# Trans-European transport network: financing projects by public-private partnerships

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OBJECTIVE: this communication describes how the Commission intends to follow up the recommendations of the High-Level Group on Public-Private Partnership Financing of Trans- European Transport Network Projects. SUBSTANCE: the report of the High-Level Group, set up at Commissioner Kinnock's initiative in September 1996, indicates that Public-Private Partnerships (PPPs) are an essential instrument in the development of the Trans-European Networks (TEN) envisaged in the Maastricht Treaty. The Commission therefore intends to take rapid action on the recommendations of the High-Level Group for action by the Commission in order to assist in the creation of PPPs for financing TEN projects. The Commission calls on the Member States to identify very quickly the specific projects for which the establishment of a PPP would be appropriate. The Commission for its part has identified a certain number of projects on which it will concentrate its efforts with a view to speeding up the conclusion of agreements on a PPP structure, the establishment of which would be entrusted primarily to the private sector: the HST south; the PKBAL, Dutch section; the Brenner tunnel; the new Berlin airport; the Semmering tunnel and the Piraeus-Athens rail link. The Commission also announced a series of initiatives in progress or for the future: - the establishment of revised guidelines on the application of EC public procurement legislation to transport infrastructure concessions; - clarification of the guidelines on the application of EC competition legislation; - discussions with the EIB and EIF on the possible development of structurally subordinated and early operational loans; - consultation of private sector investors on the possibility of setting up a mezzanine fund focused on TENs; - consideration of possible methodologies for assessing project benefits at a European level and establishment of a European database. Lastly the Member States are urged to make strong efforts to implement those recommendations of the High-Level Group requiring action on their part. They are therefore asked to: - seek to involve the private sector at the earliest possible stage of infrastructure project development; - work to remove barriers to the creation of ad-hoc project vehicle companies; - press ahead with the reform of their railway industries; - cooperate with the private sector in developing the necessary instruments to finance projects; - integrate environmental consideration at the earliest possible stage into their planning process.