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New EU transport infrastructure policy – background

What is the EU infrastructure policy?

Transport is vital to the European economy: without good connections Europe will not grow or prosper. The new EU infrastructure policy will put in place a powerful European transport network across 28 Member States to promote growth and competitiveness. It will connect East with West and replace today's transport patchwork with a network that is genuinely European.

The new EU infrastructure policy triples EU financing to €26 billion for transport for the period 2014–2020. At the same time it refocuses transport financing on a tightly defined new **core network**. The core network will form the backbone for transportation in Europe's single market. It will remove bottlenecks, upgrade infrastructure and streamline cross border transport operations for passengers and businesses throughout the EU. Its implementation will be pushed ahead by the setting up of nine major transport corridors that will bring together Member States and stakeholders and will allow to concentrate tight resources and achieve results.

The new core TEN-T network will be supported by a comprehensive network of routes, feeding into the core network at regional and national level. The aim is to ensure that progressively, and by 2050, the great majority of Europe's citizens and businesses will be no more than 30 minutes' travel time from this comprehensive network.

Taken as a whole, the new transport network will deliver:

- safer and less congested travel
- smoother and quicker journeys.

Why do we need a new infrastructure policy for Europe?

- Transport is fundamental to an efficient European economy.
- Freight transport is expected to grow by 80% by 2050, and passenger transport by more than 50%.
- Growth needs trade. And trade needs transport. Areas of Europe without good connections are not going to prosper.

In practice there are five main problem areas which need to be tackled at EU level:

- Missing links, in particular at cross-border sections, are a major obstacle to the free movement of goods and passengers within and between the Member States and with its neighbours.
- There is a considerable disparity in quality and availability of infrastructure between and within the Member States (bottlenecks). In particular, East-West connections require improvement, through the creation of new transport infrastructure and/or maintenance, rehabilitation or upgrading of existing infrastructure.

- Transport infrastructure between the transport modes is fragmented. As regards making multi-modal connections, many of Europe's freight terminals, passenger stations, inland ports, maritime ports, airports and urban nodes are not up to the task. Since these nodes lack multi-modal capacity, the potential of multi-modal transport and its ability to remove infrastructure bottlenecks and to bridge missing links is insufficiently exploited.
- Investments in transport infrastructure should contribute to achieve the goals of reduction of greenhouse gas emissions in transport by 60% by 2050.
- Member States still maintain different operational rules and requirements, in particular in the field of interoperability, which significantly add to the transport infrastructure barriers and bottlenecks.

The new EU infrastructure policy in detail

The new core network – the figures

The core network will connect:

- 94 main European ports with rail and road links
- 38 key airports with rail connections into major cities
- 15,000 km of railway line upgraded to high speed
- 35 cross border projects to reduce bottlenecks.

This will be the **economic lifeblood** of the single market, allowing a real free flow of goods and people around the EU.

The nine new corridors

A major innovation on the new TEN-T guidelines is the introduction of nine implementing corridors on the core network. They are there to help implement the development of the core network. Each corridor must include three transport modes, three Member States and 2 cross-border sections.

"Corridor platforms" will be created to bring all relevant stakeholders and Member States together. The corridor platform is a governance structure that will devise and implement "corridor work plans" so that work along the corridor, in different Member States and at different stages of progress can be joined effectively. European Coordinators will chair the corridor platforms for the key corridors on the core network.

Core network corridors – short description

- The **Baltic-Adriatic Corridor** is one of the most important trans-European road and railway axes. It connects the Baltic with the Adriatic Sea, through industrialized areas between Southern Poland (Upper Silesia), Vienna and Bratislava, the Eastern Alpine region and Northern Italy. It comprises important railway projects such as Semmering base tunnel and Koralm railway in Austria and cross-border sections between PL, CZ and SK.
- The **North Sea-Baltic Corridor** connects the ports of the Eastern shore of the Baltic Sea with the ports of the North Sea. The corridor will connect Finland with Estonia by ferry, provide modern road and rail transport links between the three Baltic States on the one hand and Poland, Germany, the Netherlands and Belgium on the other. Between the Odra River and German, Dutch and Flemish ports, it also includes inland waterways, such as the "Mittelland-Kanal". The most important project is "Rail Baltic", a European standard gauge railway between Tallinn, Riga, Kaunas and North-Eastern Poland.

