Trans-European transport network: progress and implementation of the 14 Essen projects, December 1994. 1998 report

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PURPOSE : This report concerns the trans-European transport network and provides an update on the progress and implementation of the 14 projects decided in Essen. PURPOSE : The Luxembourg Council of 20-21 November 1997 emphasised the importance of the trans-European Networks (TENs) as one of the major ways of supporting growth in the EU, and an essential complement of the single market. The Luxembourg Council asked that a timetable and financial plan be completed for each of the fourteen specific projects. Member States have now identified timetables and projected investment costs for the priority projects. This report provides an overall assessment. Each of the projects has its own specific features, and it is difficult to make general statements, according to the Commission. Taken overall, however, there has been significant progress : three of the projects are close to completion (conventional rail link between Cork, Dublin, Belfast, Larne; Malpensa Airport, Oresund fixed link) all are under construction or at an advanced state of preparation and most are likely to be completed by around 2005. There has, however, been some slippage due to : - the intrinsic complexity of the projects, which means that some of the timescales proposed were unrealistic, given the technical, legislative and administrative hurdles and the need to give full consideration to the environmental implications; -constraints on the availability of public finance at a time of rigorous budgetary consolidation. Given these constraints, the fact that most of the projects are now firmly on track, with only limited slippage, is a significant achievement, as is the recent passing of some major milestones such as the first completely high speed link between European capitals (Brussels to Paris) inaugurated in December 1997. EU level finance has made a major contribution to the priority projects. This is particularly the case for the projects in areas eligible for Structural and Cohesion Fund spending (Ireland and Greece). The TEN Transport budget, with more modest amounts available (around 1.8 BECU 1995-99) has nonetheless had a considerable impact in helping to launch major projects such as the Oresund fixed link and the Belgian high speed train. The EIB is a major source of loan funding for TENs projects, advancing 1.4 BECU to the 14 priority projects in 1997 alone, while the EIF committed exposure towards the priority projects has reached around 350 million ECU. The timetables submitted by the Member States suggest that there will be a very substantial increase in expenditure on the 14 priority projects during the 2000-2006 period, with many of the larger projects moving into the full construction phase. According to the Commission, this could result in investment at close to double the level seen in 1995-99. In a number of cases, the Community contribution will be a determining factor in the financial viability of the project. The Commission also intends to continue its efforts to make Community support as effective as possible by concentrating funds on key projects. The EIB's increasing willingness to develop its loan instruments so that they are better suited to the timescale and risk profile of individual projects will play an important role, not least in the development of financing packages for public-private partnerships. A major effort is needed to prepare for theextension of TENS to the accession countries, for which ISPA will be the main instrument for EU grant funding from 2000.