

1. NEED TO CONNECT BETTER THE EUROPEAN UNION AND ITS NEIGHBOURS

EU enlargement and the accession of 10 new Member States on 1st of May 2004 meant that the external borders of the Union have shifted further towards the East and to the South, introducing several new neighbouring countries to the EU. While for the territory of the Union the recent revision of the trans-European networks¹ (TEN) identified a limited number of major transport axes, aiming at better integrating the new Member States to the Union, the existing transport connections between the enlarged EU and its neighbours hardly reflect the new geo-political situation.

Recent studies² forecast that rapid growth in trade and freight transport will continue. By 2020, the volume of inter-regional land freight traffic is expected to grow by more than 100% for traffic between the EU and its neighbours and passenger air transport is also forecast to grow rapidly. Without good transport connections with the neighbouring countries, the growth of trade and economy, sustainable environmental and balanced social development will not be fostered, which would be to the detriment of both the EU and its neighbours. The improvement of transport connections has thus become a timely issue of utmost importance to ensure stable economic development.

First, improving transport connections is important to enable smooth and seamless exchanges and transport between the Union and its neighbours. These connections should be efficient, safe and secure and they should focus on the most relevant transport modes, including the new concept ‘motorways of the sea’. Efforts should be focused on a limited number of major axes linking the EU with its main trade partners in view of promoting global competitiveness.

Second, in addition to improved physical transport networks, transport between the Union and its neighbours requires efficient, intermodal and interoperable transport systems. Efficient traffic management systems, ensuring safety and security as well as interoperability, are of particular relevance. In the framework of the European Neighbourhood Policy, the Union is already developing with a number of partner countries concrete action plans in order to increase the efficiency of transport and enhance the safety and security of transport operations.

Third, following the achievements of the EU in the transport sector and to ensure smooth transit, it could be worthwhile to promote such logistic and regulatory requirements and practices, which are in use in EU destinations. These actions would include an increased sharing of best practices and common market rules in order to better manage today’s complex transport flows and associated safety and security risks in view of protecting and promoting EU’s interests and those of its partners. Such actions would consist e.g. of traffic management systems, including safety and security, handling equipment in ports and airports and other logistic terminals.

¹ [EC\(2004\) 884 Official Journal 7 June 2004](#)

² See forecasts produced within e.g. SCENES, TRENDS, PRIMES projects and in particular TEN-STAC -“Scenarios, Traffic Forecast and Analysis of Corridors of the trans-European transport network”, Phase I, see <http://www.nea.nl/TEN-T-stac/> for further details.

Clearly, connecting the EU with the neighbouring countries and other third countries and promoting efficient, safe and secure transport systems globally are important elements in facilitating trade and economic development of the enlarged EU and its neighbours.

2. TAKING STOCK OF COMPLETED AND ON-GOING EXERCISES

Transport connections between the European Union and its neighbours have been discussed and developed under several initiatives over the past decades. These initiatives and actions are briefly summarised below.

2.1. Background

The need to review the connections between the trans-European transport network and the networks of the neighbouring countries following the enlargement of the European Union was raised by Vice-President de Palacio already at the 3rd International Euro-Asian Transport Conference in St. Petersburg in September 2003. It was also discussed in the seminar³ *Transport Infrastructure Development for the Wider Europe* in Paris in November 2003 and has been addressed in the ministerial meeting in Ljubljana in May 2004 organised by the European Conference of Ministers of Transport (ECMT).

A ministerial seminar on *Wider Europe for Transport* was co-organised by Mrs de Palacio and Mr Costa, Chairman of the Committee on Regional Policy, Transport and Tourism of the European Parliament in Santiago de Compostela on 7-8 June 2004. The participants to the seminar welcomed the setting up of a High Level Group to look into the transport connections between the European Union and its neighbouring countries and broader regions ([Conclusions of the seminar](#)).

The European Commission organised a ministerial conference on transport and energy, hosted by the Azeri government, in Baku on 13-14 November 2004 with participants from the Black Sea/Caspian littoral States and their neighbouring countries. The conference participants agreed on the mutual interest for a progressive integration of their respective transport networks and markets in accordance with EU and international legal and regulatory frameworks.

2.2. Revision of trans-European transport network (TEN)

The European Union adopted recently a comprehensive plan to build and complete by 2020 a trans-European transport network on its territory⁴. To assist in this revision, Vice President de Palacio set up a High-Level Group, chaired by Mr Van Miert and composed of experts nominated by the Transport Ministers of the 25 Member States, Romania and Bulgaria and the European Investment Bank.

