

Mid-term evaluation of the TEN-T Programme (2007-2013)

Final Report

Report

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Executive Summary

Context

1. The Trans-European transport network (TEN-T) policy has been developing since the mid-Eighties to provide the infrastructure needed for a smooth functioning of the internal market, to ensure economic, social and territorial cohesion and to improve accessibility across the entire European Union (EU) territory. Right from the start the focus has been on cross-border projects, with a strong emphasis on high-speed rail in the first years.
2. Initially, the support was relatively scattered, both in time and in project selection. The TEN-T support has been allocated in yearly calls, covering an implementation period of 2 or 3 years every time. The 2000-2006 financial perspectives provided a greater focus on EU added value projects, with 30% allocated to cross-border projects.
3. This left a situation with limited EU impact for a policy area with high EU value added. The 2007-2013 financial perspective brought a further change to what was undertaken under the 2000-2006 financial perspectives by allowing TEN-T co funding rates up to 30% for cross-border projects. A Multi-Annual Program (MAP) was also adopted, allocating 60% of its budget to cross-border projects decisions covering the entire financial perspective so as to give more long term security of funding to these projects.
4. The 2007-2013 TEN-T Programme is implemented through different work programmes:
 - I The Multi-Annual Work Programme (MAP);
 - I The Annual Work Programme (AWP); and
 - I The one-off European Economic Recovery Plan (EERP).
5. The table below presents information on all the calls published so far under the 2007-2013 TEN-T Programme with their initial budgets and actual funding allocation.

TABLE 0.1 ACTUAL CALLS FOR THE 2007-2013 PROGRAMME

Year	Mode	Programme	Indicative EU budget in € million	Allocated EU budget in € million
2007	Priority Projects, including Galileo	MAP	5,290	5,224
	Air Traffic Management (SESAR)	MAP	350	350
	ITS for Roads	MAP	100	100
	ERTMS	MAP	260	239

	Annual Programme	Annual	-	112
2008	Motorways of the Sea (MoS)	MAP	20	21
	River Information Services	MAP	15	17
	Air Traffic Management (FABs)	MAP	10	9
	Annual Programme	Annual	140	139
2009	Motorways of the Sea (MoS)	MAP	30	17
	ITS for Roads	MAP	100	100
	ERTMS	MAP	240	216
	Annual Programme	Annual	80	73
	European Economic Recovery Plan	EERP	500	480
2010	Air Traffic Management (FABs)	MAP	20	20
	River Information Services	MAP	10	7
	Motorways of the Sea (MoS)	MAP	85	85
	Annual Programme	Annual	60	78
2007-2010	MAP TOTAL		6,530	6,405
	Annual Programme TOTAL		280	402
	EERP TOTAL		500	480
	TOTAL ACROSS ALL PROGRAMMES		7,310	7,287

Objectives and methodology

6. Steer Davies Gleave was appointed to conduct a Mid-term evaluation of the Trans-European Network transport Programme (2007-2013). The objectives of this evaluation are to:
 7. Evaluate the methods of carrying out projects, as well as the impacts of their implementation taking into consideration the stated objectives of the TEN-T Programme.
 8. Formulate overall conclusions and possible recommendations on the implementation of the TEN-T Programme with a view to providing input to the revision of TEN-T Programme and policy, both under the responsibility of DG MOVE.
 9. Taking into account the objectives of the Programme, the evaluation framework has been structured around the most important criteria: relevance, effectiveness and efficiency, as defined in the EU evaluation guidelines. The two other criterion

- utility and sustainability - are normally only included as evaluation criteria in ex-post evaluations because it is not yet possible to determine the effects at the stage of a mid-term evaluation when many of the projects that have been supported are not yet completed.

10. The methodology developed for the study relied on a variety of different instruments: a desk research identified data sources, as well as issues raised in previous studies and their associated recommendations. Stakeholders' interviews were conducted in order to gather facts and evidence. Statistical data on the different calls and work programmes was supplied by the TEN-T Executive Agency and analysed.

Findings

11. This mid-term evaluation of the Programme found that since the start of the current financial perspective (2007-2013) the Programme governance had improved: the TEN-T Executive Agency is providing more control over the public money that is spent, the selection of projects through proposal calls is more rigorous and leads to better project delivery. More than 90% of the Programme funds have been allocated and where the earliest projects since 2007 did not perform as required the funds have already been reallocated. Moreover the Programme's cost effectiveness is good: its structure is such that in the case of costs overruns, it is not the EU that bears them but the Member States. The Agency which has been funded as part of the financial envelope of the TEN-T Programme and the European Coordinators also offer an efficient management tool and have adequately assisted the Commission to the development and delivery of the projects selected.
12. However the Programme is behind schedule on completion: a significant number of the largest projects in the Multi-Annual Programme will be completed after 2013, by 2015. The projects that have been completed to date tend to be projects of common interest because they are shorter and because they are less complex than the Priority Projects. A number of the recent EERP projects are already late whereas they had been specifically selected to be completed over a short period. This will mean that there is little chance that the TEN-T network can be fully operational by 2020.
13. The Priority Projects, the dorsal spine of the network, are not delivering the expected effects. A few Priority Projects are completed and numerous sections are finalised but some key parts -such as cross-border sections - are missing and explain why the TEN-T network is an assembly of largely national sections, often poorly interlinked, rather than a proper physical and interoperable network. Most Priority Projects focus on rail: eighteen address rail and two address inland waterways, without achieving a coherent network. In spite of the focus given to rail, these projects have not resulted in a Single European Railway Area¹ and are still experiencing bottlenecks and significant interoperable obstacles. The ex-post and mid-term review reports conclude therefore that there is a sub-optimal,

¹ As quoted in the White Paper SEC(2011) 359 final; SEC(2011) 358 final and SEC(2011)391 final

economic, social and territorial cohesion, sub-optimal functioning of the internal market and sub-optimal use of infrastructure and resources.

14. The structure of the Programme through the MAP/AP/EERP separate work programmes was found to be largely relevant to address the European Union transport objectives. The structure is a reflection of the need to offer long-term certainty as well as short-term support.
15. Cross border issues such as a lack of international co-operation, different infrastructure or operating standards or a lack of common working methods or a lack of international binding treaties have been acknowledged by the Commission which has put in place a number of measures in the current 2007-2013 Programme to address them, namely a higher co-funding rate for cross-border sections of Priority Projects (up to 30% but in practice not higher than 21% in average), appointment of European Coordinators and a clear focus of the Multi-Annual Work Programme on cross-border financing with more than 60% of the funds allocated to these.
16. Horizontal Projects contribute to the removal of “soft” but nonetheless real barriers and bottlenecks and therefore contribute to the achievement of the objectives of the Programme. Compared to “hard” infrastructure projects, the time requirement for interoperability effects can be shorter, however changes to behaviour and standardisation of tools or vehicles takes time and this needs to be recognised by the Programme. There should also be a focus on the system breaks of the network which create bottlenecks, especially on cross border sections and prevent equal benefit to materialise across the network. (Systems breaks are situations may be provided through infrastructure incompatibility (gauge of rail track), lack of interoperability of operating equipment, different rules of operation (on training and safety standards), and lack of coverage (breaks in the lineage of road, rail, waterways network).
17. Although there are many examples of what bottlenecks are on the European transport network, there is still no clear definition of what they are: a physical lack of infrastructure, a lack of common operating procedures, or a lack of smooth operations at the borders? This needs to be addressed in a revision of the Guidelines.
18. The evaluation also found that the objectives of the Programme are very general, lack focus and a clear definition of what the Programme is really trying to achieve. It should be recognised that the Programme cannot address all the issues at the same time or with the same focus. Therefore the objectives of the Programme need be clarified and prioritised.
19. The level of funding of the Programme was also found to need to be increased over the next financial perspective(s), so that the contribution from the TEN-T budget could command more impact. This could be through an increase of the total funding available, or higher co-funding rates. Additionally the lack of a long-term financial visibility hinders the Programme progress for the most complex projects.
20. The structure of the Programme with the Multi-Annual Work Programme receiving between 80 and 85% of the available funding and the Annual Work Programme

being allocated to the rest was found to be adequate, but some implementation issues need to be addressed: among them the MAP call calendar, the separation of mixed proposals into works or studies, any improvement in cost-benefits analysis and better incentives of project delivery.

21. The EU funding is fragmented between the TEN-T Programme, the Cohesion and the Structural funds and the evaluation found that the Programme would benefit from a stronger partnership between DG REGIO and DG MOVE to achieve the EU transport policy objectives.
22. The evaluation also found that innovative financial instruments such as the LGTT need to be refined in order to address the ever changing market conditions, that improved regulatory framework should be considered in order to better adapt to PPP requirements, PPPs should be considered upfront for the financing of TEN-T infrastructure and a pipeline established.
23. The objectives of the Programme are so general that it makes any evaluation of the Programme successes difficult. The Programme has been the catalyst to a number of key pieces of transport infrastructure in Europe, and has been playing a part in the structuring of the transport network by allowing transport investments to be focussed. Its political leverage is high but its financial leverage is poor. The Programme has clearly made a positive contribution to the mobility needs of the European citizens and goods. However some aspects of the Programme need to be improved which requires a revision of the Guidelines and Regulation and of some internal aspects of the Programme practices.

Recommendations

24. The recommendations are summarised in the table below.

TABLE 0.2 TABLE OF RECOMMENDATIONS

	Recommendation	What it requires
1	The TEN-T network should be redefined so that it is aligned with the objectives of the 2011 White Paper and the Programme. This should include the Priority Projects which need to better reflect the actual and projected main trans-European axes, and this should be based on a solid methodology for defining the network, its key axis and priorities.	This would require an amendment to the Guidelines.
2	Funding should be allocated less to national sections and should be more linked to achieving projects of high European value-added such as cross-border projects, co-modal projects and interoperable projects.	This would require an amendment to the Guidelines.
3	Cross-border projects are progressing slowly and are fragmented because of the lack of cooperation and coordination amongst Member States but cross-border projects are some of the projects of the highest EU	This would require an amendment to

	Recommendation	What it requires
	added value and therefore require continued and stronger Programme focus by considering a higher co-funding rate, or a specific allocation of the total budget to these projects.	the Guidelines.
4	It also appears from various reports (Coordinators Issues Paper, Court of Auditors Special Report) that without a mandatory cross-border structure, the problem will continue to persist: there needs to be a binding legal framework and clear managerial structure so that traffic forecasts, investment plans, timelines, capacity planning, alignment, technical and interoperability characteristics, environmental assessments can be coordinated and jointly agreed.	This would require an amendment to the Guidelines and Regulation.
5	The mandate of the Coordinators should be extended beyond 2013 as they play a “vital role” for the most important trans-European Priority Projects.	This should only require an internal change in procedures
6	A definition of the TEN-T bottlenecks should be produced so that they can be better addressed in the calls. This should focus on the system breaks of the network which prevent equal benefit to materialise across the network. A revision to the Guidelines would be required and should be considering a higher co-funding rate, or a specific allocation of the total budget to these projects.	A revision to the Guidelines would be required
7	The Horizontal Projects should be given more focus (i.e. more funding) by the Programme and we recommend that this should be largely addressed through the MAP call in order to allow for adequate and timely implementation. A revision to the Guidelines would be required and should also be considering a higher co-funding rate, or a specific allocation of the total budget to these projects.	A revision to the Guidelines would be required
8	The general objectives of the Union Guidelines should be developed into specific and operational objectives. This would require a recast of the Guidelines, and the objectives should be drafted with an analysis of the current and future needs, problems and issues that the TEN-T network is expected to solve. The objectives should be focussed enough, and five principles should form the basis of these objectives: they should be systematic, measurable, accepted, realistic and time-	This would require changes to the Guidelines.

	Recommendation	What it requires
	dependent.	
9	The level of funding of the Programme should be increased over the next financial perspective(s), so that the contribution from the TEN-T budget can command more impact especially in its relationship with Member States and more visibility. This would require a higher share of the EU General Budget. An increased level of funding would of course only be allocated provided that the proposals are recommended for funding and meet the refined objectives of the Programme.	This would require a higher share of the EU General Budget.
10	There needs to be a reflection as to the most practical tool to address the lack of EU financial visibility of project promoters.	This may require an amendment to the Guidelines and Regulation.
11	The call calendar for the MAP should be refined to improve project maturity alongside a first call that aims at guaranteeing financial security to mature projects for a maximum period at the beginning of the programme. A second large MAP call could be organised in the middle of the financial perspective. This would have the advantage of offering a medium-term financial visibility for project promoters, whose projects are mature only half way through the programme. It could be organised in Year 2 or 3 in order to maximise the amount of time offered by the Multi-Annual Work Programme.	This would require an amendment to the Guidelines.
12	The issues that have been highlighted on the mixed projects (work and studies) advocate for a separation of proposals into works or studies.	This would require an amendment to the Guidelines.
13	Cost-benefits analysis should be improved in proposals including the consideration of adequate, comparable and standardised cost-benefit analyses and updated during project life (in particular costs) and as much as possible an ex-post assessment of the cost-benefit analyses should be carried out.	This would only require better requirements for cost-benefit analysis.
14	Project delivery should be better incentivised: The Commission should be able to use more effective project incentives (such as the “use it or lose it” rule) to make sure that project promoters are feeling more accountable for the EU grants given, including on	This does not require any amendments to the Guidelines, only an internal

	Recommendation	What it requires
	Priority Projects.	procedure.
15	DG MOVE should continue to develop and expand the partnership between DGs involved. DG REGIO and DG MOVE share a lot of TEN-T work and would benefit from setting priorities and reporting requirements together as well as working together to make sure that their interests and those of project promoters on the ground are aligned. Defining clearly the respective roles between JASPERS and the TEN-T Executive Agency would also strengthen the management of the EU funds.	This would require a stronger collaboration from the two DGs
16	An improved regulatory framework should be considered in order to better adapt to PPP requirements, PPPs should be considered upfront for the financing of TEN-T infrastructure and a pipeline established. The Commission should continue to liaise with the EIB. Any specific financial instruments such as LGTT should allow greater flexibility to adapt to changing market conditions.	This would require an amendment to the Guidelines.

1 Introduction

- 1.1 Steer Davies Gleave was appointed to conduct a Mid-term evaluation of the Trans-European Network transport Programme (2007-2013). The objective of this evaluation was described by the Terms of Reference as to:
- | Evaluate the methods of carrying out projects, as well as the impacts of their implementation taking into consideration the stated objectives of the TEN-T Programme.
 - | Formulate overall conclusions and possible recommendations on the implementation of the TEN-T Programme with a view to providing input to the revision of TEN-T Programme and policy, both under the responsibility of DG MOVE.
- 1.2 In the context of the Reform Agenda², evaluation has become more closely linked to the policy cycle, and this mid-term evaluation of the TEN-T Programme is intended to influence future Commission policy planning and implementation, and in particular the forthcoming revision of TEN-T Programme and policy.
- 1.3 This is in accordance with Article 16 of Regulation 680/2007 establishing the need for an “evaluation of the methods of carrying out projects as well as the impact of their implementation, in order to assess whether the objectives, including those relating to environmental protection have been attained”, as well as Article 19 stating that “before the end of 2010, the Commission shall submit to the European Parliament and to the Council a general report on the experience gained with the mechanisms provided for this by this Regulation for the granting of Community financial aid”.
- 1.4 The remainder of this document is structured as follows:
- | Chapter 2 offers an introduction to the TEN-T Programme;
 - | Chapter 3 covers the specific objectives of the evaluation and its associated methodology;
 - | Chapter 4 provides a focussed analysis on the Annual Work Programmes for 2007, 2008 and 2009 as well as the European Economic Recovery Plan (EERP) and the Multi-Annual Work Programme (MAP);
 - | Chapter 5 provides the findings on the evaluation of the 2007-2013 TEN-T Programme; and
 - | Chapter 6 presents the conclusions and recommendations.

² EU 2020 Strategy

2 The TEN-T Programme

Context

- 2.1 The Trans-European transport network (TEN-T) policy has been developing since the mid-Eighties to provide the infrastructure needed for a smooth functioning of the internal market, to ensure economic, social and territorial cohesion and to improve accessibility across the entire European Union (EU) territory. The network plays an essential role in helping to build missing links or removing transport bottlenecks by creating a single, multimodal network that efficiently integrates land, sea and air transport networks throughout the EU.
- 2.2 Right from the start the focus has been on cross-border projects, with a strong emphasis on high-speed rail in the first years. In 1990, for the first time a two year TEN-T support framework, in ECUS, was established.
- 2.3 After the inclusion of a new chapter on trans-European networks in the Maastricht Treaty (1992), this led to the adoption of the first list of 14 projects of European interest, the "Priority Projects" at the European Council in Essen (1994). In 1996, the Union adopted TEN-T Guidelines³ (hereinafter the Guidelines), which are the Union's main instrument for policy definition and network planning.

What the Programme is and how it works

- 2.4 The current Guidelines include two planning layers: a comprehensive network layer, i.e. the projects of common interest - comprised of outline plans for rail, road, inland waterway, combined transport, airport and port networks - and a second layer of Priority Projects - i.e. the projects declared to be of European interest, which provide the greatest added value for the networks as a whole, in particular the cross-border sections to guarantee the continuity of TEN-T network. There are now 30 Priority Projects and most of them are located on a strategic European axis.
- 2.5 Aside from this network planning dimension, the Guidelines, together with financial instruments, aim to facilitate the implementation of projects. These instruments are both financial (based on the relevant legislation including the TEN Financial Regulation⁴ and the Cohesion Fund, European Regional Development Fund (ERDF) and loans from the European Investment Bank), and non-financial instruments, such as coordination initiatives taken by the European Commission.

³ Decision No 661/2010/EU of the European Parliament and of the Council of 7 July 2010 on Union guidelines for the development of the trans-European transport network (recast). This recast consisted mainly of a codification of the existing Guidelines, the only change of substance consisted in adjusting the indicative target dates, from 2010 to 2020, for Member States that acceded on 1 May 2004.

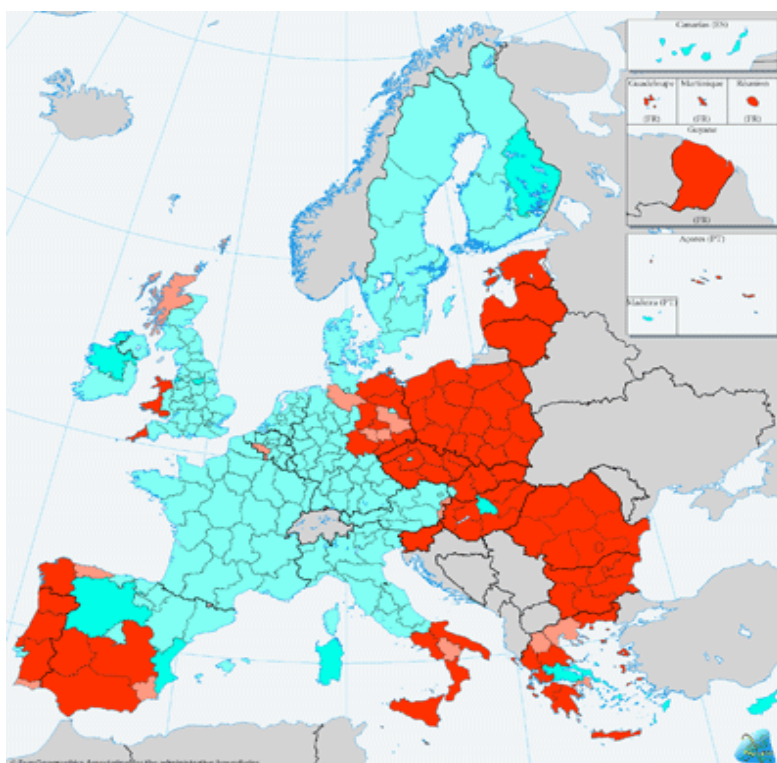
⁴ Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of trans-European transport and energy networks.

- 2.6 The TEN-T Programme requires commitment by the project promoters for EU financial aid and by the Member State(s) concerned to make a financial contribution to the project submitted, mobilising private funds if necessary. The TEN-T funding covers only a small part of the total funding requirement of the project cost. Funding is generally given in the form of a grant for studies or works, or loans and availability payment schemes.
- 2.7 The TEN-T Programme budget is communicated at the beginning of the financing perspective to Member States alongside a detailed indicative programme of calls by work programme and mode in order to provide as much information on funding as possible. Amounts allocated may vary slightly from amounts indicated (see Table 4.1).
- 2.8 The TEN-T funding is currently allocated through competitive calls for proposals either each year for the annual work programme and EERP or once per financial perspective (currently 2007-2013) for the multi-annual work programme. Proposals are selected according to a number of criteria such as project maturity, socio-economic and environmental effects, soundness of the financial package, etc. The evaluation process happens in two steps: firstly it is based on an assessment by independent experts who establish a shortlist of proposals recommended for funding, followed by the selection of proposals by DG MOVE from the experts' shortlist.
- 2.9 Initially, the support was relatively scattered, both in time and in project selection. The TEN-T support has been allocated in yearly calls, covering an implementation period of 2 or 3 years every time. The 2000-2006 financial perspective provides a greater focus on EU added value projects, with 30% allocated to cross-border projects. However, the TEN-T support was limited to 10% or less in most cases, only towards the end of the period a few cross-border projects were allocated rates of over 10%, with a maximum of 20%.
- 2.10 This left a situation with limited EU impact for a policy area with high EU value added. The 2007-2013 financial perspective brought a significant change by allowing TEN-T co funding rates up to 30% for cross-border projects. A Multi-Annual Program (MAP) was adopted, allocating 60% of its budget to cross-border projects decisions covering the entire financial perspective so as to give more long term security of funding to these projects.
- 2.11 Where projects have not started two years after the funding decision was given, the Commission has the right to cancel funding and may also suspend, reduce or discontinue the financial aid under certain circumstances, such as delays. The amount of funding that is withdrawn from a project budget line returns to the TEN-T Programme budget and can be re-allocated before the end of the current financial perspective.
- 2.12 The European Commission's Directorate-General for Mobility and Transport (DG MOVE) defines the policy, while the Trans-European Transport Network Executive Agency (TEN-T EA) implements and oversees the programme. The agency was created in 2006 to manage the TEN-T programme on behalf of the European Commission until 31 December 2015.

EU funding instruments for the TEN-T network

2.13 It is important to realise that the TEN-T Programme is not the only source of EU funding for the TEN-T network: the Cohesion fund and the Structural funds contribute to TEN-T network as well. These funds are financial tools that aim at reducing regional disparities in terms of income, wealth and opportunities. The Structural funds are made up of the European regional development fund (ERDF) and the European Social Fund (ESF). They target Europe's poorer regions which receive most of the support.

FIGURE 2.1 CONVERGENCE COUNTRIES AND REGIONS



Legend: Red colour = Convergence countries and regions Source: European Commission, DG REGIO

2.14 Even though co-funding rates differ between the 3 funds (up to 80% for the Cohesion fund, up to 75% for the ERDF fund, and up to 50% for the ESF), co-financing rates in Cohesion and Structural funds make their contribution often decisive in the funding of projects. Some stakeholders have stated that “TEN-T budget triggers the projects, Cohesion budget builds the projects”.

2.15 For example, the Cohesion and the European regional development fund (ERDF) provide significant funds to transport investments: for the 2007-2013 financial perspective, these two funds will contribute €81.9 billion to transport (€44.2 to TEN-T projects), of which €18 billion goes to finance TEN-T rail projects, €19 billion goes to finance TEN-T road projects and €7.2 billion for the other transports modes (and the remaining €37.7 billion to non TEN-T transport projects).

2.16 Overall for the 2007-2013 financial perspective, the European funding tools for the TEN-T network are dominated in value towards the Cohesion and ERDF funds: they

account for €34.8 billion and €9.4 billion respectively (a total of €44.2 billion) compared to €8.0 billion for the TEN-T Programme.

Governance of the funds

- 2.17 The governance of the funds differs significantly. DG MOVE Directorate is responsible for the TEN-T Programme and DG REGIO Directorate is in charge of the Cohesion and Structural funds.
- 2.18 The current arrangement for the Cohesion, ERDF and ESF funds means that they have three different objectives: convergence (which gets 81.5% of the funds), regional competitiveness, and territorial cooperation and that there are 8 different eligibility criteria. Additionally, for these funds, the overall responsibility for choosing the projects remains at national level, at the beginning of the financial period and cannot be changed until its end. This situation has led to an unclear prioritisation of projects and dissemination of European funds. The implementation of these projects remains national and regional.
- 2.19 Furthermore, for the Cohesion fund and the Structural funds only those projects with a budget over €50 million are monitored and supported by the Commission, smaller projects remains solely the responsibility of the Member States.
- 2.20 In contrast, the TEN-T Programme is allocated through a competitive call for proposals procedure and the award of funding is subject to on-going technical and financial monitoring of all funded projects by the TEN-T Executive Agency. The TEN-T Programme also benefits from a re-distribution mechanism during the financial perspective.

Objectives of the Programme

- 2.21 This mid-term evaluation has been designed to evaluate the TEN-T Programme, not the individual projects that constitute the TEN-T Programme. However, a good understanding of the Work Programmes and their characteristics has been necessary in order to inform the evaluation.

Review of the Programme objectives

- 2.22 At the start of any evaluation, it is important to understand what the objectives of the Programme to be evaluated and of the TEN-T policy are. We reviewed the legislation and other documents available and found the objectives which are discussed below.
- 2.23 The Guidelines for the development of the Trans-European Network, recast in 2010, indicates that:

- | "The establishment and development of trans-European networks contribute to the attainment of major Community objectives, such as the smooth functioning of the internal market and the strengthening of economic and social cohesion".
- | "The establishment and development of trans-European transport networks throughout the territory of the Community also have the specific objectives of ensuring the sustainable mobility of persons and goods under the best possible social, environmental and safety conditions and integrating all modes of transport, taking account of their comparative advantages. Job creation is one of the possible spin-offs of the trans-European network".

- 2.24 The Guidelines go further by stating that the trans-European transport network shall be established gradually by 2020 by integrating land, sea and air transport infrastructure networks throughout the European Union. The general objectives of

- | ensure the sustainable mobility of persons and goods within an area without internal frontiers under the best possible social and safety conditions, while helping to achieve the Community's objectives, particularly in regard to the environment and competition, and contribute to strengthening economic and social cohesion;
- | offer users high-quality infrastructure on acceptable economic terms;
- | include all modes of transport, taking account of their comparative advantages;
- | allow the optimal use of existing capacities;
- | be, insofar as possible, interoperable within modes of transport and encourage intermodality between the different modes of transport;
- | be, insofar as possible, economically viable;
- | cover the whole territory of the Member States so as to facilitate access in general, link island, landlocked and peripheral regions to the central regions and interlink without bottlenecks the major conurbations and regions of the Community;
- | be capable of being connected to the networks of the European Free Trade Association (EFTA) States, the countries of Central and Eastern Europe and the Mediterranean countries, while at the same time promoting interoperability and access to these networks, insofar as this proves to be in the Community's interest.

the trans-European network are to:

- 2.25 Most of these objectives appear to be more general than specific or operational. These objectives are very broad and as a result, the Green Paper⁵ acknowledged that it “has made it difficult to focus action and generate effective impacts and visible results”. It also means that it is difficult to establish a hierarchy of objectives for the purpose of this evaluation.
- MAP objectives
- 2.26 The Multi-Annual Programme is described in the Regulation⁶ as “the essential pillar of Community financing of the trans-European transport network during the period 2007-2013”. Its objective is to address “the highest priorities of this network, as set out in the TEN Guidelines”.
- 2.27 The MAP is to focus on the 30 identified Priority Projects, on the intelligent transport systems for all transport modes, on developing an interoperable railway network, on promoting maritime and inland waterway transport and on developing sustainable mobility of persons and goods.
- 2.28 “The programme aims at concentrating Community aid at projects that underpin these priorities on:
- I Sections of Priority Projects (in the rail, road and inland waterway sectors) which promise the highest added value for the projects as a whole, i.e. cross-border sections and the removal of bottlenecks as well as the “horizontal” Priority Projects Galileo and Motorways of the Sea; and
 - I Projects in the field of intelligent transport systems and rail interoperability”.
- 2.29 The programme aims at “further enhancing the effectiveness and visibility of Community financing of the highest priorities of the trans-European transport network” and will “contribute to the timely and efficient completion of a number of TEN-T Priority Projects in their entirety or in significant parts”.
- 2.30 With funding allocated in 2007 over the whole 2007-2013 financial perspective, the programme will naturally “enhance project promoters’ certainty regarding Community funding over the whole (or a significant part) of the project implementation period” and require promoters to contribute “firm financial and technical commitments” to “implement the projects as planned, ensuring efficient use of Community resources”.
- 2.31 The description above shows that the MAP objectives are rather general and have not been translated into specific or operational goals.

