, adopting a polycentric approach, in order to stimulate a more balanced development of regions;
- To increase accessibility within regions and in particular the accessibility of urban centres and their connection to surrounding areas;
- To increase the quality of social infrastructure of regions;
- To increase the competitiveness of regions as business locations; and
- To increase the contribution of tourism to the development of regions.

The ROP was structured on six priority axes. Priority Axis 2 was focused on improving regional and local transport infrastructure and accounted for 20% of funding for the OP. This Axis was based on the rehabilitation and modernization of the county roads and urban streets network; this included the construction/rehabilitation of ring roads. Key transport related activities included:

- Rehabilitation and modernisation of county road network (non TEN-T);
- Rehabilitation and modernisation of urban streets (non TEN-T); and
- Construction/rehabilitation/modernisation of ring roads (with county road status) in order to eliminate road bottlenecks and to ensure safe crossing of localities.

4.3 Cohesion Policy assistance to the transport sector

Transport investment summary

A total of €15.3 b was allocated from Cohesion Policy funding to Romania for the 2007-2013 programming period. Of this, €5.5 b was allocated to transport investment (36%) and €9.8 b was allocated to non-transport areas (64%). Cohesion

35 All allocation data reported within these Member State case studies included updated allocations to the end of 2014.
Policy expenditure on transport by the end of 2014 amounted to €3 b, which represents 55% of amounts allocated. Over the programming period Romania reduced its allocation of Cohesion Policy funding to Railways in its national operational programme by €392 mn increased its funding allocation for regional and local roads in the various regional operating programmes by a similar amount. This reflects difficulties in delivering rail projects which are discussed further below.

The total amounts decided of Cohesion Policy funding to transport projects for the 2007-2013 programming period was €5.5 b, which is the equivalent of 25% of total transport infrastructure investment in Romania over the period to the end of 2013. Approximately 60% of the Cohesion Policy funding was allocated to road projects. Although only €1,692 mn of the Cohesion Policy funding was allocated to rail projects, this amounted to 85% of spending on rail projects.

### Table 17 Total spending on transport infrastructure

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ mn</td>
<td>2,990</td>
<td>4,001</td>
<td>3,251</td>
<td>2,927</td>
<td>2,370</td>
<td>3,553</td>
<td>2,968</td>
<td>22,060</td>
</tr>
<tr>
<td>As a % of GDP</td>
<td>2.38</td>
<td>2.81</td>
<td>2.7</td>
<td>2.31</td>
<td>1.78</td>
<td>2.66</td>
<td>2.06</td>
<td>2.38</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015

The Cohesion Policy allocation to transport increased slightly over the programming period. The initial balance of funding allocations on operation programmes was a total of €5,330 mn for transport. This relatively small overall change of €141 mn incorporated changes in the two relevant operational programmes; an increase of €363 mn was recorded under the ROP arising entirely from an increased amount for regional/local roads; and a decrease of €222 mn in the SOPT. The changes at Priority Theme level within SOPT, included a large decline in railways (TEN-T) of €392 mn, which was offset by increases in railways and motorways (TEN-T).

In general, Romanian stakeholders were satisfied that Cohesion Policy funding has been used to meet Romania’s key transport needs. The total outputs identified, and the successful major projects described in this study certainly support this opinion. The progress made has all been relevant to Romania’s transport needs. They are also clear that the projects funded have improved links between Romania and the rest of the EU. Indeed, stakeholders were of the opinion that the main purpose of the road projects part funded by Cohesion Policy is to improve links to the rest of the EU. Stakeholders cited as an example the Arad-Nadlac motorway. This is part of TEN-T corridor IV and was partially opened to traffic in 2014. Once this motorway is completed through Hungary, stakeholders consider that it will be the main road link between Romania and Western Europe. Several other motorway projects have

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36 Based on allocations of funding in OPs as reported to DG REGIO at the end of 2014. Expenditure value from Work Package 13 of the ex post evaluation of Cohesion Policy
37 These values for total investments were calculated as part of Task 2 of this evaluation. The work done is described in the First Interim Report
contributed to TEN-T corridor IV, including improved links to the Transylvania region and to Moldova.

There was less consensus that the projects funded have improved internal connectivity, particularly that between the more and less economically developed regions of Romania. However, the National Road Administration (CNADNR) points out that many of the road projects do link less developed regions with Bucharest, and should contribute to balanced development.

Road investment summary

A total of €17.6 b was spent on roads in Romania to the end of 2013, which is the equivalent of 80% of the total €22 b spent on all transport infrastructure. The €3.4 b amounts decided from Cohesion Policy funding was the equivalent of 19% of total spending on the road network up to the end of 2013 (Table 18).

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total road</th>
<th>Cohesion Policy allocation to roads</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (inc motorways)</td>
<td>17.6</td>
<td>3.4</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

The recorded outputs of are presented in Table 19. To put this volume of output in context, Romania had 17,754 km of roads³⁸ in 2013. Over the programming period from 2007-2013 the volume of roads in Romania increased by 1,355 km³⁹.

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new roads</td>
<td>162</td>
<td>8.1</td>
</tr>
<tr>
<td>of which, km of new TEN-T roads</td>
<td>140</td>
<td>7.0</td>
</tr>
<tr>
<td>km of reconstructed roads</td>
<td>1,437</td>
<td>72.0</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

Romania did not have a national transport strategy in place at the time of the selection of projects for the 2007 – 2013 Cohesion Policy programming period. In the years preceding, Romania had been preparing for EU accession (2007) by developing projects to meet EC Directive 96/53, which mandates that TEN-T and national roads must not apply restrictions to vehicles complying with the Directive. In some cases it

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³⁸ Including motorways, national roads and main local roads
³⁹ Data from Eurostat updated to March 2015
was necessary to build new sections of motorway to meet the Directive’s requirements; however in most cases rehabilitation of existing roads was sufficient.

When Romania started developing projects for their 2007-2013 operational programme, the priorities were still clearly defined by the need to meet EC Directive 96/53, and also to complete projects aligned with the TEN-T priority axes in Romania. For this reason, project selection was in many ways straightforward: for the highway networks, projects were prioritised because of their location on the TEN-T, or because there was a requirement for rehabilitation/improvement of national road sections forming part of the extended TEN-T. Some technical selection parameters were considered in the prioritisation process, but essentially the list of projects was evident and this was generally accepted by all parties.

Despite the significant investment, the length of motorway network in Romania in 2012 was only 550 km. This equates to a density of 2 km per 1000 inhabitants which is well below the European average. The General Transport Master Plan outlines a prioritised programme of investments for future enhancements to the national road network, which will form the basis for national road investments from 2014.

Road safety remains a major problem in Romania, which has the worst road fatality accident rate in Europe. During the period 2007 to 2012, there were 8,401 fatalities on the national road network, excluding local and urban roads. 90% of the national road network remains single carriageway, with Romanian statistics showing a three times greater risk on single carriageway roads than motorways, which is consistent with accident data across Europe.

In addition to Cohesion Policy funding through SOPT, €1.2 b of road investment was funded through the ROP from EU funds. €1.1 b of this investment was focussed on regional and local roads, not on the TEN-T, with a further €112 mn focused on urban roads.

The ROP Mid Term Evaluation report indicates that by December 31 2013, the ROP target for the length of county rehabilitated roads (877 km) had already been exceeded (1,171 km) with the final performance anticipated to be (2,482 km) well in excess of the target. Slower progress had been made against the target for rehabilitation of urban roads, 411 km, with only 111 km completed by December 31 2013, whilst only 87 km of rehabilitated rings roads had been completed against the target of 219 km.

**Rail investment summary**

A total of €2 b was spent on the rail network in Romania between 2007 and 2013, which accounted for 9% of the total €22 b spent on all transport infrastructure. The amounts decided for Cohesion Policy towards rail of €1.7 b was the equivalent of 85% of total investment (Table 19). As can be seen from the data, Cohesion Policy co-

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40 General Transport Master Plan
41 General Transport Master Plan
42 General Transport Master Plan
financing represented the majority of spending on rail infrastructure. Rail projects were primarily aimed at rehabilitating sections of IV Pan-European Corridor (between Brasov and Simeria) and rehabilitation of bridges on the railway between Bucharest and Constanta.

**Table 20 Rail infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total rail</th>
<th>Cohesion Policy allocation to rail</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail</td>
<td>2</td>
<td>1.7</td>
<td>85</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

Cohesion Policy funding would appear to have played a huge role in financing the rail investment that took place in Romania.

**Table 21 Outputs recorded for rail in Romania by the end of 2013**

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new railroads</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>km of TEN railroads</td>
<td>22</td>
<td>1.1</td>
</tr>
<tr>
<td>km of reconstructed railroads</td>
<td>22</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

Romania has a total rail infrastructure of 10,777 km. This has remained stable throughout the programming period. The Romania General Transport Master Plan developed to meet the ex-ante conditionality for the 2014-2020 programming period, includes a detailed review of the issues which face the rail industry in Romania. The Master Plan identifies that Romanian Railways are in a crisis situation with declining passenger and freight volumes, 60-80% of the track-related assets are life expired, track and other fixed assets are underutilised with about 90% of traffic transported on 63% of the track; 1,000 stations generate less than 50 trips per day and 533 stations have less than 10 passengers per day. The Master Plan forecasts continued decline in railway use unless strategic reforms are undertaken. In general there is an urgent need for investment in the rail network. Relatively little investment was completed in 2007-2013 due to the difficulties in developing and completing rail projects experienced in Romania. There were concerns expressed about the capacity of the relevant authorities to plan and develop large scale rail investments. This is reflected in the fact that only 25% of the funds allocated to rail had actually been spent by the end of 2014.
Other Transport Modes

Some €2.4 b of investments was made in other modes of transport in the programming period. This was principally spent on urban transport, airports, ports and inland waterways. Cohesion policy decided amounts for these areas amounted to €0.4 b (Table 22).

Table 22 Other transport mode spending 2007-2013 and Cohesion Policy contribution (€ b)

<table>
<thead>
<tr>
<th>Mode</th>
<th>Total Spending</th>
<th>Cohesion Policy amounts decided</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>2.4</td>
<td>0.4</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

Urban transport investment summary

€409 mn amounts decided was allocated for Metro Line 5 of Bucharest Metro. The project is currently in the construction phase, when complete the project will provide 7.2 km of new metro between Râul Doamnei and Eroilor, where it connects with Bucharest’s existing metro system. €112 mn was also allocated in the ROP for rehabilitation and maintenance of urban roads.

Airports investment summary

€39 mn amounts decided was allocated for the “Development and Modernisation of Iasi International Airport” in the 2007-2013 programming period. As of 2015 this project is operational.

Ports/Inland Waterways investment summary

The River Danube and Black Sea are important natural resources, which fulfil key roles in Romania’s transport network. €71 mn amounts decided was allocated for “North breakwater extension in Constanta Port” and €53 mn for “Locks Modernisation Equipment and Installation”.

Constanta is Romania’s major seaport, handling 55 million tonnes of cargo in 2013 and had 14,066 vessel movements, 34% of which were maritime-related and 66% on to the river network44. The extension of the north breakwater at Constanta port will facilitate the maintenance of a deep water channel enabling larger ships to access the terminals at all times. The “lock modernisation equipment and installation” project was also at Constanta port and will provide extra capacity connecting the port with the Danube – Black Sea Channel.

Constanta port commissioned a Master Plan in 2013 aimed at identifying major investment plans, with the objective of improving the ports operational efficiency and increasing its attractiveness for the freight industry.

