
Annex 1: Stakeholder consultation

Considering the nature and the level of details of the information needed, relevant stakeholders in the rail sector in the different MS have been involved in the data collection. The approach adopted for engaging them and the current progress of the consultation are outlined in the following paragraphs.

1.1. Stakeholder consultation

The stakeholder consultation has been designed to collect:

- qualitative information on country level specificities and factors that may impact project costs (e.g. market conditions, legislation, procurement practices, cost estimation methodologies, etc.);
- quantitative information on the projects under analysis, regarding technical characteristics and costs (estimated and final).

While the former is gathered by consulting different stakeholders involved in the design and implementation of rail projects (e.g. Ministries, Transport Agencies, IM, MA etc.); the latter is primarily provided by IM.

As a result, a qualitative survey exploring conditions and factors impacting rail project costs has been distributed to all relevant stakeholders in the design and implementation of railway infrastructure. In addition to this, IM have been asked to fill-in quantitative questionnaires with information on the projects implemented within the railway network they manage.

Although in the Inception Report it was considered to carry forward the consultations separately, to ensure higher efficiency in the process, due to the limited time at disposal, they have been launched together.

The consultation process and its current progress are outlined hereunder.

1.1.1. Approach

The stakeholder consultation process consisted of the following steps:

1. definition of the stakeholder contact list;
2. preparation of the qualitative survey and quantitative questionnaires;
3. management of the consultation.

Step 1: Definition of the stakeholder contact list

The creation of the contact list represented a fundamental step for the consultation, as the nature of the information sought required to identify the most appropriate person within each organisation, able to deal with the specific request.

The stakeholder list was created including three categories of stakeholders, namely:

- **Managing Authorities.** The targeted MA were responsible for the National and Regional operational programmes in 3 programme periods: 2000 - 2006; 2007 - 2013; 2014 - 2020 under the operational programme 'Transport', Thematic priority 7 - 'Transport and energy networks'. This group was expected to provide responses reflecting planning of rail infrastructure project, rather than direct project implementation and technical specifications.
- **Infrastructure Managers.** This is the most relevant stakeholder group for the study as IM are fully involved in all stages of the project's development - planning, implementation and operation.
- **Ministries of transport / agencies.** This group comprises of the national ministries that are in charge of transport development on country level. In some countries the Ministry of Transport is an

independent authority, while in some cases they were absorbed by other sectors (e.g. France where the Ministry of Transport became part of the Ministry of the Environment, Energy and the Sea). This group was considered as highly relevant for the qualitative survey because of its involvement in the planning of rail infrastructure development and knowledge on factors impacting cost in the rail infrastructure projects.

Step 2. Preparation of the qualitative survey and quantitative questionnaires

The qualitative data collection was conducted through an online survey consisting of the following main sections:

- *Section 1* gathering inputs to identify the respondent;
- *Section 2* requiring information regarding the planning of rail infrastructure projects and the role of the respondent in this phase;
- *Section 3* aiming to identify which external factors affect costs of rail infrastructure projects and what their impact is;
- *Section 4* focusing on future investments in rail infrastructure (only MA and MoT).

The quantitative questionnaire consisted of an excel file, where the required information was classified into three different tiers, corresponding to progressive level of details, in accordance with the approach adopted for the analysis. For each tier, both estimated costs (reported in the feasibility study or assessed in the planning & design phase) and final costs (reported in the contracts) were required.

The questionnaires used for the consultation are reported in Annex 2 and 3.