- The **Mediterranean Corridor** links the Iberian Peninsula with the Hungarian-Ukrainian border. It follows the Mediterranean coastlines of Spain and France, crosses the Alps towards the east through Northern Italy, leaving the Adriatic coast in Slovenia and Croatia towards Hungary. Apart from the Po River and some other canals in Northern Italy, it consists of road and rail. Key railway projects along this corridor are the links Lyon–Turin and the section Venice–Ljubljana.
- The **Orient/East-Med Corridor** connects the maritime interfaces of the North, Baltic, Black and Mediterranean Seas, optimising the use of the ports concerned and the related Motorways of the Sea. Including Elbe as inland waterway, it will improve the multimodal connections between Northern Germany, the Czech Republic, the Pannonian region and Southeast Europe. It extends, across the sea, from Greece to Cyprus.
- The **Scandinavian-Mediterranean Corridor** is a crucial north-south axis for the European economy. Crossing the Baltic Sea from Finland to Sweden and passing through Germany, the Alps and Italy, it links the major urban centres and ports of Scandinavia and Northern Germany to continue to the industrialised high production centres of Southern Germany, Austria and Northern Italy further to the Italian ports and Valletta. The most important projects in this corridor are the fixed Fehmarnbelt crossing and Brenner base tunnel, including their access routes. It extends, across the sea, from Southern Italy and Sicily to Malta.
- The **Rhine-Alpine Corridor** constitutes one of the busiest freight routes of Europe, connecting the North Sea ports of Rotterdam and Antwerp to the Mediterranean basin in Genoa, via Switzerland and some of the major economic centres in the Rhein-Ruhr, the Rhein-Main-Neckar, regions and the agglomeration of Milan in Northern Italy. This multimodal corridor includes the Rhine as inland waterway. Key projects are the base tunnels, partly already completed, in Switzerland and their access routes in Germany and Italy.
- The **Atlantic Corridor** links the Western part of the Iberian Peninsula and the ports of Le Havre and Rouen to Paris and further to Mannheim/Strasbourg, with high speed rail lines and parallel conventional ones, including also the Seine as inland waterway. The maritime dimension plays a crucial role in this corridor.
- The **North Sea-Mediterranean Corridor** stretches from Ireland and the north of UK through the Netherlands, Belgium and Luxembourg to the Mediterranean Sea in the south of France. This multimodal corridor, comprising inland waterways in Benelux and France, aims not only at offering better multimodal services between the North Sea ports, the Maas, Rhine, Scheldt, Seine, Saone and Rhone river basins and the ports of Fos-sur-Mer and Marseille, but also better interconnecting the British Isles with continental Europe.
- The **Rhine-Danube Corridor**, with the Main and Danube waterway as its backbone, connects the central regions around Strasbourg and Frankfurt via Southern Germany to Vienna, Bratislava, Budapest and finally the Black Sea, with an important branch from Munich to Prague, Zilina, Kosice and the Ukrainian border.

The nine corridors are a major breakthrough in transport infrastructure planning. Past experience has shown that it is very difficult to implement cross border and other transport projects in different member states in a co-ordinated way. It is very easy, in fact, to create divergent systems and connections and create more bottlenecks. Also projects need to be synchronised across the border in order to increase benefits from all investments. The new corridor plans and governance structures will greatly facilitate implementation of the new core network.

The comprehensive network

At a regional and national level what we call the comprehensive network will feed into the core network. This comprehensive network is an integral part of TEN-T policy. This will be largely managed by the Member States themselves with a smaller share of funding available under the CEF and of course under regional policy. That is subsidiarity in action. It is our intention that progressively, and by 2050, the great majority of Europe's citizens and businesses will be no more than 30 minutes' travel time from this feeder network.