44 General Transport Master Plan
Table 23 below summarises transport investment and Cohesion Policy funding in Romania.

**Table 23 Cohesion Policy allocations compared to spending 2007-2013**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Spending (€ m)</th>
<th>Share of Total Spending (%)</th>
<th>Cohesion Policy amounts decided (€ m)</th>
<th>Share of Cohesion Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>17,647</td>
<td>80</td>
<td>3,377</td>
<td>62</td>
</tr>
<tr>
<td>Rail</td>
<td>1,985</td>
<td>9</td>
<td>1,692</td>
<td>31</td>
</tr>
<tr>
<td>Other</td>
<td>2,426</td>
<td>11</td>
<td>402</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>22,058</td>
<td>100</td>
<td>5,471</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014, DG REGIO

### 4.4 Evaluation questions

Qualitative interviews were undertaken with Romanian stakeholders as part of the preparation of this case study. The stakeholders interviewed are outlined in Table 24 below:

**Table 24 Stakeholders interviewed**

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Summary of Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Transport and Infrastructure, Head of Strategy Directorate</td>
<td>The Romanian Ministry of Transport is the agency of government which establishes transport strategy and national policy. It acts as the State Authority for transport and infrastructure.</td>
</tr>
<tr>
<td>Managing Authority for SOP-T, under Ministry of Transport</td>
<td>The sectoral operational programme &quot;Transport&quot; (SOP-T) 2007-2013 is the strategic instrument which establishes the priorities, objectives and financial allocation for the development of the transport sector in Romania with community aid. The Managing Authority is responsible for projects funded under SOP-T in the 2007-2013 programming period and will take the same role for projects funded in the 2014-2020 programming period.</td>
</tr>
<tr>
<td>CNADNR – National Company in charge of Roads Administration</td>
<td>The National Company of Motorways and National Roads in Romania is the entity responsible for the administration of strategic roads in Romania, operating under the Romanian Ministry of Transport.</td>
</tr>
</tbody>
</table>
Based on sections 4.1, 4.2 and 4.3 and the qualitative interviews we address each of the evaluation questions in turn.

**Should Cohesion Policy have supported all the transport sectors which received assistance?**

In all areas where Cohesion Policy funding was available it made a valuable contribution. However, there are indications that more output in the areas of railways, waterways and intermodal transport would have been useful. The predominance of road (62% of amounts decided) over rail (31%) was identified as not fully reflecting the needs across Romania. The Romanian authorities experienced difficulties in developing rail projects and hence in absorbing the funding available for this sector.

Cohesion Policy funding is considered vital by Romanian stakeholders in contributing to EU and national policy objectives with regard to infrastructure investment. The availability of the funding has the effect of aligning national investment policy more closely with EU policies. For example Cohesion Policy funding ensures that at least some rail investment took place.

As described, detailed programmes of investments in road and rail were developed for the programming period. Cohesion Policy made a large contribution to the national road infrastructure programme and to a lesser extent to the rail. But in terms of encouraging a shift of traffic to rail, the investments had no impact, because of limited output of new rail infrastructure, the underlying poor services and deteriorating maintenance over the system as a whole. In fact the road investments exacerbated this situation. Some progress was made in improving waterways, but very little in terms of inter-modal freight transport.

The programme, or list of priority projects, agreed with the Commission for 2007-2013 programming period emphasised Priority Axes 4 and 7 of the TEN-T. It was pretty clear which projects were required, starting with motorways. There was also an ongoing problem of rehabilitation of the national network to European standards. Romania had committed to meeting the EC Directive 96/53 on bearing capacity.

The national network of roads was comprehensive in the sense of covering the entire geographical area of Romania, albeit many of the roads were in poor condition and/or of inadequate capacity. A set of projects to upgrade this network necessarily included some of the less developed parts of Romania, and so secured the access of these areas to the rest of Romania and the wider EU economy.

Stakeholders believe that the major road infrastructure projects would have progressed at a far slower pace (or not at all) without Cohesion Fund funding. Some
bypasses and the (inadequate) maintenance would have continued. Links adjacent to border crossings would probably not have been tackled.

It is crucial to note that there was no national transport master plan, of the sort that has been prepared for 2014-2020 programming period, in place for the 2007-2013 programming period, just a list of priorities. However, there was a large and obvious set of priority projects for completion given the then poor state of Romanian transport infrastructure.

In the 2007-2013 programming period there was little evidence of a systematic and consistent plan and implementation strategy using indicators such as volume/capacity combined with multi-criteria analysis techniques. Projects were implemented on a piecemeal basis and priorities changed according to political expediency.

As in all EU countries, national funds were used for road, rail and waterways maintenance, and for meeting Public Service Contract (PSC) agreements and covering losses. Romania had a serious maintenance backlog for roads, but the rail position was (and is) far more serious. The decline in rail transport is attributable mainly to poor maintenance and poor services, and the investment in rail infrastructure improvements only provides piecemeal improvements within a deteriorating system. There is also under-investment in waterways (the River Danube and the Danube-Constanta Channel). Private funds are used for major ports and airports, and some small-scale investment in inter-modal terminals.

**Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its objectives?**

At the start of the 2007-2013 programming period Romania was able to identify a set of clear priority projects that would address serious gaps and shortcomings in its transport infrastructure. These projects also had the effect of upgrading the Romanian sections of the TEN-T, and bringing Romania’s road network for international freight up to EU standards. The significant progress towards completing this list of priority projects described above will therefore have clearly met Romanian and EU transport policy objectives.

For rail, Cohesion Policy funding has had little impact to date due to the small amount of infrastructure actually delivered to date and the wider problems in the network. The absorption rate of the Cohesion Policy funding made available for rail has been relatively low. Based on the expenditure data gathered under Work Package 13 of the ex-post evaluation, by the end of 2014 only approximately 25% of the funds decided for rail had been absorbed in Romania. This suggests that there are difficulties with developing and delivering rail projects in Romania. Moreover, improved infrastructure requires maintenance, and has to support regular services operated by modern rolling stock to fulfil transport policy objectives.

**What should be supported by the Cohesion Policy in the area of transport?**

Romania has recently completed an extensive process to develop an evidence based, comprehensive transport plan for the 2014-2020 programming period. This General Transport Master Plan identifies the priorities for investment over the current programming period. The preparation of such a plan was an ex ante condition for
Romania to qualify for Cohesion Policy funding for transport projects in the current programming period. The plan has been prepared taking account of all relevant Romanian and EU strategic goals for transport and represents a clear set of priorities for Cohesion Policy funding. For railways, this is contingent on the Romanian government, the Ministry of Transport and the railway sector committing additional funds for maintenance and implementing rail reforms in line with EU policy specifically establishing the national infrastructure manager and state owned train operator as independent entities with their own management and accounts.

The scale and diversity of proposals contained within the General Transport Master Plan has required the identification of a range of different funding mechanisms, as some prioritised projects are not eligible for Cohesion Policy support and the allocated Cohesion Policy budget will not be sufficient for Romania to deliver the projects it has identified in the 2014-2020 period. In particular certain high priority road investment projects, which are not eligible for Cohesion Fund, are planned to be delivered as PPP projects. It is also acknowledged that private sector investment will be critical to deliver projects identified in the aviation and intermodal terminal sectors. The Master Plan also identifies a phased prioritised investment programme with investments identified for funding post 2020. This Master Plan identifies the areas where Cohesion Policy funding should be directed.

**What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?**

For the 2007-2013 programming period there was a divergence between the policy direction in Romania and actual implementation. While policy speaks of balance between road, rail and waterways, and the contribution of intermodal transport, in reality the road element of plans had a higher political priority, and were seen as less problematic to implement than rail investments. This was reflected in the outputs of the policy and the absorption of funding. Cohesion Policy could have a role to play here by, for example, ensuring that future funding is contingent on other policy improvements such as structural reform of the rail sector, improved funding for rail maintenance from Member State services and improvements in service levels and rolling stock.

Romania depends heavily on the Cohesion Policy funding for transport infrastructure projects. This dependence shapes national policy and certainly largely determines infrastructure priorities. Romania sees Cohesion Fund (and ERDF) largely as an infrastructure fund to implement what it sees as the most useful/politically expedient parts of the TEN-T, rather than a part of a wider Cohesion Policy which embraces a low carbon economy, promoting climate change adaptation and promoting sustainable transport. Unless project financing is contingent on receptor countries following these other policies, then adoption of these policies will be sluggish.
Has the Common EU Transport Policy influenced the national transport policy and in what way?

The process for developing the General Transport Master Plan, which identifies the investment priorities for the current programming period and beyond, was developed by adopting a systematic approach starting with the identification of the problems and challenges facing the Romanian transport sector. This led to the identification of "Strategic" objectives and more specific "Operational" objectives, leading to the identification of projects/interventions which met these objectives. These interventions were then assessed using the National Transport Model, leading to economic appraisal and project prioritisation.

Romania is however highly dependent on EU Cohesion Policy funding for its investments in transport infrastructure. As described above, the design of the operating programmes for the 2007-2013 programming period prioritised TEN-T transport projects. Some stakeholders expressed concern that this could have resulted in the TEN-T projects being promoted over non-TEN-T projects which would have been less relevant for the EU as a whole but could have been more relevant to the specific needs of Romania. However it should be remembered that the project selection exercise was designed to select a set of projects that were relevant to TEN-T and to Romania as an individual Member State.

Some stakeholders maintained as well that Cohesion Policy funding may have led to an underinvestment in relatively low cost road accident reduction measures. The National Transport Master Plan identified 138 such projects, which yield a very high rate of return as well as improving conditions for the residents of many small settlements. However these small works to a road are either not eligible for Cohesion Policy funding, or the effort needed to obtain funding for such a small project would be disproportionate. In the programming period the road authorities concentrated on the construction of bypasses around settlements, as these are eligible for Cohesion Policy funding. Such bypasses have the effect of reducing accidents, as they divert traffic on to newer safer roads. They eliminate the need for any accident reduction measures on the road that they replace. The bypass will cost more than these accident reduction measures, but will obviously have many benefits above and beyond accident reduction. For the future, as the more urgently needed bypasses are completed there may be a need to consider more small accident reduction measures in other places.
5 Hungary

5.1 Case study summary

Hungary has benefited from significant levels of transport investment assistance in the 2007-2013 programming period having been allocated circa €7 b in Cohesion Policy funding. The Cohesion Policy agreed allocations were the equivalent to a significant proportion of investment in transport infrastructure over the period – estimated at over 70% for all road and rail investment.

The key transport sectors that benefited during the 2007-2013 programming period were road, rail and urban transport helping to deliver both EU and national policy objectives. The support provided by Cohesion Policy funds allowed a much larger scale of development to be carried out than would otherwise be the case. It also allowed the development of large, complex projects that would have been unlikely to proceed in the absence of such a level of assistance.

The development of the road network (in particular the TEN-T corridors) saw substantial progress during the term of the operational programme along with significant progress in the rail and urban transport sectors.

In the 2014-2020 programming period the emphasis for Cohesion Policy funds will move away from roads with the level of funding allocated decreasing from 47% in 2007-2013 to 35% in 2014-2020.

The need to increase investment in rolling stock and sustainable transport measures has been highlighted. In addition, the need to increase resources on maintenance is considered essential in the future.

The change in emphasis to a greater level of investment in rail (which is generally more complex), sustainable transport and more technology intensive solutions will lead to new challenges. In particular, the ability of Hungarian institutions to adapt to changed circumstances (as happened previously with environmental requirements) is considered a key challenge.