⁵ Commission of the European Communities Green Paper (2009) TEN-T: A policy review, Towards a Better Integrated Trans-European Transport Network at the Service of the Common Transport Policy

⁶ Regulation (EC) No 680/2007 of the European Parliament and of the Council (of June 2007) laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks

Annual Work Programmes

- 2.32 The Annual Work Programmes have similar general objectives which are: “to address the priorities of the trans-European transport network, as set out in the TEN Guidelines, with a high degree of flexibility to meet new demands, given its annual nature.”
- 2.33 In 2007 and 2008, the objectives have focussed on projects of common interest, which: “address the priorities of the trans-European transport network, as set out in the TEN Guidelines, and given its annual nature, with a high degree of flexibility to meet new demands of the projects of common interest.”
- 2.34 There is no statement of specific objectives for the Annual Programmes, and the priorities, attached to the calls, have sometimes slightly differed between years, with “Priority Projects not covered under the Multi-Annual Programme” classified as the top priority but different second priorities such as “measures to develop an interoperable railway network”, or “measures to develop key links and interconnections to eliminate bottlenecks”.
- 2.35 In 2010 however, the general objectives of the Annual Programme have been amended and have focussed on financial instruments on the one hand and sustainable objectives on the other. For the financial instruments specific objectives have been defined.
- I For the Loan Guarantee Instrument (LGTT) they are “to share the risk and provide support to the investors of infrastructure projects deemed relevant to the trans-European network”⁷
 - I For the Marguerite fund, they are “to address the need for equity of the TEN-T projects, guarantee a high leverage and increase the efficiency and value of the Union financial aid, and promote private sector involvement in the financing of the TEN-T projects”.
- 2.36 The 2010 Annual Programme objectives has also focussed on “attracting proposals for mature and sustainable projects”. For the first time, the objectives take account of the Climate change policies. As a result the priorities differ to those of 2007-2009 and “the development of an integrated and environmentally friendly transport system” now comprises the first objective, followed by the “acceleration/facilitation of the implementation of the TEN-T projects” with “support to PPPs” following.

European Economic Recovery Programme (EERP)

- 2.37 The general objective of the EERP as described in a Communication from the Commission to the European Council COM (2009)⁸ is to offer a “counter-cyclical macro-economic response to the economic crisis that has been affecting Europe since 2008 in the form of a set of actions to support the real economy”.

⁷ Commission Decision EC (2010) Establishing an annual work programme for granting financial aid in the field of trans-European Transport network (TEN-T) for 2010

⁸ Commission Decision EC (2009) Establishing the 2009 work programme for granting financial aid in the field of trans-European Transport network (TEN-T) as foreseen in the European Economic Recovery Plan

- 2.38 This objective has been translated into operational terms: to fund projects “which can demonstrate that the Community support would enable works (i.e. construction) to start in 2009 or, at the latest, in 2010”.

3 Objectives and the methodology used

Objectives

- 3.1 The objective of this evaluation is described by the Terms of Reference as to:
- | Evaluate the methods of carrying out projects, as well as the impacts of their implementation taking into consideration the stated objectives of the TEN-T Programme.
 - | Formulate overall conclusions and possible recommendations on the implementation of the TEN-T Programme with a view to providing input to the revision of TEN-T Programme and policy, both under the responsibility of DG MOVE.
- 3.2 The current TEN-T Programme covers the 2007-2013 financial perspective.

Methodology

- 3.3 The five evaluation criteria are relevance, effectiveness, efficiency, utility and sustainability, as defined in the EU evaluation guidelines⁹.
- | Relevance is the extent to which an intervention's objectives are pertinent to the needs, problems and issues to be addressed.
 - | Effectiveness is the extent to which the set objectives are achieved. This also includes the functioning of management structures and the way they support the organisation in delivering results.
 - | Efficiency is the extent to which desired effects are achieved at a reasonable cost. This also includes the management structures and the way they support a cost-effective implementation.
 - | Utility is the extent to which effects achieved correspond with the needs, problems and issues to be addressed.
 - | Sustainability is the extent to which positive effects are likely to last after an intervention has terminated.

Framework

- 3.4 Taking into account the objectives of the Programme, the evaluation framework has been structured around the five criteria. This framework has been used to direct the process of data collection and analysis. In relation to this evaluation, they are:

Relevance: The extent to which the objectives of the Programme are consistent with EU policy identified needs and objectives.

- | The extent to which the Programme addresses the European transport needs.

⁹ Evaluating EU activities, A Practical guide for the Commission Services, July 2004, DG BUDGET Evaluation Unit

- | The extent to which the structure of the Programme (MAP, AP, EERP) is appropriate in comparison to the needs identified.
- | The degree to which the Programme performs its tasks as set out in the legal framework.

Effectiveness: The extent to which the objectives of the Programme were achieved, or are expected to be achieved, taking into account their relative importance.

- | The extent to which the Programme provides accrued certainty for project promoters and investors.
- | The extent to which the timescales of the Programme are appropriate and the extent to which the funding guidelines are appropriate for the Programme.
- | The extent to which the Programme offers an adequate award of EU funds (payment timeline, flexibility).
- | The extent to which the Programme promotes and develop use of PPPs, or other funding sources.
- | The extent to which the allocation of other EU funding sources is consistent with the Programme.
- | The extent to which the Programme promotes enhanced coordination between Member States and with EU agencies (TEN-T EA, ERA, EASA, EMSA)
- | The extent to which the Programme mobilise funding within Member States, particularly for cross-border projects.
- | The extent to which the Programme funded projects reduce bottle-necks in the EU network.
- | The extent to which the Programme ensures project accountability of project promoters.
- | The extent to which the Programme funded projects are or lead to works projects.
- | The extent to which the Programme funds projects that enable the integration of transport systems already in place.

Efficiency: A measure of how economically resources/inputs are converted to benefits/outputs.

- | The extent to which the programme management and management systems are adequate in terms of Programme planning.
- | The extent to which the selection of projects is through a fair and transparent decision making process.
- | The degree to which the management structures and procedures of TEN-T EA and DG MOVE support the cost-efficient delivery of projects and other outputs.
- | The extent to which the running costs of the Agency and the Programme are reasonable and within timescales.
- | The extent to which project monitoring tools and procedures contribute to the successful completion of projects

- 3.5 The two other criterion - utility and sustainability - are normally only included as evaluation criteria in ex-post evaluations because it is not yet possible to determine the effects at the stage of a mid-term evaluation when many of the projects that have been supported are not yet completed.

Data collection

Desk research

- 3.6 We have carried out desk research to collect relevant information. This was started immediately after the kick-off meeting. The desk research identified data sources, as well as issues raised in previous studies and their associated recommendations.
- 3.7 Table 3.1 lists all the policy and other documents that were reviewed.

TABLE 3.1 BIBLIOGRAPHY

Type	Document name
Legal framework	Commission Decision 661/2010/EU of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network
Legal framework	Regulation (EC) No 680/2007 of the European Parliament and of the Council (of June 2007) laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks
Work Programmes	Multi-Annual Work Programme - Commission Decision C(2007) 3512 establishing the multi-annual work programme for grants in the field of trans-European Transport network (TEN-T) for the period 2007-2013
Work Programmes	Annual Work Programme - Commission Decision C(2007) 3513 establishing the annual work programme for grants in the field of trans-European Transport Network (TEN-T) for 2007
Work Programmes	Annual Work Programme - Commission Decision C(2008) 1564 establishing the annual work programme for grants in the field of trans-European Transport Network (TEN-T) for 2008
Work Programmes	Annual Work Programme - Commission Decision C(2009) 2179 establishing the annual work programme for grants in the field of trans-European Transport Network (TEN-T) for 2009
Work Programmes	EERP Work Programme - Commission Decision C(2009) 2183 establishing the 2009 work programme for granting financial aid in the field of TEN_T as foreseen in the Economic Recovery Plan
Work Programmes	Annual Work Programme - Commission Decision C(2010)796 establishing an annual work programme for granting financial aid in the field of TEN-T for 2010 (amended through decision C(2010)2681 increasing budget)

Type	Document name
Policy documents	Green Paper: TEN-T: A policy review, COM(2009)44 Final, 2009
Policy documents	Summary Report - Green Paper on Future TEN-T Networks, 2009
Policy documents	Commission staff working document - TEN-T Policy Review - background papers, SEC(2010)613 Final, 2010
Policy documents	Commission working document - Consultation on the future trans-European transport network policy, COM(2010) 212 Final, 2010
Policy documents	TEN-T Policy Review: Report of the Expert Groups, 2010
Policy documents	Expert Group 5, Funding Strategy and Financing Perspectives for the TEN-T, Final report, July 2010
Policy documents	Commission staff working document - The New Trans-European Transport Network Policy, Planning and implementation issues, 2011
Policy documents	White Paper: Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system, COM(2011) 144 final, 2011
TEN-T Executive Agency documents	Annual Report and Annual Accounts (2008 and 2009)
TEN-T Executive Agency documents	Budget (2010)
TEN-T Executive Agency documents	Assessment of TEN-T Programme Implementation (2010)
Other	Ex ante evaluation of the TEN-T Multi Annual Programme 2007-2013 October 2007, ECORYS (2007)
Other	Ex-post/final evaluation of the Trans-European Transport Network Multi-annual Indicative Programme 2001-2006, Deloitte (2007)
Other	Position paper of the European Transport Coordinators on the Future of TEN-T Policy, 2009
Other	Implementation of the Priority Projects Progress Report 2010
Other	TEN-T EA (2010) Mid-Term Review of the 2007-2013 TEN-T Multi-Annual Work Programme Project Portfolio (MAP Review)
Other	Court of Auditors (2010), Special Report No. 8/2010 Improving Transport Performance on trans-European Rail Axes: Have EU Rail Infrastructure Investments been Effective? Statement of preliminary findings for Netherlands, Germany, Austria, France, Poland, Italy, Spain, Slovakia (2009)
Other	The financial crisis and the PPP market, Potential remedial actions, Abridged version, EPEC, 2009

3.8 The desk review was conducted with the following objectives:

- | To identify the data available and assist in the definition of Key Performance Indicators (KPI) and the structure of the evaluation framework;
- | To review the key issues highlighted by other studies as well as common themes about the implementation of the TEN-T Programme in order to be able to identify gaps and areas with a lack of clarity; and
- | To gather previous conclusions and recommendations on the Programme, while understanding that the Programme has changed since some of these documents were produced.

Stakeholder interviews

3.9 The stakeholder interviews we conducted followed a structured interview-guide which is provided as Appendix B. The interview guidelines were developed after the initial analysis of the desk research in order to target the questions and answers to the qualitative KPIs developed, and it follows the five evaluation criteria of the framework, namely:

- | Relevance;
- | Effectiveness;
- | Efficiency;
- | Utility; and
- | Sustainability.

3.10 An interview mission was carried out in Brussels over two days during the TEN-T Financial Assistance Committee and Guidelines Committee on 27 and 28 January, 2011. Telephone interviews were also arranged for those individuals that could not be interviewed face to face.

3.11 Following the interviews, the responses were analysed. Stakeholders interviewed came from the following organisations:

- | DG MOVE;
- | TEN-T Executive Agency;
- | European Court of Auditors; and
- | Member States.

4 Presentation of the findings of the analyses of individual/cluster of projects

Introduction

- 4.1 The TEN-T Programme is implemented through work programmes:
- | The Multi-Annual Work Programme (MAP);
 - | The Annual Work Programme (AWP); and
 - | The one-off European Economic Recovery Plan (EERP).
- 4.2 The Multi-Annual Work Programme is the main component of the TEN-T Programme receiving 80%-85% of the funding. This is made up of 30 Priority Projects¹⁰ which are of high European value-added and play a key role in facilitating the movement of goods and people within Europe. There are also horizontal projects which develop traffic management systems to integrate all transport modes and improve the operation of the European transport network.
- 4.3 The funding of the MAP is allocated through annual calls over the 2007-2013 period, with €6,405 million already allocated between 2007 and 2010. Priority projects were funded at the beginning of the period and horizontal programmes have been funded throughout the period. The MAP has funded both capital works (EU funding contribution is up to 30% for cross-border works and up to 20% for other works) and studies (EU funding contribution is up to 50% for studies).
- 4.4 The Annual Work Programme (AWP) provides funding for projects of European common interest not included in the MAP. Each year certain objectives are specified within the call for proposals. These funds do not specifically need to be used on Priority Projects and the majority of the Annual Work Programme funding is spent on studies. EU funding contribution can reach up to 50% for studies and 10% for works on projects of European common interest. The amount of funding available for the Annual Work Programme in each annual call has been reducing year-on-year. As compared to the MAP where 90% of projects have a planned duration of longer than 4 years, 88% of the Annual Programme projects are less than 3 years in length.
- 4.5 The European Economic Recovery Plan (EERP) was introduced in 2009 with a budget of €500 million. It had two objectives: to inject additional money into the market to boost European investment in transport infrastructure projects following the 2008 financial crisis, and to ensure that the bulk of the funding should be used for projects to be implemented in 2009-2010. This funding was aimed at projects of common European interest and/or Priority projects. All of this funding went to capital works projects and to projects of less than 4 years planned duration, with 70% granted project with a planned duration of less than 3 years.

¹⁰ List of Priority Projects is provided in Appendix B

- 4.6 Table 4.1 below presents information on all the calls published so far under the 2007-2013 TEN-T Programme with their initial budgets and actual funding allocation where information is available.

TABLE 4.1 ACTUAL CALLS FOR THE 2007-2013 PROGRAMME

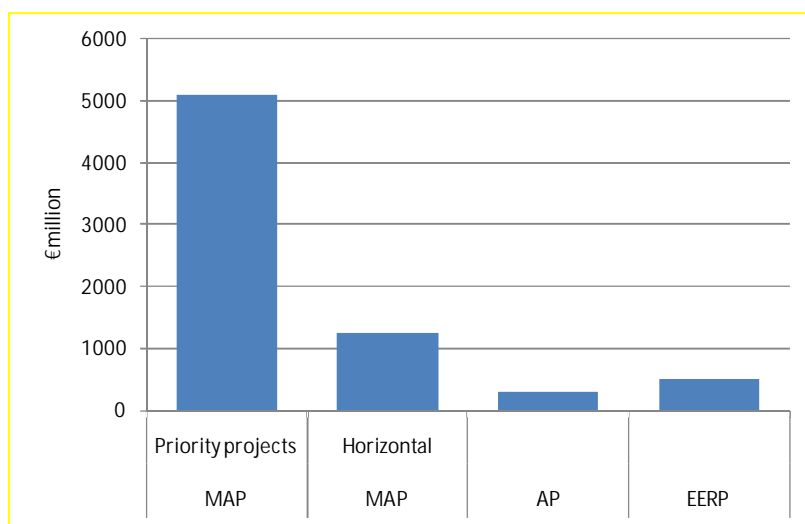
Year	Mode	Programme	Indicative EU budget in € million	Allocated EU budget in € million
2007	Priority Projects, including Galileo	MAP	5,290	5,224
	Air Traffic Management (SESAR)	MAP	350	350
	ITS for Roads	MAP	100	100
	ERTMS	MAP	260	239
	Annual Programme	Annual	-	112
2008	Motorways of the Sea (MoS)	MAP	20	21
	River Information Services	MAP	15	17
	Air Traffic Management (FABs)	MAP	10	9
	Annual Programme	Annual	140	139
2009	Motorways of the Sea (MoS)	MAP	30	17
	ITS for Roads	MAP	100	100
	ERTMS	MAP	240	216
	Annual Programme	Annual	80	73
	European Economic Recovery Plan	EERP	500	480
2010	Air Traffic Management (FABs)	MAP	20	20
	River Information Services	MAP	10	7
	Motorways of the Sea (MoS)	MAP	85	85
	Annual Programme	Annual	60	78
2007-2010	MAP TOTAL		6,530	6,405
	Annual Programme TOTAL		280	402
	EERP TOTAL		500	480
	TOTAL ACROSS ALL PROGRAMMES		7,310	7,287

Source: European Commission, excluding contributions to the European Investment Bank for the Loan Guarantee Instrument for Trans European Transport and the Marguerite Fund for risk-capital

participation. - Note: unless otherwise stated, the data that is displayed in the remainder of the document is the allocated funding.

4.7 Figure 4.1 shows the total indicative funding by project type. This shows how the greatest funding goes to the MAP and specifically the Priority Projects.

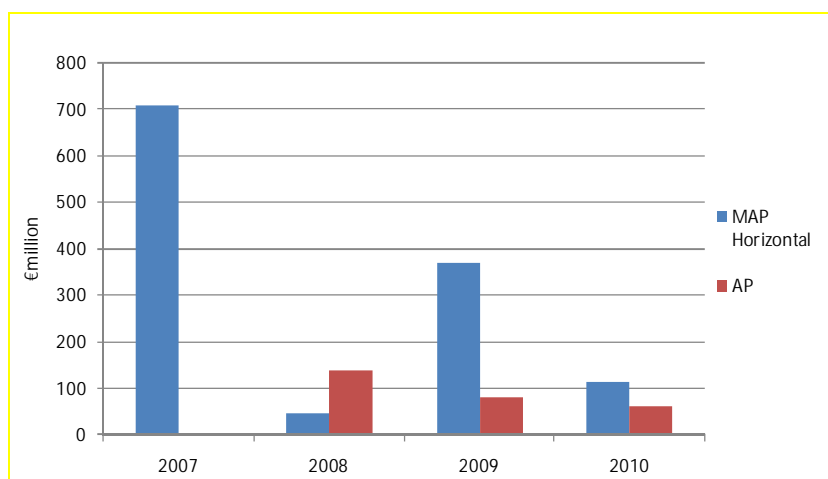
FIGURE 4.1 INDICATIVE PROGRAMME FUNDING 2007-2010



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.8 Figure 4.2 shows how the indicative funding for the horizontal projects in the Multi-Annual Work Programme (MAP) and the projects in the Annual Work Programme have changed between 2007 and 2010. The horizontal funding was highest in 2007 with large amounts given to SESAR, ERTMS and ITS. Since then smaller amounts have been awarded to Motorways of the Seas, River Information Services, Functional Airspace Blocks as well as follow-on funding for ERTMS and ITS. For the Annual Programme funding has been reducing year on year.

FIGURE 4.2 INDICATIVE ANNUAL FUNDING FOR MAP HORIZONTAL PROJECTS AND ANNUAL WORK PROGRAMME

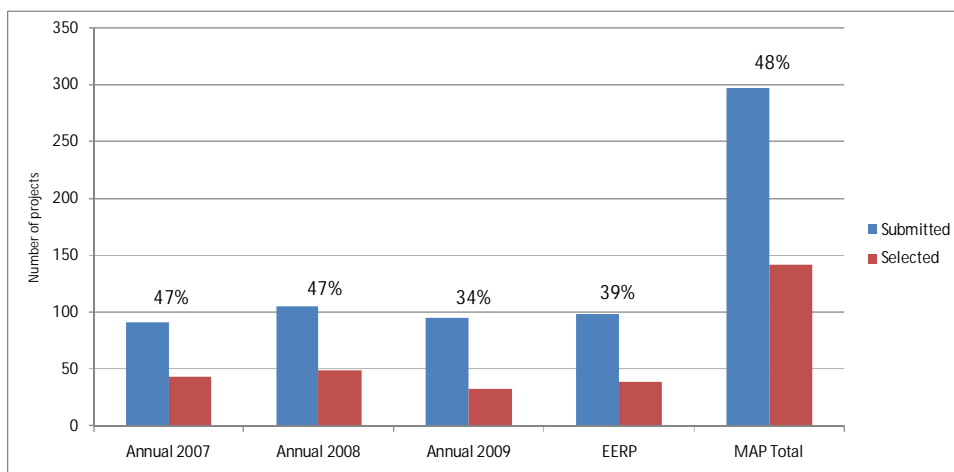


Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

Selection of Projects

4.9 In this section we examine how the projects are selected. For every call in the 2007-2013 Programme, Figure 4.3 demonstrates that more proposals are submitted than are given funding. The description of the selection process is detailed in Chapter 4, but in summary, the evaluation is done via a two-stage process, where proposals are first evaluated by independent experts who recommend a short-list of proposals for DG MOVE to decide on the proposals that will be given are allocated EU funding.

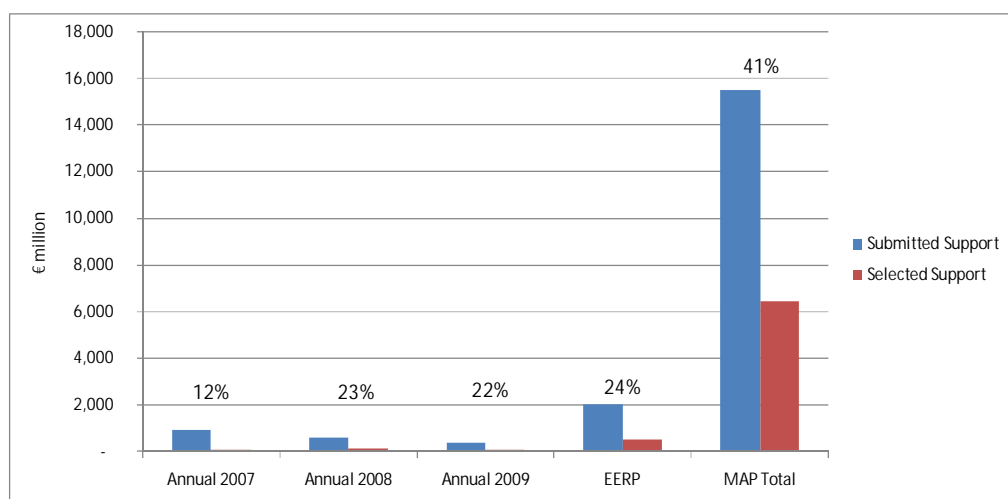
FIGURE 4.3 NUMBER OF PROJECTS SUBMITTED AND SELECTED BY CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.10 Figure 4.3 shows that for the 2007 and 2008 annual calls and the MAP call just under 50% of projects were selected for funding. For the most recent 2009 Annual and the EERP calls the proportion of projects selected was under 40% which suggests that the passing the selection process may be becoming more difficult as the amount of funding available is lower. For the annual calls and EERP a similar number of proposals were submitted.

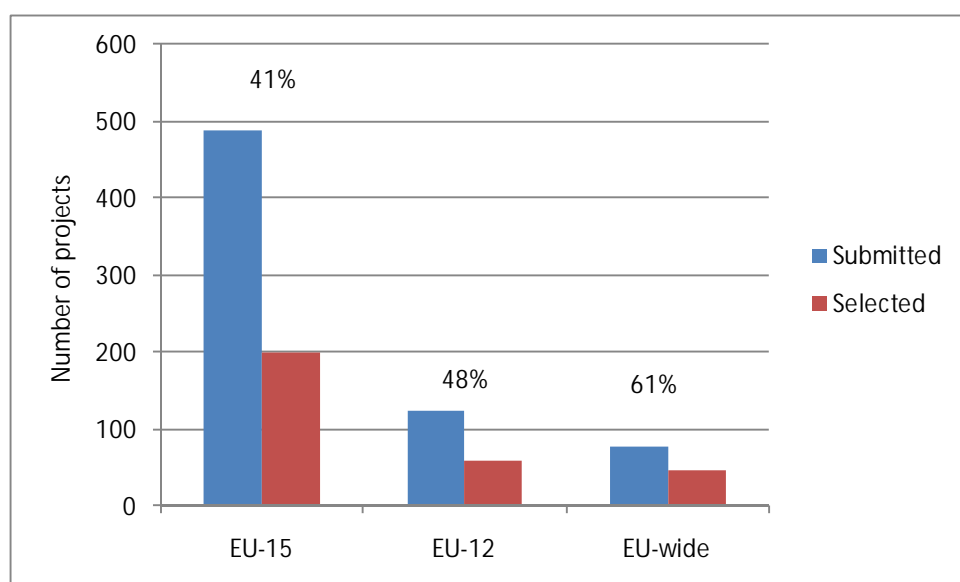
FIGURE 4.4 FUNDING SUBMITTED AND SELECTED BY CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.11 The proportion of funding selected compared to that submitted is much lower than is the case in terms of number of projects. In the 2007 annual call only 12% of the funding submitted was selected for support, and in the other annual calls this was below 25%. Taking into account the fact that 1 out of 2 proposals were selected but that the share of funding is much lower, it would mean that it has been harder to receive funding for the proposals with the larger budgets. Additionally budgets allocated tend to be lower than requested. The Programme is financially oversubscribed by 3 to 4 times, particularly the EERP and annual calls, and there is a tension between diminishing budgets in recent years and the demand for project funding

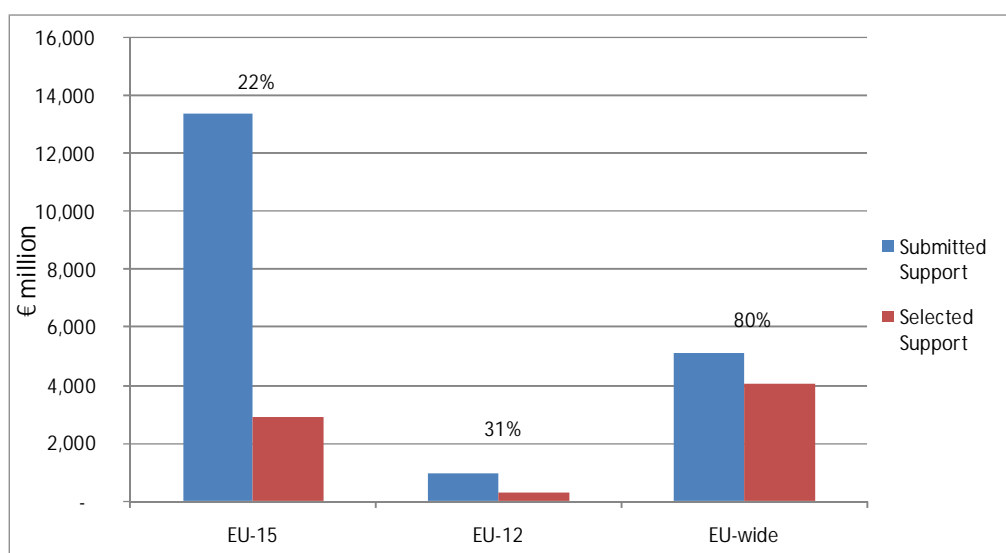
FIGURE 4.5 NUMBER OF PROJECTS SUBMITTED AND SELECTED BY MEMBER STATE



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.12 The EU-12 Member States¹¹ submitted on average 1 in 5 proposals compared to the EU-15 countries, but they appear to have a higher success rate with 48% of proposals selected compared to the EU-15 rate of 41%. Looking at the proportion of proposals that were recommended (by the external evaluators), we observe that in 2009, the EU-15 had a lower proportion of proposals recommended than the EU-12 (54% compared to 63%), but a similar proportion of proposals selected from the recommendations (68% compared to 71%). No data on recommendations was available for earlier calls, and this explains why this data is not graphically displayed.

