

FIEC comments concerning the consultation on the revision of decision nr.1692/96/EC

FIEC is the European Construction Industry Federation, representing via its 32 national Member Federations in 25 countries (17 EU & EFTA, Bulgaria, Cyprus, Czech Republic, Hungary, Poland, Romania, Slovak Republic and Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities.

The intensification of efforts for the construction of major infrastructure projects is currently in the political limelight at the European level: the report of the High Level Group chaired by Karel VAN MIERT, the on-going revision of the Community priorities for the development of the Trans-European Transport Network (TENs-T) (list of priority projects), the European Commission initiatives for the promotion of economic growth, priorities for the Italian Presidency of the European Union, the franco-german growth initiative, etc...

It is a well-established fact, that **investments in transport infrastructure generate economic growth** because they facilitate the development of trade. Moreover, an improvement in communications between the new Member States and the present ones in the European Union (EU15) will constitute a **central element of cohesion in the enlarged Union**. In effect, the existence of efficient transport infrastructures linking the new member states with the EU15, will constitute an essential condition for convergence of the GNP/inhabitant of these countries towards the present European Union average.

It is for these reasons, that **the re-invigoration of investments in these infrastructures should be supported**. For these plans to be successful, it is recommended that they should take into consideration the **following proposals**:

1. **Increase the budgetary provisions allocated to the TENS**, and in the first instance **concentrate the use of these funds on the priority projects**. At the present time, the amounts (€ 1.8 billion for the period 1994-1999 and € 4.2 billion for the period 2000-2006) provided by these funds represent about 5% of the amount of the entire project and appear therefore to be inadequate in order to generate a leverage effect on investment.
2. **Increase the level of financial intervention represented by these funds for the TENs to 30% of the costs of the projects** for the cross-border sections and for the bottlenecks on the transit routes.
3. **Make available long term EIB loans using the projects themselves as collateral** rather than a State guarantee as is the case at the moment.
4. **Set up mutual guaranteed fund** drawn from the Union budget and the countries concerned with the individual projects.
5. **Promote the use of Public-Private Partnerships (PPP)** whilst recognising that the participation of the private sector can only represent about 15 to 20% of project costs baring in mind their weak financial viability, which is much lower than the economic viability that they represent in the public sphere as a whole. This promotion could for example be based on the **setting-up of an appropriate regulatory framework as concerns PPPs and concessions**.
6. **Set up a coordination body** for those transport corridors crossing several states, making it responsible for coordination between the states concerned both for the financial aspects as well as operational ones, including the concentration of the various Community funds as well as determining the project priorities.

FIEC

66, Av. Louise, B-1050 Bruxelles
Tél: (32) 2.514.55.35 Fax: (32) 2.511.02.76
E-mail: info@fiiec.org Internet: www.fiiec.org