It is considered that EU transport policy has had a considerable influence on Hungarian transport policy. The development of the national transport strategy was mandated by the EU Commission on review of the initial operational programme and the content of that strategy is heavily influenced by the EU White Paper.

The level of funds provided has enabled Hungary to develop its transport infrastructure at pace that would not otherwise have been possible. The scale of scope of projects developed has also been influenced by the availability of funding enabling more complex schemes to be completed. However, there are concerns that the absorption of funds is outweighing strategic policy considerations in the development of transport strategy in Hungary.

Although, the transport system in Hungary still requires significant further investment in the coming years, Cohesion Policy has had a significant positive impact in the period 2007 to 2013.
5.2 Policy background in Hungary

Hungarian national transport policy

Transport policy in Hungary for the period 2007 to 2013 is primarily governed by the Hungarian Transport Policy 2003-2015\(^45\) and the Unified Transport Development Strategy 2007-2020\(^46\).

Published in 2004, the Hungarian Transport Policy 2003-2015 has a high level objective of creating a transport system that is economically efficient, modern, safe, and easy on the environment. The strategic objectives of the policy are similar to those in the previous policy issued in 1996. These are:

- Improve the quality of life, preserve health, reduce regional differences, increase transport safety, and protect the natural and man-made environment;
- Promote successful integration within the European Union;
- Improve and broaden relations with neighbouring countries;
- Assist with regional development; and
- Enable efficient operation and maintenance through regulated competition.

The policy includes broad goals in the road network, railway network, ports and waterways and aviation. The policy includes many references to the need to promote and develop transport infrastructure along with key actions – such as the completion of the M0 ring around Budapest and setting up an independent agency for railway safety. It is notable that the policy does not specify targeted indicator values and therefore is considered quite high-level in its approach.

The Unified Transport Development Strategy 2007-2020 replaced the Hungarian National Transport Policy 2003-2015 in 2008. This strategy was heavily based on the priorities in the 2001 EU White Paper\(^47\) and included specific indicators which were absent from the previous policy. This strategy was developed in order to provide a strategic basis for the operational programme for transport. It is notable that the first version of the operational programme was developed prior to the strategy. Normally, it would be expected that the strategy is first developed and an operational programme developed on the basis of the strategy.

Nonetheless, the strategy collects and analyses a large amount of data in order to support its findings. In addition, the strategy considers its objectives in the context of the European White Paper.

The strategy set core objectives in the areas of passenger transport, goods transport, infrastructure development and horizontal factors. For each area a SWOT\(^48\) analysis is


\(^{47}\) White Paper, European Transport Policy for 2010: Time to Decide (EU Commission, Sep 2001)

\(^{48}\) Strengths, Weaknesses, Opportunities and Threats
carried out and areas of intervention are identified. Selected examples of the core objectives include:

- To keep the proportion of public transport use above the EU average;
- To optimize the use of well located logistic centres and increase the efficiency of important national intermodal logistic service centres;
- To create a major transport network structure contributing to competitiveness;
- To develop urban and suburban public transport infrastructure to provide a real alternative to individual transport;
- To avoid deterioration caused by increasing traffic of heavy vehicles;
- To improve transport safety; and
- To reduce environmental damage.

**Cohesion Policy Instruments**

The New Hungary Development Plan was developed as the national strategic reference framework for the period 2007 to 2013. The key objective of The New Hungary Development Plan was to expand employment and to create the conditions for long term growth. In order to achieve this objective, it concentrated developments in six priority areas, which included transport:

- Economy;
- Transport;
- Renewal of the society;
- Environment and energy;
- Regional development; and
- State reform.

The New Hungary Development Plan highlights the dense transport grid where transport needs regularly exceed the capacity of the road and railroad networks. The concentration of the transport networks on Budapest and significant regional differences are highlighted.

The New Hungary Development Plan places a high priority on the development of transport infrastructure. This includes the improvement of international and regional accessibility, connection of transport modalities and developing urban and suburban community transport. The Transport Operation Programme 2007-2013 was developed on the basis of the priorities of the New Hungary Development Plan. The national operational programme for Transport, 2007-13 had a total amounts decided of €5.6 b. The 7 regional operational programmes had a combined amounts decided for transport of €1 b. The national level programme focussed on Urban public transport, TEN-T
roads and rail and upgrading regional roads linking regions to the TEN-T network. The regional programmes allocations to transport concentrated on regional roads and public transport services for smaller settlements.

The first version of the Transport operational programme was submitted to the European Commission in December 2006 based on the 2004 Transport Policy. The European Commission review of the operational programme identified a need for the inclusion of numerical targets for the projects and indicator values to be included.

A series of updates and revisions were made to the Transport operational programme at the request of the European Commission. The submission of initial indicator values under the Transport operational programme at the end of 2007 was rejected primarily due to the absence of a new national transport strategy. As a result, the Unified Transport Development Strategy 2007-2020 was prepared (see above). Amended indicator values for the operational programme were finalised on the basis of the new strategy and agreed with the European Commission.

An updated Transport operational programme was developed based on the new national transport strategy. The final version was published in July 2009. The revision to the operational programme combined with the new, government-approved strategy resulted in the European Commission lifting the suspension on payments in September 2009. It is clear that the development of transport strategy has been heavily influenced by the European Commission and EU transport policy throughout the programming period.

The primary goal of the operational programme was to improve accessibility with a view to increasing competitiveness and strengthening social and territorial cohesion. In addition, the policy targeted the development of environmentally sound modes of transport with a view to achieving environmental sustainability. The allocation of funding in the programme was concentrated on the national and regional road network, international rail and waterway links, regional accessibility and public transport in urban and suburban areas.

The Transport operational programme was further modified in 2012 (along with a number of other operational programmes). Funding for this operational programme was reduced by €515m, or 7%, compared to initial operational. The key changes of note were:

- Funds were transferred from the Transport operational programme to the Environment and Energy operational programme;
- The decided amounts for Motorways (TEN-T), National Roads and the Promotion of Clean Urban Transport all declined.
- Funds were reallocated within the Transport operational programme to cycling lane construction projects; and

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Additional activities became eligible for inclusion within the Transport operational programme such as the procurement of public transport vehicles.

The levels of assistance actually provided are discussed in Section 5.3.

## 5.3 Cohesion Policy assistance to the transport sector

### Transport investment summary

A total of €21.3 b was allocated from Cohesion Policy funding to Hungary for the 2007-2013 programming period\(^{50}\). Of this, €6.7 b was allocated to transportation investment (31%) and €14.6 b was allocated to non-transport areas (69%). Cohesion Policy expenditure on by the end of 2014 amounted to €6.2 b, which represents 93% of the amounts allocated\(^{51}\). Hungary’s allocation of Cohesion Policy funding to transport declined from €7.2 m to €6.7 b between 2007 and 2013, a decrease of 7%.

A total of €8 b was invested in transport infrastructure in Hungary between 2007 and 2013 (Table 25). In common with many Member States spending dipped sharply at the time of the global economic crisis in 2008, and started to recover towards the end of the period.

<table>
<thead>
<tr>
<th>Table 25 Total spending on transport infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
</tr>
<tr>
<td>€ mn</td>
</tr>
<tr>
<td>1,424</td>
</tr>
<tr>
<td>% of GDP</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015\(^{52}\)

The total amounts decided of Cohesion Policy funding to transport projects for the 2007-13 programming Period was €6,678 mn, the equivalent to 82% of spending on transport infrastructure in the programming period up to the end of 2013.

### Road investment summary

It is estimated that a total of €6.0 b was invested in road infrastructure in Hungary in the period 2007 to 2013. This will be the equivalent of 74% of the €8.1 b invested in all transport infrastructure. The contribution of Cohesion Policy amounts decided towards road infrastructure spending is presented in Table 26. It is seen that Cohesion Policy co-financing allocations were the equivalent to 52% of total investment in road infrastructure in Hungary in the period 2007 to 2013.

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\(^{50}\) All allocation data reported within these Member State case studies included updated allocations to the end of 2014.

\(^{51}\) Based on allocations of funding in OPs as reported to DG REGIO at the end of 2014. Expenditure value from Work Package 13 of the ex post evaluation of Cohesion Policy

\(^{52}\) These values for total investments were calculated as part of Task 2 of this evaluation. The work done is described in the First Interim Report
Table 26 Road spending 2007-2013 and Cohesion Policy contribution (€ b)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total road</th>
<th>Cohesion Policy allocation to roads</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (inc motorways)</td>
<td>6.0</td>
<td>3.1</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

The outputs of this investment are shown in Table 27 below.

Table 27 Outputs recorded for road in Hungary by the end of 2013

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new roads</td>
<td>443</td>
<td>44.8</td>
</tr>
<tr>
<td>of which, km of new TEN-T roads</td>
<td>114</td>
<td>11.5</td>
</tr>
<tr>
<td>km of reconstructed roads</td>
<td>2,237</td>
<td>226.5</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put these outputs in context, the total road infrastructure of Hungary amounted to 31,692 km of roads in 2013. This stock of roads remained relatively stable over the programming period, declining by 348 km or approximately 1%\(^53\). This decline, despite that fact that new roads were constructed with Cohesion Policy funding, will have resulted from a reclassification of some roads so that they are no longer reported to Eurostat as part of the national road network.

**Rail investment summary**

A total of €1.8 b was spent on the rail network in Hungary 2007-13, which is equivalent of 22% of the total €8.1 b spent on all transport infrastructure. The contribution of Cohesion Policy amounts decided towards rail is presented in Table 28. As can be seen from the data, Cohesion Policy co-financing amounts decided represented almost all of spending/allocation on rail infrastructure. The availability of the Cohesion Policy funding played a huge role in the decision to invest in rail in Hungary.

Table 28 Rail infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total rail</th>
<th>Cohesion Policy allocation to rail</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail</td>
<td>1.8</td>
<td>1.7</td>
<td>94</td>
</tr>
</tbody>
</table>

\(^{53}\) Data from Eurostat updated to March 2015
The outputs of Cohesion Policy co-financed projects are shown in Table 29.

**Table 29 Outputs recorded for rail in Hungary by the end of 2013**

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new railroads</td>
<td>20</td>
<td>2.0</td>
</tr>
<tr>
<td>km of TEN railroads</td>
<td>20</td>
<td>2.0</td>
</tr>
<tr>
<td>km of reconstructed railroads</td>
<td>179</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put these output figures in context, the total rail infrastructure of Hungary amounted to 7,877 km of railway in 2013. This total remained relatively stable over the programming period, actually decreasing by 65 km or approximately 1%.

**Urban transport investment summary**

The contribution of Cohesion Policy in the promotion of sustainable urban mobility has consisted of an amounts decided of €1.1 b, approximately 14% of the overall allocations to transport.

**Other transport investment summary**

There was no investment in aviation or ITS included in the 2007-2013 operational programme and only minimal allocation was given to inland waterways.

Table 30 below summarised transport investment and Cohesion Policy funding in Hungary.

