

# **Trans-European networks for transport, telecommunications, energy: granting of Community financial aid**

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The 2000 annual report on TEN shows in detail the development of the trans-European networks - as well as the related financial support from different Community sources. Behind a rather positive picture of the situation, in budgetary terms, the Commission has identified a series of weaknesses and gaps, in particular in the TEN-transport implementation, that require tackling with care in the coming years. As far as TEN-transport is concerned, one of the most critical aspects that has characterised transport in past years is the significant increase of road freight transport and the dramatic reduction of the share of the other modes - in particular rail - leading to an increased imbalance between modes. Despite a significant level of investment on the rail network through Member state financing often combined with European funds, long delays in implementation have been identified in particular where major cross-border projects are concerned. Based on the current execution rate, some of the major projects which appear in the 1996 TEN-T guidelines would not meet the 2010 deadline. It is likely to take at least 15 years before all the specific projects identified in the Annex III of these guidelines are completed. Among these projects, the Alpine crossings (Lyon -Torino and the Brenner) are those facing major delays. Delays which are due to the larger difficulties in terms of planning, co-ordination and financing in implementing trans-European cross-border infrastructure, as well as to the limited political interest for these projects as compared to purely national ones. To tackle these problems and to cope with the challenges of transport for the next decade, the Commission has clearly identified the development of rail, and in particular the financing of rail infrastructure, as one of its main priorities. TEN roads are also congested but the construction of additional high capacity trans-European roads (apart from the need to connect remote, landlocked peripheral areas) will not drastically improve the situation. This option only represents the last resort which could soon lead to additional congestion. The real challenge is the transfer of the growth of long distance traffic from the road to other, more environmentally friendly modes, such as rail, inland waterway navigation or short sea shipping. This re-balancing of modal shift appears to be the only viable long term solution. It will require a better use of the existing capacities (which are large, as regards inland waterways and maritime transport) and the completion of missing links, as well as more efficient intermodality. A more co-ordinated planning - though this remains the responsibility of each single Member State - and financing approach is therefore needed in the future, focusing the Community support on the more environmentally friendly modes on the main TEN corridors (bearing in mind the forthcoming enlargement) and concentrating the support to a more restricted number of projects, in particular those with low financial profitability but high trans-European added value. Community funds (grants or loans) are nevertheless far from sufficient to finance all the necessary TEN infrastructure. The cost of this infrastructure amounts to 400-450 billion EUR, only for the Community, to which 100 billion should be added for the connections with and within the candidate countries. Fully public financing (including Community funds) of major infrastructure is becoming increasingly difficult, whereas fully private investment has demonstrated limits and does not attract potential investors. Alternative solutions that combine public and private funds, where risks are shared but where, at the same time, a certain level of "safeguard" for the private investors is also ensured, should be developed. The development of a Community framework for the gradual implementation of infrastructure charging appears a promising way to overcome the shortage of public financing and better attract private investors. Such a framework, combined with an innovative way of financing transport project, is therefore needed and new proposals from the Commission will be put forward in the near future. Lastly, the report mentions GALILEO, a project destined to have a heavy impact to the transport sector. In technological terms, GALILEO will allow the European industry to achieve its independence in the field concerned.