Council of Ministers

TRANSPORT INFRASTRUCTURE PLANNING IN A WIDER EUROPE
Strategy for Transport Infrastructure Development in a Wider Europe

Policy Note and Declaration

This document was examined under item 3 "Main discussion blocks: Transport Infrastructure Planning in a Wider Europe" of the Agenda for the Ljubljana Council of Ministers.

Ministers expressed their agreement with the contents of the Policy Note and adopted the Declaration.

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STRATEGY FOR TRANSPORT INFRASTRUCTURE DEVELOPMENT IN A WIDER EUROPE

POLICY NOTE

1. Context

Because of the enlargement of the European Union and the growing globalisation of trade both inside Europe and between Europe and the other regions of the world, there is a need for renewed reflection on the framework and instruments used until now to develop transport infrastructure at the international level.

In order to respond to this new context, an exercise is currently under way in the European Union to update the Trans-European Transport Network by reviewing Community policies for the development of this network and defining a number of priority projects within the network on the basis of the proposals of the High-Level Group chaired by Mr. Van Miert.

At the Pan-European level, the Crete Conference in 1994 and the Helsinki Conference in 1997 made it possible to define Pan-European transport corridors outside the European Union for the development of international links and Pan-European Transport Areas (PETRA) for relations within certain specific regions located along the boundaries of the European continent.

In its final considerations, the Helsinki Declaration had asked the European Union, the ECMT, the UNECE and partners in multilateral and regional initiatives, to co-operate to review progress towards regional and sectoral goals and to make proposals for more effective implementation on the basis of experience. Among the means to achieve these objectives, the Declaration explicitly mentioned the development of infrastructure and particularly of corridors.

Nearly seven years on from the Helsinki Declaration, the practices observed in connection with these corridors and the progress made in developing them make it possible to draw some specific lessons about the relevance of the concept and to propose new policies for the development of transport infrastructure outside the EU in the context of a wider Europe. It is all the more essential that Ministers define a specific international strategy regarding this development since EU enlargement will require an in-depth review of the corridors, a large part of which will now be located inside the European Union, and since the development of trade with Asia and the Mediterranean countries will have to be taken into account to meet rapidly growing traffic needs. The approval of this strategy by the ECMT Council of Ministers is also intended to reaffirm policy-makers’ firm commitment to ensuring the effective implementation of the corridors and to encourage Member Countries to consult and co-operate to this end. However, it must be borne in mind that the corridors are an integral part of national networks which it is the prerogative of each State to define. Resources must be allocated so as to meet both domestic and international objectives, and the proper apportionment of funds to the various projects must be based on economic, technical, social and political decisions made by the States responsible for the planning and use of domestic resources.
In order to define more clearly the strategy for the development of transport infrastructure to be implemented at the international level, the ECMT, the European Commission, the UNECE and the EIB jointly organised a seminar on transport infrastructure development for a wider Europe held on 27 and 28 November 2003. The conclusions of this seminar, which are presented in a specific report [document CEMT/CM(2004)17], were used as the basis for the Declaration which was approved by Ministers in Ljubljana and which is set out at the end of this document.

2. Basic principles of an international strategy

The international strategy to be implemented outside the European Union for transport infrastructure on major links of Pan-European importance must be based on the following:

2.1 An appropriate policy framework

The development of transport infrastructure requires a stable policy framework that will ensure the optimum use of existing assets and of the investments that must be made in this field. To this end, the transport policy that will be used as a basis for all infrastructure initiatives must aim to:

- develop transport systems which are economically, socially and environmentally sustainable;
- continue liberalising transport at the international level in order to improve the efficiency of trade, a necessary pre-condition for economic growth and social development;
- promote harmonisation, interoperability and intermodality particularly along corridors, so as to reduce transport costs and to improve efficiency; this policy goal must not only address the technical aspects of transport, but also the administrative and legal provisions governing this activity. A special effort must be made in two fields: border crossings and traffic management;
- put in place incentive measures, among others, to promote a better use of the alternatives to road transport whenever that is justified;
- encourage railway reform in order to make this mode genuinely competitive and to increase the profitability of investments through more intensive use of railway infrastructure;
- base transport infrastructure investment on in-depth economic evaluations, using cost-benefit analysis; this evaluation should take fully into account the impact of transport on economic and social development as well as ensure, through an analysis of their environmental effects, that infrastructure investments lead to a sustainable transport system;
- make sure that the principles drawn up in the Charter on Access to Transport Services and Infrastructure adopted by the ECMT Council of Ministers on 19 and 20 May 1999, are implemented, in particular, that public funding would be conditional on projects being accessible to people with mobility handicaps;
- ensure effective co-ordination so that transport infrastructure investment choices will be consistent with infrastructure operating conditions, in particular by focusing more on the maintenance and rehabilitation of existing infrastructure;
- promote the development of uniform, relevant statistical databases so that investment projects can be monitored and evaluated accurately at the international level.
2.2 The need to review the Pan-European Transport Corridor and Area concepts