**Table 30 Cohesion Policy allocations compared to spending 2007-2013**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Spending (€ m)</th>
<th>Share of Total Spending (%)</th>
<th>Cohesion Policy amounts decided (€ m)</th>
<th>Share of Cohesion Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>6,046</td>
<td>75</td>
<td>3,140</td>
<td>47</td>
</tr>
<tr>
<td>Rail</td>
<td>1,771</td>
<td>22</td>
<td>1,720</td>
<td>26</td>
</tr>
<tr>
<td>Other</td>
<td>280</td>
<td>3</td>
<td>1,818</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>8,097</td>
<td>100</td>
<td>6,679</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014, DG REGIO
5.4 Evaluation questions

Qualitative interviews were undertaken with Hungarian stakeholders as part of the preparation of this case study. The stakeholders interviewed are outlined in Table 31.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Summary of Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of National Development</td>
<td>The Ministry of National Development are the Managing Authority for the Transport operational programme for Hungary.</td>
</tr>
<tr>
<td>Hungarian Academy of Sciences</td>
<td>The Hungarian Academy of Sciences acted as an independent member of Monitoring Committee for the Transport operational programme.</td>
</tr>
<tr>
<td>JASPERS (Joint Assistance to Support Projects in European Regions)</td>
<td>JASPERS provide a range of support to the Romanian transport authorities and therefore has knowledge of the wider policy context.</td>
</tr>
<tr>
<td>Municipality of Budapest</td>
<td>The Municipality of Budapest is the local authority of Budapest with ultimate responsibility for public transport provision and operation. BKV and BKK (see below) are wholly owned by the Municipality.</td>
</tr>
<tr>
<td>BKK</td>
<td>BKK (Budapesti Közlekedési Központ/Centre for Budapest Transport) was established in 2010. BKK contracts public transport services in Budapest. Its remit includes collection of fares along with planning and developing the public transport system in Budapest.</td>
</tr>
</tbody>
</table>

Based on sections A5.1, 5.2 and 5.3 and the qualitative interviews we address each of the evaluation questions in turn.

**Should Cohesion Policy have supported all the transport sectors which received assistance?**

Cohesion Policy is found to have supported the key transport sectors of road, rail and urban transport helping to deliver both EU and national policy objectives. However, the dominance of road investment was obvious and did not fully reflect the objectives of the operational programmes.

The data in Table 31 presents the combined Cohesion Policy co-financing for road and rail projects, compared to the total Cohesion Policy support for transport which Hungary received. As can be seen, the road and rail sectors accounted for 72% of the €6.7 billion for the 2007-2013 programming period, reflecting the focus placed upon constructing and modernising this core infrastructure, to fulfil the country’s priority.
needs. A large proportion of the remainder was allocated to urban transport schemes with the largest single allocation being the Budapest Metro Line 4 project.

The level of Cohesion Policy financial contribution is estimated to be 52% for road investment and 94% for rail investment. The further reinforces the higher reliance on EU funds for larger and more complex schemes – which is generally the case for rail.

Table 32 Road and rail Cohesion Policy contribution and total Cohesion Policy contribution (€ b)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>CP Road and Rail amounts decided</th>
<th>Total Cohesion Policy amounts decided</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (inc motorways)</td>
<td>4.8</td>
<td>6.7</td>
<td>72</td>
</tr>
<tr>
<td>and Rail</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

National funds provided the other principal source of financing for transport investment across all sectors. In addition, European Investment Bank (EIB) funding was provided (again for schemes across all sectors) and local authorities provided a portion of funding (generally in relation to urban transport schemes). Public private partnership (PPP) funding arrangements were used for a small number of schemes in the road sector only.

The level of funding provided (particularly from Cohesion Policy) allowed significant progress to be made towards achieving national and European transport policy objectives. In general the EU and national transport priorities were in alignment. Of particular note is the progress made on the TEN-T road corridors across the country and the upgrading of a significant proportion of the TEN-T rail network.

In the absence of Cohesion Policy funds, the level of transport infrastructure development would have been much reduced due to the limited financial resources available. As the operational programme and national transport strategy were developed on the basis of EU fund availability, it is not possible to say which specific schemes would not have been developed in the absence of such funds.

However, it was indicated by the stakeholders that the likelihood is that larger, more complex schemes would have not been progressed. Instead smaller scale projects – e.g. reducing bottlenecks, urban transport schemes etc. – may have been preferred.

The level of absorption (i.e. use of) EU funds in transport was very high for 2007-2013 period compared to other Member States. However, investments have been identified as having potential for increased funding. These include the purchase of rail rolling stock and provision of sustainable travel solutions (particularly cycling and park and ride schemes).

The ability to include rolling stock was not provided for in the original operational programme. However, with agreement of the EU Commission, funds were diverted to the purchase for rolling stock during the programming period. Hungarian authorities
think this is a particularly positive development. Rolling stock is obviously an essential part of a rail transport system, so the additional financial support was welcome. In addition the Hungarian authorities have found that upgrading existing, old rolling stock greatly increases the attractiveness of public transport and encourages mode shift. They also point out that investments in rolling stock are more visible to the public than investments in signalling, communications etc and so raise awareness of the benefits of EU funding.

Cycling schemes were considered to be of great benefit by residents. Given the relatively small level of investment required, Hungarian stakeholders recommend that the share of funding allocated to such schemes be increased in future.

**Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its objectives?**

A high level of progress has been made towards achieving national and EU transport policy objectives. Of particular note is the substantial progress made in the development of the road network (over 2,500 km of new/reconstructed roads) and significant progress made in the development of the rail network (200 km of new/reconstructed rail along with signalling, safety and communications upgrades).

In the area of urban transport, significant progress has been made in some locations. Examples include the urban transport works in Budapest (including Metro Line 4) and Szeged (including tram improvement works).

The key contribution of Cohesion Policy in Hungary is evident in the scale and complexity of developments. Contributing over 70% of the total investment in transport in Hungary, it is clear that a large proportion of the developments would not have proceeded in the absence of such funding.

In addition, the Cohesion Policy funds allowed more complex projects to be undertaken that would have regional, national and European impacts. In the absence of Cohesion Policy assistance, the developments undertaken would, most likely, have consisted of schemes providing short term relief for specific issues.

In summary, the Cohesion Policy investments have made a sizeable contribution to achieving its objectives. Progress has been substantial in road with both rail and urban transport also developing significantly.

**What should be supported by the Cohesion Policy in the area of transport?**

Hungary’s emerging priorities for the current programming period are similar to those pursued in the past. They seek to achieve the objectives of both European and national policies. A greater emphasis for Cohesion Policy will be on development of the rail network with national funds having an increased focus on road development. Road, rail, and to a lesser degree urban transport, will continue to benefit from the majority of transport investment in Hungary.

In the 2014-2020 programming period, the key transport priorities for Hungary include a much greater emphasis on the rail network, according to officials supporting the development of these policies. This is reflected in a reduction in road investment
from 42% to 35% of Cohesion Policy funding. This shift has predominantly been to the benefit of rail projects. Rail priorities include the elimination of bottlenecks (such as the extension of electrification), upgrading of lines and rolling stock renewal. It should be noted that Connecting Europe Facility (CEF) funds will also be available to fund key corridor projects (e.g. TEN-T roads).

In addition, a significant national contribution to road infrastructure investment will continue in the 2014-2020 programming period. This will be facilitated through a new national fund that will see spending of circa €3.2 b by 2020. Road priorities include the completion of the TEN-T road network (in particular to the borders of neighbouring countries) and upgrading of the road system to accommodate 11.5 tonne axle weights. Urban transport priorities include significant schemes such as the renewal of Metro Line 3 and improvements to the suburban rail network in Budapest.

The 2014-2020 programming period will also see resources allocated to improving harbour facilities on the Danube – a key transport corridor.

The development of larger complex projects comes with increased risk. The greater emphasis on rail based projects for Cohesion Policy assistance increases the risk. This is particularly likely in comparison to road projects of which there is greater institutional experience.

Cohesion Policy (augmented by CEF) will continue to be a core source of funding for transport infrastructure development in Hungary. This will be complemented primarily by national funds across all transport sectors – although a large proportion of national funds will focus on road investment. European Investment Bank (EIB) funding and contributions from local authorities will also support development across all sectors. It is notable that there are no planned Public Private Partnership (PPP) developments.

As with Poland, an increased level of investment in sustainable and urban transport sectors would be supported, and would better align Hungary with the wider objectives of the 2011 Transport White Paper. An increased level of investment in ITS would also support more efficient and sustainable patterns of mobility.

**What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?**

The challenges for Cohesion Policy in the coming decade include a changing emphasis from a majority of traditional road based schemes to include a greater share of more rail, sustainable transport and more technology intensive schemes. The ability for Hungarian authorities and institutions to support this change (which in many cases will lead to an increased level of complexity) is the key challenge.

Transport policy in Hungary over the past number of years has been quite consistent in focussing on key transport corridors and urban transport schemes. Over the coming years, transport policy will place a focus on measures aimed at increasing the utility derived from transport infrastructure. This will include intelligent transport systems (ITS) and increased safety measures. In public transport systems, the provision of real time passenger information will be a higher priority. The need for sustainable transport will lead to an increase in focus on cycle routes and similar green transport
initiatives. This change in policy direction will likely lead to a Cohesion Policy having a larger proportion of funding focussed on smaller scale projects.

No significant changes are planned to the scale of tolling across the road network. However, toll levels will be reviewed. The importance of maintenance will continue to grow in order to protect the value of the investments made.

A high dependence on Cohesion Policy investment in the development of the transport system is widely acknowledged by authorities. The public at large are also believed to have a strong appreciation for the contribution made by Cohesion Policy. However, some investments are not as visible to the general public – for example rail signalling, safety and communications systems. The inclusion of rolling stock renewal in Cohesion Policy investments is seen a key development that increases public awareness.

A well as supporting large complex projects, Cohesion Policy is viewed as a key enabler in the development of sustainable transport measures. In the absence of the influence of Cohesion Policy, there is a strong likelihood that traditional investments – in particular roads – would dominate. This is evidenced by the relatively low level of investment in rail projects that are not supported by EU funds and the strong focus of the national transport funds on road investments.

The provision of Cohesion Policy funding ensures a more balanced pattern of investment allowing greater scope for sustainable and public transport schemes to be developed.

A further development that has been highlighted is the need for an increased focus on maintenance. Authorities, particularly at the municipal level, will focus on maintenance issues and increasing the sustainability of developments. This may come at a cost where investments may not be possible in local roads due to the high level of maintenance costs on national roads.

**Has the Common EU Transport Policy influenced the national transport policy and in what way?**

The development of national transport policy has been heavily influenced by EU transport policy. Indeed, the Unified Transport Development Strategy 2007-2020 was developed as a direct result of the need to have a national strategy that supported the 2007-2013 operational programme.

This is somewhat counter intuitive as the operational programme should be based on an underlying strategy. The first version of the operational programme was based on the previous strategy (Hungarian Transport Policy 2003-2015). However, the EU Commission directed that a new strategy should be developed and approved.

Although the 2007-2013 operational programme development led to the development of a new transport strategy, this did not change the key objectives of the strategy. The development of the key transport corridors (both road and rail) along with urban transport development remain as key priorities. However, these priorities were developed on the basis of EU funds being available.
The Cohesion Policy allocation to transport represents a significant proportion of the resources available in the area in Hungary. The eligibility of schemes for Cohesion Policy funding is likely to have played a key role in the prioritisation of investments. Indeed, some stakeholders went so far as to suggest that the key transport strategy is one of absorption of funds as opposed to transport development. This extreme statement does not appear justified, given the processes in place to devise strategy and select investments.

It was also suggested that objectives rather should take greater account of the stage of development of each country.

