

CONSULTATION ON THE FUTURE TRANS-EUROPEAN TRANSPORT NETWORK POLICY

Contribution on the Commission's Working Document from the Ministry of Communications and Works Republic of Cyprus

Cyprus, a member state of the European Union (EU), is an island of the size of 9.251 square km. It is situated at the outskirts of the EU and the northeast part of the Mediterranean Sea, while at the same time it is very close to the major trade arteries that connect Europe with the Middle East.

Cyprus welcomes any efforts and initiatives towards the development of the future of Trans-European Transport (TEN-T) policy in a way that ensures the proper expansion and growth of the network in all transport modes. The revised TEN-T Policy should be open to new approaches in order to respond to future challenges and opportunities whilst taking into consideration the needs and concerns of the island peripheral member states.

In April 2009, the Ministry of Communications and Works has submitted its contribution on the Green Paper. Having read and evaluated the Commission's working document on the Future TEN-T Policy, we would like to make the following comments:

- (a) Under the current policy of the TEN-T network, Cyprus, being an island in the south-eastern periphery of the European Union, is in an unfavourable position, as it has no physical borders with the Continental Europe and therefore it cannot participate in any priority projects (with the exception of the Motorways of the Sea, where benefits, and more specifically funding, are limited). Under the proposed policy *the current priority projects will form a key part of the core network*. Under the proposed policy, Cyprus remains with limited opportunities for development and even further depletion of the potential for maintaining cohesion with the rest of the EU. It should be noted that EU enlargement has not been fully integrated into the TEN-T guidelines. Therefore, it may not be sufficient to join existing priority projects to form the core network, but also to consider new routes that need to be integrated into the core network, the justification behind the inclusion of each link as well as the possible interconnections to third countries. The methodology for selecting the core and the comprehensive network must be agreed and be transparent, taking into consideration the special characteristics (e.g., geographical location, population transport needs,

existing infrastructure, the priorities of regional policy) and the potential of each member state while deciding which nodal points and which interconnections between them ought to be included both in the core network and in the comprehensive network.

- (b) It is understood that the core network is the part of the TEN-T network on which *the various instruments, financial and non-financial will be concentrated* to ensure its completion. Cyprus has limited participation in the current priority projects that will form a key part of the core network and consequently, the further reduction in funding opportunities for developing its TEN-T network.
- (c) The TEN-T network has created a multi-modal planning for infrastructure development which has not existed in all member states. The newly planned core network is proposed to *cover all modes of transport*, while at the same time *it aims at becoming the basis for an efficient, less carbon-intensive transport system*. While it is understood that cleaner and more energy efficient modes of transport, such as rail, ought to be supported, provisions for small island member states, where rail is not an option (from a financial standpoint, as they have no value added from through traffic), could be included more explicitly in the new policy document.
- (d) The proposed policy document does not include any provisions regarding the needs and concerns of insular/peripheral member states and therefore improvement of social and territorial cohesion cannot be ensured.
- (e) The Commission's working document is based on Option 3 that was included in the Green Paper which proposed the formation of the Core network, the Comprehensive Network and a Conceptual Pillar. The latter would address issues such as interoperability, inter-modality, co-modality, environment and climate changes, ITS, ATM and safety. The Conceptual Pillar does not appear in the working document.
- (f) The working document highlights the importance of the development of good connections to Europe's immediate neighbours, as an extension of the core network (an area where Cyprus, due to its geostrategic location, could play a vital role) however it provides no details on how this ambitious project will be supported, especially with regards to maritime connections and infrastructure. A firm commitment by the Commission to support and to promote the Motorways of the Sea as the primary mechanism connecting the EU and third countries ought to be articulated in the document.

The reply by the Ministry of Communications and Works to each of the specific questions set out in the working document is as follows:

1. Are the principles and criteria for designing the core network, as set out above, adequate and practicable? What are their strengths and weaknesses, and what else could be taken into account?

The framework described in the document covers a wide range of principles and criteria that apply to the TEN-T. However, a transparent and comprehensive methodology for selecting the core network is equally important. It is not clear how the principles and criteria for designing the core network can be realised in practice. For example, on what specific criteria will nodes/ports/airports be assessed to determine whether they are the biggest or more important so that they are included in the core network? What mechanisms are to be provided for resolving possible disputes?

The principles should clearly address the needs of peripheral/insular member states which are by nature located at the extreme ends of the TEN-T network and are isolated from the rest of the EU or are connected with infrequent or expensive routes and cannot develop some of the preferable modes of transport such as rail. It seems that accessibility issues and the enhancement of interoperability and cohesion for peripheral/insular member states are not directly addressed in the working document and in the subsequent interpretation of the document into more specific policies the needs of these states may be ignored.

Strengths:

- Efforts at EU-level are concentrated on a TEN-T network that provides multimodal connectivity between member states.
- It promotes better coordination of the efforts to have a unified and efficient TEN-T network.

Weaknesses:

- Peripheral member states are natural dead-ends of the TEN-T network and will have difficulties in participating on the core network on equal terms as central member states.
- Technologies, such as ITS, which cannot be localised to the core network, should be treated separately.

In addition to the points addressed in pages 1 and 2, we are of the opinion that the following should also be taken into account:

- The geographical location of each member state with respect to the transport network of the EU (e.g. transit within the EU) and international transport routes (e.g. portal to non EU transport routes).
- Emphasis should be given to support maritime transport of passengers, especially for peripheral/insular member states, both as an alternative to air travel in general, but more specifically as an emergency service to maintain connectivity among member states during incidents of air transport crises (e.g. natural disasters, terrorist activity).