The new TEN-T guidelines go much further than before in terms of specifying requirements, also including the comprehensive network, so that over time – looking ahead to 2050 – large parts of the comprehensive network join up in terms of fully interoperable and efficient standards, for rail, electric cars, etc.

EU financing

The Connecting Europe Facility makes available for transport infrastructure 26 billion euros for the next financial period 2014–2020, this triples the financing currently available. 80 to 85% of this money will be used to support:

- priority projects along the nine implementing corridors on the core network. Funding will also be available for a limited number of other sections projects of high European added value on the core network.
- funding for horizontal projects – mostly IT related – such as funding for SESAR (the technological dimension of the Single European Sky Air Traffic Management System), or the European Rail Traffic Management System (ERTMS) which must be used throughout the major transport corridors. This is a particular priority – as another innovation on the new core network is that there are tougher obligations for transport systems to "join up", i.e. to invest in meeting mainly existing EU standards, for example on the common rail signalling system ERTMS. Motorways of the Sea – as the maritime dimension of the TEN-T – will also be covered by this priority.

The remaining funding can be made available for ad hoc projects, including for projects on the comprehensive network.

It is estimated that the level of investment needed on the core network for 2014–2020 amounts to €250 billion. The Commission will publish regular calls for proposals to make sure that only the best projects with highest EU added value receive EU funding. The CEF triples EU financing to **€26 billion** for transport for the period 2014–2020; at the same time it focuses transport financing on a tightly defined new core network.

Overall, the "Connecting Europe Facility", will finance EU priority infrastructure in transport, energy and digital broadband. The facility will support key infrastructure to underpin the single market. The facility will have a single fund of €33.242 billion for the period 2014-2020, of which €26.250 billion will be allocated to transport, out of which €11.305 billion ring-fenced for related transport infrastructures investments in the Member States eligible under the Cohesion Fund.

What does this mean for East West connections?

A great deal of progress has been made in the last 20 years to improve travel links between the West and the East of Europe. East-West connections that were completely or partly missing, or restricted to only certain modes of transport, have now been integrated into the new TEN-T network.

However, within the EU, there is still a considerable disparity in quality and availability of infrastructure between and within the Member States (bottlenecks). In particular, the East-West connections require improvement, through the creation of new transport infrastructure and/or maintenance, rehabilitation or upgrading of existing infrastructure.

The focus has now shifted from individual projects to creating a core network of strategic corridors that will join East and West and all corners of a vast geographical area – from Portugal to Finland, from the coast of Scotland to the shores of the Black Sea.

East West connections are a central priority for the new EU infrastructure policy.

In terms of financing at least €11.3 billion has been ring-fenced for cohesion countries. This is to give additional support to investing in the major East West connections.

Nine corridors will be used to implement the core network. The core network corridors must each include three modes, three Member States and two cross-border sections.

Out of the nine core network corridors, 7 have a real east-west dimension: Baltic-Adriatic, North Sea-Baltic, Mediterranean, Orient/East Med, Atlantic, North Sea-Mediterranean, Rhine-Danube. In practice, we can now see that in the future corridors with multi-modal connections will stretch from east to west and from the geographically peripheral-regions to the centre of EU.

A few examples to illustrate this situation:

- There was no priority project connecting Poland and Germany. Now, there are three connections in the core network (Szczecin-Berlin, Warsaw-Berlin and Dresden-Wroclaw). Warsaw-Berlin is also part of the North Sea-Baltic corridor that stretches between Rotterdam and Tallinn.
- The German ports were not connected by a priority project to the central European countries (Hungary, Czech Republic, Slovakia, Bulgaria, Romania). Now this link is part of the Orient/East-Med corridor.
- Slovakia and Czech Republic were not efficiently connected to southern Germany. Now the two core network links (Prague-Nürnberg-Frankfurt and Prague-München-Stuttgart) are part of the Rhine-Danube corridor.
- The Danube was a priority project on its own, but limited to the inland waterways. Now the Rhine-Danube corridor will not only cover the Danube, but better connect it to the other inland waterways (Rhine) and include rail and roads to link central Europe to Germany and France.