It is notable that the development of key transport corridors (particularly roads) concentrated on stretches within Hungary. The extension of works on many of these corridors to the boarders with other countries is included in the 2014-2020 operational programme. This would indicate a prioritisation of national connectivity over international connectivity.
6 Spain

6.1 Case study summary

In Spain, transport investment projects are selected as a result of a top down process that starts with long term planning of transport and other infrastructure over periods of up to 20 years. These long term plans are prepared in a systematic way, and have many of the same overall objectives as those of EU Transport policy. In this way Spanish investments in transport infrastructure are compatible with and contribute to the objectives of EU Transport policy. A particularly clear example is Spain’s emphasis on the provision of high speed rail services on key corridors where they can increase the mode share of rail at the expense of air services and road transport.

Spain is a relatively wealthy Member State with significant resources of its own to invest in transport infrastructure. The total allocation of Cohesion Policy funding (€8.2 b) to transport infrastructure in Spain for the 2007-2013 programming period was only equivalent to 9% of total spending on transport infrastructure over the same period. The allocation of Cohesion Policy funding between sectors was similar to the allocation of total funding between sectors. However the availability of funding may have some effect on the relative timing of projects within the overall set of projects chosen by Spain.

These long term plans also inform the regular production of operational programmes for the use of Cohesion Policy funding. This further ensures compatibility between the disbursement of Cohesion Policy funding in the field of transport and both Spanish and EU transport policy.

Spanish stakeholders supported investment in road, rail and ports in particular, and there was no indication given that other sectors should have been prioritised. However, the relatively now contribution of Cohesion Policy funding to total transport investment (9%) led stakeholders to conclude Cohesion Policy funding had not influenced investment priorities. Stakeholders also felt that Cohesion Policy funding had supported meeting national and European transport objectives, and they supported the anticipated focused on sustainable transport in the 2014-2020 programming period.

6.2 Policy background in Spain

Spanish transport policy

Transport policy and investment in Spain during the 2007-2013 programming period was governed by an overall strategic plan for the period 2005-2020 which was adopted in 2005. This was referred to as the Strategic Infrastructure and Transport Plan 2005-2020 (“PEIT”). This covered the Cohesion Policy 2007-2013 programming period. It formed the basis for transport interventions in Spanish operational programmes.

The PEIT called for average spending on transport infrastructure of €15.5 b per annum, which is equivalent to 1.5% of GDP. Of this amount 48% was to go to rail
projects and 27% was earmarked for road projects. The full details of planned spending in the PEIT are set out in Figure 3.

**Figure 3 PEIT planned financial allocations**

<table>
<thead>
<tr>
<th>ACTION</th>
<th>AMOUNT (millions of euros)</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail transport, except urban projects</td>
<td>108,760</td>
<td>43.70</td>
</tr>
<tr>
<td>High-performance</td>
<td>83,450</td>
<td>33.53</td>
</tr>
<tr>
<td>Maintenance and upgrading of the conventional network</td>
<td>18,000</td>
<td>7.23</td>
</tr>
<tr>
<td>Elimination and upgrading of level crossings</td>
<td>3,560</td>
<td>1.43</td>
</tr>
<tr>
<td>Rolling stock</td>
<td>3,750</td>
<td>1.51</td>
</tr>
<tr>
<td>Road transport, except urban projects</td>
<td>62,785</td>
<td>25.23</td>
</tr>
<tr>
<td>High-capacity routes</td>
<td>32,105</td>
<td>12.90</td>
</tr>
<tr>
<td>Upgrading and improvements</td>
<td>7,500</td>
<td>3.01</td>
</tr>
<tr>
<td>Maintenance and operation</td>
<td>22,580</td>
<td>9.07</td>
</tr>
<tr>
<td>Road transport services</td>
<td>600</td>
<td>0.24</td>
</tr>
<tr>
<td>Air transport</td>
<td>15,700</td>
<td>6.31</td>
</tr>
<tr>
<td>Safety and Maneuvering Area</td>
<td>2,150</td>
<td>0.86</td>
</tr>
<tr>
<td>Terminals</td>
<td>5,760</td>
<td>2.31</td>
</tr>
<tr>
<td>Security and Air Navigation</td>
<td>3,224</td>
<td>1.30</td>
</tr>
<tr>
<td>Intermodality, Environment, etc.</td>
<td>3,387</td>
<td>1.36</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,179</td>
<td>0.47</td>
</tr>
<tr>
<td>Sea transport and ports</td>
<td>23,460</td>
<td>9.43</td>
</tr>
<tr>
<td>Port infrastructures and installations</td>
<td>22,480</td>
<td>9.03</td>
</tr>
<tr>
<td>Sea rescue, safety and the environment</td>
<td>980</td>
<td>0.39</td>
</tr>
<tr>
<td>Intermodal goods and passenger transport (1)</td>
<td>3,620</td>
<td>1.45</td>
</tr>
<tr>
<td>Backup to the network of nodes and intermodal platforms</td>
<td>1,200</td>
<td>0.48</td>
</tr>
<tr>
<td>Land access to ports</td>
<td>1,220</td>
<td>0.49</td>
</tr>
<tr>
<td>Program to promote goods intermodality</td>
<td>400</td>
<td>0.16</td>
</tr>
<tr>
<td>Program to promote passenger intermodality</td>
<td>600</td>
<td>0.32</td>
</tr>
<tr>
<td>Urban and metropolitan transport</td>
<td>32,527</td>
<td>13.07</td>
</tr>
<tr>
<td>Roads</td>
<td>4,077</td>
<td>1.64</td>
</tr>
<tr>
<td>Urban integration of rail</td>
<td>2,400</td>
<td>0.96</td>
</tr>
<tr>
<td>Rail commuter services, including rolling stock</td>
<td>10,050</td>
<td>4.04</td>
</tr>
<tr>
<td>Backup to public transport and interchanges (2)</td>
<td>16,000</td>
<td>6.43</td>
</tr>
<tr>
<td>Research, development and innovation</td>
<td>2,040</td>
<td>0.82</td>
</tr>
<tr>
<td>Transport R&amp;D+I program</td>
<td>1,610</td>
<td>0.65</td>
</tr>
<tr>
<td>Pilot actions for innovation in transport</td>
<td>230</td>
<td>0.09</td>
</tr>
<tr>
<td>Program to foster innovation in transport</td>
<td>200</td>
<td>0.08</td>
</tr>
<tr>
<td><strong>TOTAL PLANNED PEIT ACTIONS</strong></td>
<td><strong>248,892</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: PEIT

The PEIT is designed to achieve a number of major economic and social policy objectives, in particular:

- Boosting competitiveness and economic development; and
- Strengthening social and territorial cohesion.

Financial and management resources for the PEIT were secured through increased public spending on transport, establishment of a “State Company for Transport Infrastructure Terrestrial (SEITT), expansion of motorway tolling and entering a framework agreement with the EIB.
In the area of highways the overall objective was to expand the capacity of the existing network, and to correct the excessively radial nature of the pre-existing network.

Railway infrastructure was to be improved so that rail could play its proper role in a sustainable and efficient future transport system. An essential element of strategy in this respect was the development of a high speed rail network, which would allow rail to compete with other means of passenger transport. Significant regulatory reform was also planned, specifically the separation of the infrastructure manager and train operators, with the creation of new business entities RENFE Operadora and ADIF, and openness to competition in the rail freight.

The PEIT also planned for increased airport capacity, including investments in runways, terminal buildings and Instrument Landing Systems. It was also planned to license additional handling agents and operators at airports to increase competition and so improve quality and reduce prices. Some of the key specific objectives identified in the PEIT were:

- Increase the market share of rail and collective road transport;
- Ensure universal access to public transport;
- Ensure effective non-road links between all major cities;
- Improve infrastructure for “transverse” movements, i.e. reducing the radial nature of the Spanish transport system;
- 40% non-government funding of transport investment;
- Developing short sea cargo transport (“Motorways of the Sea”);
- High Speed rail such that rail is faster than air for a city to city journey > 700 km, and faster than road for a city to city journey >300 km; and
- Rail interoperability with French gauge at frontier.

This set of objectives clearly shows the influence of EU Transport Policy, particularly the White Paper, on transport policy making in Spain. Late in the 2007-2013 programming period the Spanish authorities started to develop a revised and extended national strategy for infrastructure, transport and housing for the period from 2012 to 2024. The PITVI was finalised and adopted in 2015.\(^5\)

**Cohesion Policy Instruments**

The national operational programme “Cohesion Fund – ERDF” had total amounts decided of €3 b for transport investments. There were also 15 regional operational programmes with combined amounts decided of €5.2 b.

The overall aim of the national operational programme was to enhance Spain’s environmental and transport infrastructure. The specific, transport related, objectives

\(^5\) See [http://www.fomento.gob.es/MFOM/LANG_CASTELLANO/PLANES/PITVI](http://www.fomento.gob.es/MFOM/LANG_CASTELLANO/PLANES/PITVI)
of the programme was to invest in ports and high speed railways in Spain. This in turn is planned to increase the use of multi-modal transport using rail and/or “motorways of the sea” for the long legs of multi-modal transport. The programme specified that these investments were to be made along the TEN-T network. Specific rail projects were singled out for investments. These were the Almería-Murcia region high speed line, the line from Antequera to Grenada and the NavalMoral de la Mata-Cáceres-Mérida-Badajoz section of the Madrid-Cáceres-Mérida-Badajoz high speed line.

The regional programmes were tailored to the needs of specific regions. For example the regional programmes for each of the Canary Islands, Melilla and Ceuta all allocate funding to improving the port and airport infrastructure in these regions that are separated from mainland Spain. The regional programmes also address urban transport needs in the various regions. For example, the transport allocation for the Madrid regional programme goes to sustainable urban transport, in particular an expansion of the Madrid metro. The regional programmes all include enhancements to the national high speed rail and road networks where are relevant to the region and contain targeted investments in regional roads to ensure that the regions have effective access to the national transport network.

In summary, the allocation of funds in the national level programme was concentrated on TEN-T rail and motorways of the sea and on other high speed rail. The regional programme allocations to transport were tailored to local needs, for example allocating funds to ports in the Canary Islands, and also covered rail, airport and urban transport needs.

6.3 Cohesion Policy assistance to the transport sector

Transport investment summary

A total of €26.6 b was allocated from Cohesion Policy funding to Spain for the 2007-2013 programming period. Of this, €8.2 b was allocated to transportation investment (31%) and €18.4 b was allocated to non-transport areas (69%). Cohesion Policy spending on transport by the end of 2014 amounted to €8.6 b, which represents more than 100% of the amounts allocated. This was most likely due to “overbooking”, i.e. the selection of projects whose total value exceeds the amounts allocated for that purpose in the programme.

Spain’s allocation of Cohesion Policy funding to transport actually increased by 9.5%, or €711 mn between 2007 and 2013. The increased allocations went to TEN-T motorways and urban transport in the Andalucía regional operational programme and TEN-T railways in the national operational programme.

The total investment by Spain, from all sources, in transport in the period 2007-2013 was €96,041 mn. The breakdown of this total amount is set out in Table 33.
Table 33 Total spending on transport infrastructure

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ m</td>
<td>14,948</td>
<td>16,299</td>
<td>17,758</td>
<td>18,543</td>
<td>14,288</td>
<td>8,429</td>
<td>5,776</td>
<td>96,041</td>
</tr>
<tr>
<td>% of GDP</td>
<td>1.38</td>
<td>1.46</td>
<td>1.65</td>
<td>1.72</td>
<td>1.33</td>
<td>0.8</td>
<td>0.55</td>
<td>1.27</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015

From 2007 to 2011 Spain maintained the total level of spending called for in the PEIT. From then on the programming period financial pressure as a result of the economic crisis in Spain meant that spending dropped considerably. Spending levels recovered somewhat after the end of the programming period. Total investment in transport infrastructure for 2016 is expected to be approximately €10,000 mn.