The new plan revises and modernises the plans from the 1990's by concentrating investment priorities on a limited core network - major trans-European axes - that

³ The seminar was jointly organised by the ECMT, European Investment Bank, European Commission and United Nations Economic Commission for Europe (UNECE)

⁴ [EC\(2004\) 884 Official Journal 7 June 2004](#)

primarily serve long-distance and international traffic. It covers the territory of the enlarged EU as well as Bulgaria and Romania and includes a list of 30 priority axes and a number of priority investment projects on these axes ([TEN-T map](#)).

2.3. On-going exercises in the regions neighbouring the EU

In several neighbouring regions to the EU significant development in the field of infrastructure has taken place over the last decades. Several of these regions have already defined a core network or are launching the first steps of an exercise to identify priority transport axes and projects. The most relevant of the existing exercises are:

- The Pan-European Corridors and Areas were developed during two Ministerial Conferences in Crete 1994 and in Helsinki 1997. For all the Corridors and for two of the Areas, a Memorandum of Understanding has been signed. The Corridors are now mainly within the EU and thus parts of the TEN network. The remaining sections are in the territory of the Balkans, Russia and Western New Independent States⁵ (WNIS) and Turkey. The ten Pan-European road and rail Corridors are the following ([Status Report of the Pan-European Transport Corridors and Transport Areas, Pan-European Corridors map](#)):
 - *Corridor I*: Tallinn – Riga – Kaunas – Warszawa with a branch Riga – Kaliningrad – Gdansk
 - *Corridor II*: Berlin – Warszawa – Minsk – Moskva – Niznij Novgorod
 - *Corridor III*: Dresden/Berlin – Wrocław – Lviv – Kiev
 - *Corridor IV*: Dresden/Nurnberg – Praha – Bratislava/Wien – Budapest – Arad – Sofija – Istanbul the branches Arad – Bucuresti – Constanta and Sofija – Thessaloniki
 - *Corridor V*: Venezia – Trieste/Koper – Ljubljana – Budapest – Uzgorod – Lviv with three branches Rijeka – Zagreb – Budapest, Ploce – Sarajevo – Budapest, Bratislava – Zilina – Uzgorod
 - *Corridor VI*: Gdansk – Grudziadz/Warszawa – Katowice – Zilina with two branches Grudziadz – Poznan and Katowice – Ostrava – Breclav/Brno
 - *Corridor VII*: Danube
 - *Corridor VIII*: Durres – Tirana – Skopje – Sofija – Varna/Burgas
 - *Corridor IX*: Helsinki – St. Petersburg – Pskov/Moskva – Kiev – Ljubasevka – Chisinau – Bukuresti – Alexandropoulos with two branches Klaipeda/Kaliningrad – Vilnius – Minsk – Kiev, Ljubasevka – Odessa
 - *Corridor X*: Salzburg – Ljubljana – Zagreb – Beograd – Nis – Skopje – Veles – Thessaloniki with four branches Graz – Maribor – Zagreb, Budapest – Novi Sad – Beograd, Nis – Sofija, Veles - Florina
- Turkey in the process of preparing a transport infrastructure needs assessment.
- The Euro-Mediterranean Regional Transport project was launched under the MEDA programme in 2003. The aim is to set up a basis for a transport action plan, a future integrated regional transport system in the Mediterranean region and its interconnection

⁵ Belarus, Moldova, Ukraine.

with the TENs. This project is a key step in developing the Euro-Mediterranean transport networks⁶.

- The Traceca transport corridor connecting Europe through the Caucasus to Central Asia, has been developed since 1991 and plays an important role for the continued development of these regions.

3. HORIZONTAL MEASURES

In addition to infrastructure projects, other transport policy issues, as put forward in the White Paper⁷ “*European transport policy 2010: time to decide*”, should also be looked at to ensure seamless and efficient use of the transport system. These so called horizontal measures include e.g. promotion of intermodal transport, standardisation, technical and administrative interoperability, traffic management systems, cross-border and operational procedures, quality and environmental sustainability requirements.

To ensure progress and smooth implementation of the priority axes and projects identified, efficient arrangements for cooperation and coordination are crucial at the level of each project and in particular along the major transnational axes. The existing arrangements, including the functioning of Pan-European Corridors/Areas Chairs, will therefore be reviewed in order to ensure an effective management tool for the priority axes and projects.