How were projects on the core network chosen?

The basic principle is that every country benefits from access to a strong core European transport network – allowing for the free flow of people and goods. All European countries will be connected to this network.

Projects on the core network that have been identified as a priority for EU funding for the next financing period (2014–2020) are set out here (LINK annex to the Connecting Europe Regulation – see annex attach to this MEMO).

These projects are eligible for EU transport funding for 2014–2020 because:

- they meet the criteria set out in the methodology to be on the core network (see below for more information on the methodology and criteria)
- they have high EU value added
- and are mature for implementation between 2014 and 2020

It will be up to the Member States to submit detailed proposals to the Commission and on that basis funding will be allocated. This should happen as of early 2014. The precise level of EU funding available also depends on the details for the national proposals. Overall, the EU contribution to a major transport infrastructure development will normally be around 20% of the investment costs for any 7-year budget period. Support for individual studies can be up to 50 % and for studies and construction work in the case of cross-border projects up to 40%. The rest is from Member States, regional authorities or possibly private investors. For the at least € 11.3 billion ring fenced for MS eligible under the Cohesion Fund, the co-funding can go up to a maximum of 85 %.

What are the tougher requirements for the core network?

Projects receiving funding on the core network will have to meet tough technical requirements which need to be applied.

It makes sense that in particular for a core network, technical requirements must be interoperable across the network. For example, that means that ERTMS (the European Rail Traffic Management System) – the basic ITS systems to control the trains must apply everywhere. Equally, road safety standards in terms of tunnel safety requirements and road safety requirements must apply across the network, and the technology for ITS (intelligent transport systems) must join up. Also if there are future electric vehicle infrastructure charging points to be built, logically, they must meet common standards, so the cars can use them all across the network.

How will we get to the 250 billion euros needed for the core network?

The 31.7 billion euros allocated to transport under the Connecting Europe Facility of the MFF (Multi Annual Financial Framework) will effectively act as "seed capital" to stimulate further investment by Member State to complete the difficult cross border connections and links, which might not otherwise get built.

There is a very strong leverage effect from TEN-T funding. Experience in recent years shows that every 1 million euros spent at European level will generate 5 million from Member State governments and 20 million from the private sector.

Added to this leveraged money is now the possibility of new private sector money coming in through innovative financing instruments like project bonds.

How does the co-financing work? How much money comes from Member States and how much from Europe.

Transport infrastructure requires a huge investment – and the large share will always come from Member States. Europe's role in terms of investment and co-ordination is to add value by removing difficult bottlenecks and building missing links and connections, and to support the creation of a real European transport network.

The normal co-financing rates for TEN-T projects on the core network will be:

- Up to 50% EU co-financing for studies.
- For works up to 20% (for example exploratory works for a major tunnel)
- There are certain possibilities to increase co-financing for cross-border projects for rail and inland waterway connections (up to 40%).
- For certain ITS projects, like ERTMS, higher co-financing of up to 50% can be made available to support Member States making the transition.

How does the new TEN-T meet green objectives?

TEN-T is an essential tool for transport policy to meet the overall target to reduce by 60% emissions from transport by 2050 (see "Transport 2050" white paper published in 2011). At its heart the TEN-T network is a multi-modal transport network, facilitating a substantial the shift of passengers and freight from road to rail and other transport modes. All TEN-T projects have to undergo a rigorous environmental impact before qualifying for EU money. To do this they must meet all the requirements, in terms of planning and sustainability set out under EU environmental legislation.

Background TEN-T Policy

The trans-European network policy is there to put in place the transport infrastructure and interconnections that underpin the Single Market, to ensure the free-flow of goods and people and to support growth, jobs and EU competitiveness. In the past, transport systems in Europe developed largely along national lines. This led to poor or absent transport interconnections at the borders, or along key corridors. Weak transport interconnections hamper economic growth. Since the 1990s, TEN-T policy has focused EU money on supporting the development of key European infrastructure projects. And there have been many important success stories. However, given in particular the tough financial period, there is a need to refocus EU transport spending to where it gives maximum added value – to create a strong core European network.