FIGURE 4.6 FUNDING SUBMITTED AND SELECTED BY MEMBER STATE



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

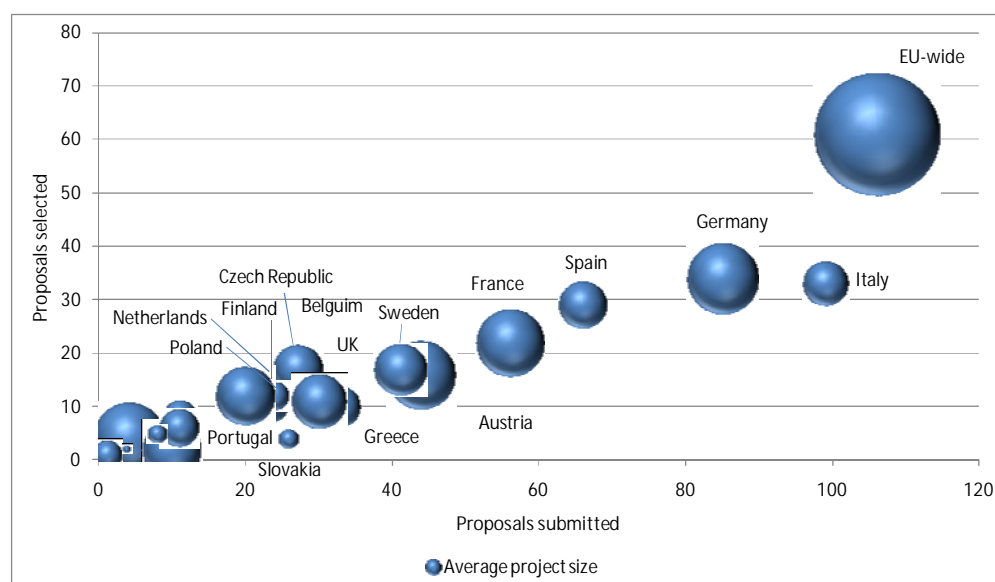
4.13 The EU-15 submitted 14 times the amount of funding requests than the EU-12, which is to be expected in the context that since the EU-12 Member States have access to the Structural and Cohesion funds which offer higher co-financing rates. EU-15 Member States only had 22% of funding selected versus 31% for the EU-12's. This shows that a greater number of the EU-12's larger projects are likely to have received funding even though their average proposal size is much smaller than for the EU-15 Member States. EU-wide projects had 80% of their funding given showing a preference towards cross-border funding, which is consistent with the objectives of the Programme.

¹¹ For the purpose of this analysis, EU-15 Member States are: Germany, France, Italy, Belgium, Netherlands, Luxemburg, UK, Denmark, Ireland, Greece, Spain, Portugal, Austria, Sweden and Finland.

EU-12 Member States accessed the European-Union on 1st May 2004 and are Poland, Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia, Lithuania, Cyprus, Malta, and on 1st January 2007 Bulgaria, and Romania.

EU-wide refers to project that are not associated to one individual Member State, such as projects covering more than one Member State and projects without a specific Member State.

FIGURE 4.7 RELATIONSHIP BETWEEN PROPOSALS SUBMITTED AND SELECTED

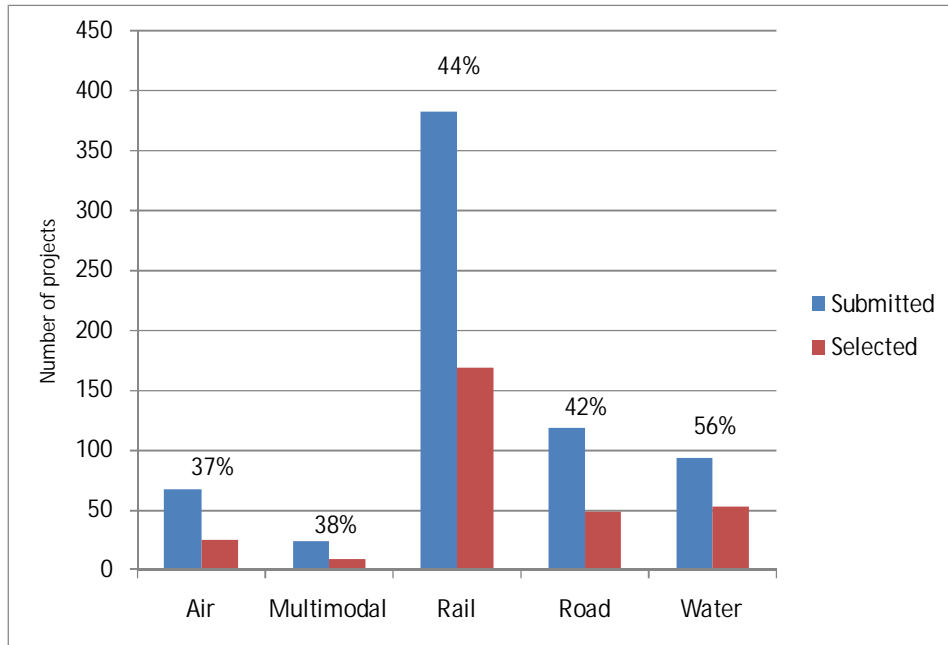


Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

Note: Bulgaria, Cyprus, Denmark, Estonia, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Romania and Slovenia are not labelled on the graph since they all submitting less than 20 proposals and had less than 10 selected each.

- 4.14 Figure 4.7 above shows a positive correlation between the number of proposals submitted by Member States and the number of proposals accepted. However it should be noted that this graph does not reflect the funding that was granted in the previous Programme which explains why some countries have a low number of proposals submitted (such as the UK and the Netherlands). What this graph does not show either is the funding related to other sources, namely the Cohesion and Structural funds. Nevertheless, there are some points worth noticing: the highest number of proposals submitted and accepted was for EU-wide projects, with an average project size far exceeding those of other Member States. This is again consistent with the objectives of the Programme. Both Italy and Germany for instance appear to perform less well than their EU counterparts with the lowest share of proposals selected out of the number of proposals submitted: this is because these two Member States do not pre-screen the proposals that are submitted and leave this responsibility to the European Commission.

FIGURE 4.8 NUMBER OF PROJECTS SUBMITTED AND SELECTED BY MODE



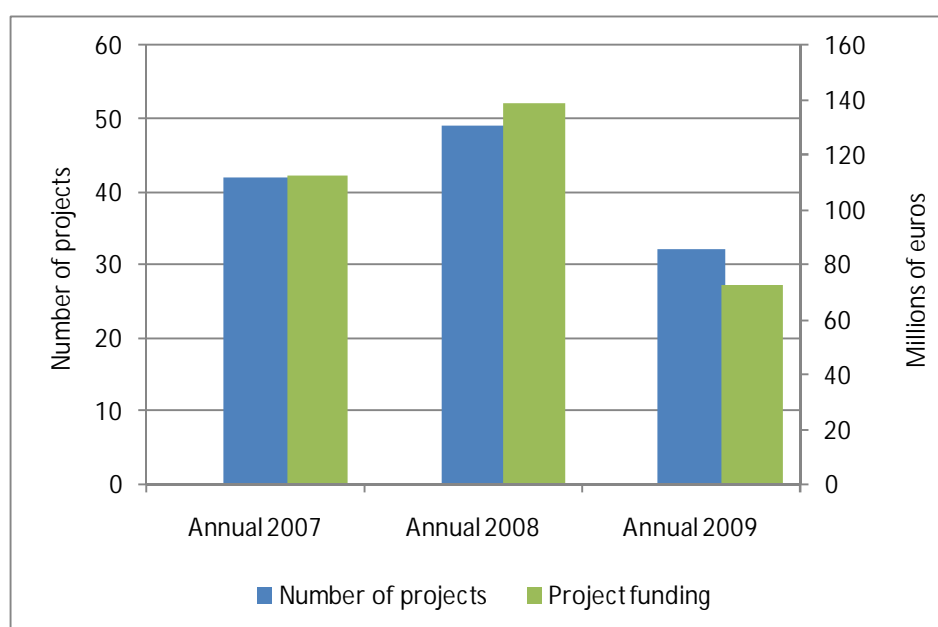
Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.15 The largest number of proposals was received for rail and 44% of those were selected. Water transport had the highest proportion of proposals selected with 56%. For the other transport modes the success rate was around 40%.

The Annual Work Programme

- 4.16 In this section we examined the projects that are part of the Annual Work Programme (AWP). There is an annual call for projects of Common Interest and Priority Projects in addition to those already funded under the Multi-Annual Programme. This funding is aimed at smaller projects of a shorter duration to the Multi-Annual Programme. The objectives of the programme are described in paragraph 2.32. The data available covers the 2007, 2008 and 2009 calls.

FIGURE 4.9 NUMBER OF PROJECTS BY ANNUAL CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.17 Within the 2007-2009 calls, 123 projects have been funded with a total of €324 million of EU support given. The highest number of projects awarded was in 2008.

TABLE 4.2 TYPE OF PROJECT BY ANNUAL CALL

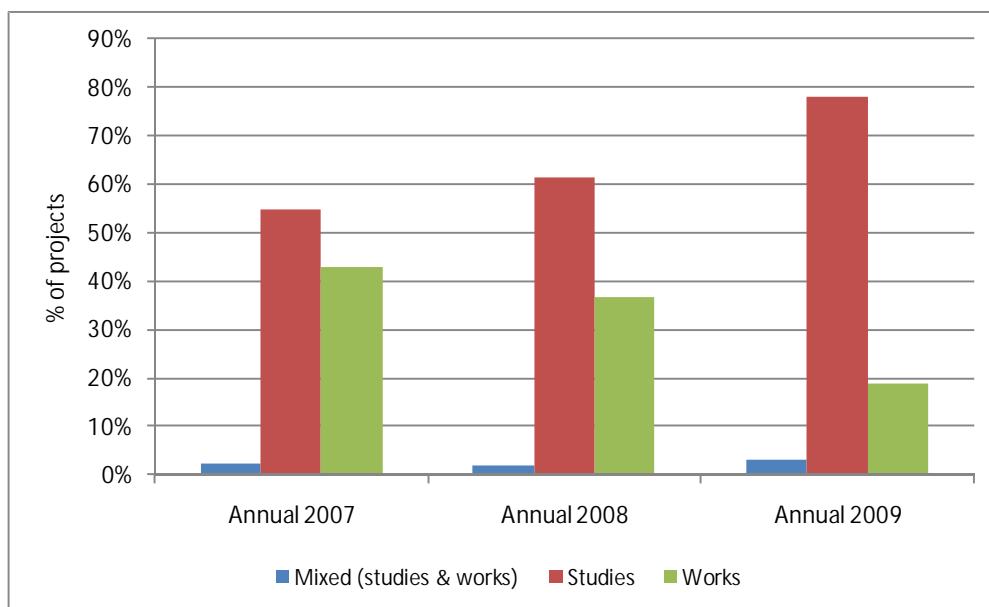
Call	Year	Horizontal Priority	Priority Project	Common interest
Annual	2007	0%	21%	79%
	2008	0%	43%	57%
	2009	3%	47%	50%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.18 For the annual calls the majority of projects are projects of Common Interest (not Priority Projects or Horizontal priorities (that is road, air, rail, inland waterway and coastal and maritime traffic management systems), but more focus has also

been given to the Priority Projects in the later calls. Horizontal priorities were not specifically excluded from funding, but only received small amounts of EU funding with one Air Traffic Management project funded in the 2009 Annual call.

FIGURE 4.10 PROPORTION OF WORKS OR STUDIES BY ANNUAL CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.19 The proportion of studies funded in each annual call has been increasing whilst the proportion of works has decreased. The number of mixed projects has remained low (below 5%).

TABLE 4.3 PROPORTION OF EC FUNDING OF WORKS OR STUDIES BY ANNUAL CALL

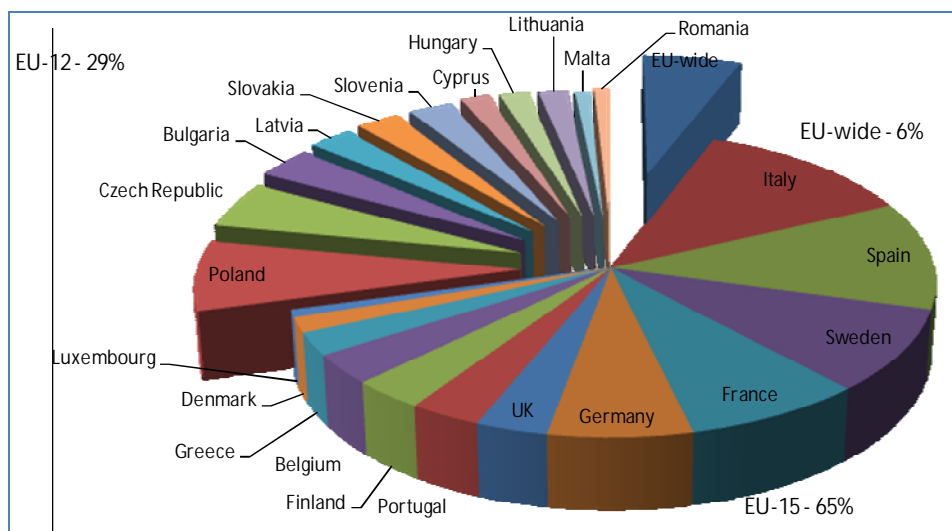
Annual call	EU-12			EU-15			
	Studies	Works	Total	Mixed (studies & works)	Studies	Works	Total
2007	26%	8%	34%	0%	21%	45%	66%
2008	9%	0%	9%	0%	47%	44%	91%
2009	19%	0%	19%	2%	54%	25%	81%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.20 The projects funded for EU-12 Member States are almost entirely studies. This is because studies receive the highest co-funding rate possible (50%) when projects can receive funding up to 30% for cross border sections of Priority Projects. For the EU-15 Member States there was a more even number of works and studies projects funded with more works projects funded in 2007 and 2008. There were also a small proportion of mixed projects funded for the EU-15 Member States.

4.21 There were only a small proportion of cross-border projects funded in each annual call, on average 6% of projects or 3% of funding.

FIGURE 4.11 PERCENTAGE OF PROJECTS FUNDED BY MEMBER STATE FOR ANNUAL CALLS

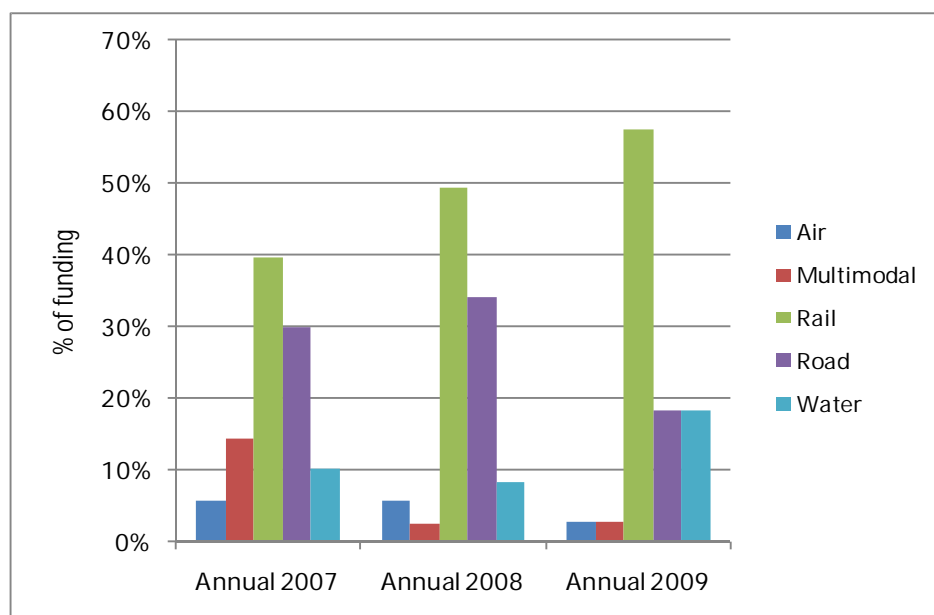


Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.22 65% of project funding was allocated to EU-15 projects with the largest recipients being Italy with 12% and 11% for Spain, followed by Sweden, France and Germany. Only 29% of all projects were EU-12 and 6% EU-wide.

Projects by mode

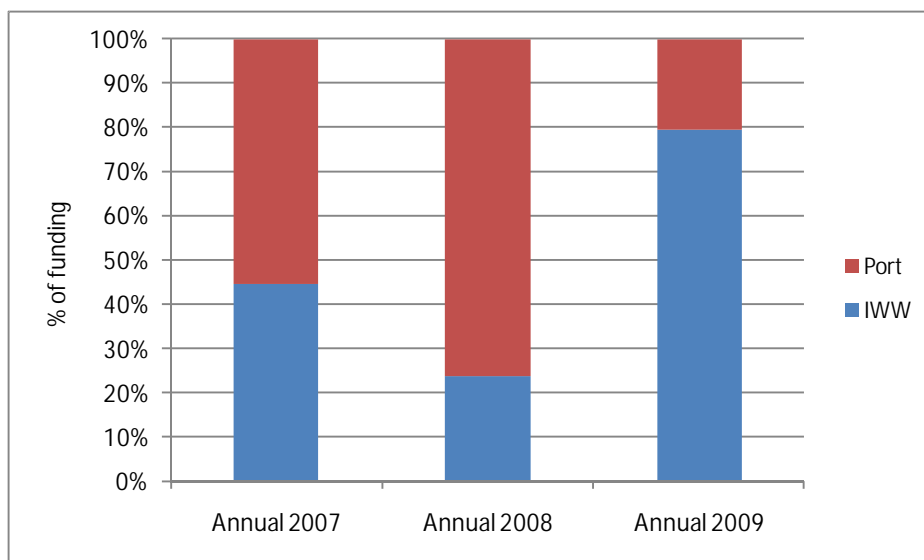
FIGURE 4.12 PERCENTAGE OF FUNDING BY MODE SPLIT BY ANNUAL CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.23 The mode which has received the highest share of funding in any call has been rail, with an average of 48% of the funding over the 3 annual calls. About a third of the funding in all the calls has been for road. Less than 10% of the funding from any call has been spent on air. In 2009 the same proportion of funding was allocated to water and road projects. For water projects, Figure 4.13 below shows the split of funding on water transport. In 2007 and 2008, the majority of funding for water projects went to ports (55% and 76% respectively), however in 2009 79% of these projects were Inland waterways (IWW).

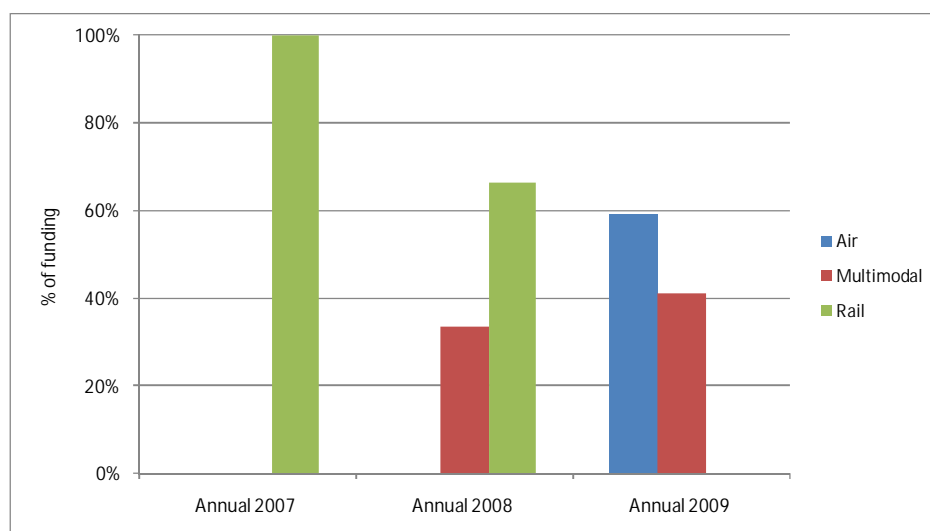
FIGURE 4.13 PERCENTAGE OF WATER FUNDING IN THE ANNUAL CALLS



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.24 Looking specifically at cross-border projects, it can be seen that all the cross-border projects funded in 2007 were rail, in 2008 one-third were multi-modal with the remaining rail and in 2009 the funding was split between air and multi-modal projects.

FIGURE 4.14 PERCENTAGE OF FUNDING BY MODE BY ANNUAL CALL FOR CROSS-BORDER PROJECTS



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

Proportion of projects completed

- 4.25 Completed projects in this section means projects which have reached the completion of the milestones and have received all payments from the Agency.

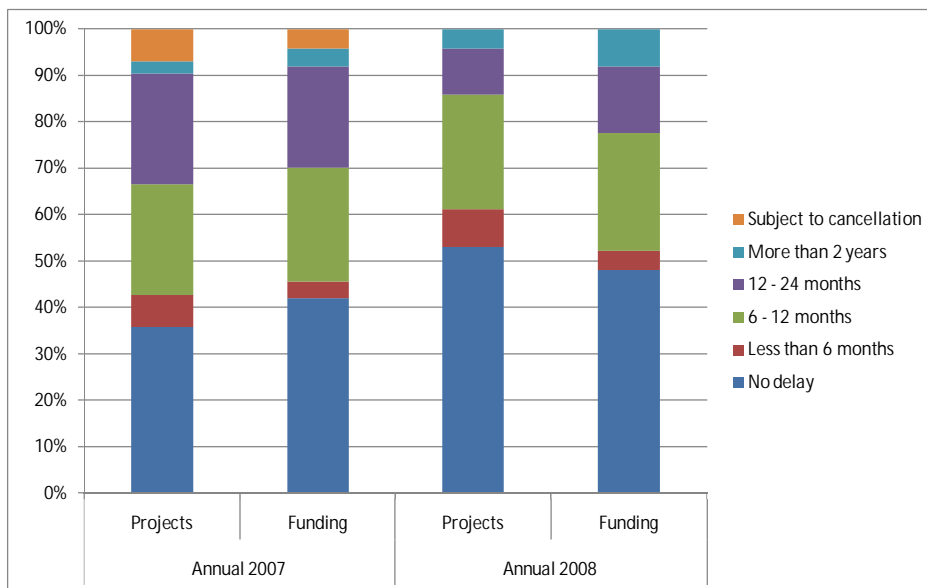
TABLE 4.4 PROJECTS COMPLETED BY ANNUAL CALL

Call group	Year	Completed	On-going	Grand Total	Proportion Completed
ANNUAL	2007	6	36	42	14%
	2008	3	46	49	6%
	2009	0	32	32	0%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.26 For the 2007 annual call 14% of projects have been completed, 6% from the 2008 annual call and none yet from the 2009 annual call. In 2009 and 2010 a threshold on the maximum duration of projects was introduced in the calls.

FIGURE 4.15 PROJECT DELAYS BY ANNUAL CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.27 Over 50% of projects in the 2008 annual call had no delays declared from the project to the TEN-T EA compared to 38% in the 2007 annual call, this is likely to be the case since these projects are not as advanced. In the 2007 annual call the delays are slightly smaller for the proportion of funding than for the proportion of projects suggesting that a few projects may be causing the larger delays, however in the 2008 annual call the reverse is true.

The European Economic Recovery Plan

- 4.28 The projects that have been funded through the EERP account for €480million of EU funding.

TABLE 4.5 TYPE OF EERP PROJECT

Call group	Horizontal Priority	Priority Project	Common interest
EERP Total	8.3%	44.5%	47.2%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.29 In the EERP there is an almost even split between Priority Projects and projects of common interest. 8% of the projects funded were horizontal priorities which were all Air Traffic Management. All projects funded were works, with the majority distributed to EU-15 projects.

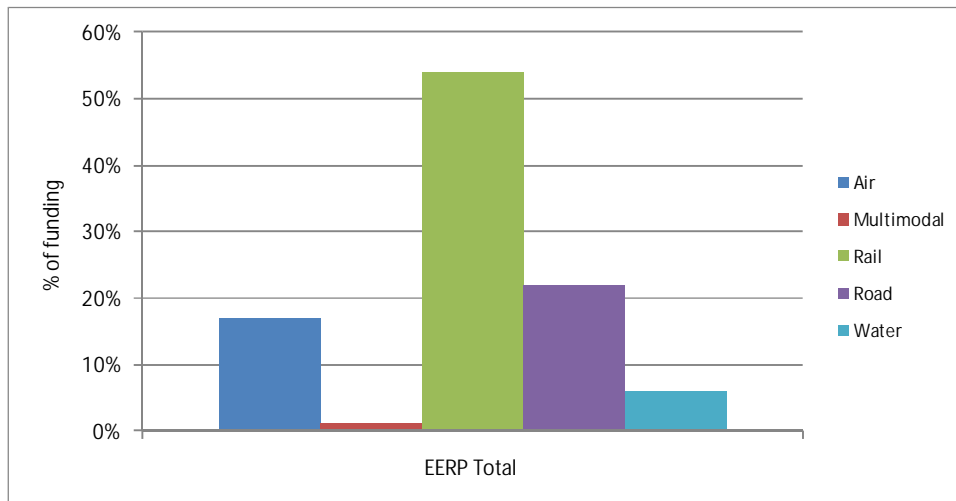
TABLE 4.6 PROPORTION OF EC FUNDING OF WORKS OR STUDIES FOR THE EERP

	EU-12 Member States		EU-15 Member States		
	Studies	Works	Mixed (studies & works)	Studies	Works
EERP Total	0.0%	7.0%	0.0%	0.0%	93.0%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.30 Rail received the highest share of the funding in the EERP with 54% of the funding. Road received 22% of the funding of this less than 10% went to ITS. Air received 17% with this split evenly between Air Traffic Management and other air projects. Two-thirds of the water funding went to ports with the remainder to Inland Waterways.

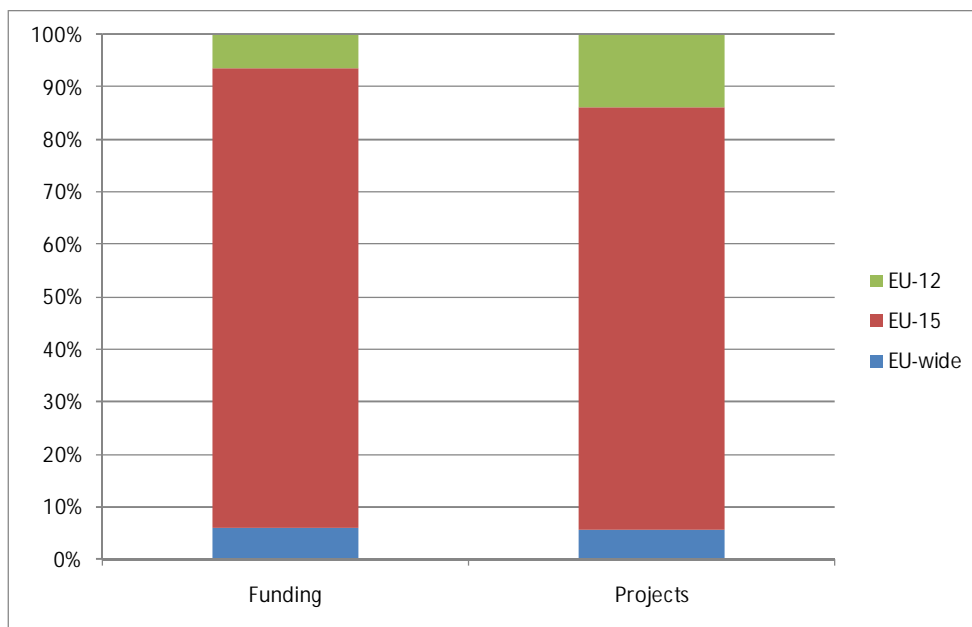
FIGURE 4.16 EERP MODE SPLIT



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

Projects by country

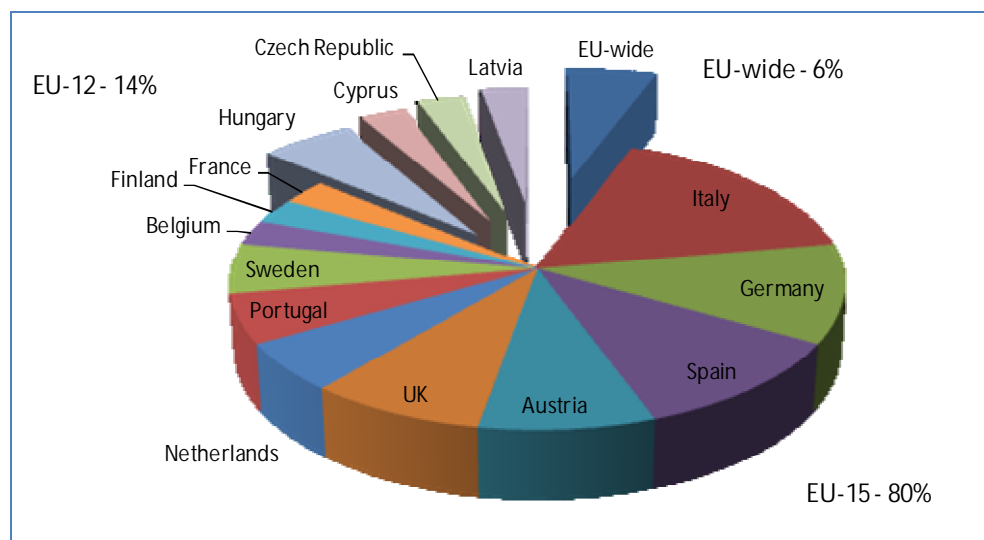
FIGURE 4.17 FUNDING AND PROJECTS BY MEMBER STATE FOR THE EERP



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.31 In the EERP a large proportion of the projects funded were EU-15 Member States with roughly 4 projects out of 5. Only 6% of projects were cross-border. 87% of the funding went to EU-15 states and a small proportion to the EU-12 states and cross-border projects (6%).