In its second meeting on 29 November 2004, the High Level Group agreed on a number of broad horizontal priorities that will be analysed in more detail in the future work of the Group in view of coming up with suggestions for strengthening cooperation where necessary. In the following, these priorities are briefly described.

4. CROSS-CUTTING PRIORITIES

4.1. Ensuring environmental sustainability

Sustainable environmental development and protection is an important issue, which must be considered as a cross-cutting issue. Environmental issues are highly relevant for the development of transport axes but also for the different horizontal issues.

The impact of transport infrastructure on the global and local environment and their related effects may significantly threaten human health, climate change, biodiversity, limited natural resources etc. International commitments⁸, standards and recommendations already exist for various environmental issues relating to transport. Together with vehicle manufacturers, authorities responsible for transport planning, building, operating, and public procurement have an important role to play in order to control environmental impacts of the transport infrastructures.

⁶ For further details see the Communication from the Commission to the Council and the European Parliament on the development of a Euro-Mediterranean transport network, COM (2003) 376 final.

⁷ COM(2001) 370

⁸ By e.g. UNECE, WHO, ICAO, IMO, OECD, EU etc.

It is essential to accurately assess the environmental impacts of transport activities already at the initial planning stage so as to avoid unnecessary environmental harm that could involve e.g. air quality, noise, greenhouse gas emissions, fragmentation of habitats, and loss of biodiversity and water resources. If identified early in the process, environmental control mechanisms can then be more easily developed relating to the construction and operation of the new transport infrastructure projects. In that context promoting alternative modes of transport to road is also an important policy option to be considered.

4.2. The constraint of funding

Funding transport investments is a difficult issue worldwide. While in the past, the countries of the EU15 used to invest up to 1.5% of their GDP in transport infrastructure, they currently invest less than 1%. The Community funds being limited, reliance on national budgets prevails, and innovative funding solutions, such as user charges and public private partnerships, have to be examined.

In the neighbouring countries to the EU, the role of the European Investment Bank (EIB) and the International Financing Institutions, such as the European Bank for Reconstruction and Development (EBRD) and the World Bank, is crucial in funding transport infrastructure investments. Following the Barcelona European Council in 2002, a reinforced investment mechanism⁹ in favour of the Mediterranean region was also set up within the EIB. The extension of the EIB's lending mandate to cover Russia and the Western Newly Independent States¹⁰ is currently being discussed.

The possibilities for the Community to finance investments in non-EU countries through the current financial instruments are limited. So far the European Community, through the CARDS, TACIS and MEDA financial instruments, has been able to provide financial assistance to the countries neighbouring the Union, however, mainly in the form of studies, training and assistance for administration capacity building.

The Commission is currently preparing the priorities for the EU budget for the period 2007-2013. It has recently presented a Communication on *Policy challenges and budgetary means of the enlarged Union*¹¹ in which the TENs have been recognised as a key area and where priorities for the external dimension and cooperation are proposed. Recently, the Commission also adopted a strategy paper *European Neighbourhood Policy*¹², which builds on several earlier exercises¹³ aiming at addressing the opportunities and challenges created by the shift of EU external borders following the enlargement. The importance of improved interconnection and physical links with the EU, including the field of transport, is clearly recognised in all these documents. However, the possibilities for the Community to finance transport investments outside its territory will remain limited.

Therefore, the capacity of the countries concerned to mobilise the necessary funding will be the key factor. Innovative financing solutions that involve the private sector, for

⁹ FEMIP Facilité euro-méditerranéenne d'Investissement et de Partenariat

¹⁰ Belarus, Ukraine and Moldova

¹¹ COM (2004) 101 10.2.2004

¹² 12.5.2004

¹³ Communication on "Wider Europe – Neighbourhood: A new framework for relations with our Eastern and Southern Neighbours" COM(2003)104 final 11.3.2003; Communication on "Paving the way for a new neighbourhood instrument" COM(2003)393 final 1.7.2003

example in the framework of public private partnership, could have an important role in the future financing of the transport networks.

Also the development of policies on user charging may increase the ability of the countries to finance the identified transport priorities. Many EU Member states have successfully applied motorway tolls to finance maintenance, upgrading and extension of the network. The Galileo system will offer in the very near future many possibilities to extend traditional tolling systems and to avoid queues at tolling stations.

YOUR IDEAS AND COMMENTS TO THIS CONSULTATION ARE VERY WELCOME!

[\(Public consultation\)](#)