There can be no doubt as to the relevance of the corridor concept used until now as a means of effectively focusing joint international action to promote transport infrastructure, but it could be improved significantly so that it can be adapted to the current situation. A process of reviewing existing corridors should be initiated rapidly in order to verify whether the definition of these corridors is still valid, modify and/or extend them, eliminate certain segments if need be, and add other major axes that have clearly become necessary with EU enlargement and the globalisation of trade. This review process should be based on the following principles:

a) The corridor concept should be maintained

- The corridor concept is a means of developing international co-operation in transport between neighbouring States in order to avoid wasting resources and to achieve co-ordination between individual countries’ projects. States must work together on common solutions if they are to be able to provide consistent and continuous service standards for international transport in the region.

- It is an approach that makes it possible to give due emphasis to projects of international interest compared to national or regional projects.

- It is a tool that undoubtedly acts as a stimulus for projects and focuses efforts by providing an overall framework for projects. It contributes to the structuring of national transport plans and ensures consistency and continuity of international priorities.

- It is a tool that facilitates priority-setting when the available financial resources are limited, which makes decision-making processes easier.

- It is an approach that does not automatically give priority to new investments, but gives full scope to measures designed to upgrade and better utilise existing infrastructure.

- It is an approach that emphasises long distance transport and thus can give railways and maritime transport the means to exploit their competitiveness over such distances.

b) The corridor concept must be reviewed

A revised planning instrument to facilitate the integration of the European Union with neighbouring regions must be developed by streamlining the corridors that have already been approved. If needed, some of them should be reinforced, others should be eliminated and new corridors be created to suit the new situation. To this end, corridors must in the future:

- be concentrated primarily on the links between the enlarged European Union and its neighbouring countries. It is essential to connect well the European Union and its neighbours by paying particular attention to the complementarity between the Transeuropean Network and the corridors, and to ensure spatial cohesion, facilitating travel along the corridors and access to them;

- take into account the links with the East and the Middle East, as well as with the Mediterranean Basin. In this regard, it is particularly important to remain very aware of the foreseeable development of trade with Asia and especially China. Discussions held at
the Euro-Asian Transport Conference in September 2003 in St. Petersburg should be considered and results integrated into the future work;

- meet the requirements for continuity of the “motorways of the sea” by creating new intermodal corridors, particularly to the Mediterranean Basin and the Black Sea.

c) Corridors must be defined on the basis of real needs and well-defined criteria

- While the concept is geostrategic in origin, the definition of the corridors themselves, in particular as regards quality parameters (and hence the necessary investment) must not be the outcome of purely political choices, but instead should have an economic rationale and reflect demand, i.e. the needs of the users.

- They must be based on real flows with accurate statistics and on sound forecasts. This will require making an in-depth analysis of the prospects for developing international trade.

- A wide range of criteria that will be used for defining corridors and their characteristics must be established and steps must be taken to harmonise evaluation procedures. The criteria proposed by the Van Miert Group for the revision of the Trans-European Transport network Guidelines provide a good basis for such an analysis.

d) Corridors must be seen in a multimodal perspective

- The objective is to improve the quality of transport, whichever transport mode or combination of modes proves most appropriate to achieve the objectives of efficiency and sustainability while avoiding unnecessary overlaps.

- In the same context, in order to promote intermodality, improvement of nodes seems essential, for this is where intermodal transfers – often far too expensive and too time consuming – take place. The performance of these nodes (which should be as few as possible to induce concentration and economies of scale) is critical to achieve the high-volume flows that can strengthen the competitiveness of rail, maritime and inland transport.

- Maritime transport must be incorporated into corridors and the concept of “motorways of the sea” should be extended beyond the European Union especially to the Pan-European transport areas. Maritime port services must be improved to facilitate the intermodal transition from maritime to land transport and vice versa. This is a major challenge for railways as higher volume flows are imperative for both rail and maritime transport.

- Interoperability is a key condition for developing efficient alternatives to road transport, such as railways and combined transport and requires agreements on common standards for infrastructure, that are acceptable to all concerned, both at technical and administrative levels.

e) Corridors must be approached in a way that is consistent with local/regional projects and national networks

- There must be an improved balance between national, regional and international approaches. National and regional interests must be taken into account insofar as possible
in defining corridors, while ensuring the conditions to satisfy international traffic demands.

