

FIEC answers to the consultation on the

**"Extension of the major trans-European transport axes
to the neighbouring countries and regions"**

FIEC is the European Construction Industry Federation, representing via its 33 national Member Federations in 27 countries (23 EU & EFTA, Bulgaria, Croatia, Romania and Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities.

- 1. Do the five main transport axes highlighted in the High Level Group (HLG) report, in your view, represent the main axes for international traffic and what would you add/delete, if given the opportunity and why?**

The five main transport axes highlighted by the High Level Group correctly represent the main axes for international traffic around the European Union, which ensure the best interconnection with the Trans-European Transport Network. However, the actions undertaken on these axes should be complemented by the effective realisation of the links with the existing European transport network and in particular with those priority projects that are in more direct contact with the neighbouring countries and regions.

Many of the earlier proposals concerning the realisation of large transport projects are still not much further forward in terms of achieving an integrated strategic network and many additional efforts are needed in view of extending these planned networks into the extremities of a wider geographical European Union. However, this extension should not be carried out to the detriment of the completion of the basic network within the European Union.

- 2. The HLG report outlines a number of measures, on so-called horizontal issues. Are these the most important ones and do the recommendations made by the Group help to solve the problems?**

The horizontal measures identified by the HLG are certainly amongst the most important ones and, if adequately implemented, they can help to remove some of the existing obstacles. An efficient implementation of such measures should be carried out according to the existing European provisions and standards across the whole network.

- 3. Financing transport investments is a headache. How can the implementation of these axes and horizontal measures be best financed? What could be the role of the private sector and the user charges?**

FIEC recognises the importance of a well functioning integrated transport system connecting the European Union and the neighbouring countries, but would like to stress that the first priority should be the realisation of the TENs priority projects.

In this respect FIEC is extremely concerned about the current developments regarding the financial perspectives for the period "2007-2013", according to which only around 6,7 Bln.€ would be affected to the TENs priority projects. This amount is proportionately lower than the amount available for the period 2000-2006, as it has to cover 30 priority projects instead of 14, and will clearly not be sufficient for implementing such an ambitious plan.

Financing large infrastructure projects has always been a major obstacle to their realisation and given the historical evidence of lack of achievement, it is difficult to envisage any real progress on major international strategic routes without utilising external funding and the private sector.

Public-Private Partnerships (PPPs) are certainly one of the possible answers to the financing problems and their development should therefore be facilitated and encouraged both at the European and at the national levels.

In order facilitate such a development, some support is necessary at 4 levels:

1. a coordinated and consistent approach within the European Commission on the definition and contractual procedures applicable to PPPs;
2. at national level, a clear and transparent public procurement legislation;
3. the elaboration of clear PPP schemes in those countries where they have not been developed yet, in order to provide sufficient securities to the financiers and therefore to make the projects attractive; in this respect, regional workshops are useful, but the appointment of experts to national administrations responsible for assessing the adequacy of the legal frameworks is also advisable;
4. a political will to promote PPPs at national level.

However, experience with the TENs has shown that the EU participation in the financing of these large projects plays a crucial leverage role, both politically and economically, and therefore the EU's involvement must absolutely be confirmed.

In this respect for example, legal and financial instruments should be developed in order to allow the Commission to assume financing commitments for a longer duration than the 7-year period currently applicable in accordance with the existing European budgetary rules. Such a solution could be very helpful in enhancing the competitiveness of the entire European economy.

4. For the implementation and coordination of the recommended actions, the report calls for either a memorandum of understanding or an international agreement – do these help to achieve the objectives? If not, how would you ensure the implementation and coordination of the actions?

The use of Memoranda of Understanding (MoU) between the European Commission and the countries concerned is a necessary tool for achieving the pursued objectives.



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5. *The Group has envisaged integrating the existing agreements and memoranda of understandings into a coherent framework. Should an international treaty be envisaged for this?*

The integration of the existing agreements and MoU into more binding instruments, such as Treaties for example, is not a necessary step. If there is a real political will for carrying out a specific project, the adoption procedures inherent in the elaboration of such a binding instrument could seriously prejudice and delay the effective realisation of the project.