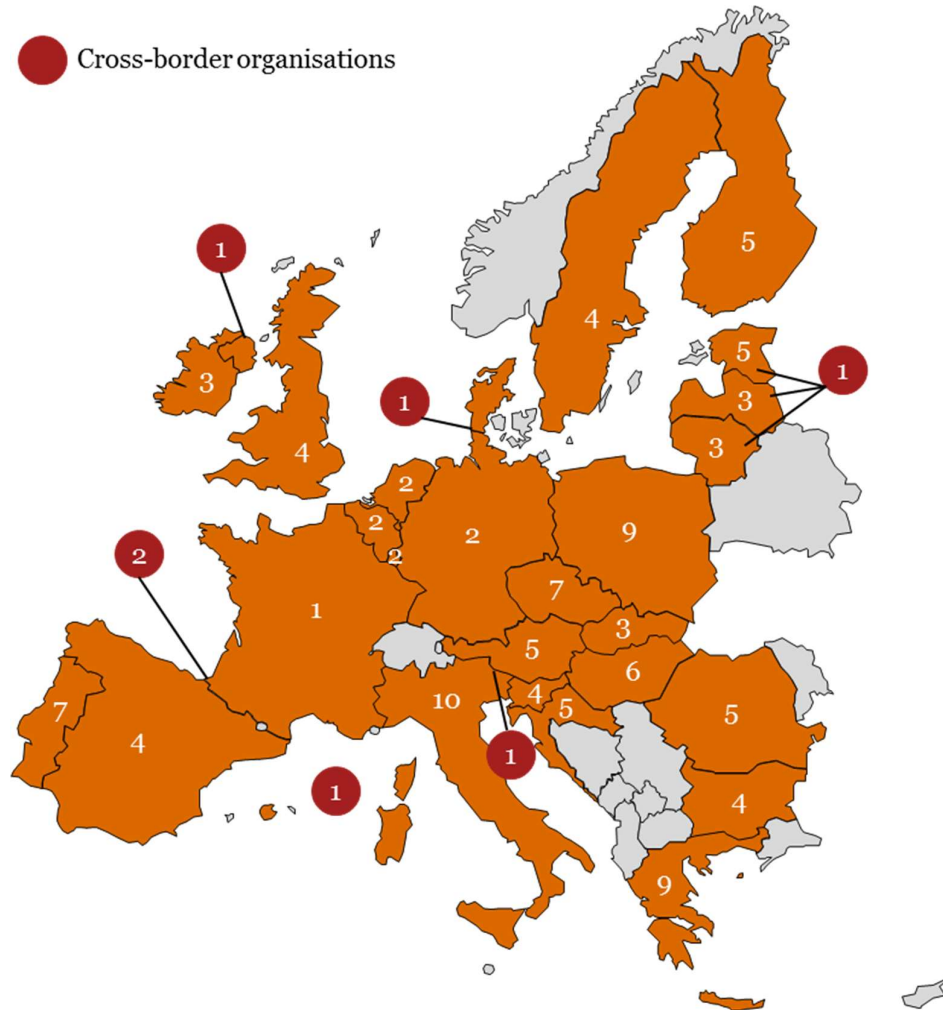
3. Management of the consultation

The stakeholder consultation was launched 9th of June 2017, after the Commission approved the consultation package. Invitation e-mails were sent to 120 organizations: 46 MA, 41 IM and 37 MoT.

On a general basis, three organisations (i.e. the national MA, MoT and IM) have been consulted for each MS, except for countries where the same organisations perform the role of MA and MoT and countries where Regional Managing Authorities are highly involved in the project implementation and had to be included in the process (e.g. Italy, Poland).

The geographical distribution of stakeholders involved in the consultation is presented in the figure hereunder.

Figure 1 - Number of consulted organizations (MA, MoT and IM) per MS



To enhance the response rate and the data coverage, telephone contacts have been established with all stakeholders and reminders have been constantly sent.

Details are shown in the monitoring consultation sheet included in Annex 1.

1.1.2. Progress of the qualitative consultation

The qualitative part of the Stakeholder Consultation is focused on obtaining qualitative information on the cost factors that have a strong influence on the public procurement process and the rail unit cost on a country basis. This information is relevant for the deliverable of the country sheets which will later be translated into a qualitative section of the REGIO Rail Unit Cost Benchmarking Tool (RRUCBT) that will provide country specific information on potential deviations from the standard rail unit cost in each country.