FIGURE 4.18 PROJECTS FUNDED BY MEMBER STATE FOR THE EERP



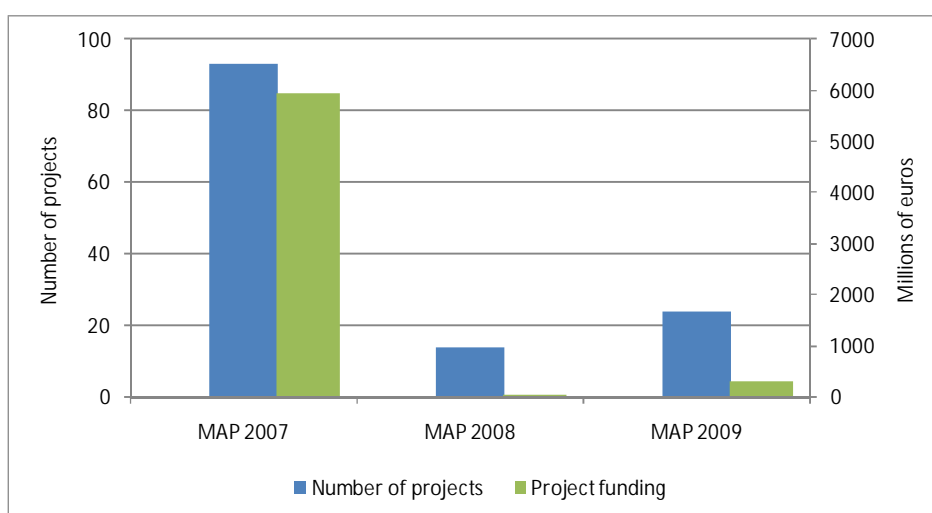
Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.32 The largest number of EERP funded projects was awarded to Italy with 17% of the projects. Germany and Spain also received more than 10% of the EERP funded projects. Hungary, Cyprus, the Czech Republic and Latvia were the only EU-12 states to have projects funded with 14% of the EERP projects in total. Only 6% of EERP projects were cross-border.
- 4.33 The objective of the EERP is to fund short-term projects (up to 3 years). No EERP projects have yet been completed by the date of this report (March 2011).

The Multi-Annual Work Programme

4.34 The multiannual work Programme applies to Priority Projects and traffic management systems (horizontal priorities): ERTMS, ITS, ATM/SESAR, RIS and VTMS. It is by far the largest workstream of the Programme, with the amount of the financial resources available within a range of 80 to 85 % of the total budgetary resources to the TEN-T Programme. This funding is aimed at some of the most complex and ambitious projects, including a large number of cross-border projects that involve greater co-ordination of stakeholders. Most of the funding for the MAP was allocated in the initial 2007 call, however small amounts of funding have been available in later calls, especially for horizontal projects.

FIGURE 4.19 NUMBER OF PROJECTS BY MAP CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.35 Within the 2007-2009 calls 131 projects have been funded with a total of €6,298 million support given. The majority of the projects and support given through the MAP was in 2007 with 71% of the projects and 94% of the funding. This was to offer project promoters the longest financial certainty possible within the legal framework of the Programme (2007-2013) matching the Multiannual Financial Framework (MFF).

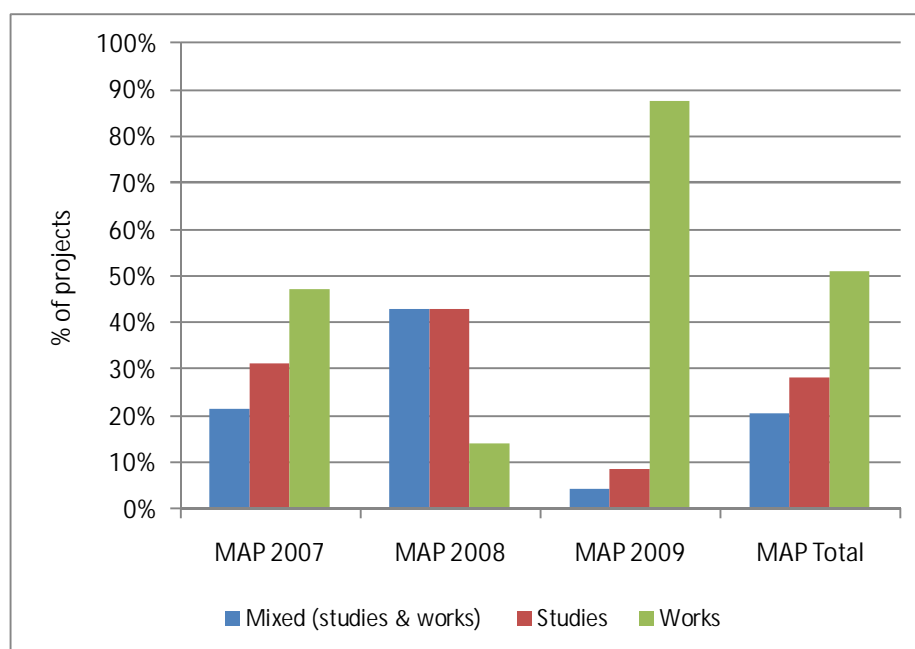
TABLE 4.7 NUMBER OF PROJECTS BY TYPE AND MAP CALL

Call	Year	Horizontal Priority	Priority Project
MAP	2007	17%	83%
	2008	79%	21%
	2009	83%	17%
	TOTAL	36%	64%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.36 For the 2007 MAP call, the majority of projects were given to Priority Projects, but focus has been given to horizontal projects in the later calls. As the largest amount of funding was given in the 2007 call, overall two-thirds of the projects funded through the MAP are Priority Projects.

FIGURE 4.20 PERCENTAGE OF PROJECTS: PROPORTION OF WORKS OR STUDIES BY MAP CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.37 The first MAP call funded a mixture of project types with the greatest number of projects being works. In 2008 there were a high proportion of projects that were mixed projects or studies, however in 2009 nearly all the projects funded were works. Mixed projects have proved to be more difficult to manage than either studies or works: when these projects record delays in the study phase, it delays the whole project and blocks the amount of money allocated to the work part of the project. If the project had been split into distinct work and study, the Commission would have been able to use the money allocated to works for another project whilst the delays on the study were solved.

TABLE 4.8 PROPORTION OF EC FUNDING OF WORKS OR STUDIES BY MAP CALL

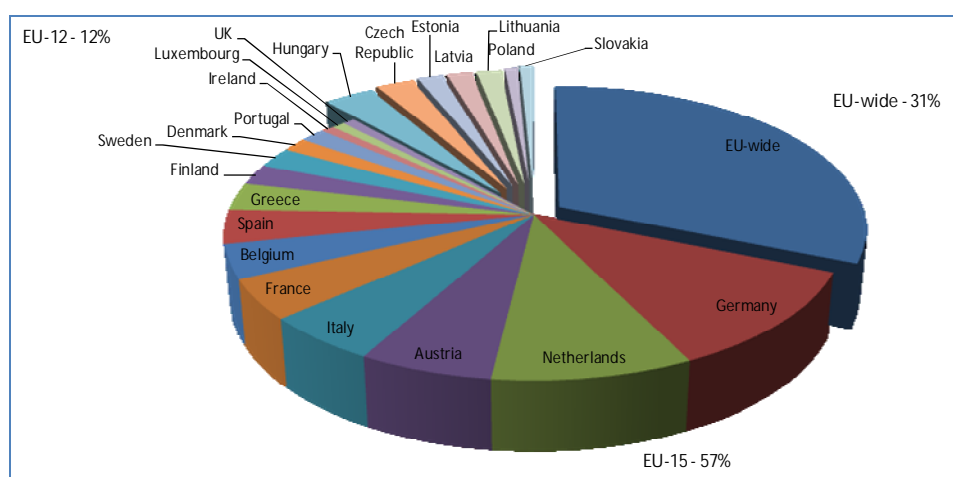
	EU-12			EU-15			
	Studies	Works	Total	Mixed (studies & works)	Studies	Works	Total
MAP 2007	2%	6%	8%	23%	9%	59%	92%
MAP 2008	0%	0%	0%	93%	0%	7%	100%

	EU-12			EU-15			
	Studies	Works	Total	Mixed (studies & works)	Studies	Works	Total
MAP 2009	0%	26%	26%	0%	0%	74%	74%
MAP TOTAL	2%	7%	9%	22%	9%	60%	91%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.38 The projects funded for EU-12 Member States were mainly works in 2009 with a small amount of works and studies funded in 2007. For the EU-15 Member States there were a high number of works projects funded in 2007 and 2009 with a large proportion of mixed funding in 2008.
- 4.39 In the 2007 MAP call the majority of the funding went to EU-wide projects, however the greatest number of projects were for the EU-15. This shows that a small number of cross-border projects received a high share of funding which is consistent with the Programme objectives. In 2008 nearly all the funding and projects were EU-wide. In 2009 some EU-12 projects were funded but as in 2007 the majority of the funding went to EU-wide projects.
- 4.40 Overall for all the MAP calls over 60% of the funding was for cross-border projects and under 5% for EU-12 Member States. This represented 30% of the projects being EU-wide and almost 60% of the projects for EU-15 Member States. This is consistent with the objectives of the Programme to focus on cross-border and EU-wide projects: cross-border projects also tend to be more expensive particularly when there is a natural obstacle to cross. Funding for EU-15 Member States are low because the number of projects submitted is low as EU-15 Member States have access to Cohesion and Structural funds which offer better funding conditions.

FIGURE 4.21 PROJECTS FUNDED BY MEMBER STATE FOR MAP CALLS

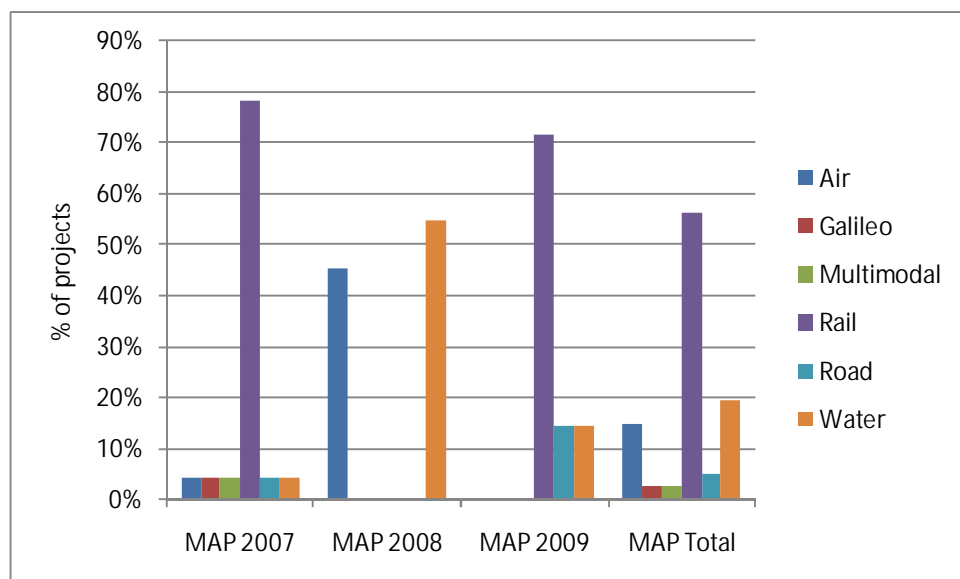


Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.41 57% were EU-15 projects with 11% in Germany and 9% in the Netherlands. 12% of all projects were EU-12.

Projects by mode

FIGURE 4.22 MODE SPLIT BY MAP CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.42 The mode which has received the highest share of funding in the 2007 and 2009 calls was rail, with over 60% of projects in these calls. In 2007 this was mainly for rail infrastructure whereas in 2009 the funding was for ERTMS. In 2007 no other modes received over 10% of the funding. It should be noted that some Priority Projects are associated with more than one mode because within the PP corridor they cover projects covering different transport modes. However there is one truly multimodal project where a tunnel or a bridge is constructed in order to form a fixed rail and road link.

4.43 In 2008 most projects funded were for the water transport mode with this split between River Information Services (RIS) and Motorways of the Sea (MoS). Some funding was also available for Air Traffic Management (ATM). Overall 32% of all projects funded in the MAP are rail and 24% of projects are ERTMS, with water projects receiving 20% and ATM 15%. The table below displays the number and EC contribution of projects segmented by mode.

TABLE 4.9 PROJECT STATUS BY MODE FOR ALL MAP CALLS

	On-going projects		Completed projects	
	Number of projects	TEN-T contribution	Number of projects	TEN-T contribution
Air	5	9,126,304	1	350,000,000 ¹²
Galileo	1	190,000,000	-	-
Multimodal	1	338,900,000 ¹³	-	-
Rail	95	4,372,086,387	4	33,150,000 ¹⁴
Road	6	340,300,021	-	-
Water	18	664,972,300	-	-

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.44 The projects completed are mainly rail projects with rail having the highest number of overall projects. There is also one air project completed.
- 4.45 Completed projects in this section means projects which have reached the completion of the milestones and have received all allocated payments.

TABLE 4.10 PROJECTS COMPLETED FOR THE MAP CALLS

Call group	Year	Completed	On-going	Grand Total	Proportion Completed
MAP	2007	5	88	93	5%
	2008	-	14	14	0%
	2009	-	24	24	0%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 4.46 From the 2007 MAP call 5% of projects have been completed and none from any other call.

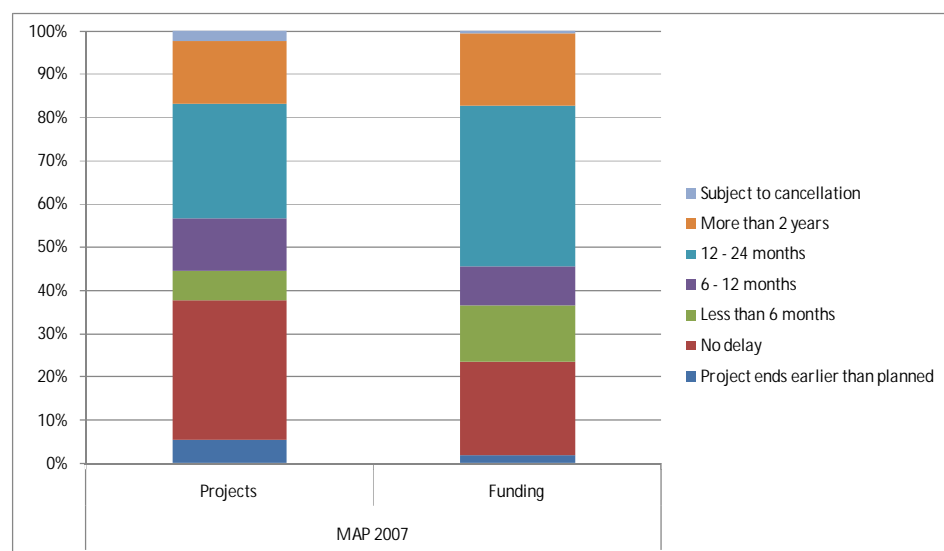
¹² SESAR

¹³ PP20 Studies and Works for the construction of Fehmarn Belt Fixed Rail-Road link

¹⁴ 2007-CZ-22090-S, 2007-DE-60490-P, 2007-EU-60440-P, 2007-NL-60160-P.

Delays

FIGURE 4.23 PROJECT DELAYS FOR MAP 2007

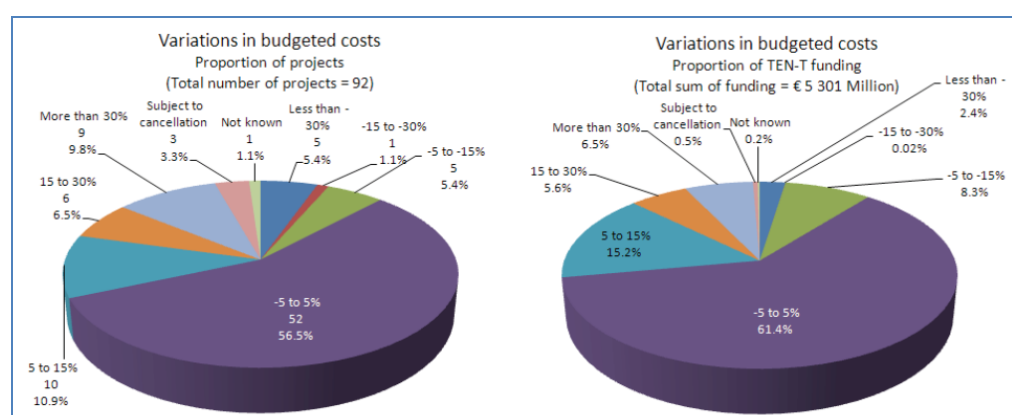


Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.47 For the MAP 2007 call almost 40% of projects have no delay or end earlier than planned, however 14% experience delays of more than 2 years. As a proportion of funding 33% of MAP 2007 funding is experiencing delays of 1-2 years. The MAP Mid-Term Review cites the most common reasons for delays as political, procurement delays or delays in an earlier phase of the project. The Review found that in general those with larger budgets tend to experience longer delays. However, there is no strong correlation between project size and severe delays.

Cost Variations

FIGURE 4.24 VARIATION IN BUDGETED COSTS FOR ALL MAP CALLS



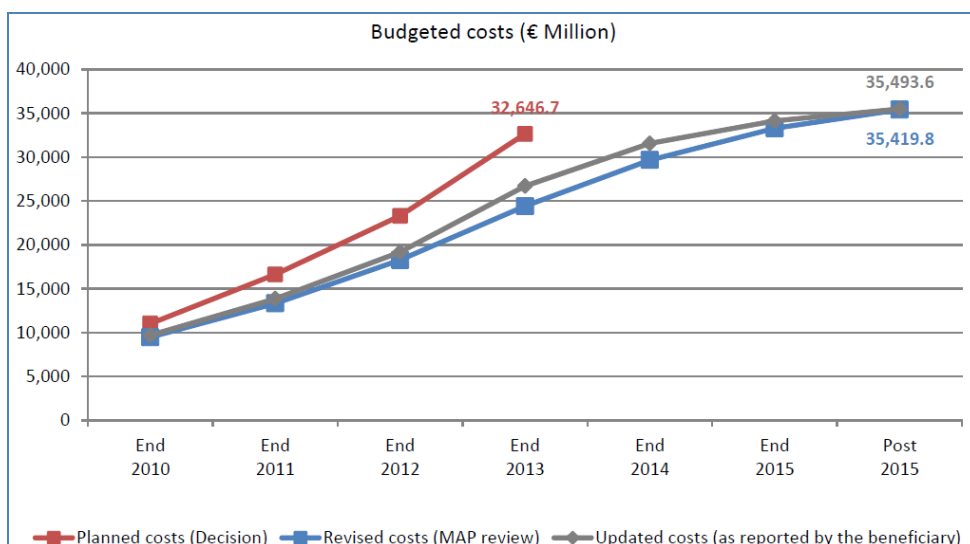
Source: MAP Project Portfolio Review

4.48 Figure 4.24 shows the variation in budgeted costs for the 92 projects evaluated in the MAP review. This shows that the majority had less than 5% variation in budgeted costs. However, the review found that projects planned to be

completed in less than 4 years seem to experience no severe cost increases (less than 15%), but 17% of projects with planned duration of between 4 and 6 years and 26% of projects with planned duration of 6 and 7 years suffer from cost increase of more than 15%.

4.49 The review also found that for projects with co-funding rates of less than 10% have higher than average cost increases and projects of less than €20million experience very modest cost increases. Although projects with larger budgets tended to experience longer delays than smaller projects, however there is no strong correlation between project size and severe delays.

FIGURE 4.25 VARIATIONS IN BUDGETED COSTS FOR ALL MAP CALLS BY YEAR



Source: MAP Project Portfolio Review

4.50 The MAP Review also found that almost half of the Programme’s budgeted costs (€16 billion out of approximately €32.6 billion) were expected to be absorbed in the last 2 years of the programming period and as a consequence budgets have mostly faced upward revisions.

Focus on Priority Projects and Horizontal Priorities

TABLE 4.11 PRIORITY PROJECTS FUNDED 2007-2009

	TEN-T Support Funding	Mode	Member State
PP1	971,010,000	Rail	Austria, Germany, Italy
PP2	35,580,000	Rail	Belgium, Germany
PP3	740,637,618	Rail	France, Portugal, Spain
PP4	10,000,000	Rail	Germany
PP5	28,880,000	Rail	Netherlands
PP6	826,270,000	Rail	France, Hungary, Italy, Slovenia
PP7	3,475,000	Road	Greece
PP8	65,187,000	Air, Rail, Road	Portugal, Spain
PP12	192,875,000	Rail, Road	Finland, Sweden
PP13	94,545,000	Road	UK
PP15	190,000,000	Galileo	EU-wide
PP16	5,000,000	Rail	France, Spain
PP17	530,613,272	Rail	Austria, France, Germany
PP18	190,975,152	Water	Austria, Belgium, Germany, Hungary, Netherlands, Romania, Slovakia
PP19	270,998,955	Rail	Spain, Portugal
PP20	374,290,000	Road, Rail	Denmark, Germany
PP21	37,838,800	Water	EU-wide
PP22	33,952,000	Rail	Czech Republic, Hungary
PP23	13,672,657	Rail	Czech Republic, Poland, Slovakia
PP24	452,113,500	Rail	France, Germany, Italy
PP25	1,022,575	Road	Poland
PP26	19,234,000	Rail	Ireland, UK
PP27	129,550,000	Rail, Road	Estonia, Latvia, Lithuania
PP28	57,180,000	Rail	Belgium, Luxembourg
PP29	37,000,000	Rail	Greece

	TEN-T Support Funding	Mode	Member State
PP30	426,260,000	Water	Belgium, France

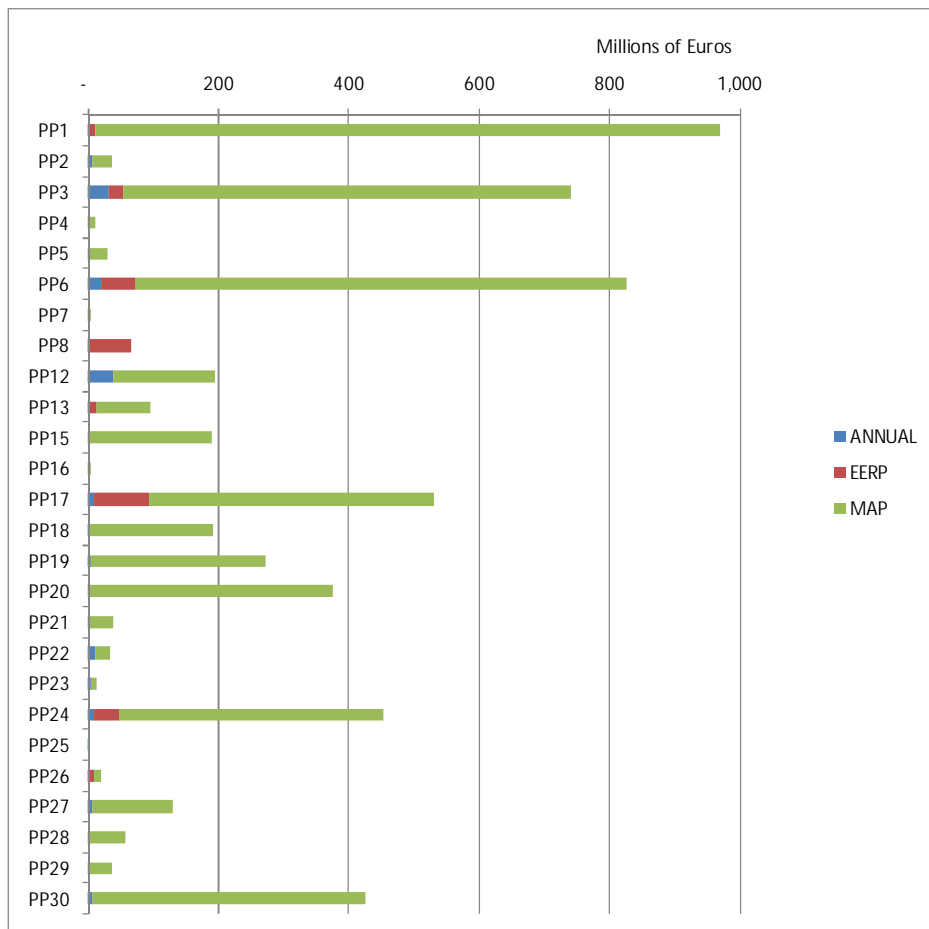
Note: PP9, PP10, PP11 and PP14 are not included above as they have already been completed

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.51 Table 4.11 shows the Priority Projects funded in the 2007-2013 calls. Each Priority Project is made of smaller projects which apply for TEN-T funding separately and this table shows the aggregates for each Priority Project overall. It can be seen that excluding PP15 and PP21, only 6 Priority Projects out of 24 include sections in EU-12 Member States which represents 21% of the funding. This is largely because the European network was designed when these countries were in the accession phase.

4.52 The majority of the Priority Projects were rail, with some road and rail. Most are concentrated in EU-15 Member States and are cross-border. The graphic below shows that Priority Projects got the vast majority of their funding in 2007 in the MAP call.

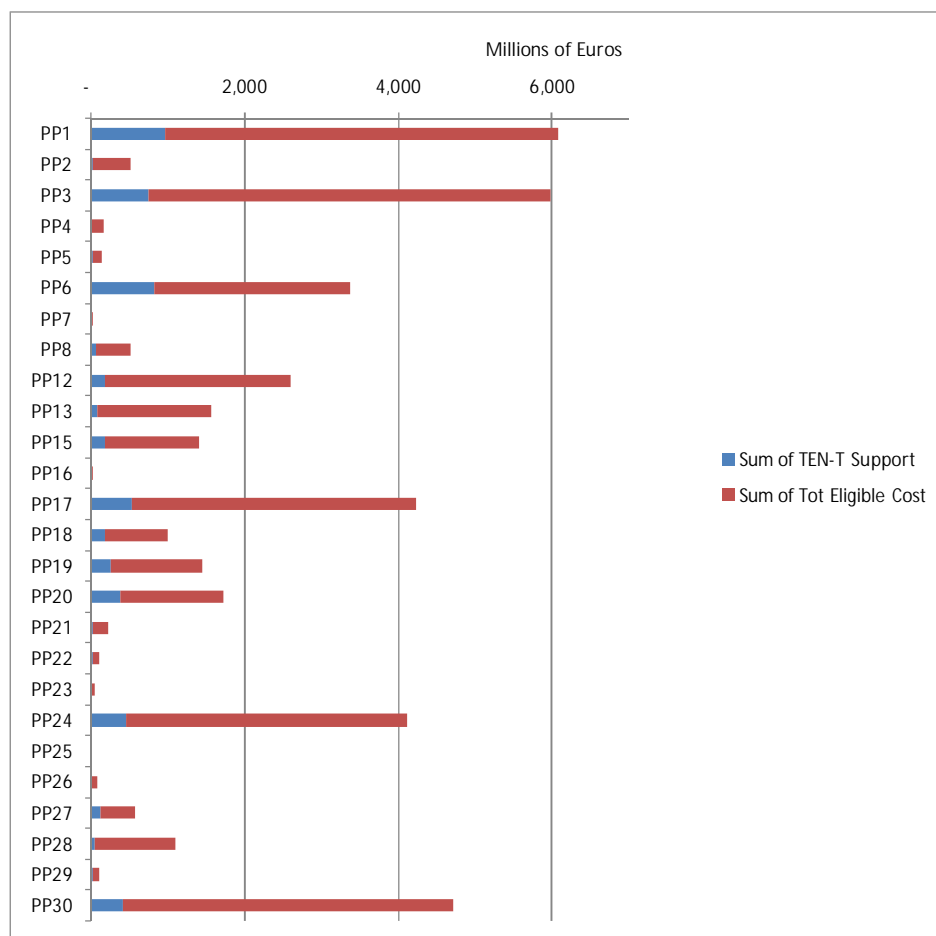
FIGURE 4.26 PRIORITY PROJECT EC FUNDING IN 2007 CALLS



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.53 Looking at the proportion of EC funding compared to the total cost of the Priority Projects during the 2007-2013 financial perspective, we can see that the EC contribution is only a small part of the financing burden of these projects which lies on the Member States.