Specific measures ought to be included regarding the needs and concerns of insular/peripheral member states in one of the following forms:

- The ports, airports and links to the hinterland to be included in the core network.
- The ports, airports and links to the hinterland to be given a similar status (as far as funding is concerned) to the core network.

2. To what extent do the supplementary infrastructure measures contribute to the objectives of a future-oriented transport system, and are there ways to strengthen their contribution?

These measures (mainly technologically oriented) are vital in reducing bottlenecks on the TEN-T network and have the potential to allow new improved ways of transport management, including planning, reduction of travelling time and cost, improved safety and the reduction of the environmental impact of transport in accordance with "*Europe 2020*" for sustainable development. The successful implementation of these technologies may lead to a number of value added services to transport stakeholders.

Ways to strengthen their contribution may include the following:

- 2.1 Core supplementary infrastructure measures must be identified and incentives (e.g. financial, expertise) must be given so that they are deployed to a sufficient level in all member states covering all modes of transport. These must conform to harmonised specification with emphasis on interoperability, flexibility and expandability.
- 2.2 Incentives should be given to encourage the cooperation between research and industry in the form of common projects to speed up the process of realising research in new technologies into finished products and frameworks that can be integrated with existing infrastructure in a future-proof transport system.

- 2.3 The framework should provide flexibility to allow advances in technology and other changes that may influence the progress and the outcome of a project to be taken into consideration, especially for long-term projects, where ignoring these changes may have serious consequences on the value of the outcome of the project.
- 2.4 Formalise the sharing of know-how and best practices among member states through the TEN-T Executive Agency to accelerate the implementation of projects in all member states.
- 2.5 Set up an Emergency Action Team (consisting of technical, managerial and financial experts) that can provide assistance in projects facing difficulties, so as to ensure their progress and successful and timely completion.
- 2.6 Boost the role of the European Coordinators and appoint a Coordinator for the expansion of the core network to third countries.

3. What specific role could TEN-T planning play in boosting the transport sector's contribution to the "Europe 2020" strategic objectives?

- 3.1 TEN-T planning can boost the effort to achieve the strategic objectives of "Europe 2020" in:
 - Smart growth, developing an economy based on knowledge and innovation.
 - Sustainable growth, promoting a low-carbon, resource-efficient and competitive economy.
 - Inclusive growth, fostering a high-employment economy delivering social and territorial cohesion.

through:

- the use of innovative technologies which are central to the operation of a modern transport network.
- the deployment of ITS to contribute to energy savings, reduction of emission, reduction of bottlenecks and the modal shift to sustainable and environmentally friendly means of transport.

4. In which way can the different sources of EU expenditure be better coordinated and/or combined in order to accelerate the delivery of TEN-T projects and policy objectives?

- 4.1 The Commission announced in its proposal for a “Europe 2020” Strategy that it will work to mobilize EU financial instruments that pull together EU and national, private and public funding. However, efforts in setting up these mechanisms should focus on encouraging private initiative, through simplified, flexible and streamlined procedures, while keeping bureaucracy to the absolute essentials, so as to reduce the administrative overhead entailed in approved projects.
- 4.2 Furthermore, it is also suggested that the rates of co-funding are increased and funding is combined from Cohesion, Structural, EIB, and TEN-T funds in order to maximise the effect of overall Community funding.
- 4.3 Under the present funding framework, long-term projects need to be broken into phases to match their completion dates to programming period requirements. This increases the risk that these projects are left incomplete, because no guarantees can be given that a subsequent phase will be approved for funding, or indeed that the required funding will be available. A mechanism through the various EU funds must be set up to guarantee funding for these projects, subject to commitments for funding and support by member states and provided that the project progresses as planned and the expected results are delivered.

5. How can an EU funding strategy coordinate and/or combine the different sources of EU and national funding and public and private financing?

- 5.1 A flexible legal and administrative framework must be implemented to encourage, monitor and support the participation of private investors in TEN-T projects.
- 5.2 Small peripheral member states have difficulties in attracting private investors in TEN-T projects, because the cost of the investment is usually equivalent to that of a similar project in a central interconnected member state, while the rate of return for the investment is significantly reduced in comparison, due to the lower usage of the developed infrastructure of the project. This ought to be taken into consideration when finalizing guidelines for funding proposals, as this option may not be available as a way of raising funds in some member states.

6. Would the setting up of a European funding framework adequately address the implementation gap in the completion of TEN-T projects and policy objectives?

- 6.1 The setting up of a European funding framework will support the development of TEN-T projects. However, the coordination and monitoring of funds cannot solve the problem of limited funds both at EU and at national level, which is the main cause of delays in the completion of projects.
- 6.2 The importance of transport for the development of the EU needs to be recognized as high priority at EU level and a larger proportion of EU funds needs to be allocated to transport. As a consequence, more funds will be available to support the completion of transport-related projects.

7. In which way can the TEN-T policy benefit from the new legal instruments and provisions as set out above?

- 7.1 The implementation of any legal instruments needs not only to consider the funding of the TEN-T network but also to take into consideration the EU's Transport Policy. It needs to be flexible (e.g. to be able to adapt to the continuous development of new technologies) but also to include mechanisms that minimise the administrative costs.
- 7.2 These instruments need to clearly define the EU's range of authorities but also its responsibilities towards the member states while considering the regional policy, the social and territorial cohesion.

**Ministry of Communications and Works
Republic of Cyprus**

September 2010