The value of Cohesion Policy funding amounts decided for transport projects in Spain for the 2007-2013 programming period was €8,225 mn. This is equivalent to 9% of total actual spending on transport infrastructure over the same period. Interestingly the allocation of Cohesion Policy Funding to transport actually increased over the programming period. The original amount decided for transport `was €7,514 mn. By 2013 this had increased by 9% or €712 mn. There were small changes to the amounts decided in all OPs but the increase was predominantly due to the modification of ‘Programa Operativo FEDER de Andalucía’, where allocations under Motorways (TEN-T) and Urban Transport increased by total of €371 mn, and of ‘Programa Operativo de Fondo de Cohesión - FEDER’, where the allocation to Railways (TEN-T) increased by €220mn.

The PEIT called for total spending on transport investment to be split 48% rail, 27% road and 25% Other. In the event it was not possible to achieve this share of investment going to rail. Actual spending over the period 2007-2013 was split 42% rail (€40 b), 38% road (€36 b) and 20% Other (€19 b).

Road investment summary

Approximately 28% of Cohesion Policy funding decided for transport, or €2.3 b, was allocated to road projects in Spain. This was equivalent to only 6% of the total investment in roads in Spain over the programming period. (Table 34).

Table 34 Road infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total road</th>
<th>Cohesion Policy allocation to roads</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>36.2</td>
<td>2.3</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

57 These values for total investments were calculated as part of Task 2 of this evaluation. The work done is described in the First Interim Report.
Road investment accounted for 38% of all transport investment in France during the period, in contrast to the relative lack of emphasis on road spending in the allocation of Cohesion Policy Funding (28% compared to 38%). This suggests that Cohesion Policy spending tends to broaden investments beyond the road sector, although this effect is limited by the small amount of Cohesion Policy funding received by Spain.

The recorded outputs of Cohesion Policy funded projects are presented in Table 35, which shows that Spain delivered 279 km of new roads with the assistance of Cohesion Policy funding.

**Table 35 Outputs recorded for road in Spain by the end of 2013**

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new roads</td>
<td>279</td>
<td>6</td>
</tr>
<tr>
<td>of which, km of new TEN-T roads</td>
<td>88</td>
<td>1.9</td>
</tr>
<tr>
<td>km of reconstructed roads</td>
<td>1,681</td>
<td>36.1</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put this output in context, Spain had 29,811 km of national roads\(^{58}\) in 2013, out of which 14,701 km were motorways. Between 2007 and 2013, the volume of these roads in the country had increased by 3%, with a total of 742 km of new roads developed over the period\(^{59}\). Cohesion Policy had funded 37.5% of this net increase.

**Rail investment summary**

A total of €4,136 mn of Cohesion Policy funding was decided for rail investments in Spain (Table 36). This amounted 50% of Cohesion Policy funding for transport in Spain. Total investment in rail amounted to €40,194 mn over the same period or 42% of all transport investment.

**Table 36 Rail infrastructure spending 2007-2013 and Cohesion Policy contribution (€ b)**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total rail</th>
<th>Cohesion Policy allocation to rail</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail</td>
<td>40.2</td>
<td>4.1</td>
<td>10.2</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

The recorded outputs for Cohesion Policy funded rail investments are set out in Table 37. These results are investigated in the First Interim report. The apparently low level of output is a result of the timing of when Spanish rail projects are considered complete, and hence have their output reported to DG REGIO.

\(^{58}\) Including motorways, national roads and main local roads

\(^{59}\) Data from Eurostat updated to march 2015.
Table 37 Outputs recorded for rail in Spain by the end of 2013

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new railroads</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>km of TEN railroads</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>km of reconstructed railroads</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

**Other transport investment summary**

The amounts decided of Cohesion Policy funding to non-road or rail projects was €1,802 mn for the programming period, which represented 22% of the total allocation of Cohesion Policy funding for the programming period. In total, €19,645 mn was invested in non road or rail projects in Spain during the programming period, 20% of the total investment (Table 38).

Table 38 Cohesion Policy allocations compared to spending 2007-2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Spending (€ m)</th>
<th>Share of Total Spending (%)</th>
<th>Cohesion Policy amounts decided (€ m)</th>
<th>Share of Cohesion Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>36,201</td>
<td>38</td>
<td>2,287</td>
<td>28</td>
</tr>
<tr>
<td>Rail</td>
<td>40,194</td>
<td>42</td>
<td>4,136</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>19,645</td>
<td>20</td>
<td>1,802</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>96,040</td>
<td>100</td>
<td>8,225</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

6.4 Evaluation questions

Qualitative interviews were undertaken with Spanish stakeholders as part of the preparation of this case study. The stakeholders interviewed are outlined in Table 39 below:
Table 39 Stakeholders interviewed

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Summary of Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADIF (Administrator of Railway Infrastructure)</td>
<td>Beneficiary, responsible for planning, managing and delivering rail projects.</td>
</tr>
<tr>
<td>Ministry of Finance and Public Administration</td>
<td>Managing Authority, responsible for establishing the overarching investment strategy within the OP. Its responsibilities include European territorial cooperation and urban development, programming and evaluation of European funding, economic planning, rail planning, and infrastructure and transport planning.</td>
</tr>
</tbody>
</table>

Based on sections A6.1, 6.2 and 6.3 and the qualitative interviews we address each of the evaluation questions in turn.

**Should Cohesion Policy have supported all the transport sectors which received assistance?**

The funding from Cohesion Policy was spread across a wide range of types of transport infrastructure including, airports, multimodal cargo facilities, ports, road and rail. Cohesion Policy funding was used to address the full range of transport objectives identified for Spain in its own strategic transport plan for 2005-2020, PEIT. There are clear indications that these all represented worthwhile investments in transport infrastructure, given the procedures for identifying and selecting investment projects in place in Spain and the evidence we saw of ex post reviews of major investments.\(^{60}\) Cohesion Policy Funding was used to deliver:

- 279 km of new roads, of which 88 km were part of the TEN-T;
- 1,681 km of reconstructed road; and
- 388 km of new, high speed, rail all of which formed part of the TEN-T.

However, there was little evidence available on the outputs generated through the €1 b allocation of Cohesion Policy funding to ports in Spain.

Spanish stakeholders regard road and rail investments as having improved connections within Spain and between Spain and the rest of the EU. They also valued the investments in ports. The fact that the investments formed part of a broad programme of investment identified in a systematic way prior to 2007 adds weight to this opinion, that the investments part funded by Cohesion all meet clear needs and will be beneficial.

\(^{60}\) During the interviews in Spain, the authors were presented with the emerging findings of an ex post evaluation of the investments in high speed rail.
It is worth noting that the level of Cohesion Policy funding available to a Member State like Spain is probably not sufficient to cause a major shift in its transport policy. The stakeholders we spoke to indicated that Cohesion Policy had not had a great effect on the choice of investment priorities by the Spanish authorities, but that it may have advanced the timing of rail investments somewhat.

There was no suggestion that funding would have been better applied in other sectors. In particular these were funded from Spain’s own resources, and the impact of Cohesion Policy was to extend the coverage of transport investment in Spain.

**Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its objectives?**

The objectives of Spanish transport policy, as documented in the PEIT are closely aligned with those of the EU as discussed above. As a result the availability of Cohesion Policy funding for investments identified in the PEIT has also accelerated the implementation of EU transport policy in Spain. Cohesion Policy funding has been used to support investments in areas such as:

- High Speed rail to encourage mode shift from cars and air travel to rail;
- Ports, to encourage the use of maritime transport for freight to and from Spain and the rest of the EU; and
- Urban transport.

Stakeholders were clear that the incorporation of EU transport policy objectives in the PEIT was a clear and deliberate choice, and that the objectives of EU transport policy inform all levels of decision making in transport. The 2007-2013 operational programme for the use of Cohesion Policy funding in transport, was guided by the PEIT and the general commitment to these objectives. As a result, all of the individual projects, major and minor, have a clear contribution to make to EU transport policy.

**What should be supported by the Cohesion Policy in the area of transport?**

Despite the high levels of investment in previous programming periods, policy makers began the 2007-2013 programming period with a strongly held view that Spain was a Member State with a need to catch up in the area of transport infrastructure. The PEIT identified a broad programme of transport infrastructure investments to complete Spain’s transport network and to give it the capacity that it needed. This would remove a potential barrier to the further economic and social development of Spain by ensuring adequate connectivity between its regions, and between Spain and the rest of the EU.

This was an objective which was clearly compatible with the objectives of Cohesion Policy, and with the objectives of EU Transport Policy. The use of Cohesion Policy funding to provide broad based support to the priorities of the PEIT was clearly appropriate.

The PITVI for the 2012-2024 period highlights the proposed focus of investment on addressing congestion and inefficiencies in the transport networks, and enhancing the
sustainability of transport. These priorities align well with the 2011 Transport White Paper and EU policies on energy.

**What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?**

Spain has now entered a new stage in the development of its transport infrastructure. The current national strategy for transport is the PITVI which covers the period from 2012 to 2024. This identifies three main priorities that need to be pursued in the area of transport:

- Formalisation and improvement of regulation and standards in the field of transport;
- Improvement of the services provided and improved infrastructure management; and
- Investment in infrastructure.

This investment is to deal with emerging bottlenecks and congestion in the transport system and improve the sustainability of the transport system. The last is the area of forthcoming transport investment in Spain that is most compatible with the objectives of EU Cohesion Policy and EU Transport Policy. However, a challenge in addressing such issues in urban areas will be the significant step-change required in Cohesion Policy allocations, which saw just 4% of the 2007-2013 programme period funding allocated to urban transport. Furthermore, no funding was allocated from Cohesion Policy to ITS.

Accordingly the Transport investments envisaged in Spain’s operational programmes for 2014-2020 concentrate on the promotion of sustainable transport and the elimination of congestion. Spain has 21 operational programmes for the 2014-2020 programming period: Small and Medium Enterprise Initiative, Sustainable Growth, Smart Growth and 18 region specific operational programmes. The Sustainable Growth operational programme includes significant investment in clean urban transport and multimodal transport. The Regional Growth operational programmes include, where necessary, investments to remove bottlenecks in the regions in question.

**Has the Common EU Transport Policy influenced the national transport policy and in what way?**

As described above the analysis and goals of EU Transport Policy have clearly influenced the thinking of transport planners in Spain. As a result the goals pursued in the PEIT for 2005-2020 and in PITVI for 2012-2024 align completely with the priorities of EU transport policy. The transport operational programmes for the 2007-2013 and 2014-2020 derive from these national strategies and are similarly compatible with wider EU transport policy.
7 France

7.1 Case study summary

French transport policy in the last 15 years has seen a shift in objectives away from road investments. There has been an increasing focus on investments in inter-urban rail and multi-modal urban transport solutions. The decentralisation of certain legislative responsibilities to regional and local authorities has also supported a more regionalised investment approach during the 2007-2013 programming period, and the prioritisation of urban mobility. Although national and international connectivity remains important, the level of investment in this area has been relatively low.

It should be noted that Cohesion Policy allocation of €1 b in the area of transport was the equivalent of just 1 % of total investment in transport during the period; 15% was allocated to road, 19% to rail and 66% to other modes, principally urban transport and multimodal projects. This limits the absolute level of impact that this funding can have on transport policy in France. However Cohesion Policy funding is allocated to areas such as rail and public transport rather than to road investments. To the extent that it does influence spending decisions, Cohesion Policy funding tends to decrease the emphasis on road investment in France.

