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**REPORT FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN
PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

**TRANS-EUROPEAN NETWORKS
1999 ANNUAL REPORT**

**pursuant to Article 16 of Regulation 2236/95
laying down general rules for the granting of
Community financial assistance
in the field of Trans-European-Networks**

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I. EXECUTIVE SUMMARY : AN OVERVIEW OF TEN IN 1999

The Commission is submitting the "Trans-European Networks (TEN) 1999 Annual Report" to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions pursuant to Article 16 of Regulation n°2236/95 laying down general rules for the granting of Community financial aid in the field of Trans-European Networks.

As far as TEN are concerned, 1999 was a pivotal year, marked above all by the modification by the European Parliament and the Council of the TEN financial regulation, by their approval of a EUR 4 600 million financial framework for the period 2000-2006 and by the setting up of ISPA with a budget of EUR 520 million per year for major transport infrastructure works in the central and eastern Europe applicant countries for the period 2000-2006. But 1999 also saw steady progress across the whole sector of trans-European networks and the emergence of Galileo as one of the most significant TEN projects.

- **Concrete progress on individual projects of common interest :**

Most of the individual projects of common interest continued to make satisfactory progress. Some projects were completed and others became operational.

- **Guidelines and other legal aspects :**

On 12 July 1999 the European Parliament and the Council adopted the second phase of the IDA programme - Interchange of Data between Administrations (a list of common abbreviations is to be found in Annex 1).

On 29 July the European Parliament and Council updated the list of TEN energy projects of common interest, adding 15 new projects and modifying four existing ones.

On 10 December the Council came to a political agreement on a "rail infrastructure package", including a proposed trans-European Freight Transport Network.

- **Financing**

As mentioned above, on 19 July the European Parliament and Council adopted modifications to the TEN financial regulation, including a EUR 4 600 million financial framework for the period 2000-2006.

- **Reports and reviews**

On 10 February 1999, the Commission adopted a Communication entitled "Galileo – involving Europe in the next generation of satellite navigation services", drawing conclusions from the work done in the preceding year.

The Commission received an independent external evaluation of its financial support for transport projects.

In the course of the year the Commission had carried out by independent experts a mid-term evaluation of the TEN energy programme.

On 10 September the Commission published its first report on the implementation and impact of the high-speed train (HST) interoperability directive of 1996.

- **Enlargement and external relations**

In the framework of "Agenda 2000" the European Parliament and Council established ISPA – Instrument for Structural Policies for Pre-accession – and enhanced it with EUR 7 000 million for the period 2000-2006. Approximately 50% of this money will help finance transport infrastructure in the candidate countries.

The Memorandum of Understanding for the development of Corridor IV was signed by the Ministers of Transport of the participating countries in May 1999.

The Transport Infrastructure Needs Assessment (TINA) final report was published in October 1999, bringing to an end the Commission's fact-finding mission to identify the necessary components for the future Trans-European Transport Network on the territory of 11 applicant countries for accession.

2. PROGRESS ACHIEVED ON SPECIFIC PROJECTS

2.1. Energy

During the period 1995-99, decisive progress has been made on seven of the ten priority projects listed by the Essen European Council in December 1994. A list of all projects financed during this period by the TEN budget line is to be found in Annex II.

The principal sections of the five gas projects became operational during this period. This involves the principal gas pipelines Algeria - Morocco - Spain and Russia - Bielorrussia - Poland - HAVE (Phase 1) and the new gas networks in Greece, in Portugal and in the south and the west of Spain. The completion of the last sections is planned for first half of 2000.

As regards the five electric projects, the situation is less favourable. One project became operational (connection between northern Portugal and Spain) and a second project is in the active construction phase (the Italy - Greece interconnection). The three other projects have not overcome the difficulties facing them as regards administrative authorisations (for the France - Italy and France - Spain projects) or as regards viability/financing (for the connection between eastern and western Denmark).