FIGURE 4.27 PRIORITY PROJECT SUM OF TOTAL ELIGIBLE COST



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

4.54 The majority of the horizontal priority and Priority Projects are rail projects with 65% and 74% respectively. Water represents 12% of projects in both cases and there are a number of horizontal air projects (19%). Multimodal projects are to a large extent unfunded in horizontal priority and Priority Projects up to 2009.

TABLE 4.12 PROPORTION OF PROJECTS HORIZONTAL PRIORITY AND PRIORITY PROJECTS BY MODE

	Air	Galileo	Multimodal	Rail	Road	Water
Horizontal Priority	19%	0%	0%	65%	4%	12%
Priority Project	2%	1%	1%	74%	10%	12%

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

5 Presentation of the findings on the Programme

5.1 This chapter presents the findings organised according to the evaluation framework.

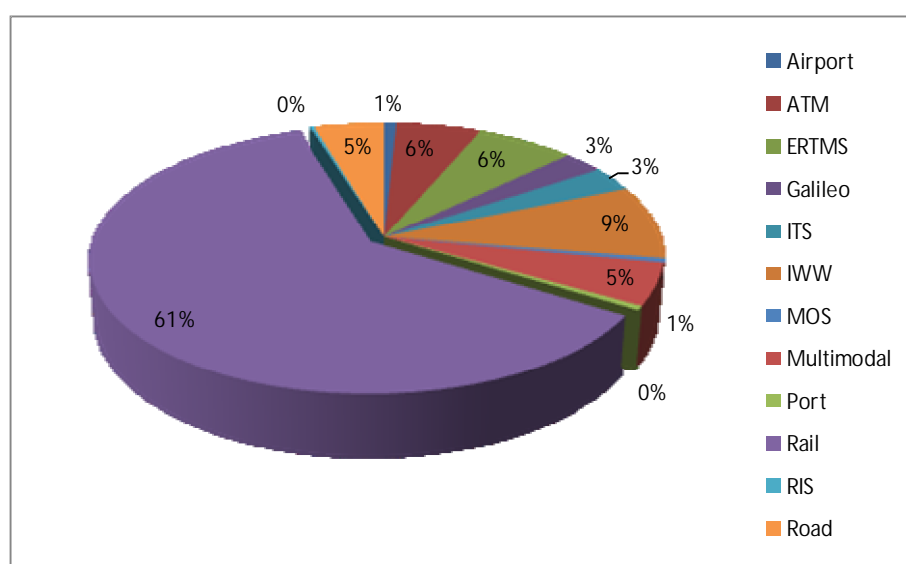
Relevance

The extent to which the structure of the Programme is appropriate

5.2 The current Programme has focussed largely on the MAP and the Priority Projects: the MAP represents 89% of the currently allocated funding of the Programme (between 2007 and 2009) and the Priority Projects account for 81 % of the allocated funding of the Programme. As described in Chapter 2, the MAP has focussed on the 30 Priority Projects (which represents 84% of the MAP funding) and horizontal priorities (16% remaining), whereas the annual work programme focussed on the projects of common interest (55% of the annual funding) and Priority Projects (the remaining 45%). The EERP targeted all 3 categories of projects with less than 10% of funding on horizontal priorities and 62% of funding on Priority Projects.

5.3 In terms of transport modes that have been co-funded, rail has received the majority with more than 150 projects and 68% of the current allocated funds, when including ERTMS projects within this classification. Water transport projects received approximately 10% of the funds, followed by Road and Air projects 8% and 6%. Excluding Galileo, a smaller share comes to multimodality with 5% of the co-funding granted between 2007 and 2009.

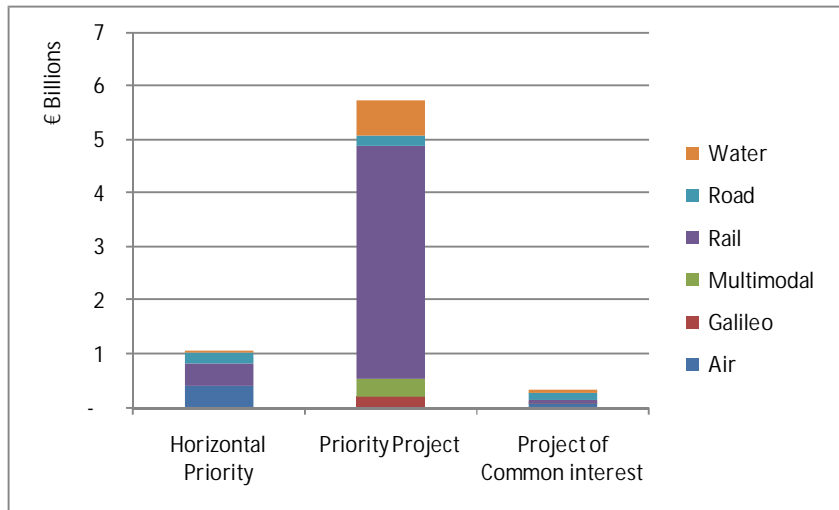
FIGURE 5.1 MODE SPLIT (2007-2009)



Source: Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

5.4 The share of funding allocated to each transport mode by type of project differs widely with some implications on the amount of co-funding available to the modes. For instance Priority Project works can be co-funded by up to 20% (and up to 30% for cross-border sections) compared with projects of common interest that can only receive up to 10% (regardless of whether sections are cross-border or not). ERTMS can also be co-funded up to 50% versus up to 20% of ITS or River Information Services. As Figure 5.2 shows 90% of the rail, water and multimodal projects are part of the Priority Projects, against only 2% of the air projects.

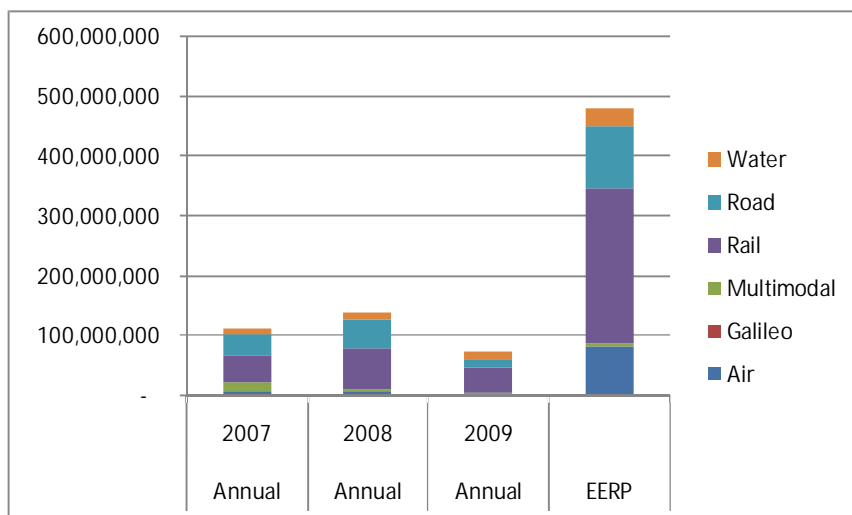
FIGURE 5.2 MODE SPLIT BY PROJECT CATEGORY (2007-2009)



Source: Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

5.5 In terms of the calls, rail represents 70% of the projects selected under the MAP call, but also a significant proportion of each of the annual calls: 40% of the 2007 Annual call, 58% of the 2009 one and 54% of the EERP the same year.

FIGURE 5.3 MODE SPLIT BY CALL (2007-2009), EXC. MAP



Source: Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 5.6 The Progress Report on TEN-T Priority Projects indicates that a significant number of sections and large parts of Priority Projects have been finalised. Our analysis concurs and shows that by mid-2011 around 40% of the sections of Priority Projects will be completed, with a further 22% expected by the end of 2011. However until all the missing sections of one Priority Project are realised, then the infrastructure investments are not delivering all their promises in terms of TEN-T network development as these sections are not effectively interlinked.
- 5.7 Conclusion: The structure of the Programme through separate MAP/AP and ERRP work programmes appears largely appropriate to address the European Union transport objectives. The structure is a reflection of the need to offer long-term certainty as well as short-term support. Compared to the previous Programme a stronger focus has been given, particularly on Priority Projects and therein to cross-border projects. Rail receives two-thirds of the funding. However, little attention has been given to enhancing the integration of rail with other modes or promoting co-modality.

The degree to which the Programme performs its tasks as set out in the legal framework

- 5.8 The amount of co-funding that is available to projects varies by project type and mode. Currently the co-funding is as follows:

TABLE 5.1 CO-FUNDING RATES

Type	Detail	Co-funding rate
Studies		Up to 50%
Works (excluding ERTMS and other traffic management systems)	Priority Project	Up to 20%
	Cross-border sections of Priority Projects	Up to 30%
Mixed (Works and studies)	European Interest (whether cross-border or not)	Up to 10%
ERTMS«	Trackside equipment	Up to 50% of eligible costs
	On-board equipment	Up to 50% of eligible costs
Works on traffic management systems (road, air, inland waterways, maritime and coastal traffic)		Up to 20%

« A number of criteria apply for the on-board and track-side equipment of ERTMS. Moreover, the eligible costs are calculated on the basis of ceilings.

5.9 In reality the amount of funding that has been available to the Programme means that the effective level of co-funding has been lower than what is theoretically possible in most cases.

5.10 Table 5.2 below illustrates what the effective co-funding rates have been for the type of projects listed above:

TABLE 5.2 EFFECTIVE CO-FUNDING RATES

Type	Detail	Co-funding rate	Effective rate
Studies		Up to 50%	37% ¹⁵
Works (excluding ERTMS and other traffic management systems) Mixed (Works and studies)	Priority Project overall	Up to 20%	14.6%
	Priority Projects for cross-border sections	Up to 30%	21.7%
	European Interest (whether cross-border or not)	Up to 10%	9.4%
ERTMS		Up to 50% of eligible costs	50%
Works on traffic management systems (road, air, inland waterways, maritime and coastal traffic)		Up to 20%	20%

Note: The effective rate for each project type is the total TEN-T support allocated as a proportion of total eligible costs. Therefore this is weighted average based on project funding.

5.11 Conclusion: the extent to which the Programme performs its tasks as described in the legal framework is very high. The funding is granted according to the priorities and rules defined. However, the limited amount of the funding available in conjunction with the low co-funding rates allowed by the rules undermines the efficiency of the EU intervention.

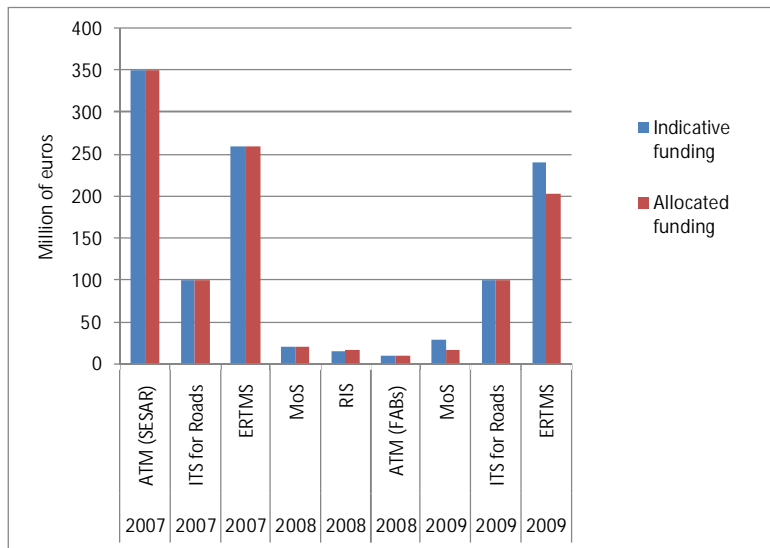
¹⁵ Excluding one large study project where the effective rate of funding is 15%, the effective funding rate is actually 49%.

Effectiveness

The extent to which the Programme provides accrued certainty for project promoters and investors

- 5.12 A programme such as TEN-T can accrue certainty to project promoters in different ways by, for instance, making the project more certain politically, providing a financial certainty, or better time certainty. As discussed above, the ratio of TEN-T funding compared to overall project funding is low and therefore it is hard to see if the Programme is able to provide accrued certainty in this respect for project promoters.
- 5.13 For project promoters, one of the benefits of the Programme is the certainty of receiving funding after it has been announced. There is no issue that the EC would not be sending the funds foreseen at decision time provided that the project progresses according to plan, and in this respect the Programme is, in principal at least, a good incentive for project promoters to deliver on-time. However in reality some delays have still been declared.
- 5.14 One of MAP objectives is to address the need to enhance project promoters' certainty regarding the provision of TEN-T funding. In this respect the TEN-T Programme is successful as it provides beneficiaries with the possibility to obtain funding over several years through Commission decisions. In addition, for traffic management systems and railway interoperability, the Programme sets out an indicative timetable for multiannual calls for project proposals and respective indicative amounts for the whole of the period 2007-2013, and thus establishing according to the MAP Review a sound basis for anticipation of resources that contributes to a continuous, secure and uninterrupted development of these "horizontal priorities". This has been the case in 2007 and 2008. However in 2009 ERTMS and to a greater extent Motorways of the Seas suffered a significant reduction between what was expected to be funded and what was allocated by respectively -16% and -42%.

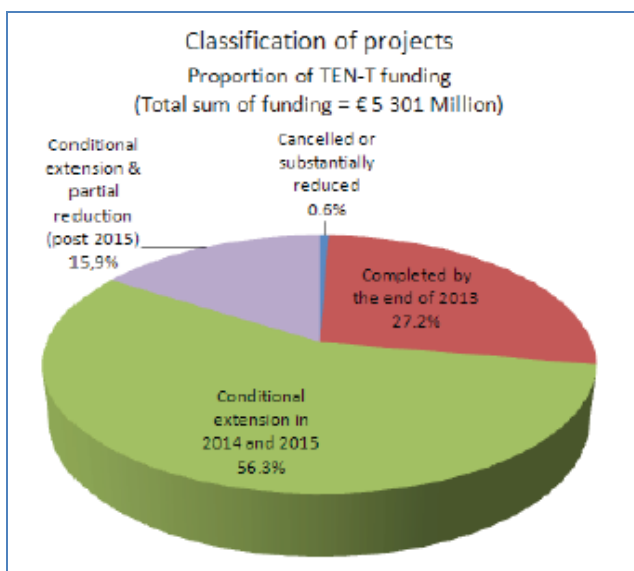
FIGURE 5.4 INDICATIVE VS. ALLOCATED FUNDING FOR HORIZONTAL PRIORITIES



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

5.15 The projects selected by the Programme are among the most complex infrastructure projects in Europe and a degree of project delay and budget variation is expected. The Mid-term review of the MAP portfolio shows that by the end of the Programming period there are expected to be 40 incomplete projects, excluding the cancelled ones (out of a portfolio of 92, so incomplete projects are representing 44% of the portfolio) with 30% of the respective TEN-T budget unconsumed (by December 2013). By allowing (subject to well-defined conditions) the continuation of support to these projects until the end of 2015, the MAP review estimated that it would make possible the completion of 29 projects, still leaving 11 projects unfinished.

FIGURE 5.5 MAP REVIEW DELAYS

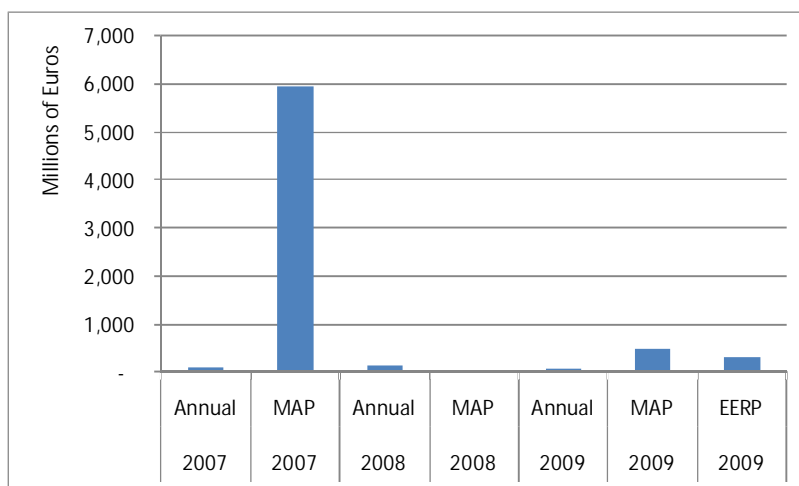


Source: Mid-term review of the MAP portfolio

- 5.16 Article 13 of EC Regulation 680/2007 provides the possibility for the Commission to suspend, reduce or discontinue financial aid to projects which have not started within 2 years of decision or which have not complied with the conditions governing financial aid. In 2010, this led to the cancellation of the EU financial aid provided to 4 MAP projects representing 0.6% of the 2007 MAP allocation. But has been a strong measure alongside a further 11 projects or 16% of the portfolio being allowed a conditional extension with partial budget reduction. The funding that had been allocated to these projects is expected to return to the TEN-T funding and will be reallocated before the end of the Programming period. This shows that the Programme benefits from good financial guidelines which are beneficial for the Programme management.
- 5.17 The political leverage of the Programme is however much higher than its share of funding would otherwise suggest as recognised by all stakeholders. For Member States it is more difficult politically to cancel projects once they have been selected in the TEN-T projects, so if projects as a part of national austerity programmes have to be losing national funding it is expected that those TEN-T projects will not be at the top of this list. For the private sector the “seal of endorsement” provided by the EC funding of TEN-T projects is less likely to play a significant role in the decision to invest in projects, but it shows a stronger public commitment to these projects, meaning that the project is less likely that some others to see its funding cancelled or postponed.
- 5.18 Conclusion: the Programme is successful at providing political certainty to project promoters within the current funding available, owing to the strong political and financial support signalled by becoming a chosen TEN-T project.
- The extent to which the timescales of the Programme are appropriate and the extent to which the funding guidelines are appropriate
- 5.19 It is not uncommon for large infrastructure projects to run over two decades, owing to their complex nature. The structure of EC funding is through 7-year financial support programmes, meaning that some projects will be running over two or possibly three periods. The most significant issue for these projects is the lack of visibility on funding availability as the EC is not able to commit funding outside its current 7-years financial programme. For projects needing multiple political and financial agreements the co-ordination of the project’s progression within the TEN-T programme becomes problematic. As a result, some project promoters wanting to avoid being constrained by detailed activity planning in financial perspectives tend to plan and describe broad activities in the proposals, afterwards leading to ambiguity in assessing performance against targets. Moreover the co-funding rate of 30% (and in fact only 21%) can be reduced to as low as 10% (or even less) of the total cost as projects often run over 2 or even 3 financial perspectives.
- 5.20 Looking at the timescale of the calls, the graphic below shows that nearly €6 billion out of €8 billion was allocated in the MAP call of 2007. A further €240 million was allocated to the MAP work programme to ERTMS projects in 2009. As

mentioned above, infrastructure projects benefit from as much funding as early as possible, and committing nearly 80% of the funds in this respect is adequate. However, it removes the possibility of a second chance for these projects that would not have been selected, or may somehow encourage the applicants to submit projects not mature enough or where risks or cost-benefit analyses have not been fully researched. This limits the choices for the Commission to select the best performing projects.

FIGURE 5.6 FUNDING BY CALL



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 5.21 As presented earlier in this report, funding can be given for works, studies or mixed projects including both studies and works. Applying for mixed funding offers longer term stability to project promoters but has the detrimental effect of allocating a significant amount of money for projects which are at a study stage and are expected to start work later during the MAP financial perspective. During the study phase, uncertainties for mixed projects are usually greater than for other studies particularly political, financial ones but also uncertainties due to the natural obstacles met. Therefore delays occur more easily and block funding reserved for works. For example, allocating only studies for the Brenner Base Tunnel (PP1), Seine-Scheldt waterway (PP30) and Fehmarn belt (PP20) could have left a larger amount of MAP budget available.
- 5.22 A further issue is project timescales. TEN-T funded projects are expected to be completed at the end of the period for which they have received funding, but the global project is not necessarily going to be achieved over that time. An amount of delay is expected to happen, and the MAP review highlighted that political, procurement delays or delays in earlier phases of projects are the most reported reasons for delays. In some countries, public procurement procedures for instance can only be launched after the financial resources are secured.
- 5.23 The table below presents the average delay and the average EC funding in the 2007-2009 calls.

TABLE 5.3 DELAY AND FUNDING

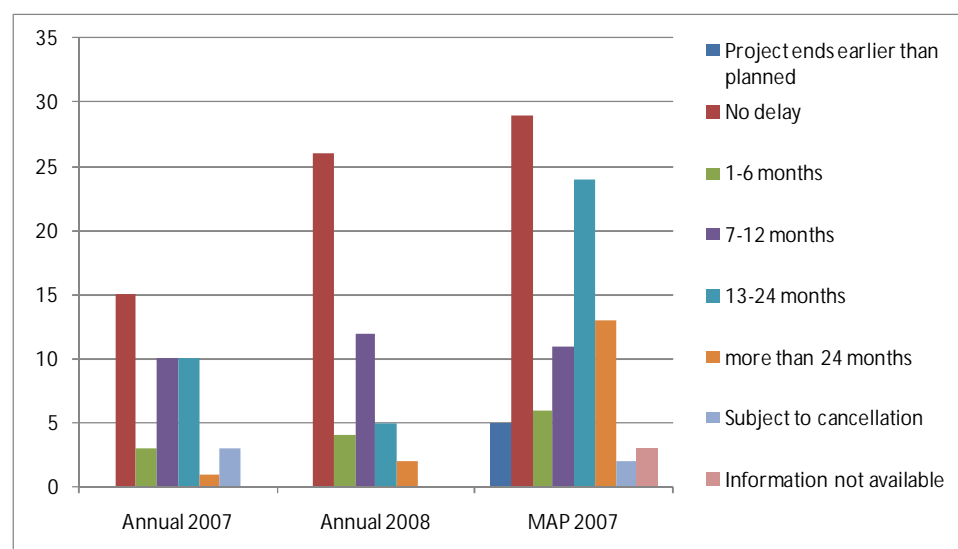
Calls		Average delay (in months)	Average EC co-funding (in € million)
Annual	2007	7	2,674,991
	2008	5	2,831,438
	2009	No data available	2,269,446
EERP		No data available	13,343,854
MAP		21	48,080,420

Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

Note: The MAP average delay is an average of 90 2007 MAP call projects for which a delay estimate was available from the TEN-T Executive Agency.

- 5.24 The distribution of delays is illustrated below. For the annual work programme there should be no concerns that the projects would not be finished within the current financial support perspective with only 3 projects experiencing delays of more than 2 years.

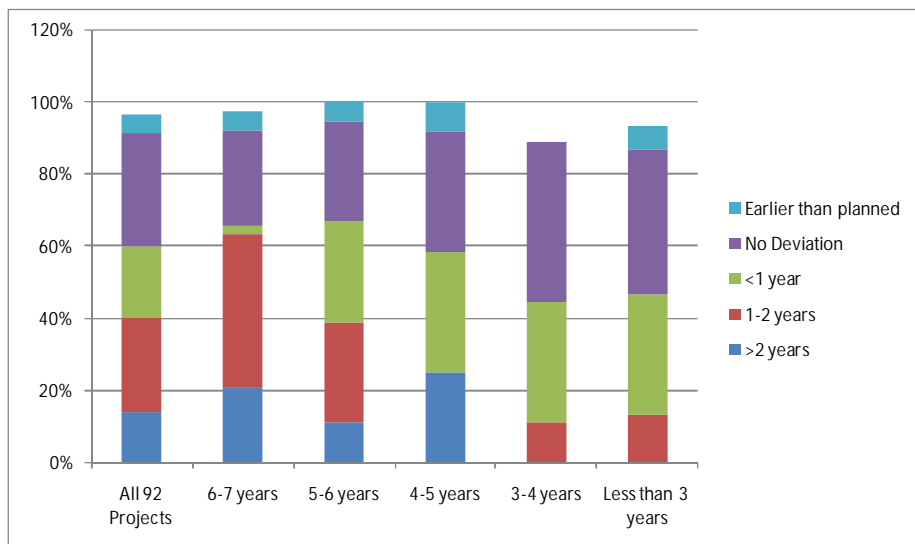
FIGURE 5.7 DELAY DISTRIBUTION (BY PROJECT NUMBER)



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data

- 5.25 Additionally the MAP review also highlighted a positive correlation between project duration and subsequent delays. In the MAP portfolio reviewed in 2010, 53% of the projects are due to be completed within the financial support period, which in value represents only 27% of the TEN-T funding. It means that nearly three-quarters of the projects in value are going to be achieved after the end of the financial support period (2013). By providing a time extension of 2 years, the TEN-T Commission expects that a total of 83% of projects representing a value of 83% of the portfolio reviewed could be achieved at the end of 2015.

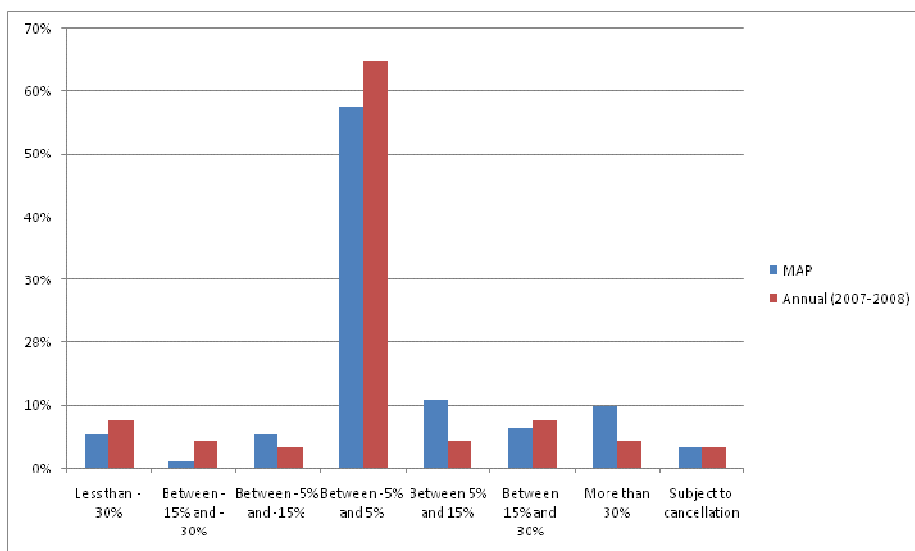
FIGURE 5.8 END DATE DEVIATIONS BY PLANNED DURATION OF PROJECT



Source: Steer Davies Gleave analysis of the MAP Review

5.26 At the time of this report (March 2011), we do not have any information regarding budget overruns for the Annual and EERP work programmes. We have been informed by the Agency that this information will only be available after the beneficiaries send their yearly 2011 ASR¹⁶ reports to the Agency, after completion of this report. The only information available to us comes from the Assessment of the TEN-T Programme Implementation based on the 2010 ASRs, and shows that most the budget overruns seem to be contained within the -/+5% boundary.