The 2007-2013 programming period was also characterised by a focus on enhancing existing transport infrastructure networks, rather than the extension of network coverage. Investment has therefore been targeted at renewal and modernisation activities. The 2007-2013 programming period in France was also marked by the ongoing investment of Cohesion Policy funding in the Outermost Regions of France.

Reflecting the above allocations, only 28 km of new roads were constructed, 446 km of reconstructed railroads and 57 km of TEN-T railroads by the end of 2013. The indicators reported by France indicate that the investments in public transport achieved increased usage of public transport and so realised environmental benefits from reduced emissions from traffic. With regards to whether Cohesion Policy support should have been provided to such sectors, it is evident that investment has been aligned with French transport policy, and there are no indications that the funding could have been better allocated elsewhere. In addition the funding has been applied in line with France’s transport policy objectives of increasing the focus of investment on urban and multimodal transport.

Stakeholders felt that Cohesion Policy funding had contributed to France progressing its objectives and priorities. The main challenge for Cohesion Policy in the area of transport in France will be to continue to identify projects where the relatively small amount of funding available from Cohesion Policy has a useful impact on French policy.
7.2 Policy background in France

French national transport policy

The Act of 30 December 1982 on the guidelines for internal transport (the Domestic Transport Act LOTI)\(^{61}\) provided the French policy framework for transport. This law, which stipulates the right to low-cost public transport, was enacted alongside legislation to decentralise some powers on a regional basis, including transport policy as part of wider sustainable development agendas. This reflected the national policy of promoting regional economic growth and competitiveness. Regional councils had the authority, in cooperation with the national authorities, to develop regional territorial plans\(^{62}\) and regional infrastructure and transport plans.

Transport policy in the 2007-13 programming period included a focus on regions/remote areas considered to be less well connected. Investment was to focus on developing sustainable transportation modes and promoting inter-modality. Overarching objectives were to improve the quality of services for users and road safety, whilst addressing pollution and noise levels.

The 2010 French Transport Plan\(^{63}\) represented a strategic shift of policy, moving away from road investment, towards more sustainable alternatives. The French Government was committed to operating, maintaining, modernising and expanding the transport network, whilst meeting three key requirements:

- Contributing to the 20% reduction of greenhouse gases by 2020;
- Contributing to the preservation of the natural environment; and
- Participating in the goal of a 20% improvement in energy efficiency in the European Community.

Central to the Plan was the recognition of the important role transportation infrastructure plays in economic activity and development. An efficient and comprehensive network, facilitating travel demand for people and freight was therefore required. The Plan included four key principles:

- Optimizing the existing transportation system to limit the creation of new infrastructure;
- Improving the performance of the system in serving areas far from major metropolitan areas;
- Improving the energy efficiency of the system; and
- Reducing the environmental impact of the network.

The Plan included a focus of funding on improvements to the rail network, accounting for 51.9% of the proposed budget. Proposed works included 2,300 km of new high-speed rail by 2020 to provide a comprehensive and high quality network. Conversely,

\(^{61}\) Loi d’orientation des transports intérieurs
\(^{62}\) Schéma Regional D’aménagement
investment in road infrastructure represented only 4.5%, with the stated intention of not increasing the capacity of the motorway network; investment would ensure that safety standards are maintained. A further 32.3% was identified for urban transport, 9.2% for inland waterways, 0.5% for airports and 1.6% for ports. With regards to the latter, the emphasis was on enhancing the competitiveness of French ports through the implementation of multi-modal terminals.

The Domestic Transport Act of 1982 introduced the urban transport plan as a mechanism of sharing road space. Levels of traffic in French urban areas decreased in the years immediately preceding the 2007-13 programming period, due to investment in affordable public transport services in the 2000-2006 programming period. French urban transport policy has focused since 2007 on coordinating transport and economic activities, to ensure mobility and accessibility are provided, whilst protecting the environment. This has been enhanced by the decentralisation of some responsibilities, affording local urban authorities with great autonomy.

Transport policy in France also has to take into account the existence of overseas departments, which include six EU Outermost Regions:

- Guyana;
- Guadeloupe;
- Martinique;
- La Réunion;
- Saint-Martin; and
- Mayotte.

These areas are significantly less prosperous and developed than the rest of France. The four largest of these are NUTS 2 regions of France, which have much lower incomes than the EU average:

- Guyana is a territory in South America with a GDP (PPS)/head of 53.5% of the EU average in 2103;
- Guadeloupe comprises two islands in the Caribbean, with a GDP (PPS)/head of 72.2% of the EU average in 2013;
- Martinique is an island in the Caribbean with a GDP (PPS)/head of 75.4% of the EU average in 2013;
- La Réunion is an island in the Indian ocean with a GDP (PPS)/head of 66% of the EU average in 2013.

The transport policy objectives of France, for these regions, have largely focused on enhancing their accessibility. Consequently, investment has focused on maritime and air connections between them and mainland France. The 2007-13 programming period

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64 Article 349 of the Treaty on the Functioning of the European Union (TFEU)
saw an increase of investment in public land transport services, inter-island ferry (and air) services and transport services between these regions and their geographical neighbours.

**Cohesion Policy Instruments**

Decision making on the use of Cohesion Policy funding for the 2007-2013 programming period was largely decentralised in France. As a result, there was no national operational programme devoted to transport. Cohesion Policy funding was allocated to transport in 27 operational programmes for the 2007-13 period, including four operational programmes for the outermost regions with a total amounts decided of €416 mn, two multi-regional programmes with a total amounts decided of €6 mn and 21 regional operational programmes with a total amounts decided of €650 mn. The four operational programmes for the six outermost regions were for:

- Guyana;
- Guadeloupe (programme also covered Saint-Martin;)
- Martinique; and,
- La Réunion (programme also covered Mayotte).

These four programmes for the outermost regions allocated significant funding to urban transport in each of Martinique, Reunion and Guadeloupe; port and airport upgrades in Guyana and Reunion and a major motorway project in Reunion. The 21 regional programmes in mainland France were on a much smaller scale and tailored to the specific needs of each region. Funds were allocated to clean urban transport, rail projects and multi-modal transport projects.

### 7.3 Cohesion Policy assistance to the transport sector

**Transport investment summary**

A total of €8.0 b was allocated from Cohesion Policy funding to France for the 2007-2013 programming period\(^65\). Of this, €1.1 b was allocated to transportation investment (13%) and €6.9 b was allocated to non-transport areas (87%). This allocation to transport had decreased by €35m between 2007 and 2013. Cohesion Policy expenditure on transport by the end of 2014 amounted to €670 mn, with represents 63% of the amounts allocated\(^66\).

France received the 14\(^{th}\) highest allocation of Cohesion Policy funding for the 2007-13 programming period, with a total of €1.1 b. This is the equivalent of 1.3% of the Cohesion Policy programming period funding for transport. As France has the second highest population among the EU Member States (65.8 mn), this resulted in it receiving the 7\(^{th}\) lowest per capita investment, at just €16 per head of population.

\(^{65}\) All allocation data reported within these Member State case studies included updated allocations to the end of 2014.

\(^{66}\) Based on allocations of funding in OPs as reported to DG REGIO at the end of 2014. Expenditure value from Work Package 13 of the ex post evaluation of Cohesion Policy.
The overall level of investment in transport (€92,647 mn) within France during the period was the second highest in the EU. However, it was the equivalent of just 0.66% of GDP for the period.

### Table 40 Total spending on transport infrastructure

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ mn</td>
<td>12,908</td>
<td>13,379</td>
<td>13,047</td>
<td>13,760</td>
<td>12,779</td>
<td>13,163</td>
<td>13,611</td>
<td>92,647</td>
</tr>
<tr>
<td>% of GDP</td>
<td>0.66</td>
<td>0.67</td>
<td>0.67</td>
<td>0.69</td>
<td>0.62</td>
<td>0.63</td>
<td>0.64</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015

The allocation of Cohesion Policy funding to different types of transport investment was significantly different to the allocation of total funding for transport investment by the French Authorities. Overall French investment in transport infrastructure was heavily biased towards roads investment. Approximately two thirds of all transport investment in France went to road investments. However, only 15% of Cohesion Policy funding for transport was allocated to road investments. This reflected a much higher emphasis on Urban Transport, Multimodal Transport, Port and Inland Waterway investments in the allocation of Cohesion Policy funding than in the overall use of funding in France. The use of Cohesion Policy funding in individual sectors is discussed further below.

**Road investment summary**

Only €165 mn of total Cohesion Policy funding amounts decided was allocated to roads in France during the programming period, the equivalent of 0.27% of the €61,309 mn investment in roads in the period (Table 40). This allocation was the 23rd highest among EU Member States for the programming period, and significantly lower than the average across all Member States of 51% allocation to roads. Cohesion Policy funding was concentrated on two major projects to provide motorway level trunk roads in Guadeloupe and Reunion. This allocation was the equivalent of just 0.20% of the €92,647 mn total investment on all transport infrastructure in France during the period.

### Table 41 Road infrastructure spending 2007-2013 and Cohesion Policy contribution (€ mn)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total road</th>
<th>Cohesion Policy allocation to roads</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (inc motorways)</td>
<td>61,309</td>
<td>165</td>
<td>0.27</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

It is worth noting that road investment accounted for 66% of all transport investment in France during the period, in contrast to the lack of emphasis on road spending in the allocation of Cohesion Policy Funding. This suggests that Cohesion Policy spending...
tends to broaden investments beyond the road sector, although this effect is limited by the small amount of Cohesion Policy funding received by France.

The recorded outputs of Cohesion Policy funded projects are presented in Table 42, which demonstrates that France delivered just 28 km of new roads with the assistance of Cohesion Policy funding, 0.7% of the 3,875 delivered across the EU Member States. This relatively small output contributed to the net increase of 430 km in the French road network during the 2007-13 programming period. No new TEN-T roads were delivered, and no roads were reconstructed using Cohesion Policy allocations.

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new roads</td>
<td>28</td>
<td>0.4</td>
</tr>
<tr>
<td>of which, km of new TEN-T roads</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>km of reconstructed roads</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

To put this output in context, France had 21,249 km of national roads in 2013, out of which 11,465 km were motorways. Between 2007 and 2013, the volume of these roads in the country had increased by 2%, with a total of 430 km of new roads developed over the period. Among those, the 28 km of new roads co-funded by Cohesion Policy resources amounted to only 6.5% of this increase.

**Rail investment summary**

A total of €210 mn amounts decided was allocated to rail in France from Cohesion Policy funding, which accounted for 19% of the total allocation for the period. This was again the equivalent of 0.2% of the total investment in transport during the same period, and 0.8% of the €24,628 mn total investment in rail (Table 43). Rail investment represented 27% of the total for transport in France; as per roads, this reflected a lower contribution of Cohesion Policy funding compared with other investment sources.

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68 Including motorways, national roads and main local roads
69 Data from Eurostat updated to March 2015.
Table 43 Rail infrastructure spending 2007-2013 and Cohesion Policy contribution (€ mn)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Total rail</th>
<th>Cohesion Policy allocation to rail</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail</td>
<td>24,628</td>
<td>210</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC 2007 application including data on allocations by the end of 2014

Rail projects were primarily aimed at reconstructing the existing network, by rationalising the total size of the national railway, modernising infrastructure and increasing lines speeds and capacity. This is reflected in the recorded outputs for rail, the data for which is presented in Table 44, and shows that 446 km of the national rail network were reconstructed in the period 2007-13, the second highest among the EU Member States. In addition, 57 km of TEN-T railroads were delivered. The total railroad network increased in France by 663 km during the period, a 2% increase.