To gather this information PwC has sent out online questionnaires to relevant IM, MA and MoT from the 26 Member States with relevant rail projects. Furthermore, PwC contacted all stakeholders via email and telephone to offer support in filling out the questionnaires to ensure a high level of participation.

After being postponed from the end of July the new deadline for the qualitative Stakeholder Survey was the 31st of August 2017. However, several responses from stakeholders arrived up until the 2nd of October, which were also included by the team. The total amount of responses received which could be included was 41 as several of the responses sent had to be discarded due to the respondents not being involved in the planning of any rail infrastructure projects and incomplete responses.

The 41 replies that were considered for the final analysis were distributed as follows (sometimes multiple people from the same organisation responded with complementing information which have been combined to one response of that organisation and in some cases there was more than one relevant body or organisation per country and stakeholder category wherefore there might be more than one response per country and stakeholder category):

Table 1 - Replies per country and stakeholder category

| Countries | IM | MA | MoT |
|------------------|-----------|-----------|------------|
| AT | 1 | 0 | 1 |
| BE | 1 | 0 | 1 |
| BG | 1 | 0 | 1 |
| CZ | 1 | 1 | 1 |
| DE | 0 | 0 | 1 |
| DK | 2 | 0 | 0 |
| EE | 1 | 1 | 0 |
| ES | 0 | 0 | 0 |
| FR | 0 | 0 | 0 |
| GR | 1 | 0 | 0 |
| HR | 1 | 0 | 1 |
| HU | 2 | 1 | 0 |
| IE | 1 | 0 | 1 |
| IT | 1 | 0 | 0 |
| LT | 1 | 0 | 3 |
| LU | 0 | 0 | 1 |
| LV | 0 | 1 | 1 |
| NL | 1 | 0 | 1 |
| PL | 0 | 0 | 1 |
| PT | 1 | 0 | 0 |
| RO | 1 | 2 | 0 |
| SE | 1 | 0 | 0 |
| SI | 0 | 0 | 1 |
| SK | 1 | 0 | 1 |

It is to note that the participation is unfortunately not complete and relatively low compared to the amount of stakeholders contacted, which leads to a limitation of the quality of the analysis. Several of the organisations were unable to provide their help in filling in the requested information despite several attempts to contact the stakeholders and offering PwC's help and assistance in gathering the data. The Commission has been informed of this issue in advance and contacted the stakeholders during the month of July 2017. Nevertheless, the combined efforts have not lead to the desired level of participation. Details are provided in the section below.

1.1.3. Limitations of the qualitative consultation

The main problem of the qualitative stakeholder consultation was an unexpectedly low participation from the national bodies that make up the relevant stakeholders who are able to provide the necessary information on the Member States' procurement processes and country specific cost factors. Despite the intensive effort of PwC to contact the organisations repeatedly offering assistance and extensions of the deadline to fill out the information the majority of stakeholders either never replied or in a few cases refused to participate.

For the 26 Member States with rail projects there are a total of around 100 relevant authorities that make up the Infrastructure Managers, Managing Authorities and Ministries of Transport. In the majority of countries these are three different entities, however for example in the cases of Austria there is no MA, because Austria does not use EU structural funds for the railway development, whereas in Denmark and Hungary two different Infrastructure Managers exist. The team received responses from only 41 of all these authorities. From the country with the most information on rail projects available to the team, Spain, the only response came from

the Ministry of Companies and Public Functions (Ministerio de Hacienda y Funci3n P3blica, Direcci3n General de Fondos Comunitarios), which declared not to be involved in the process of planning rail infrastructure projects.

1.1.4. Progress of the quantitative consultation

The request for providing quantitative information has been sent to 41 IM, which have been subsequently contacted via e-mail and telephone to prompt their participation in the study (as reported in Annex 1). Nonetheless, gathering specific information on each project requires effort and time and several stakeholders asked for an extension of the time foreseen for the consultation. Additionally, PwC assisted a large part of the infrastructure managers in gathering the data by mobilising the local PwC branch to enter or translate the information prepared by the Infrastructure Manager, as it was often not possible otherwise due to a lack of resources (see next section).