- The optimal use of these Corridors requires good local and regional connections, which should be incorporated in the planning process.

f) The corridor will give consistency to a complementary project selection

Projects situated on corridors must be selected and duly prioritised in order to address at the same time the most pressing needs and scarce financing resources. Because of existing financial constraints, priority setting must become very selective. This means that priority projects outside the European Union must be identified while ensuring that they fit into a corridor approach. Practical mechanisms for optimising decision-making and for monitoring project progress and performance must be developed for this purpose. In this regard, an approach of the type pursued in the EU’s Van Miert Group could be extremely useful for selecting the best projects outside the enlarged European Union.

g) The PETRA concept must be revised

The Pan-European Transport Areas defined at the Helsinki Conference have developed at different speeds. The Barents Sea PETRA has functioned reasonably well over the years and in the Mediterranean region, a regional transport planning exercise is underway. Both of these activities have received support from the EC. The “motorways of the sea” concept proposed by the Commission for the EU should be presented and discussed in connection with the PETRAs following the final adaptation of this concept by the EU Council and the European Parliament. The “motorways of the sea” could be considered either as parts of multimodal corridors that could be associated with inland corridors or from a PETRA planning perspective.

h) Corridors must be seen in a global perspective

In addition to infrastructure, steps must also be taken to address the following issues within corridors:

- Harmonisation of the rules governing transport along the corridors;

- Development of a common approach by all countries concerned regarding the role of railways, in particular by challenging the rights of historic operators;

- Consistency and harmonisation of the methods used to collect fees, tolls and other user charges, for example by implementing integrated, compatible road pricing systems;

- Facilitation of border crossing by developing harmonised procedures for customs clearance (the real cost of current customs controls should be assessed accurately) and exchange of information by developing common data bases, taking advantage of the opportunities provided by new technologies.
3. More effective implementation

a) Evaluation of past experience

- An evaluation of experience with existing corridors is indispensable. It is necessary to understand why under the existing management structure, some corridors are functioning effectively while there are only a very limited number of initiatives on others. Concrete initiatives were often very small-scale because of a lack of sufficient commitment on the part of policymakers. Some of the other weaknesses that can be mentioned are the use of purely political rather than economic criteria for the definition of corridors and the selection of projects as well as poorly adapted management structures due to insufficient resources.

- Benchmarking should be used between the corridors in order to identify best practices and improve corridor management in the future.

b) A management structure for the corridors

In order to increase the effectiveness of the Corridor concept, stronger and more broad-based management of corridors must be promoted. The following approach can be recommended:

- Development of a new broader approach to corridors by involving all parties concerned, in particular IFIs, banks, carriers, etc in their definition. Customs related, legal and administrative problems should also be addressed in order to facilitate transport along corridors;

- Production of adequate statistical data;

- Development of appropriate corridor planning tools fully integrated with national planning tools;

- Establishment of project appraisal and selection criteria that take properly into account the benefits of the corridor concept;

- Strengthening of the existing management structures (Chairmen and Secretariats) and defining precisely their role in order to ensure better co-operation and coordination between countries, co-ordinate management of project development and ensure coherence and continuity of transport services along the corridor; when such structures do not exist, a co-ordinator (Chairman) for each corridor with a permanent secretariat could possibly be appointed after agreement between the involved countries;

- Ensuring good co-ordination between different corridors and overall consistency in their development. The creation of an international agency for corridors could be considered.

The financial implications of such an approach needs however to be carefully considered.
c) Adequate expertise at the national level

- Officials in national administrations involved with corridors must receive suitable training so that they will be able to:
  
  • transmit knowledge on transport planning in their countries and indicate adequate links for obtaining other relevant information;
  
  • set priorities and criteria for project selection;
  
  • on the basis of the planning exercise, compile a portfolio of carefully studied projects in the corridor, as experience has shown that it is advisable to have a wide range of potential investments that can be presented rapidly to apply for external financing when the opportunity arises;
  
  • make an accurate analysis of possible financing and in particular PPPs, relying as much as possible on national “PPP Task Forces”;
  
  • manage the projects selected.

- To provide this training and develop skills, technical assistance is indispensable.

- It is essential to ensure organisational continuity at the national level by maintaining specialised staff within the relevant government departments.