Table 44 Outputs recorded for rail in France by the end of 2013

<table>
<thead>
<tr>
<th>Output</th>
<th>Achieved km</th>
<th>km per mn of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>km of new railroads</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>km of TEN railroads</td>
<td>57</td>
<td>0.9</td>
</tr>
<tr>
<td>km of reconstructed railroads</td>
<td>446</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Source: Outputs reported by programmes as reviewed under Work Package 0 of this ex-post evaluation

Other transport investment summary

The amounts decided of Cohesion Policy funding to non-road or rail projects was €706 mn, which represented 66% of the total allocation of Cohesion Policy funding for the programming period. In total, €6,709 mn was invested in non road or rail projects in France during the period, just 7% of the total investment. The main areas, outside road and rail, to which Cohesion Policy funding was allocated were:

- Urban Transport, including Clean Urban Transport, €269 mn;
- Multimodal investments, €206 mn;
- Ports, €133 mn;
- Airports, €54 mn; and
- Inland Waterways, €24 mn.

Urban transport investments improved public transport in smaller French cities, and aimed to promote economic and social development as well as simple mobility. For example Cohesion Policy funding was used to extend the tram system in Clermont
Ferrand to the less developed Vergnes district of the city. Port investments included an expansion of the capacity of Cherbourg port. This will not only increase the potential for sea freight, but will create the conditions for the creation of an industrial port complex and the siting of wind farms. To the extent that the relatively low amount of Cohesion Policy funding available had an effect it tended to direct investment away from road and rail investments towards these areas.

Table 45 below summarised transport investment and Cohesion policy funding in France.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Spending (€ m)</th>
<th>Share of Total Spending (%)</th>
<th>Cohesion Policy amounts decided (€ m)</th>
<th>Share of Cohesion Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>61,309</td>
<td>66</td>
<td>165</td>
<td>15</td>
</tr>
<tr>
<td>Rail</td>
<td>24,628</td>
<td>27</td>
<td>201</td>
<td>19</td>
</tr>
<tr>
<td>Other</td>
<td>6,709</td>
<td>7</td>
<td>706</td>
<td>66</td>
</tr>
<tr>
<td>Total</td>
<td>92,646</td>
<td>100</td>
<td>1,072</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Eurostat database, elaborations and estimates 2015 / SFC2007 application including data on allocations by the end of 2014

7.4 Evaluation questions

Qualitative interviews were undertaken with French stakeholders as part of the preparation of this case study. In France, funding for transport investments from Cohesion Policy is a very small part of total investment in transport infrastructure. In addition, this funding for transport projects is allocated to specific, less developed, parts of France, notably the “outermost regions” (French Guyana, Guadeloupe, Martinique, Réunion, Saint Martin and Mayotte). As a result many of the most relevant and knowledgeable stakeholders for this evaluation are those concerned with regional development within France. The “commissariat général a l’égalité des territoires” is an agency attached to the Prime Minister’s Office that is responsible for coordination across the French government to ensure balanced regional development. This agency has oversight of the use of Cohesion Policy funding by regional authorities in France. Reflecting this, the stakeholders interviewed were as set out in Table 46.

Table 46 Stakeholders interviewed

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Summary of Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emile Quinet</td>
<td>Professor, Paris School of Economics, Distinguished academic in the field of transport economics</td>
</tr>
</tbody>
</table>
Based on sections A7.1, 7.2 and 7.3 and the qualitative interviews we address each of the evaluation questions in turn.

**Should Cohesion Policy have supported all the transport sectors which received assistance?**

Cohesion Policy allocations to France were very small in absolute terms and as a proportion of total transport investment in France. As a result they were focussed on a limited number of areas: transport services in some of the most remote regions of the EU, upgrading regional rail services and urban transport in French regions. All of these are areas where investment meets clear needs, and where the use of Cohesion Policy funding achieves additionality as these might not have been as high a priority in the absence of Cohesion Policy funding.

**Are the investments made in the area of transport by Cohesion Policy the ones that fulfil its objectives?**

Cohesion Policy funding has played a relatively minor role in the funding of transport infrastructure investment in France. Stakeholders were definite that the investments made with the aid of Cohesion Policy funding had contributed to fulfilling priority transport needs. Whilst there has been a focus on regional development, this had not conflicted with the need to generate better links between France and the rest of the EU. This was particularly noted in cross-border links to north-west Europe, Switzerland and the Mediterranean regions.

**What should be supported by the Cohesion Policy in the area of transport?**

The existing transport network in France is well developed, relatively comprehensive and performs well in terms of efficiency. The overarching objective for transport policy from 2010–2030 is therefore the better use of existing infrastructure networks. This places greater emphasis on maintenance, modernization and the development of regional/local connectivity where the latter is required to meet specific objectives of the population and the economy.

**What are the challenges for the Cohesion Policy in the area of transport in the next 10 years?**

The clear challenge for Cohesion Policy in achieving impact on transport in France is the extremely small amount of funding available relative to the investment needs of France and the other resources available to fund these investments. This is only to be expected as France is one of the most highly developed Member States. The approach taken in the past should be continued, i.e. focussing Cohesion Policy funding on the small number of areas of France that are relatively underdeveloped. The investments

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70 Md Gourden took part in telephone discussions and provided background material
in the roads of the remote islands are good example of this approach. These improved transport services within these remote less developed regions. Also, by linking the territory of these islands to their gateways for air transport to the rest of the EU they reduce their effective remoteness. The challenge for the next programming period will be to identify similarly relevant projects that can use the limited amount of Cohesion Policy funding that will be available.

**Has the Common EU Transport Policy influenced the national transport policy and in what way?**

France’s national transport policy is well established and reflects the needs and priorities of a highly developed Member State. Its concerns are precisely those of EU transport policy and the goals it sets of sustainability and universal access to transport are the same as those of EU Transport Policy.
8 Task 5 Conclusions

Task 5 of the evaluation considered six Member State case studies to address five specific evaluation questions, as defined in the commission Terms of Reference. The six Member States were selected to provide a sample that reflected a range of characteristics, such as overall investment in transport and the level of Cohesion Policy funding provided. The main findings in relation to the policy backgrounds and Cohesion Policy assistance/contribution across the six Member States are summarised below:

- Three of the Member States covered by the case studies – France, Italy and Spain - had relatively low levels of Cohesion Policy financial support, delivered in specific regions and to address specific accessibility or connectivity issues. These Member States also had long established transport policies that underpinned project selection and prioritisation.

- The other Member States considered in case studies - Poland, Romania and Hungary - received much more significant levels of Cohesion Policy financial support. However they had relatively less developed systems of policy making and strategy formulation for transport investment. The process of engagement with Cohesion Policy led to further work on national transport strategy by these Member States. Hungary had a strategy in place prior to 2007 which was modified and improved by the time the 2007-2013 operational programmes were completed. Romania, who joined the EU in 2007, developed a National Strategic Reference Framework to establish the policy principles required to direct and govern investment. This was done as a condition of participating in Cohesion Policy. Poland has developed sectoral strategies which helped in its planning of Cohesion Policy funding.

- Poland, Italy, Romania, Hungary and Spain had national operational programmes that included allocations for transport. All six Member States had regional operational programmes with allocations for transport, reflecting the specific needs of the respective regions.

- The share of transport funding in the overall Cohesion Policy allocation ranged from 14% in France to 44% in Poland, with Italy (21%), Spain (32%), Hungary (38%) and Romania (39%) falling in between.

- Alongside Cohesion Policy, the principal source of funding for transport projects across the Member States covered by case studies was national government funding with support in some cases from other sources such as European Investment Bank (EIB) loans or devolved regional/local government funding. PPP played only a very small role, partly due to the high level of risk perceived by promoters and the premium this would place on investment costs;

- One of the notable parallels between the Member State case studies for newly acceded EU nations (Hungary: 2004, Poland: 2004, Romania: 2007) was the relative focus on road projects in the 2007-2013 programming
period. In each case, the majority of Cohesion Policy allocation went to the road sector (for example, in Hungary the total allocation for road was €3.1 b and the total allocation for rail was €1.7 b). A further parallel between these case studies was that although the overall allocation for road was higher, the Cohesion Policy allocation was equal to a higher share of spending in the case of rail (for example, in Hungary the Cohesion Policy allocation was equal to 52% of total road spending and 94% of total rail spending in the 2007-2013 period);

- Stakeholders in Hungary and Romania highlighted the focus on the TEN-T (particularly in the road sector) for developing projects in the 2007-2013 programming period. This approach to project selection was seen as a way of prioritising projects in order to maximise the chance of securing Cohesion Policy funding;

- The focus on road projects and the TEN-T visible in Hungary, Poland and Romania resulted in assigning the major share of allocation to roads. As a result the road network in these Member States has developed in terms of length and/or quality;

- Only €12.2 b (19%) was allocated to non road and rail sectors during the 2007-2013 programming period. Of this, 48% was allocated to urban transport, 20% to ports and 12% was allocated to airports; and

- The availability of Cohesion Policy funding for transport appears to be an important factor for the enhancement of strategic transport planning in Member States, as well as for the development of skills necessary for the implementation of transport infrastructure projects (e.g. JASPERS noted an improvement in the completion of project applications in Romania between 2007 and 2013).

The six Member State case studies lead to the following conclusions being drawn for the main evaluation questions:

- All of the Member State case studies have highlighted that the transport sectors supported during the 2007-13 programming period were the right ones. With the possible exception of France and Spain, Cohesion Policy funding was central to their investment during this period. In particular, it was noted by stakeholders outside France and Spain that the availability of Cohesion Policy allowed large and complex projects to be developed, which may not have been delivered in the absence of such support;

- Despite the different context and background to transport investment and Cohesion Policy funding experience, the transport objectives for each Member State were largely aligned to the EU-wide transport objectives. The national and regional operational programmes set out objectives that, although to different extents, all supported areas of the 2001 Transport White Paper. Poland, Romania and Hungary demonstrated a strong link between Cohesion Policy financial support and transport policies at the
national and EU levels. Spain, Italy and France demonstrated stronger linked with national and regional policies, but were still largely supportive of wider EU policy objectives;

- Across the Member State case studies, the focus for future transport investment is generally shifting towards rail and urban transport projects, with greater emphasis on sustainable transport. The defined investment priorities for each Member State case study were well aligned with the 2011 Transport White Paper, although the level of focus on sustainable transport and clean energy varied. The approach to prioritisation will be more sophisticated because of the expertise, policy and tools developed during the 2007-2013 programming period. For example, Romania has developed a General Transport Masterplan which includes modelling tools to undertake appraisal and prioritisation for a large number of potential projects;

- Stakeholders consider that the focus away from road projects is likely to lead to new challenges as there are additional complexities present in rail and urban transport projects. Other challenges included the ongoing need to build technical capacity within Managing Authorities, secure private sector funding and implement more ITS related projects; and

- The Common EU Transport Policy has influenced elements of Member State transport policy, including the focus of investment onto the road and rail TEN-T. Looking forward, the introduction of SUMPs has encouraged Member States to focus more heavily on urban and sustainable transport solutions in the 2014-2020 programme period. Furthermore, the ex-ante conditionalities associated with the forthcoming programming period will influence project prioritisation and selection particularly across the more recent accession countries
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