Table 2 - Status of the Stakeholders consultations per IM

| Country | IM Name | Number of projects received |
|------------------------|---|-----------------------------|
| Austria | Österreichische Bundesbahn (ÖBB) Infrastruktur Bau AG | 4 |
| Belgium | Infrabel | 5 |
| Bulgaria | National Railway Infrastructure Company | 7 |
| Croatia | Croatian Railways Infrastructure - HŽ Infrastruktura d.o.o | 6 |
| Czech Republic | Railway Infrastructure Administration, state organisation (RIA) | 18 |
| Denmark | Banedanmark (Rail Net Denmark) | 1 |
| Estonia | AS Eesti Raudtee (Estonian Railways Lt) | 1 |
| Finland | Finnish Transport Agency | 1 |
| France | SNCF Réseau | 1 |
| Germany | DB Netz AG | 3 |
| Greece | Hellenic Railways Organisation (OSE) & ERGOSE S.A. (Rail Infrastructure Development) | 16 |
| Hungary | MÁV (Hungarian State Railways Infrastructure) & Gysev & NIF Zrt. | 5 |
| Ireland | Irish Rail | 1 |
| Italy | Rete Ferroviaria Italiana S.p.A. | |
| Latvia | Latvian Railways (VAS Latvijas Dzelzceļš) | 3 |
| Lithuania | Joint Stock Company Lithuanian Railways: JSC Lietuvos geležinkeliai | 4 |
| Luxembourg | Société Nationale des Chemins de Fer Luxembourgeois (SNCFL) | |
| Netherlands | Prorail BV | 5 |
| Poland | PKP Polskie Linie Kolejowe S.A. | 28 |
| Portugal | Infraestruturas de Portugal | 8 |
| Romania | Compania Nationala de Cai Ferate "CFR"-SA (National Railway Company "CFR" SA) | 1 |
| Slovakia | Železnice Slovenskej republiky | 6 |
| Slovenia | Slovenian Railways & Slovenian infrastructure agency | 10 |
| Spain | Administrador de Infraestructuras Ferroviarias (ADIF) | |
| Sweden | TRAFIKVERKET - Swedish Transport Administration | 8 |
| UK | Network Rail & Translink (Northern Ireland) | 4 |
| EU Cross-border | Department for Regional Development Northern Ireland (DRDNI) & TELT & TP Ferro & GEIE SEA Vitoria-Dax; ADIF & BBT (Brenner Base Tunnel) & RB Rail AS & Femern A/S | 4 |
| Total | 38 | 150 |

As of the 2nd of November, information on 150 projects has been sent to the team by infrastructure managers from nearly all Member States. The majority of this data was very extensive and allowed for at least a basic cost breakdown of the final project cost.

1.1.5. Limitations of the quantitative consultation

The main limitation of the quantitative stakeholder consultation was that the infrastructure managers were not always able to provide the data requested on the rail infrastructure projects for different reasons. On one hand some stakeholders were not able to provide the data, due to the mass of information required and thus the time required to extract the information on the applicable format; on the other hand some stakeholders were not allowed to provide the data for competition reasons. Lastly, some stakeholders never replied to any contact attempts made during the process (phone or email).

In light of the stakeholders' low level of participation, PwC attempted to convince the stakeholders who were unable to provide the data due to a lack of human resources by reducing the amount of projects requested and offering help in the extraction of the data from the local database by mobilising the international network of PwC and the respective branches relative to the country of the stakeholder. To this aim international teams of PwC assisted Infrastructure Managers from the Czech Republic, Greece, Latvia, Lithuania, Poland and Slovakia to directly extract the information from the respective stakeholder's database in the local language. These international teams provided *in situ* assistance to extract, translate and transfer the data into the database for approximately 65 person-days.

Also the Commission was made aware of this issue (see above) and reached out to the stakeholders. With the joint effort between the stakeholders, PwC and the Commission, the information on the aforementioned number of 150 projects from 23 countries could be retrieved.