4. Adequate financing

The investments needed along corridors will only be made if the countries concerned allocate sufficient own resources or are able to raise sufficient external finance. With regard to international funding, the financing packages must meet at least the following requirements:

a) Financing based on feasibility studies

Only economically viable projects will have access to international financing. Proper planning, prioritisation, privatisation and project definition resulting from a pre-feasibility study involving various alternatives should precede a comprehensive feasibility study incorporating economic, social and environmental analysis. IFIs could play an important advisory role during the whole process.

b) Appropriate financing

Every project may require a specific financial structure, adequately blending funds from the national budgets, the EU assistance funds and the IFIs. For financing packages to be as effective as possible, there must be transparency and sound co-ordination between the various sources of financing and especially between the various IFIs involved which must clearly define their procedures and the rules applicable. The corridor coordinator could play an important role in this financial engineering.
c) Financing involving PPPs

If a rigorous, realistic approach to the way public and private funds may combine can be developed, PPPs can provide interesting prospects for corridors, but they must only be one financing option among others, and the choice of financing should be based on a pre-defined assessment system (based on benchmarking). Financing packages for PPPs are complex and if they are to be a success, require good quality projects as well as good governance in the countries concerned so that, among other essentials, continuity in their policy, administrative, and legal frameworks can be assured.

d) Sustainable financing

Whatever the contribution of the private sector and the IFIs, a very substantial part of financing will continue to be provided by national public funds. It is therefore important to stabilise the national sources of financing, notably against political changes or budgetary constraints. The possibility of establishing dedicated funds or some type of “off-budget” financing should be considered.

e) Financing linked to infrastructure use

Transport infrastructure should be financed at least in part, by dedicated tolls, charges or other user taxes. Corridors are also a useful concept for making it possible to adopt a minimum of common rules in the field of financing and pricing. Co-ordination and harmonization of pricing systems should be ensured in order to simplify payment operations.
STRATEGY FOR TRANSPORT INFRASTRUCTURE DEVELOPMENT IN A WIDER EUROPE

DECLARATION

The Council of Ministers of ECMT, meeting in Ljubljana on 26 and 27 May 2004:

− TAKING INTO ACCOUNT the significant changes in Europe in recent years such as the enlargement of the European Union, the emergence of the newly independent States, the increase in international flows with, in particular, a rapid development of trade between Europe and the other regions of the world, especially Asia;

− CONSIDERING the conclusions of the Seminar on Transport Infrastructure Development for a wider Europe, organised jointly by the ECMT, the EU Commission, the UNECE and the EIB on 27 and 28 November 2003;

− NOTING that the strategy to be pursued at international level outside the European Union for developing transport infrastructure in a wider Europe needs:
  
  • an appropriate policy framework, with, as an objective, the development of a transport system which is sustainable in economic, social, environmental and accessibility terms,

  • a review of the Pan-European Transport Corridors and Area concepts, which have to be based on in-depth economic evaluations and be defined on the basis of real needs and well-defined criteria,

  • a more effective implementation of these concepts, with a strengthening of the management structures and a development of appropriate expertise,

  • adequate financing, including funds from national budgets, EU funds, IFIS, the private sector as well as from infrastructure users,

according to the principles drawn up in the Policy Note accompanying this Declaration;

− AGREES that this strategy should be implemented rapidly by:

  • launching a consultation on existing corridors in order to make an accurate assessment of their relevance and state of development;

  • establishing adequate statistical databases including both economic/demographic data and data on traffic;
analysing traffic forecasts, economic data, the legal framework, the conditions of interoperability, organisational aspects, the financial resources that can be made available;

analysing how Corridors can draw lessons from existing structures like Trans-European Networks, UNECE Networks (AGR, AGC, AGTC, AGN), UNECE TEM and TER projects, Europe-Asia corridors, networks for the Balkans and Mediterranean region and Pan-European Transport Areas (PETRAS);

determining management and monitoring methods for the corridors by looking at the ways to strengthen existing structures or by exploring the possibility of introducing a co-ordinator function, and analysing the mechanisms for involving countries and national institutions in management;

evaluating the resources that can be made available at the national and international level and estimating the potential contribution from users.

REQUESTS that on the basis of the information collected a process be rapidly initiated in order to:

revise the Pan-European Transport Corridors and possibly Areas if this concept is maintained, following the principles set up in the Policy Note accompanying this Declaration;

identify priority projects for non-EU Member Countries within different corridors by using well-proven appraisal methodologies for defining and financing them.

SUGGESTS that the European Commission take a lead in this process along the lines set out above, in which all the concerned parties (the relevant countries, the ECMT, the UNECE and the EIB) should be involved.

OFFERS co-operation from ECMT for this process in accordance with the provisions of section V of the Helsinki Declaration.

INSTRUCTS the Committee of Deputies to report back in due course on the implementation of this strategy and the results obtained.