FIGURE 5.9 PROPORTION OF PROJECTS WITH BUDGETS OVERRUNS (MAP AND 2007-2008 CALLS)



¹⁶ The Strategic Action Plan (SAP) is a document submitted by each beneficiary within 90 calendar days following the notification of the Financing Decision. It forms the basis for monitoring and controlling progress throughout the implementation period of the action.

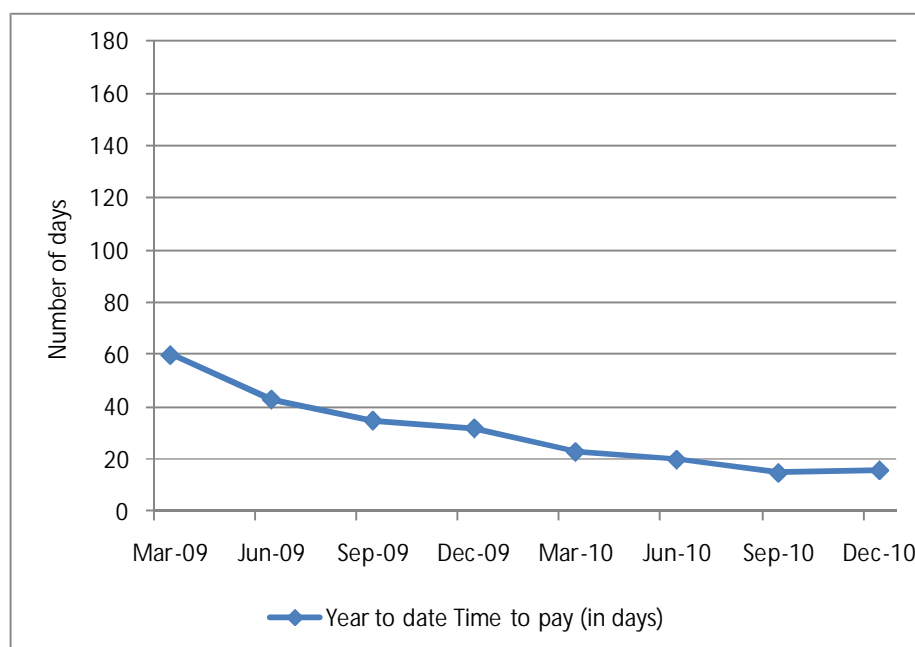
Source: Steer Davies Gleave analysis of the Assessment of TEN-T Programme Implementation

5.27 Conclusion: The Programme’s limited timescale of 7 years is not really appropriate because of the length and complexity of the infrastructure projects that it is supporting. However an effort has been made to offer the longest financial support period possible during this European Union programming timeframe. An unintended effect has been a rather rushed call for MAP projects and the selection of some projects which have been recognised as not mature enough and could have benefited from better proposal preparation. Furthermore, as most of the funding was allocated in the first year, projects which were developed after 2007 are at a relative disadvantage in gaining access to funding.

The extent to which the Programme offers an adequate award of EU funds

5.28 Payment delays have been reduced from an average of 206 days in April 2008 (95% of late payments) to 16 days (1% of late payments) at the end of December 2010 largely through a simplification of the internal procedures of the Agency. Projects from the Annual Work Programme receive 50% of the agreed funding in the first instalment around 90 days after approval and 50% on completion. This is a significant achievement which means that project promoters have better certainty as to working capital requirements and has a positive impact on Member States accounting and planning cycle of other projects. Payments to MAP projects include intermediary and final payments which require a detailed analysis of the cost claim and verification of the transactions. These payments are linked to the real progress of the project and could work as an incentive for project promoters to accelerate the implementation.

FIGURE 5.10 LATE PAYMENTS (2009)



Source: TEN-T EA 2010 Annual Activity Report

- 5.29 For ongoing projects from the TEN-T Programme 2007-2013, efforts were made to simplify and accelerate the analysis processing. The main simplification is the possibility offered by the legal framework to finance multi-annual projects. Instead of submitting a proposal annually for each slice of a long term project, project sponsors now have the possibility to obtain one decision covering several years, giving more confidence in long-term Commission support (within the financial support programme).
- 5.30 The procedures in the Multi-Annual Work Programme are based on the extent to which the annual milestones at proposal submission time are met. This implies that MAP activities cannot be easily postponed or delayed without a risk to see the allocated funding being reduced. Reductions in the allocated funding are discussed in 5.16. In this respect the flexibility offered by the Multi-Annual Work Programme is not very effective for the large infrastructure projects which usually face unforeseen issues. This issue does not concern the Annual Work Programme to the same extent though.
- 5.31 Conclusion: the payment timeline that is offered by the Programme appears adequate with a very small number of late payments now. However the long-term financial visibility required by complex infrastructure projects is not currently offered by the structure of the Programme. This is a significant problem which prevents projects such as cross-border to progress. Some alternative choices to solve this problem could be to assess whether the Programme financing perspectives can be extending. If unfeasible, would the Programme be able to offer approval "in-principle" where the funding would be subject to final approval but would have been somehow guaranteed for the project promoters? Increasing the co-funding rates may also be a way to offer greater financial commitments to long-term projects since they span over 2 and sometimes 3 multi-annual financing frameworks. Or would alternative instruments, such as EU bonds, be able to offer long-term certainty?

The extent to which the allocation of other EU funding sources is consistent with the Programme

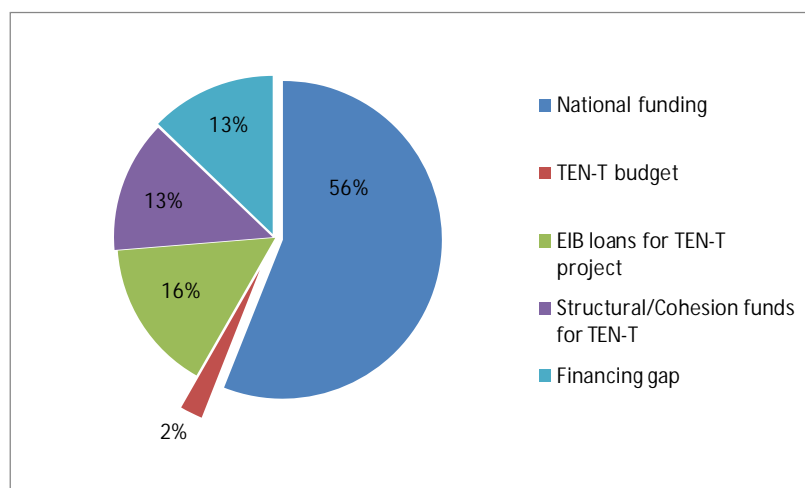
- 5.32 The total financing needs for all the projects supported by the TEN-T Programme in 2007-2013 are presented below. They amount in total to around €390 billion in 2010 according to the EIB¹⁷. Another source of evidence of the substantial resources required by the TEN-T network is the 2011 White Paper¹⁸ which estimates that "the completion of the TEN-T network requires about €550 billion until 2020 out of which some €215 billion can be referred to the removal of the main bottlenecks. This does not include investments in vehicles, equipment and charging infrastructure which may require an additional trillion to achieve the emission reduction goals for the transport network". Therefore, the TEN-T budget at €8 billion is actually only a minor financial contribution compared to their total financing needs over the period. The Structural and Cohesion funds are expected

¹⁷ EIB presentation, Seminar on TEN-T Project Finance and PPPs, June 2010

¹⁸ White Paper: Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system, March 2011, COM(2011) 144 Final

to provide more than 13% of the total. TEN-T and Cohesion/Structural funds are grants, not loans.

FIGURE 5.11 TEN-T FINANCING NEEDS (2007-2013)



Source: Financing TEN-T projects, EC Unit B1, Feb 2009

- 5.33 The table below shows that the beneficiaries and the rules are not the same for both sources of EU funding.

TABLE 5.4 TEN-T SUPPORT

2007-2013	TEN-T budget	Cohesion/Structural Funds
Available amount for TEN-T	8 billion EUR	47 billion EUR
Support rate	up to 50%, but less in fact	up to 85%
Forms of support	Grants	Grants/technical assistance
Applicability	EU27	Mainly EU-12 Member States
Managed by	DG MOVE	DG REGIO

Source: Financing TEN-T projects, EC Unit B1, Feb 2009

- 5.34 For the EU-12 Member States, the amount of money available from the Structural or Cohesion funds far outweighs what is available from the TEN-T Programme in its current financing period. For example, Poland has been allocated €25 billion funds from the Structural or Cohesion funds in the actual financing period compared to €23 million in grants from the TEN-T Programme (that will still require the Polish Government to finance the remaining €51 million for the adequate completion of the projects). However Structural and Cohesion funds will not be available after December 2015, so this is likely to change the demand for TEN-T funds in this financing period.
- 5.35 In the 2007-2013 programming period, the Commission (DG REGIO) in partnership between the Commission with the European Investment Bank (EIB), the European Bank for Reconstruction and Development and the KfW (Kreditanstalt für

Wiederaufbau has established JASPERS (Joint Assistance in Supporting Projects in European Regions), which seeks to pool expertise and resources to assist New Member States in the complex task of preparing quality projects so that they can be approved for EU support by the services of the Commission. It also has a contract with outside experts for technical advice in the appraisal of major projects.

- 5.36 As noted in the White Paper, "better coordination of the Cohesion and Structural funds with transport policy objectives is needed": For the period 2007-2013 in particular, the TEN-T budget is expected to provide 2.1% of the TEN-T overall investment needs, 8.9% will come from the Cohesion Fund and 2.1% from the European Regional Development Fund. A strengthened system of coordination should also be envisaged which would assist national authorities to make the best use of the available Community resources and coordinate the implementation of the TEN-T network to improve the implementation of individual projects. For instance, it has been suggested in the "Issues Paper on Facilitating additional TEN-T investment" that "the European Coordinators for Priority TENs Projects, with the support of Commission services and TEN-T EA, could already now take a leading role in facilitating the implementation of Priority Projects funded with the Cohesion Fund". Management practices could also be improved in order to enhance the impact of the funding: because of the decentralised management of the Structural/Cohesion funds (by Member States) there is no visible impact on what is funded because only the projects which budget is larger than €50 million appear.
- 5.37 Another issue related to the allocation of funding is the difference in the allocating principles between the TEN-T Programme and the Structural Funds. The former allocates funding through competitive procedures, namely calls for proposals. The funding is subject to technical and financial follow-up of all funded projects while the TEN-T programme is endowed with a re-distribution mechanism. On the other hand, in the context of Structural Funds, funding is earmarked per Member State at the beginning of the financial period and cannot change until its end. This means that the Commission is in effect prevented from optimising the use of Community funding. Therefore, the performance and the real effectiveness of the EU funding in the case of Structural funds depend largely on the absorption capacity of the recipient Member State, which is in some cases at a low level (10% or less).
- 5.38 Conclusion: There is a significant amount of European Union work taking place to promote, develop and implement the TEN-T network and efforts have been made to coordinate between DG MOVE and DG REGIO, which however should be increased significantly. This is partly because the 2 Directorate-General are fulfilling different objectives, but streamlining working methods between the two DGs would be helpful in order to focus project management and the delivery of the network. This would have benefits for all the stakeholders: DG MOVE and DG REGIO, the Member States and the project promoters, as well as the Agency and Jaspers which would benefit from clearer roles. Some parts of the EU network have not developed and there is a danger that there are gaps in the network. This is important for the adequate delivery of the European transport network.

- The extent to which the Programme promotes and develop use of PPPs, or other funding sources
- 5.39 The sources of finance for the trans-European transport network come from both the public and private sector but are largely geared towards national and European Union financial instruments. First of all, this is because of the private sector's fundamental need to identify a revenue stream and understand the distribution of risks (identification, mitigation and allocation). When the revenues are too low or the risks too high, the private sector will simply not be willing to invest and the burden of financing is reliant on national governments. Secondly, this is also because there are no clear incentives for the public sector to consider using PPPs (if at all) at the right time (i.e. from the start), except in a few countries. This explains why there has been a certain level of passivity with regards to PPPs.
- 5.40 PPPs: Public Private Partnerships (PPPs) have been recognised as a useful tool to work alongside the TEN-T Programme, but PPPs are really a procurement device of a different type, not an alternate source of finance. Unless the project costs are 100% covered by user fees or other sources of revenues, the funding still falls on the public sector. Because of their structure PPPs tend to increase the efficiency of the Programme management by helping to keep costs and delays to a minimum and improving the project transparency and accountability. PPPs are a well used approach in certain countries such as France, Spain and Germany with the A Model roads. Looking at the specific example of the Portuguese high-speed rail projects (PP3 and PP19), it shows that the benefits of PPPs are quite substantial: the costs are overall 39% lower than would have been with a traditional procurement, 33% lower for the construction itself and 58% lower for maintenance and major repairs. The main lessons so far are the following: the Portuguese high-speed network will accelerate the integration of the national rail network in the TEN-T; EU financial support has been essential to the development of these high-speed networks (EU grants amount to 41% of total costs, private financing amounting to 49% including 36% through EIB loans); the Portuguese PPP model has led to a significant cost reduction, a wide risk transfer to private investors, and the efficient integration of public and private financing.
- 5.41 However, only a limited number of TEN-T projects have been financed with PPPs others than motorways: the Oresund bridge, the Perpignan-Figueras rail concession and High-Speed line Paris-Bruxelles/Brussels-Köln-Amsterdam-London (PBKAL)¹⁹. PPPs are not necessarily always the right instrument, especially for very complex, and risky projects, and they are not always a success story: for instance there have been some issues with the Galileo PPP. Further in the case of default of a PPP, in the end it is the government that bears the funding risk.
- 5.42 There are a number of reasons why PPPs have not been used more often for TEN-T projects. They are partly at the EU level (as discussed below), but largely at the

1.1 ¹⁹ The data on the number of TEN-T projects that have been funded by PPP is not available, but we understand that this is something that the EIB is working on. There is a joint initiative currently underway with EPEC (EIB) and DG MOVE and DG REGIO to develop a database of PPPs within the TEN-T.

Member State level. First of all, PPPs need strong commitment from governments, as well as a correct institutional structure from Member States: not all EU Member States have the correct set-up and organisational behaviour to assess value for money, or support project promoters to deliver the projects, as shown in some cases with the low absorption rates of some Member States. The EIB, together with DG MOVE, the TEN-T Executive Agency and DG REGIO, is working at strengthening the institutional ability of the Member States but this is medium-term (5 years timeline) action. A positive start was made in the 2010 Annual Call with €7 million in funding support offered for feasibility, technical and financial studies for projects with PPP potential. Working Group 5 on Funding Strategy and Financing Perspectives recommended that a PPP project pipeline should be formed and that some pilot projects should be selected.

5.43 PPPs are also lengthy and costly to arrange, usually requiring contracts of 20-years or more in length, and also require additional skills and financial resources. It is recognised that PPP preparation is too time consuming and costly for small projects. Additionally, it requires the projects to be well-prepared at the beginning of the budgetary period so that the procurement process can be completed before the end of the relevant financial period (e.g. 2007-2013)²⁰. The 2008-2009 “credit crunch” has also increased the difficulty for the private sector to provide long-term borrowing, raising of debt, and refinancing.

5.44 In addition to standard loans, the EIB contributes to the financing of TEN-T projects in the Programme through different instruments, most of which are jointly financed by the TEN-T Programme.

I The Loan Guarantee for TEN-T projects (LGTT) is a contribution of €500 million from the TEN-T Programme, matched and managed by the EIB, to provide early stage risk mitigation to PPPs with demand-based payment mechanisms. It is designed to protect debt service in TENs projects that are exposed to traffic risk. LGTT provides a debt service guarantee with respect to traffic risk, making the capital structure more robust to traffic risk, which is a key financial risk in the early operating stage of a demand-based project. At the EU level, the LGTT currently has 4 signed contracts of a value of €115 million (out of €500 million available) showing that this instrument did not perform as well as expected. Among the reasons, the conditions of the LGTT changed from the start and the rigidity of the LGTT structure as defined in the TEN-T Regulation meant that this instrument was not able to be flexible enough to react to the unanticipated market movements. Secondly, the LGTT is a traffic risk instrument which left out the availability scheme component. It also missed out on bond issuance: since the collapse of the monoline business there is a gap in the market that the LGTT was not able to address. Moreover there has been a recent trend to blend PPPs and grants which could be interesting for countries that do not have the ability to interest the private sector with PPPs only. The Working Group 5 on Funding Strategy and Financing Perspectives encouraged the Commission to investigate further the feasibility of issuing E-bonds as well as the development of TEN-T project bonds.

²⁰ Source: Unit B1 presentation: “Financing TEN-T Projects”, February 2009

- | Marguerite Fund: €80 million given by the European Commission in equity risk capital. It gives preference to projects with a satisfactory Economic Rates of Return (ERR). It is expected by the EIB to be a model in the future for other similar public and private funds so as to attract capital market Institutional investors to invest in TENs infrastructure.
- | Structure Finance Facility (SFF): its purpose is to create value added by financing riskier parts of selected transactions and by increasing EIB leverage and financing capacity. EIB's total SFF financing is of EUR 4.2 billion in 2008, EUR 5.8 billion in 2009. SFF allows EIB to increase the leverage on its own funds and those of the EU budget through structured finance. The risk profiles of the projects targeted by the EIB range from BBB- to BB- as defined by Standard & Poor rating agency.

5.45 The EIB's commitment to the development of TENs has gradually expanded over the years through the amount of financing provided - €9.9 billion in 2008 and €11.9 billion in 2009, representing just around 3% of the share of the estimated TEN-T investment requirement for the 2007-2013 Programme alone (€390 billion), and through the development of specialised financing instruments (debt, guarantee and equity) and Financial and Technical Advisory programmes. Nonetheless in the current economic and financial context, with the aggravation of public finance constraints, there are some main issues which have been identified by the EIB and the Commission²¹ in order to contribute more effectively to the planning and financing of TENs infrastructure assets that need to be considered. These are listed below:

- | Enhancement of national PPP and Project Finance programmes;
- | National measures to provide relief in current market conditions including government guarantee/lending facilities for key infrastructure investments;
- | National measures mitigating particular obstacles deriving from current market conditions, for example re-financing risk due to shorter maturities of private funding;
- | Adjustment of national procurement approaches to reflect the difficulties of securing fully committed funding at the bid stage;
- | Maintaining private sector activity in this key sector by retaining the necessary expert personnel and know-how;
- | Development of capital markets throughout the EU to finance Infrastructure;
- | EIB support for TEN-T investments with standard and specialised loans/instruments as well as equity;
- | Facilitation of the issuance of TEN-T EU Project Bonds;
- | Exploration of options for using the TEN-T Budget Funds to TEN-T Project Bonds on a Risk Sharing basis;
- | Establishing Equity Funds to finance TEN-T Infrastructure such as the Marguerite Fund;
- | Provision of "bridge financing" to alleviate capacity constraints in sources of infrastructure funding;

²¹ Issues Paper on facilitating additional TEN-T investment, October 2009

- I Support the development by the Commission and the EIB of knowledge sharing/expertise advice; and
- I Enhancement of the project preparation through funding support for feasibility studies as well as improving the coordination among Commission and EIB to assist Member States in effective project screening for PPP potential.

5.46 Conclusion: Up to now given the complexity of PPPs for the Programme and the lack of incentives for Member States to consider using PPPs, there has only been a slow step-up in the use of private sources of finance. A key issue which remains to be addressed is the lack of adequate institutional structures in some Member States which limits the success of project delivery and will take time to enhance. The financial instruments that are defined by the Commission should be given enough flexibility to be able to respond to gaps in the market and changes in circumstances: "broadening the scope of LGTT by including availability-based schemes would be a way of encouraging the bond market to play a bigger role. This would allow targeting significant investments in the rail and inland waterway projects which, where procured as PPP, increasingly have availability based payment mechanisms"²². Bond issuance should be explored and a pipeline of possible PPP TEN-T projects established ahead of any new call under the TEN-T programme.

The extent to which the Programme promotes enhanced coordination between Member States and with EU agencies

5.47 Role of the Agency: The Agency was created in 2006 and its role is to:

- I i) Ensure the efficient and transparent technical and financial management of projects co-financed under the TEN-T budget;
- I ii) Provide added-value knowledge, information and insight to the Commission necessary for the TEN-T programme's implementation, programming and publicity; and
- I iii) Deliver expert technical support to project promoters and the financial institutions responsible for managing the loan guarantee instrument for the TEN-T projects. Its website is user-friendly to navigate and contains some top-level information about each of the 250 projects under management.

5.48 The committees: the Guidelines Committee gathers 2 representatives from each Member State and the Commission representative in order to discuss the guidelines and share information with Member States on the Programme. Its role is consultative whereas the Financial Assistance Committee (FAC) made of 2 representatives from each Member State and the Commission is an executive committee which can has some power over the selection of proposals for instance.

5.49 The EU Coordinators: Since 2005, European Coordinators have been appointed by the European Commission to focus attention on specific trans-European Priority Projects that present severe difficulties and lag significantly behind in completion

²² As discussed in the Ministerial and stakeholder conferences held in June 2010 in Zaragoza

compared with their initial schedule. Currently there are 9 Coordinators who are monitoring 11 Priority Projects. Their mandates end in July 2013. One of the common features of these projects is that they involve several Member States, which renders coordination between the project countries especially difficult and potentially hinders the speed of decision making. The coordinators have been chosen on the basis of their experience of European institutions and knowledge of issues relating to the financing and the socio-economic and environmental evaluation of major projects. The Court of Auditors²³ acknowledged that “the coordinators have had a positive influence in concentrating investments and facilitating developments on the Priority Projects”. In particular, coordinators have had a positive influence on:

- I “Facilitating contact s between stakeholders in order to progress developments on problematic sections, especially where it has proved necessary to agree a clear shared vision of the target rail transportation market and the specifications of the required infrastructure developments;
- I Emphasising to Member States the importance of proposing particular sections for EU co-financing, whilst emphasising that other sections would not be positively received;
- I Encouraging co-operation between rail authorities in Member States regarding improving transport performance and alleviating operational and other problems on existing corridors”;

In its response to the Court, the Commission mentioned that Coordinators play a “vital role” and appointed three additional coordinators in June 2010.

- 5.50 Coordination between the EU and the MS: The coordination between the EC and Member States is well established and appears to be running adequately in its current form. However the Programme remains a complex instrument where stakeholders can easily feel lost: the first Open Day about calls that was organised by the Agency in April 2009 attracted over 300 participants. This record attendance is a statement of the success in maintaining communication between the Agency and the stakeholders, but it can also be seen as a reflection of the need to get more information and support in responding to calls from Member States and project promoters. Furthermore, Member States channel the information to their respective public and private national stakeholders, but at least one stakeholder stated that the information was not necessarily well relayed or in time.
- 5.51 Coordination between the Member States: All evidence whether from stakeholders or other sources of information points out towards agreement in views that European Coordinators have been very helpful in enhancing the coordination - and action - among the Member States. However their role is currently limited to 11 Priority Projects out of 26 uncompleted ones (and ERTMS) and it leaves open the question as to whether they should be rolled out on other projects. Coordinators have managed to get Member States talking to one another,

²³ Source: “Improving transport performance on trans-European rail axes: Have EU rail infrastructure investments been effective?” European Court of Auditors, Special report 8, 2010

but if there is a lack of political commitment by Member States, then under the present structure of the Programme then there is no or too few communication: The EU and national needs are conflicting, and it is costly and lengthy to improve coordination with other Member States.

Conclusion: The Programme tries to develop a still very patchy network. Without binding agreements for big and complex projects, the Coordinators action appears to be one of the few ways to ensure and stimulate the cooperation of Member States.

The extent to which the Programme mobilise funding within Member States particularly for cross-border projects

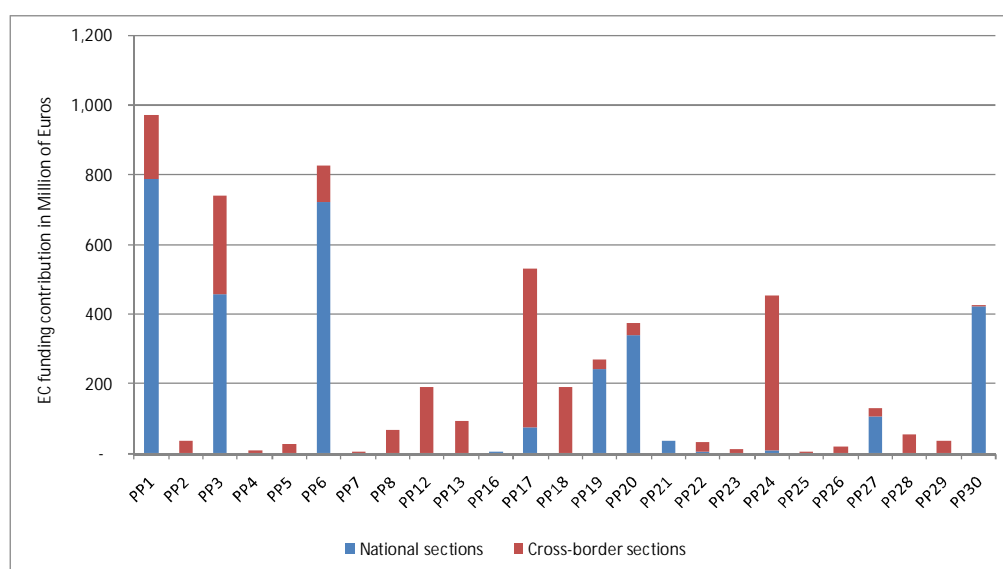
- 5.52 There is little doubt that the Programme has been successful at mobilising funding within the Member States, and most particularly for their own projects of interest. As mentioned earlier, Member States are by far the largest contributors to the Programme and it is estimated that for the 2007-2013 Programme Member States will be funding in the region of €196 billion. However, because of the lack of long-term financial certainty, TEN-T projects are under on-going scrutiny from Member States and in particular, when, for example, a new Government administration comes into office.
- 5.53 Promoting and implementing cross-border and bottlenecks projects is one of the Programme's "raison d'être" Article 5 of Regulation 680/2007 states that they should be given special attention. Cross-border projects face greater difficulty than national projects. They require greater co-ordination of Member States in order to define the approach, funding and operability: Member States have to overcome different planning processes, create joint investment calculations and financial structures for the development of a scheme. Moreover, the business case for cross-border schemes is often weaker than that of national schemes with a lower benefit to cost ratio and lower traffic volumes compared to national projects. Another issue remains the political commitment of Member States where international agreements are either lengthy or not legally binding and lead to sub-optimal results.
- 5.54 These difficulties have been recognised by the European Commission, since 2007 cross-border sections of Priority Projects have been entitled to receive up to 30% co-funding against 20% otherwise. It is very difficult to evaluate whether cross-border projects would have gone ahead without TEN-T funding, but certainly the TEN-T Programme has been a catalyst for the implementation of these projects. The European Court of Auditors states²⁴ that "14 of the sections reviewed that were approved before 2006 would have gone ahead anyway, albeit with modifications and/or with additional risk. In contrast, the proposal for an important project approved in the 2007-2013 period (Brenner Base Tunnel) states it would not proceed without EU co-financing". It is nonetheless interesting to note that it is these Priority Projects without a cross border section that tend to be completed first such as Betuwe line in the Netherlands, Malpensa Airport in

²⁴"Improving transport performance on trans-European rail axes: Have EU rail infrastructure investments been effective?" European Court of Auditors, Special report 8, 2010

Italy, or the West Coast Main Line in the UK. Only the •resund bridge between Denmark and Sweden, of the cross-border project has been completed.

- 5.55 In the actual Programme there is a handful of Priority Projects that do not include any cross-border sections, such as PP14 (West Coast Main Line): UK only, or PP10 Malpensa Airport: Italy only. However, Priority Projects with cross-border sections also cover a large number of national sections, and in fact the total of the cross-border sections of Priority Projects just makes 22% of the total number of Priority Projects sections; However these cross-border sections have been allocated a significantly higher share of funding than the rest of sections with 60% of funding, which is consistent with the objectives of the Programme to support cross-border projects.

