TENs AND INTERNATIONAL INFRASTRUCTURE PLANNING

by

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TENs and International Infrastructure Planning

The proposed revisions of the TENS Guidelines provide a very valuable opportunity to discuss infrastructure planning and implementation in Europe.

The TENS revisions meet the legal requirements laid down when they were adopted. They also propose a practical adaptation to the slower than expected progress with implementation, by suggesting that bottlenecks will be targeted. Moreover, they are broadly consistent with the policy aims of the White Paper. Finally, they also make some important innovations such as a commitment to undertaking Strategic Environmental Appraisal.

But there are some issues that I would like to raise where we might learn more from the experiences of the last decade and therefore improve further international planning for infrastructure. I will make some general remarks and then some more specific ones on Pan-European and Accession issues.

Infrastructure Planning Issues

While the TENS proposal contains the logical idea to identify bottlenecks and deal with them, it does seem that the "master planning" approach of the TENS is retained and even reinforced. In fact the recent addition of many ports and airports to the guidelines illustrates this. Now some very large and costly projects are being added to the priority list. This risks to widen even further the existing gap between the aims and the means to achieve them, since there is little realistic chance that all these projects could be completed by 2010.

The "master planning" approach as applied in the TENS but also in the Pan European Corridors has certainly been useful as a framework for opening a dialogue at international level on infrastructural planning, a process which has traditionally been predominantly national. But our experience over the 90s shows that this new process of infrastructural planning at an international level, while valuable, was too political. Countries, understandably, fought tenaciously to have their projects included on the maps. There was the belief that once your line was on the map the money would follow. Or, at least, the belief in its more realistic corollary, that if your line wasn’t on the map that there was no chance of any money. It should be made clear that both of these positions are incorrect. If this can be understood and agreed then the planning framework of the TENs and the Corridors could provide the political vision but could be a more flexible instrument and could lead to less politicisation of the appraisal process.

This would be reinforced by more transparency in, and emphasis on the economic appraisals. Socio-economic appraisals, taking account of environmental, safety and European benefits are essential. There are methodological problems, including valuing projects of "European interest" but this should be attempted.

Since a bottleneck is where there are severe problems it is logical that investments should show high economic rates of return. But it should be understood that bottlenecks in international traffic might sometimes benefit more from particular national investments rather than high profile and very expensive international projects. For roads, it might be a bypass round Budapest for example or a particular seed investment in terminals for combined transport.
Bottlenecks are not all physical. Infrastructure planning procedures are getting slower and slower. Conception to completion can last 20 years. The inclusion of strategic appraisals should help here with the clear counterpart that projects, once agreed with appropriate environmental protection, should not be held up for ever by interminable procedures. Here an exchange of experience with a view to streamlining procedures would be useful.

At a more strategic level, the Alps are a serious bottleneck and an almost insoluble problem within the framework of present thinking. There is probably no infrastructural solution to the Alpine problem. This illustrates the general difficulty with the "hard" approach that infrastructure investment represents. Infrastructure planning cannot be looked at in isolation and the modal reform as well as the pricing and charging regimes that accompany it are also crucial. This point is important if our policy goal to support rail, waterways and short sea shipping is to be effective. If there is not consistency between investment and policy measures there is a serious risk that the money for rail will disappear into a black hole.

Intermodality is relevant too. There is a lot of lip service paid to this concept but the TENS and the Pan European Corridors remain essentially modal and the creation of intermodal networks is still poorly developed. This requires some new reflection beyond the addition of ports and airports to the network.

Lastly, there is the question of "top down" and "bottom up" planning. The Union approach could be said to be "top down" and that of the Countries "bottom up". Both approaches have strengths and weaknesses. Top down can take a more strategic, longer term, more intermodal, more sustainable, but maybe more dirigist or interventionist view. Bottom up is closer to markets, is based more on immediate economic needs and is shorter term, maybe shorter sighted and possibly more roads based. The major challenge for policy and politics is to achieve a synthesis between these two approaches.

Pan European Issues

Trade and transport are global and will not stop at the borders of the Union. The planning framework needs therefore to be consistent on a broader geographical scale than the present or even enlarged Union.

In the accession and other European Countries there are several different planning frameworks including TINA TENS and the Pan European Corridors as well as the national ones where they exist. There is a need to bring these processes together into a coherent and flexible framework. ECMT will be pleased to contribute to improving this framework in combination with the Commission and others. One issue for example is that there is a tendency to overdimension projects once they are on the maps. Motorways or high-speed trains are not needed everywhere. Another is that Infrastructure investment packages need to include provision for maintenance. There is a huge maintenance backlog and a weak tradition of management of existing assets.

The CEECs obviously will wish to obtain as much help as possible from ISPA, TENS, Cohesion and Structural funds. One lesson for them (based partly on the Irish experience) is that it is vital that each of them has their own national plan of priorities and that they learn to work with this plan in the context of the different rules for the various Union funds.
It would help them if the Commission framework for transport infrastructure investment were consistent between the different sources. It seems to me a programme approach (as in Structural or regional funds) rather than a project one (as in Cohesion and TENs TINA processes) has a lot of merit. Certainly in my experience, too much attention has been paid to infrastructure and not enough to more affordable policy measures.

Financing is an enormous problem of course. Even with Union funds and their own resources (even if they attain the recommended 1-2% of GDP per annum) there will be very difficult choices for priorities. At present the Countries have quite different approaches to priority selection. The White Paper suggests using money from road charging to finance infrastructure in other modes. While this is controversial from the economic point of view, I believe that it can be justified, especially in Urban areas, where the externalities are highest and where public transport has completely inadequate funding. But if the Union really wants rail modal share to be protected then it will have to invest enormously in CEE railways and combined systems in addition to supporting policy measures that it has not been able to apply in the Union.

To summarise, it should be remembered that there are different circumstances and needs in the CEE Countries. Infrastructure quality is a real problem and improving it will be a benefit not only for the accession countries but also for the existing members of the Union. The white paper and the TENS revisions did not deal in much depth with this. Here there remains much to do.