FIGURE 5.12 CROSS-BORDER SECTIONS OF PRIORITY PROJECTS



Source: Steer Davies Gleave analysis of TEN-T Executive Agency data, excludes completed Priority Projects and Galileo

- 5.56 Looking at the rest of the Programme, it shows different trends for the other calls, with a significantly lower share of cross-border projects in the Annual and EERP calls. Cross-border projects only account for 6% and 3% funding in the Annual Programme (2007-2009), and 6% of projects and funding for the EERP. However, the MAP excluding Priority Projects seems to follow the trends of the Priority Projects where nearly half of the projects are across borders (42%) and receive three quarters (76%) of the support funding.

TABLE 5.5 CROSS-BORDER PROJECTS (2007-2009)

Call type	Number of projects	Number of cross-border projects	Commission support, € million	Commission support for cross-border, € million
Annual	123	7	323	8.9
Priority Projects (PP)	78	17	5,244	3,193
MAP exc. PP	53	22	1,054	803
MAP total	131	39	6,298	3,996
EERP	36	2	480	28.4
Total	290	48	7,102	4,033

Source: Steer Davies Gleave analysis, excludes 2010 call

- 5.57 Conclusion: The Programme has been supporting cross-border projects as per its objective with a large share of the available funding. However, the level of co-funding for cross-border projects is not so high compared that it outweighs the difficulty in addressing administrative and co-operation challenges of cross-border projects.

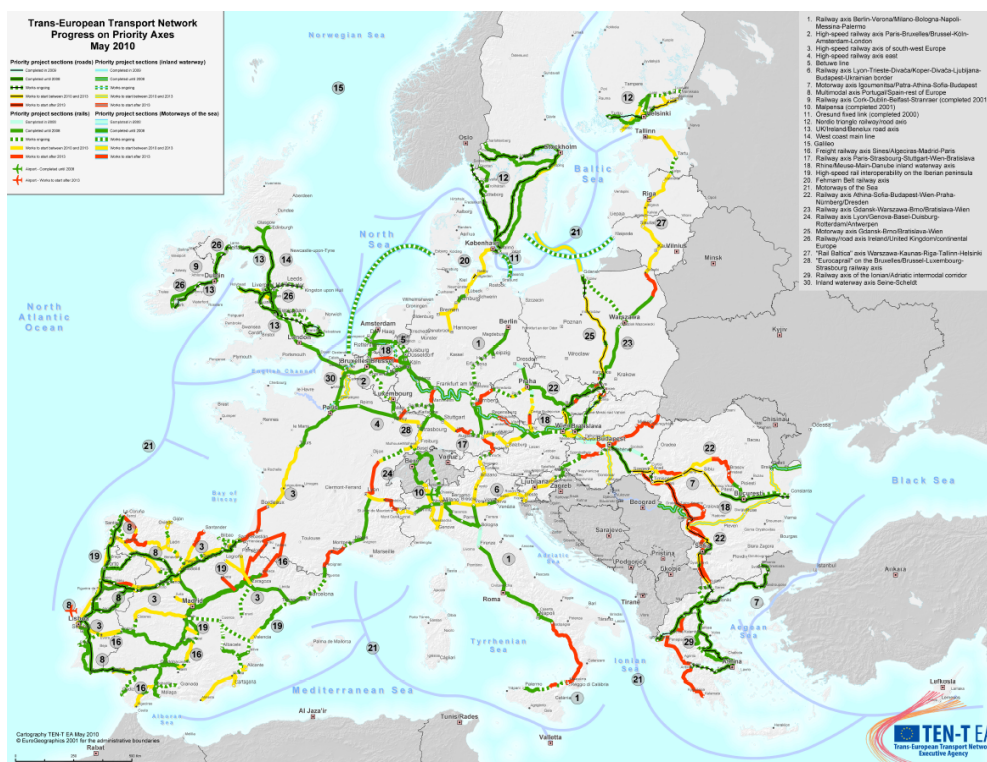
The extent to which the Programme funded projects reduce bottlenecks in the EU network

- 5.58 Bottlenecks are defined in Article 2 of Regulation 680/2007 as “obstacles to speed and/or capacity which made it impossible to guarantee the continuity of transport flows”. However, there remains some lack of clarity as to whether bottlenecks are a physical lack of infrastructure, or a lack of common operating procedures.
- 5.59 There does not seem to be a list or a map of where the EU bottlenecks are, and of what sort they are. Bottlenecks can be condition bottlenecks (bottlenecks at certain time of year or day) or capacity bottlenecks (lack of railway tracks for instance). The TENCONNECT report²⁵ indicates that “a bottleneck could be a piece of poor infrastructure where the speed has to be lowered in order to pass the infrastructure safely, or it could be a piece of infrastructure with heavy traffic load which delays the flow. But the definition also implies that locations in the networks where the time passes without any distance being made, e.g. border crossings, veterinary controls, etc could be considered bottlenecks”. The Court of Auditors noted that “a robust empirical analysis of bottlenecks on key trans-European axes is not available and the Commission relies primarily on Member States’ own analysis, complemented in recent years by information gathered by the Coordinators to identify such bottle-necks”.

²⁵ Traffic flow: Scenario, Traffic Forecast and Analysis of Traffic on the TEN-T, Taking into Consideration the External Dimension of the Union, December 2009

- 5.60 Removing bottlenecks depends on the harmonisation of rules and regulations for border crossing transports, since in each of the European countries a number of local rules and regulations exist for different aspects of transport. The TENCONNECT report indicates that “bottlenecks in the European road transport for instance are mainly related to insufficient capacity at certain times and on certain road links. And borders to the neighbouring countries, except Norway and Switzerland, constitute major time consumers for both passenger traffic and particularly freight transport.
- 5.61 The area where bottlenecks are still most evident is the internal market for rail services. Rail transport is experiencing tight conditions particularly in Germany, in UK and around major urban areas. And condition of the network in some of the EU-12 Member States needs urgent attention. But some of the problems related to the rail network are related to missing interoperability across the borders. Some of these non interoperability aspects are easy to see, e.g. the change of gauge, different current systems and different signalling and safety systems. Others relate more to different ways of border inspection, and such mismatches in the administrative procedures may cause serious delays, e.g. if a wagon needs to be taken out of a row of wagons because of worn down brakes. But also aspects like change of drivers at borders and staff depots may result in delays as could inadequate opening hours for border handling. These technical, administrative and legal obstacles still block entry to national railway markets.
- 5.62 For the port system of Europe, bulk and container ports seem to have sufficient capacity to cope with future growth rates, but one problem identified is the hinterland connections, on the roads and rail systems. On the air transport side, considerable growth is forecasted for the future, which could lead to an increase in delays at airports in Europe. An analysis of airport capacity indicates that quite a few airports would be vulnerable to capacity shortages”.
- 5.63 The map below of TEN-T Priority Projects shows that cross-border sections are the last to be completed.

FIGURE 5.13 MAP OF TEN-T PRIORITY PROJECTS



5.64 Conclusion: The Programme has been useful at reducing national capacity bottlenecks within the EU network. However some important parts of the network are still missing (especially in the case of rail and inland waterways which constitute important bottlenecks). The Programme has met limited success at addressing non-capacity bottlenecks since generally they require significant involvement of the Member States when interoperability is required.

The extent to which the Programme ensures project accountability of project promoters

5.65 The Programme’s reporting requirements are significant, with a system of double-checks in place. Member States are required to undertake technical monitoring and financial control of projects in close cooperation with the Commission, and need to provide the Commission with a description of the control, management and monitoring systems set up to ensure that projects are successfully completed. This is also the case with the selection procedures for TEN-T funding meaning that projects must be endorsed and assessed by the Member States first. This process increases the checks and scrutiny that project plans are put under.

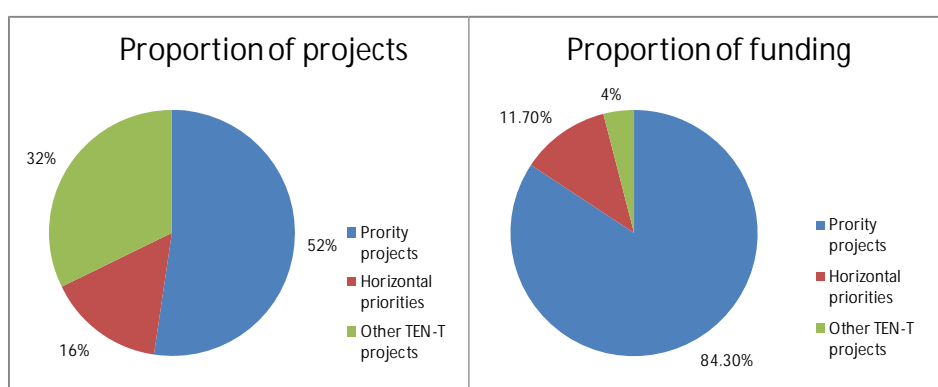
5.66 In MAP type projects, payments are dependent on the adequate completion of project milestones to the targets that were submitted at the time of the funding decision. In the past, proposals were not requiring a clear definition of the outputs leading to difficulties in interpreting if milestones were met.

- 5.67 The reporting requirements on project promoters are significant. Some stakeholders have asked for improvements in particular in ensuring that the best forms are used or that there is more consistency within the EU reporting requirements of the Cohesion Funds and TEN-T Programme. This is certainly a possible improvement but it should be remembered that both Directorate have different objectives which have been translated in different reporting needs. Also DG REGIO does not get involved in the actual management of the projects although DG MOVE, through the TEN-T EA does.
- 5.68 In some cases, it is felt that reporting requirements can be a significant burden on project management especially when the TEN-T funding represents only a small proportion of the total budget funding (only 13% of the EERP funding is TEN-T funded and 17% of the Annual Programme for 2007-2009).
- 5.69 All stakeholders interviewed agree to the common sense rule that “good project preparation leads to good project delivery” and when proposals were submitted with detailed plans, management structures and risk mitigation plans then delivery of the projects was usually enhanced. In the previous 2000-2006 Programme, there was an issue with the level of detail that was requested and submitted in proposals meaning that it was very complex for the Commission or the Agency to assess if milestones were met. Unfortunately at the time of submission of this report, it has not been possible to obtain information from the Agency regarding the proportion of projects with detailed project management structures on proposal submission.
- 5.70 Conclusion: The Programme has been successful at ensuring project accountability of project promoters even when the funding share has remained low. Enhanced managerial cooperation between DG MOVE and DG REGIO where possible would also help to reduce the amount of administrative requirements on project promoters.
- The extent to which the Programme funded studies projects lead to works projects
- 5.71 The Programme has been given the potential to fund studies at a co-funding rate of up to 50%. In practice this has nearly always been the case. Studies (excluding mixed projects) represent 40% of the total projects in number but only 18% in value of EC funding.
- 5.72 As of March 2011, there is no data available to assess whether or not studies have led to the effective completion of sections of the trans-European transport network. We understand from stakeholder interviews that EC funds have generally been supporting studies at a pre-implementation level or design phase rather than at a “less mature” stage.
- 5.73 Conclusion: at this stage there is not enough data or stakeholder evidence to be able to conclude on this point.

The extent to which the Programme funds projects that enable the integration of transport systems already in place

5.74 It has been found that some projects were not meeting their true potential because of a lack of investment elsewhere in the transport system, reducing the ability for interoperability and intermodality. This has been particularly highlighted for rail by the report on trans-European rail axes by the European Court of Auditors²⁶. The figure below shows that only 16% of projects funded are horizontal priorities and these receive 11.7% of the funding, with the majority of funding concentrated on Priority Projects. This is a problem that affects some modes more than others and has been highlighted in the rail industry where technical and practical incompatibilities can reduce operational connectivity.

FIGURE 5.14 TEN-T PROJECTS: NUMBER AND FUNDING PROPORTION



Source: TEN-T EA 2009 Annual Activity Report

5.75 One of the most powerful illustrations of the detrimental impact of a lack of integration of transport systems comes from the 25 minute gain and loss as shown below (Source: Special Report No 8, European Court of Auditors, "Improving transport performance on trans-European rail axes: have EU rail infrastructure investment been effective?")

FIGURE 5.15 25 MINUTES SAVED AND 25 MINUTES DELAY ON PP1

25 minutes saved	25 minutes delay
Journey time saved by constructing a new high-speed line between Nürnberg and Ingolstadt in Germany at an overall cost of €2,336 million (with EU co-financing of 134 million euro from TEN-T)	The additional time needed for a technical control for trains entering Italy at the Brennersee station at the Austrian-Italian border, because the Italian railway undertaking does not accept the technical control already carried out at the point of departure in München by its German counterpart

Source: Special Report No 8, European Court of Auditors, "Improving transport performance on trans-European rail axes: have EU rail infrastructure investment been effective?")

²⁶ "Improving transport performance on trans-European rail axes: Have EU rail infrastructure investments been effective?" European Court of Auditors, Special report 8, 2010

- 5.76 The European Coordinators have already highlighted²⁷ that transport interoperability means that infrastructure and traffic management systems are compatible with one another, thereby removing national segmentation and enabling seamless traffic flows. Knowing this, there cannot be a trans-European network for transport if technical standards change at the border, forcing operators into costly equipment investments to comply with the various national standards if they seek access to markets beyond their national border.
- 5.77 TEN-T policy has so far mainly focused on capacity and infrastructure building. EU coordinators and other stakeholders believe that improvements in interoperability can come from adopting legally binding interoperability and safety standards on the one hand, and supporting the deployment of new equipment that responds to these standards.
- 5.78 The integration of transport systems already in place can also be achieved through a better co or multimodality of transport infrastructures. Looking into the portfolio of projects in the 2007-2013 Programme, it is clear that multimodal projects only represent a minority of projects and a minority of the co-funding given. The 2010 call does not appear in these numbers whereas it specifically targeted these multimodal projects. One of the explanations for such a low number of multimodal projects is the lack of multimodal champions within Member States: transport remains organised by mode and multimodal projects tend to happen only at the margin.

TABLE 5.6 MULTIMODAL PROJECTS (2007-2009 CALLS)

	Number	EC co-funding	Total eligible cost
Multimodal projects	15	366 million	1,435 million
All projects	290	7,102 million	41,662 million
Share	5.1%	5.1%	3.5%

Source: Steer Davies Gleave analysis

- 5.79 Conclusion: The Programme is only just starting to fund intermodality projects where more than one transport mode is part of the project. Horizontal projects have been securing a significant share of the funding, but they do not necessarily lead to the integration of existing modes together. One of the most significant issues left is the concentration of the Programme on infrastructure only type of projects when some significant results could be achieved differently. Therefore, the programme has only partly met this objective.

²⁷ Position paper of the European Coordinators on the future of TEN-T policy, October 2009

Efficiency

The extent to which the selection of projects is through a fair and transparent decision making process

- 5.80 The evaluation process consists of a two-steps process, which is an improvement since 2006 where there used to be only 1 step. The first step of the evaluation is based on an assessment performed by external evaluators, drawn from the database of the European Commission Experts Management Module. This database is managed by DG Research and lists experts belonging to both the public and private sectors. In 2009, a total of 56 experts participated in the evaluation, including some from the European Railway Agency. This part of the evaluation appears robust, and has been praised for its independency and transparency.
- 5.81 Once the project short-list has been developed by the external evaluators, DG MOVE selects the proposals that will receive the EC funding. Though not bound to select projects from the short-list, it is DG MOVE's practice to select proposals from this list only.
- 5.82 This is followed by approval or rejection of the list of proposals by the Financial Assistance Committee (FAC) followed by a 30-day period during which the European Parliament may use its droit de regard. The Financial Assistance Committee is made of 2 representatives of each Member States. According to DG MOVE, it is uncommon for the FAC not to agree with the list submitted by DG MOVE, meaning that in this case political influence on the final choice of projects is extremely limited.
- 5.83 The evaluation criteria are announced in the Work Programme and the call texts and take into account the maturity, relevance, impact and quality of the project. These include the stimulating effect of European Union intervention on public and private funding, the soundness of the financial package, socio-economic effects, environmental consequences, the need to overcome financial obstacles and the complexity of the project, for example that arises from the need to cross a natural barrier. Some of the criteria could benefit from further refinement in their definitions: for example what is the maturity of a study? Additionally one of the most significant issues is the fact that cost-benefit analyses (CBA) are not compulsory in the TEN-T Programme for studies or can be too succinct. In contrast CBAs are compulsory for DG REGIO funded projects. Proposals do need to include an added-value description but sometimes it is in very general terms, in a summarized form, there are some issues of information on assumptions or variables not being consistent. For instance in the 2009 MAP call, only 1 out of 54 ERTMS proposals had a thorough cost-benefit analyses. As highlighted by the Court of auditors²⁸ cost-benefit analyses "allow for the merits of proposed projects to be compared during the selection procedure" and are there to inform the project selection.

²⁸ "Improving transport performance on trans-European rail axes: Have EU rail infrastructure investments been effective?" European Court of Auditors, Special report 8, 2010

- 5.84 Full risk assessment and mitigation plans have also been felt to be missing or to be incomplete at the submission stage. Therefore they cannot be taken into full consideration during the selection of projects. This information is however included in the Strategic Action Plans (SAP²⁹). A specific section has been also foreseen in the ASRs³⁰ (to be applied as from this year) that will enable the effective follow-up of these aspects.
- 5.85 Call calendar: The table below illustrates the 2009 call calendar and shows an elapsed time between call publication and funding decision by the Commission of 10 months for the MAP and Annual Work Programme. This is an improvement from previous calls where 12-18 months between the date of submission and the funding decision was common. For the ad-hoc emergency EERP call, DG MOVE had requested a rapid implementation which resulted in the global funding decision adopted by the Commission less than 6 months after the publication of the calls.

TABLE 5.7 2009 CALL CALENDAR

Milestones	EERP	Other Work Programmes
Work programmes are finalised and adopted by the Commission	30 March	
Call texts are prepared for publication	31 March	
Agency organised an Info Day to support applicants	22 April	
External evaluation of the proposals	June	
Internal evaluation of the proposals	July	
Global funding decision approved by FAC	July 2009	December 2009
Global funding decision adopted by the Commission	September 2009	February 2010

- 5.86 Concerning the split between Work Programmes calls and detailed modes or priorities, Member States decide at the beginning of the financial perspective of the provisional calendar. They are therefore able to inform project sponsors of the availability of funding each year. However, the level of funding is not guaranteed until each funding year and changes cannot be ruled out. For instance in 2011, the planned budget of €135 million (as communicated in 2007) for the Multi-Annual Work Programme (Motorways of the Sea) was significantly reduced in January 2011 to around €30million, plus €40 million added later to the same call

²⁹ The Strategic Action Plan (SAP) is a document submitted by each beneficiary within 90 calendar days following the notification of the Financing Decision. It forms the basis for monitoring and controlling progress throughout the implementation period of the action.

³⁰ Action Status Report (ASR) is a regular annual progress report and constitutes a legal obligation for all TEN-T funded projects. ASRs cover a calendar year and are due by 31st march of the year after the reporting period.

budget. Transparency: an external observer was appointed to provide an independent report on the call and evaluation process with recommendations for future calls that was presented to DG MOVE and the Financial Assistance Committee (FAC). All stakeholders and in particular Member States stated that they believe the process was transparent in its external evaluation phase.

- 5.87 Conclusion: the Programme's selection of projects appears to be adequate on the technical side, transparent and without much political influence (according to DG MOVE). EU-wide projects have been given a higher rate of selection and higher share of proposal funding which is consistent with the objectives of the Programme.

The extent to which the programme management and management systems are adequate in terms of Programme planning

- 5.88 PMS tools and recent improvements to the PMS: new harmonised templates for interim and final financial statements, and for cost claims have been introduced by the Agency. These enable a faster verification of a sample of costs and the overall payment processing time.
- 5.89 TENtec: Following the lack of common reporting and adequate IT support tool, an information system called TENtec has been developed by the Commission. TENtec serves to store and manage technical and historical data for the analysis, management and political decision making concerning the TEN-T programmes; including support for briefings, modelling of future policy/budgetary scenarios, interfacing to GIS (Geographical Information System) and electronic submission of application. TENtec is made of 6 modules which range from the evaluation module used during calls to the reporting modules (commission and public), allowing stakeholders (European Commission, TEN-T Executive Agency, Member States and in future other TEN-T stakeholders) access to information of TEN-T projects. TENtec supports the evaluation and is a powerful tool for project management.
- 5.90 We understand that all modules have now been developed and are gradually becoming available on-line with the required functions (such as map functionalities). In 2011 for example a data bridge between DG MOVE and DG REGIO should be functional and a bridge to the European Investment Bank should be developed. These are welcomed developments since the 2009 audit performed by the Internal Audit Capability of the Commission highlighted a lack of a comprehensive management information system.
- 5.91 The statistical information available to the Agency would benefit from additional level of information. For instance concerning the 2007 and 2008 proposal selection procedures which were managed by DG MOVE, the Agency does not have the data with enough detail in order to support a simple statistical analysis such as the number of proposals recommended by the independent experts. In the case of data on delays and costs overruns, the Agency does have this information for the MAP 2007 but at the time of submission of this report (March 2011), no up-to-date data is available for the MAP 2008, MAP 2009, MAP 2010, Annual 2009, Annual 2010 and EERP. Updated information on the 2010 reporting period should be available once the 2011 ASR are submitted.

- 5.92 Conclusion: The development and consistent use of management tools is a welcome step to strengthen the management of the TEN-T projects by the Agency but there appears to remain some gaps on the data management. The Agency should be able to have a clear overview of the current Programme, including proposals.

The degree to which the management structures and procedures of TEN-T EA and DG MOVE support the cost-efficient delivery of projects and other outputs and the extent to which project monitoring tools and procedures contribute to the successful completion of projects

- 5.93 Management structure of DG MOVE and TEN-TEA: Because the Commission felt it was appropriate to clearly define the working relationship of DG MOVE and the Agency, a Memorandum of Understanding was signed on 23 September 2009. The Agency only performs tasks delegated by the Commission and must comply with the EU budget rules, but has its own legal identity and its own administrative budget for operating costs. The Steering Committee is nominated by the Commission, and a minimum number of staff positions of responsibility are filled by Commission officials on secondment, including in particular the Executive Director and the Heads of Unit.
- 5.94 The final annual accounts for 2009 shows that 7 staff were seconded from the Commission with two-thirds of the staff being contract agents and the rest being temporary positions. The number of staff employed by the Agency appears to be slightly below plan due to delays in recruitment as a result of a legal issue especially in 2008, but after taking into account staff who took up their duties shortly the following year, it shows that the number of vacant posts is under 5% in 2009.

TABLE 5.8 ACTUAL STAFF POSITIONS

	2008		2009	
	Planned	Actual	Planned	Actual
Seconded officials	32	4	32	7
Temporary agents		19		24
Contract agents	67	44	67	60
Total	99	67	99	91
Staff to take up duties early the following year		10		3

Source: TEN-T Executive Agency, Annual Report, 2009

- 5.95 Looking at the adequacy between project load and resources we observe that the number and value of projects per head of staff has fallen between 2008 and 2009. This is because the Agency has increased its headcount by a third whereas the increase in project number and value has been more contained between 2008 and 2009 (a large proportion of projects were already part of the MAP before the

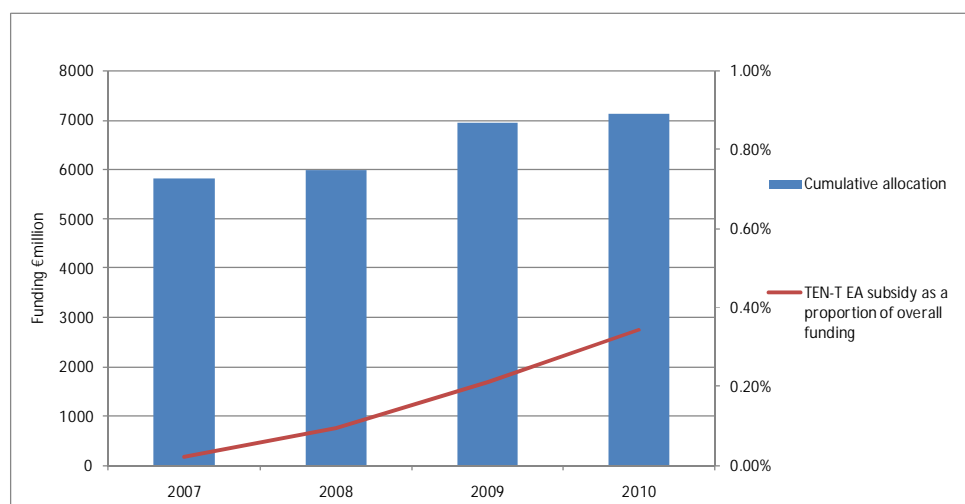
Agency became operational). In 2008 there were an average of 3 projects per member of staff representing €89.5 million of funding per head; in 2009 this had fallen to 2 projects per staff member and €76.3 million of funding per staff. Looking at the number of projects for the 2 Agency units in charge of project management, the ratio is between 10 and 22 projects per head.

- 5.96 The Agency moved to its present physical location in 2010 and the building was officially inaugurated in January 2011.
- 5.97 Conclusion: all the evidence points towards the fact that the monitoring tools and procedures have contributed to the successful or at least more cost-efficient delivery of projects. The set-up of the Agency remains very recent but to date seems to be functioning well.

The extent to which the running costs of the Agency and the Programme are reasonable and within timescales

- 5.98 The Agency funding comes directly from the TEN-T Programme. The Agency budget for 2010 of €9.8million (value of the Commission subsidy) only represents 6% of the total funding allocated in 2010. The Agency budget as a proportion of total programme funding has been steadily increasing, but to date still only accounts for 0.3% of the total programme finances. In 2008 the Agency budget was slightly below the equivalent of €30,000 per project, increasing to almost €95,000 in 2009, when the increase in project number was significant at 47 % and the increase in project budget limited with an increase of only 3 % (excluding the management of the remaining 2000-2006 Programme). It appears that proposals of a value under €1 million have not been selected because of the administrative costs borne by the Agency in managing them.

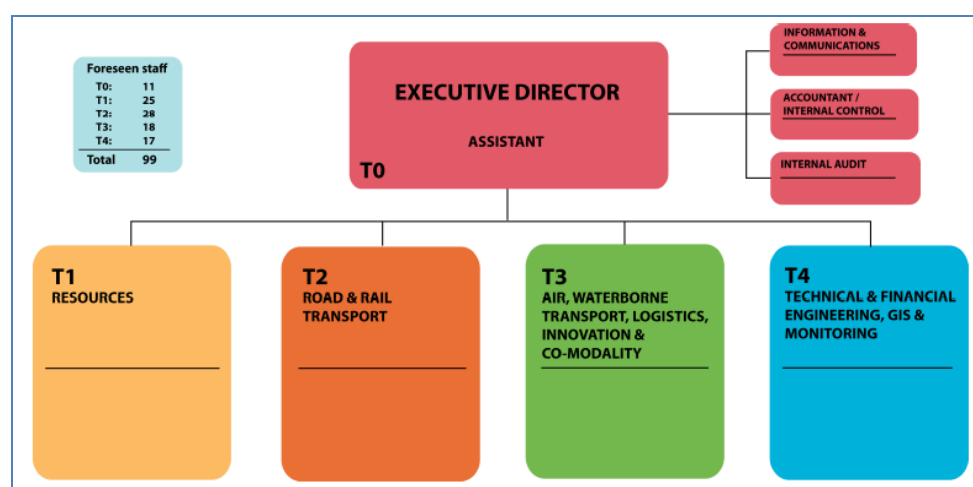
FIGURE 5.16 PROPORTION OF AGENCY FUNDING VS. PROGRAMME FUNDING



Source: Steer Davies Gleave analysis of the Statement of revenue and expenditure for the Trans-European Transport Network Executive Agency for the financial year 2010 (2010/C 86/25)

- 5.99 In 2008 and 2009, the Agency planned its budget effectively with its 2009 final costs 93% of the planned budget.
- 5.100 How the agency is organised compared to the structure of the Programme: The Agency has a simple structure with four units: two operational units responsible for project management (T2 and T3), one horizontal unit (T1) and one technical assistance unit (T4).
- 5.101 T2 is responsible for the operational follow-up of all road and rail projects (a total of 290 in 2009), including ERTMS and had 27 staff in 2009, 200 of which managing projects. T3 is responsible for the operational follow up and project management of all air and waterborne transport, logistics, Innovation and Co-modality projects (a total of 115 in 2009) and had 18 staff, 14 of which are managing projects. T4 objective is to provide horizontal tasks/support as well as specific skills such as technical and financial engineering support, GIS and monitoring.

FIGURE 5.17 ORGANISATIONAL STRUCTURE OF THE AGENCY



- 5.102 Auditing: There are 3 auditors in the Agency staff, which perform on the spot financial audits as well as follow-up of audits subcontracted to external audit firms. With a view to maintaining an effective and efficient system of internal control, the Agency is required to be implementing the Commission's 16 Internal Control Standards (ICS).
- 5.103 The Internal Audit Service and Internal Audit Capability of the Commission performed an audit in 2009 of the Agency on the operational budget of TEN-T EA, including the relationship with the parent DG. It concluded that internal control system provided reasonable assurance except for lack of a comprehensive management information system and the current controls do not prevent improper use of user access rights.
- 5.104 In 2008 and 2009 the Agency published an Annual Report and the 2010 Annual Report is expected in the first half of 2011.

- 5.105 Conclusion: the running costs of the Agency appear to be at a reasonable level in proportion to the Programme budget. However there is a lack of appropriate benchmarks to fully substantiate this analysis.

6 Conclusions and Recommendations

Conclusion on the objectives of the TEN-T Programme

- 6.1 The European Union Guidelines on the TEN-T Programme appear to present two key issues. The first one is that the objectives of the Programme are very broad, they cover persons and goods, all EU-27 Member States, national and cross-border sections, all transport modes including interoperability, existing infrastructure and future infrastructure, interoperability, links with other States outside the Union. The aims of the Programme cover such a range of transport issues that it has been recognised in the Green Paper that it “made it virtually impossible to meet them in full with the instruments available” (€8 billion of EU funding in 2007-2013).
- 6.2 Secondly these objectives have only been defined at a very top-level or general level and only occasionally have they been translated into specific or operational objectives.
- 6.3 This raises some important concerns about the wide interpretation which can be applied to the general objectives of the Programme, as well as the difficulties this will provide when assessing ex-post if the programme achieved its objectives.
- 6.4 The objectives of the Programme should be strengthened so that the EC intervention can be more effectively targeted. The objectives of the network should be prioritised in the Union Guidelines so that the network is not expected to ensure the social mobility AND offer high-quality infrastructure AND include all modes of transport AND allow optimal use of existing infrastructure AND be interoperable, etc at the same time.
- 6.5 Further clarity in the objectives would be beneficial and should include:
- | Is the objective of the Programme about bringing all Member States to a similar level of transport network, or is it giving the same level of benefit from the Programme to Member States?
 - | Is the objective of the Programme to be focussing on the sections with the highest transport demand or the most congested sections?
 - | What is the trans-European transport network? Is it a number of Priority Projects put together or does it produce network effects?
 - | Should the social cohesion strengthening (i.e. passenger transport) take precedent over the economic strengthening (i.e. trade and freight transport) of the transport network?
 - | Is co-modality effectively applied? Should priorities be given to transport modes which are classified as more environmentally friendly and if so based on which objectives?
 - | Should the Programme give more focus and priority to the optimal use of existing capacities, through for instance the removing of cross-border bottlenecks or emphasis of or shall it focus on building new infrastructure?

- 6.6 The priorities of the White Paper published in late March, provide a good basis on which to develop these objectives for the amendments of the Guidelines.

Definition of the TEN-T network

- 6.7 The TEN-T network as defined in the Guidelines includes two planning layers: a common interest layer and a second layer of 30 Priority Projects, i.e. selected projects of common interest. The common interest layer covers all modes, whereas the Priority Projects largely focus on rail, road and inland waterways. Most Priority Projects include at least one cross-border section.
- 6.8 The TEN-T network is made of a selection of important axis as defined in its latest version by the Member States in 2004. These axis were chosen for their relevance to "transnational traffic flows, cohesion and sustainable development objectives and were subjected to a common socio-economic evaluation" according to the Green Paper. Some significant issues have already arisen from the way the TEN-T network was defined.
- 6.9 First of all, there does not seem to have been an assessment of the actual and forecasted European-wide transport demand and needs by 2020 which would have led the discussion with Member States as to which parts of the 2004 European network would be part of the TEN-T network and which projects should be Priority Projects. We understand that according to the Commission "while such studies have been carried out, both for individual projects and the network, they have yet to lead to conclusive results and so could not be used as such³¹." This was stated in the case of rail, but it should be assumed that this is the case for all modes. Whilst it is difficult to assess the transport flux at such scale for passengers and trade, it is nonetheless important to rely on as much evidence as possible, rather than political observations.
- 6.10 Secondly the EU-12 Member States were integrated afterwards to this definition of the TEN-T network and do not have the same weight in terms of the number of funding of Priority Projects granted, whereas their transport needs to strengthen the social and economical cohesion are probably greater than those of EU-15 Member States. The White Paper points out that "despite the EU enlargement, large divergences in terms of transport infrastructure remain between eastern and western parts of the EU, which need to be tackled. The European Continent needs to be united also in terms of infrastructure". The question to address here also comes back to the lack of clarity of the objectives. Is the objective of the Programme to establish a TEN-T network where all Member States can experience the same benefits from the transport network, or is it about bringing all Member States at the same level of transport infrastructures in which case a lot more emphasis should be given to EU-12 Member States, or is it to develop the TEN-T network at the same pace in each Member State?
- 6.11 Thirdly the TEN-T network appears to be the sum of a TEN-T road network, rail network, water network, etc without a lot of specific consideration or focus given

³¹ Source: "Improving transport performance on trans-European rail axes: Have EU rail infrastructure investments been effective?" European Court of Auditors, Special report 8, 2010

on co-modality: it is an assembly of sections that are only partially interlinked. For instance connections between the rail network and some important sea ports are not included in the Priority Projects or projects of “common interest” or large airports are not particularly well interconnected either to the long-distance rail network, which goes against the objective of establishing a sustainable mobility of goods and persons. Achieving uninterrupted passenger and freight transport chains requires that the biggest sea ports, inland ports, dry ports, airports are linked into the TEN-T network especially to the more environmentally friendly modes. The White Paper also advocates for “online information and electronic booking and payment systems integrating all means of transport should facilitate multimodal travel”. Another point to take into account for adequate co-modality is the need to not just link infrastructure points (for example at airports) but also to understand what are the operating characteristics of each mode in order to make sure that the intermodal solutions are effective and answer the needs of the passenger and freight users. We understand that as part of the TEN-T revision of June 2010, a methodology for identifying a future TEN-T network has been suggested.

- 6.12 Fourthly, there are many examples of what bottlenecks are on the European transport network, but there is still no clear definition of what they are: a physical lack of infrastructure, a lack of common operating procedures, or a lack of smooth operations at the borders? This needs to be addressed in a revision of the Guidelines.

European value-added intervention

- 6.13 One of the key questions when looking at the success of the European Union intervention on the TEN-T network is the extent of what the intervention has had compared to what the Member States would have been doing without it. Whilst it is important to recognise that it is not simple for a variety of reasons discussed in this report to adequately assess whether or not TEN-T funded projects would have gone ahead or not without such funding, the evidence shows that a majority of them would have proceeded. In this case, where the European Union is truly adding value and justifying its use of funds is in the areas that Member States are not prioritising or considering a large extent, namely:
- | Cross-border sections;
 - | Interoperability and practical constraints; and
 - | Co-modality.
- 6.14 Regarding cross-border issues, the analysis in this report shows that the Commission has given greater emphasis to the allocation of funds to the cross-border sections. The Commission is also supporting the vital work of the TEN-T coordinators in facilitating cross-border projects. However cross-border sections generally remain the last ones to be addressed and the most complex. These sections can receive up to 30% co-funding for Priority Projects (versus 20% for all other sections of Priority Projects) and 10% for projects of Common Interest regardless of where the sections are. Is this enough co-funding for these sections? Do Member States feel they have an incentive to tackle cross-border sections?

- 6.15 Lack of interoperability derives from nationalistic technological and operational developments and practices that have been taking place in Europe for many years. Even in transport modes such as aviation where international operations represent the norm rather than the exception, there remains some significant barriers such as those in Air Traffic Management for instance. Information technology tools help to simplify administrative procedures, optimise schedules and traffic flows and facilitate tracking and tracing. Interoperability issues are addressed by the TEN-T Programme through the funding of the Horizontal Priorities, but Horizontal Priority Projects have received a significantly lower share of funding than the Priority Projects. Improving interoperability contributes fully to the objective of ensuring sustainable mobility of persons and goods without internal frontiers, of allowing an optimal use of existing capacities. Should Horizontal Priorities be given a greater role?
- 6.16 Co-modality issues have been discussed above.

General conclusions

- 6.17 Since the start of the current financial perspective the governance of the Programme has improved: the TEN-T Executive Agency is providing more control over the public money that is spent, the selection of projects through proposal calls is more rigorous and leads to better project delivery. More than 90% of the Programme funds have been allocated and where the earliest projects since 2007 did not perform as required the funds have already been reallocated. Moreover the Programme's cost effectiveness is good: its structure is such that in the case of costs overruns, it is not the EU that bears them but the Member States. The Agency which have been funded as part of the financial envelope of the TEN-T Programme and the European Coordinators which have been funded through the COMM budget also offer an efficient management tool and have adequately assisted the Commission to the delivery of the projects selected.
- 6.18 However the Programme is behind schedule on completion: a significant number of the largest projects in the Multi-Annual Programme will be completed after 2013, by 2015. The projects that have been completed to date tend to be projects of common interest because they are shorter and because they are less complex than the Priority Projects. A number of the recent EERP projects are already late whereas they had been specifically selected to be completed over a short period. This will mean that there is little chance that the TEN-T network can be fully operational by 2020.
- 6.19 The Priority Projects, the dorsal spine of the network, are not delivering the expected effects. A few Priority Projects are completed and numerous sections are finalised but some key parts -such as cross-border sections - are missing and explain why the TEN-T network is an assembly of largely national sections, often poorly interlinked, rather than a proper physical and interoperable network. Most Priority Projects focus on rail: eighteen address rail and two address inland waterways, without achieving a coherent network. In spite of the focus given to rail, these projects have not resulted in a Single European Railway Area³² and are still experiencing bottlenecks and significant interoperable obstacles. The ex-post and mid-term review reports conclude therefore that there is a sub-optimal, economic, social and territorial cohesion, sub-optimal functioning of the internal market and sub-optimal use of infrastructure and resources.

³² As quoted in the White Paper

Recommendation 1: The TEN-T network should be redefined so that it is aligned with the objectives of the 2011 White Paper and the Programme. This should include the Priority Projects which need to better reflect the actual and projected main trans-European axes, and this should be based on a solid methodology for defining the network, its key axis and priorities. This would require an amendment to the Guidelines.

Recommendation 2: Funding should be allocated less to national sections and should be more linked to achieving projects of high European value-added such as cross-border projects, co-modal projects and interoperable projects. This would require amendments to the Guidelines.

- 6.20 Cross-border sections are the most difficult ones to progress: they usually face greater natural obstacles and therefore higher costs and greater project obstacles with little individual Member State political priority and a lack of political commitment, complex coordination, issues with cross-border cost-benefit and environmental assessments, etc. These issues have been acknowledged by the Commission which has put in place a number of measures in the current 2007-2013 Programme to address them, namely a higher co-funding rate for cross-border sections of Priority Projects (up to 30% but in practice not higher than 21% in average), appointment of European Coordinators and a clear focus of the Multi-Annual Work Programme on cross-border financing with more than 60% of the funds allocated to these.

Recommendation 3: Cross-border projects are progressing slowly and are fragmented because of the lack of cooperation and coordination amongst Member States but cross-border projects are some of the projects of the highest EU added value and therefore require continued and stronger Programme focus by considering a higher co-funding rate, or a specific allocation of the total budget to these projects. This would require an amendment to the Guidelines.

Recommendation 4: It also appears from various reports (Coordinators Issues Paper, Court of Auditors Special Report) that without a mandatory cross-border structure, the problem will continue to persist: there needs to be a binding legal framework and clear managerial structure so that traffic forecasts, investment plans, timelines, capacity planning, alignment, technical and interoperability characteristics, environmental assessments can be coordinated and jointly agreed. This would require an amendment to the Guidelines and Regulation.

Recommendation 5: The mandate of the Coordinators should be extended beyond 2013 as they play a "vital role" for the most important trans-European Priority Projects.

- 6.21 Capacity bottlenecks will always appear as new infrastructure induces new demand but bottlenecks across geographical barriers prevent an effective network

to be implemented. Currently there is no definition of bottlenecks with cross-border effects and this need to be clearly addressed in order to drive the investment where the EU added value is the highest. There are also a number of “system breaks” which prevent adequate operations on the network. (Systems breaks are situations may be provided through infrastructure incompatibility (gauge of rail track), lack of interoperability of operating equipment, different rules of operation (on training and safety standards), and lack of coverage (breaks in the lineage of road, rail, waterways network).

Recommendation 6: A definition of the TEN-T bottlenecks should be produced so that they can be better addressed in the calls. This should focus on the system brakes of the network which prevent equal benefit to materialise across the network. A revision to the Guidelines would be required and should be considering a higher co-funding rate, or a specific allocation of the total budget to these projects.

- 6.22 The TEN-T programme has always focussed on “hard” infrastructure as compared to “soft” infrastructure (interoperability and operational rules). The share of funding allocated to Priority Projects compared to Horizontal Projects reflects how the TEN-T network was defined. But Horizontal Projects contribute to the removal of “soft” but nonetheless real barriers and bottlenecks and therefore contribute to the achievement of the objectives of the Programme. Compared to “hard” infrastructure projects, the time requirement for interoperability effects can be shorter, however changes to behaviour and standardisation of tools or vehicles takes time and this needs to be recognised by the Programme. The effectiveness of large-scale infrastructure investment can be significantly diminished if simple operational issues and interoperable networks are not in place. Removing the technical standards discrepancies along a cross-border corridor also bears the highest EU added value.

Recommendation 7: The Horizontal Projects should be given more focus (i.e. more funding) by the Programme and we recommend that this should be largely addressed through the MAP call in order to allow for adequate and timely implementation. A revision to the Guidelines would be required and should also be considering a higher co-funding rate, or a specific allocation of the total budget to these projects.

- 6.23 The Programme objectives are ambitious and very broad. Whilst broad objectives offer a lot of flexibility, they also lack focus and a clear definition of what the Programme is really trying to achieve. It should be recognised that the Programme cannot address all the issues at the same time or with the same focus. Therefore the objectives of the Programme need be clarified and prioritised. For instance it should be clear whether long-distance passenger and freight mobility needs have to be addressed equally or if passengers needs are more important. This should also take into account the policies of the White Paper and the need for a decarbonised and sustainable transport area. Any change to the objectives of the Programme should also reflect on the need to give the Programme the means to achieve its objectives. Up to now the Programme has been benefiting from a

strong political leverage especially compared to its limited financial means. The funding requirements for the Programme and a well performing internal transport market remain substantial. Up to now, among all the funding sources available it is the Member States that have been making the most significant contributions to the total cost of the TEN-T network. It should be considered whether the level of funding available to the Programme from the General EU budget is adequate vis-à-vis the significant resources required to complete the TEN-T network and the benefits that a properly functioning internal transport market can bring to the EU.

Recommendation 8: The general objectives of the Union Guidelines should be developed into specific and operational objectives. This would require a recast of the Guidelines, and the objectives should be drafted with an analysis of the current and future needs, problems and issues that the TEN-T network is expected to solve. The objectives should be focussed enough, and five principles should form the basis of these objectives: they should be systematic, measurable, accepted, realistic and time-dependent. This would logically require changes to the Guidelines.

Recommendation 9: The level of funding of the Programme should be increased over the next financial perspective(s), so that the contribution from the TEN-T budget can command more impact especially in its relationship with Member States and more visibility. This would require a higher share of the EU General Budget. An increased level of funding would of course only be allocated provided that the proposals are recommended for funding and meet the refined objectives of the Programme.

- 6.24 The lack of a long-term financial visibility is another key issue for the Priority Projects which require 15 or even 20 years to be completed and often run across several financing perspectives. There should be a reflection on how to offer long-term support beyond the actual financial perspective, especially as this means in practice that the most difficult projects may only receive contribution from the TEN-T budget as low as 5 to 10%. Does the Programme necessarily have to be using 7-year funding perspectives, is there an instrument allowing a longer legal framework that would guarantee an adequate level of funding over 20 or more years? Could there be a funding “in-principle”, if the current 7 year funding perspective has to be maintained? Or could co-funding rates be increased in order to mitigate the lack of financial visibility. This issue may also be addressed through the use of the concept of the European Union Bonds currently being developed.

Recommendation 10: There needs to be a reflection as to the most practical tool to address the lack of EU financial visibility of project promoters. This may require an amendment to the Guidelines and Regulation.

- 6.25 The structure of the Programme with the Multi-Annual Work Programme receiving between 80 and 85% of the available funding and the Annual Work Programme being allocated to the rest appears adequate. This structure ensures that the very large projects are given as much certainty and as much financial focus as possible, the drawback being the lack of flexibility. However, there are also a number of implementation issues in the current Programme, such as the MAP call calendar, mixed projects and cost-benefit analyses. The call calendar for the MAP should be refined to improve project maturity: one call in Year 1 over a 7-year period even for large infrastructure projects forces some proposals to be rushed damaging maturity and proposal preparation work, therefore the Commission should be thinking of introducing a second round of call for the MAP within a financial perspective.

Recommendation 11: The call calendar for the MAP should be refined to improve project maturity alongside a first call that aims at guaranteeing financial security to mature projects for a maximum period at the beginning of the programme. A second large MAP call could be organised in the middle of the financial perspective. This would have the advantage of offering a medium-term financial visibility for project promoters, whose projects are mature only half way through the programme. It could be organised in Year 2 or 3 in order to maximise the amount of time offered by the Multi-Annual Work Programme. This would require no amendments to the Guidelines or the Regulation, only an internal procedure.

Recommendation 12: The issues that have been highlighted on the mixed projects (work and studies) in 5.21 advocate for a separation of proposals into works or studies. This would require an amendment to the Guidelines.

Recommendation 13: As discussed in 5.83 cost-benefits analysis should be improved in proposals including the consideration of adequate, comparable and standardised cost-benefit analyses and updated during project life (in particular costs) and as much as possible an ex-post assessment of the cost-benefit analyses should be carried out. This would only require better requirements for cost-benefit analysis.

Recommendation 14: Project delivery should be better incentivised (see 5.16): The Commission should be able to use more effective project incentives (such as the “use it or lose it” rule) to make sure that project promoters are feeling more accountable for the EU grants given, including on Priority Projects. This does not require any amendments to the Guidelines, only an internal procedure.

- 6.26 As regard to the TEN-T network, the EU funding is fragmented between the TEN-T Programme, the Cohesion and the Structural funds. These funds address different objectives and have developed different set of implementation procedures, but the White Paper recognises that “better coordination of the Cohesion and Structural funds with the transport policy objectives is needed”.

Recommendation 15: DG MOVE should continue to develop and expand the partnership between DGs involved. DG REGIO and DG MOVE share a lot of TEN-T work and would benefit from setting priorities and reporting requirements together as well as working together to make sure that their interests and those of project promoters on the ground are aligned. Defining clearly the respective roles between JASPERS and the TEN-T Executive Agency would also strengthen the management of the EU funds. This would require a stronger collaboration from the two DGs as a first step.

- 6.27 In order to finance the colossal total cost of the TEN-T Programme, diversified sources of finance from both the public and private sector are required. This is why the enhanced use of PPPs has been part of the objectives of the Programme but the results have been moderate up to now. Innovative financial instruments such as the LGTT need to be refined in order to address the ever changing market conditions and as stated in the White Paper “new financing instruments, for example the EU project bonds initiative, can support PPP financing on a bigger scale”.

Recommendation 16: An improved regulatory framework should be considered in order to better adapt to PPP requirements, PPPs should be considered upfront for the financing of TEN-T infrastructure and a pipeline established. The Commission should continue to liaise with the EIB. Any specific financial instruments such as LGTT should allow greater flexibility to adapt to changing market conditions.

Conclusion

- 6.28 The objectives of the Programme are so general that it makes any evaluation of the Programme successes difficult. The Programme has been the catalyst to a number of key pieces of transport infrastructure in Europe, and has been playing a part in the structuring of the transport network by allowing transport investments to be focussed. Its political leverage is high but its financial leverage is poor. The Programme has clearly made a positive contribution to the mobility needs of the European citizens and goods. However some aspects of the Programme need to be improved which requires a revision of the Guidelines and Regulation and of some internal aspects of the Programme practices.

APPENDIX

A

INTERVIEW GUIDELINES

APPENDIX A

Interview Guideline

General questions and recommendations

- A1.1 What role is the programme ultimately playing in achieving transport policy goals?
E.g. coordinator, facilitator, catalyst or purely funder?
- A1.2 To what extent have the activities of the Programme resulted in unintended effects (both desirable and undesirable)?
- A1.3 What remain the main problems when implementing projects in the Programme?
What other main improvements need to be made to the programme?
- A1.4 How can the returns from the Programme investments be increased in the future?

Relevance criteria

- A1.5 To what extent is the structure of the Programme and the Work Programmes (MAP, AP, EERP) appropriate?
- A1.6 In what way does the organisation into the Work Programmes help achieve the objectives of the Programme?
- A1.7 To what extent is the funding between Work Programmes adequate?
- A1.8 To which extent are the calls for proposals calendar adequate?
- A1.9 To what extent are the timescales of the Programme appropriate?
- A1.10 To what extent is the Programme operating according to the legal framework establishing it?

Effectiveness criteria

- A1.11 To what extent is the Programme achieving its objectives?
- A1.12 To what extent is the funding adequate between studies or work or both?
- A1.13 To what extent does the Programme offer an adequate award of EU funds (payment timeline, flexibility to unplanned project changes...)
- A1.14 Does the Programme have sufficient legal, political and financial power to deliver the TEN-T policy?
- A1.15 To what extent is the coordination between the Programme and its stakeholders working satisfactorily?

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- A1.16 To what extent is the coordination between Member States been improved by the Programme apart from European Coordinators?
- A1.17 To what extent is the coordination between Member States and the EC been improved by the Programme?
- A1.18 To what extent does the Programme funded projects reduce bottle-necks in the EU network and mobilised funding within Member States for cross-border or bottlenecks projects?
- A1.19 Is the funding policy for the Programme appropriate?
- A1.20 Has the Programme encouraged funding from other sources?
- A1.21 Should EU funding be given through one single institution rather than the 3 procedures there currently are?
- A1.22 Does the current design of calls serve the policy priorities of the network or do you recommend changes?
- A1.23 To what extent does the Programme ensures project accountability of project promoters?
- A1.24 To what extent does the Programme promotes and develop use of PPPs and other funding sources?
- A1.25 What improvements are needed to the Programme to better address the implementation and market take-up of new technologies e.g. ITS?

Efficiency criteria

Programme Planning

- A1.26 To what extent is the structure of the Programme and the Work Programmes (MAP, AP, EERP) conducive to its efficiency?
- A1.27 Should there be flexibility in deciding about projects to be funded and the rate of EU co-funding?

Selection procedures

- A1.28 To what extent is the proposal selection adequate?
- A1.29 To what extent is the selection of projects undertaken through a fair and transparent decision making process?
- A1.30 How are the selection criteria chosen in relation to the objectives of the Programme?
- A1.31 How are maturity and risk taken into account in the selection process?
- A1.32 How are experts selected to evaluate proposals and is there any coordination with other relevant European institutions?

A1.33 To what extent do you still think TEN-T budget continues to be allocated on a 'fair share' principle (per Member States)?

Management Procedures

A1.34 To what extent has the Programme carried out its work efficiently?

A1.35 To what extent does the TEN-T EA been set-up and run in an efficient way?

A1.36 Adequate allocation of resources in terms of skills, number, incentivisation, etc...

A1.37 To what degree do the management structures of TEN-T EA and DG MOVE support the cost-efficient delivery of projects and other outputs?

A1.38 How do the management procedures differ under the different Work Programmes and is this necessary?

A1.39 To what extent are the current project management procedures for the Programme helping to the efficient delivery of the project?

A1.40 What are the advantages of the application of the monitoring procedures/tools for projects? How do they differ between the different project types in the Programme?

Financial Management

A1.41 To what extent does the Programme comply with the principles of sound financial management?

A1.42 To what extent are the running costs of the Agency and the Programme reasonable?

IT Systems

A1.43 Has the introduction of new IT systems enhanced the management of the Programme?

Utility

A1.44 To what extent does the Programme addresses the European transport needs?

A1.45 In terms of bottle-necks/cross-border projects/EU-15 Member States

A1.46 To which extent does the Programme contributes to :

A1.47 Travel time savings/Emissions savings/Traffic safety savings?

A1.48 Additional km or number of key infrastructure?

A1.49 What additional aspects are needed to the programme in order to address the new and prominent EU priorities such as climate change?

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Sustainability

A1.50 To what extent does the effects achieved will last in the medium or long-term?

A1.51 To which extent have the EU-funded studies contributed to the development of the TEN-T network?

A1.52

APPENDIX

B

PRIORITY PROJECT LIST

B1 APPENDIX

Priority Projects

TABLE B1 LIST OF PRIORITY PROJECTS

	Name	Status
1	Railway axis Berlin-Verona/Milano-Bologna-Napoli-Messina-Palermo	On-going
2	High-speed railway axis Paris-Bruxelles/Brussel-Köln-Amsterdam-London: PBKAL	On-going
3	High-speed railway axis of southwest Europe	On-going
4	High-speed railway axis east	On-going
5	Betuwe line: COMPLETED 2007	Completed 2007
6	Railway axis Lyon-Trieste-Diva•a/Koper-Diva•a-Ljubljana-Budapest-Ukrainian border	On-going
7	Motorway axis Igoumenitsa/Patra-Athina-Sofia-Budapest	On-going
8	Multimodal axis Portugal/Spain-rest of Europe	On-going
9	Railway axis Cork-Dublin-Belfast-Stranraer	Completed 2001
10	Malpensa airport	Completed 2001
11	Øresund bridge	Completed 2000
12	Nordic Triangle railway/road axis	On-going
13	Road axis United Kingdom/Ireland/Benelux	On-going
14	West coast main line	Completed 2009
15	Galileo	On-going
16	Freight railway axis Sines/Algeciras-Madrid-Paris	On-going
17	Railway axis Paris-Strasbourg-Stuttgart-Wien-Bratislava	On-going
18	Waterway axis Rhine/Meuse-Main-Danube	On-going
19	High-speed rail interoperability in the Iberian Peninsula	On-going
20	Railway axis Fehmarn belt	On-going
21	Motorways of the Sea	On-going

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22	Railway axis Athina-Sofia-Budapest-Wien-Praha-Nürnberg/Dresden	On-going
23	Railway axis Gdańsk-Warszawa-Brno/Bratislava-Wien	On-going
24	Railway axis Lyon/Genova-Basel-Duisburg-Rotterdam/Antwerpen	On-going
25	Motorway axis Gdansk-Brno/Bratislava-Vienna	On-going
26	Railway/road axis Ireland/United Kingdom/continental Europe	On-going
27	"Rail Baltica" axis: Warszawa-Kaunas-Riga-Tallinn-Helsinki	On-going
28	"Eurocaprail" on the Brussels-Luxembourg-Strasbourg railway axis	On-going
29	Railway axis of the Ionian/Adriatic intermodal corridor	On-going
30	Inland Waterway Seine-Scheldt	On-going

CONTROL SHEET


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