2.2. Telecommunications

Of the 80 TEN-ISDN-Telecom projects for 1999, 35 were completed by the end of the year. In addition there were 28 projects co-funded by TEN-Telecom, as part of joint-calls in the areas of multimedia and tourism SMEs. On the whole they were progressing satisfactorily. Technical reviews of a large number of projects were carried out with the help of independent experts.

The two projects on support and co-ordination measures were instrumental in making TEN-Telecom more visible and transparent, attracting new constituencies to the programme and contributing to the submission of better project proposals.

The status of the projects, including the reviews, is shown in Annex III. For further details on the projects and the support and accompanying measures see the regularly updated TEN-telecom web-site: www.ispo.cec.be/tentelecom

2.3. Transport

Steady progress has been made on all of the 14 "specific" transport projects identified by the Essen European Council. Special mention should be made to the completion of the final section of the Øresund Fixed Link between Sweden and Denmark on 14 August, though commercial operation will not begin until 2000. Details on all 14 projects are to be found in Annex IV.

The "Galileo" satellite navigation project emerged in 1999 as a key component of the TEN initiative, making use of significant resources from the space sector and the Community's Research and Development activities (Fourth and Fifth Framework Programmes)". An informal meeting of transport ministers and of finance ministers

in May confirmed Community support for the initial work. Discussions, with a view to cooperation, began with the USA, Russia and other countries.

3. TEN-RELATED LEGISLATION AND COMMITTEES

3.1. Guidelines and related legislation

3.1.1. Amendment of the TEN-Energy Guidelines

On 29 July the European Parliament and the Council updated the list of projects of common interest in the energy field as laid down in Decision 1254/96/CE, adding 15 new projects (11 in the field of natural gas and four in that of electricity).

3.1.2. Revision of the TEN-Telecom Work Programme and Guidelines

In accordance with the TEN-Telecom guidelines decision¹, the Commission began the process of preparing a revised work programme for the period 2000 to 2002. The existing TEN-Telecom work programme was adopted in January 1998, and it is a rolling plan for a 3 year period. The revision will take into account the evolving needs and the rapid development of the information society, as well as the experience gained in managing the programme during the last three years. The Commission launched a consultation procedure with industry and will produce an updated version which will be the basis for future open calls for proposals.

At the end of 1999, and in accordance with the Guidelines Decision², the Commission launched the procedure for the revision of Annex I of the guidelines. To this end the Commission will carry out a study to assess the current content, scope and modalities of the TEN-telecom guidelines and propose appropriate revisions after consultations with the relevant national and industrial parties. The study will be carried out by external experts. The relevant pre-information notice and the contract notice were published in the Official Journal³. The study will be carried out during April-September 2000.

3.1.3. Adoption of IDA-2

On 12 July 1999 the European Parliament and the Council adopted the second phase of the IDA (Interchange of Data between Administrations) programme. This programme lays down a series of guidelines and establishes projects of common interest concerning trans-European networks for the interchange of data between administrations, and ensures interoperability of and access to these networks.

3.1.4. Amendment of the TEN-Transport guidelines

After the opinion of the European Parliament in first reading, the Commission submitted an amendment to its proposal concerning seaports, inland waterway traffic ports and intermodal terminals, as well as project N° 8 of Annex III.⁴ The Council reached a political agreement on its joint position on the matter.

¹ Decision 1336/97/EC of 17/6/97 (OJ L 183/12 of 11/7/97).

² Article 14 stipulates that every three years the Commission shall submit a report on the implementation of this Decision and together with this it shall submit appropriate proposals for the revision of annex I of this Decision, on the basis of technical developments and experience gained.

³ OJ S series No 227 of 23 November 1999 and OJ S series No 13 of 20 January 2000.

⁴ COM (1999) 277 final of 17.6.1999.

3.1.5. *Interoperability of the TEN-Transport conventional rail networks*

Following the Council conclusions at its meeting on 6 October 1999, the Commission adopted on 25 November 1999 a Communication to the Council and to Parliament on the integration of conventional rail transport, as well as a proposal for a directive concerning the interoperability of the conventional trans-European railway system.

3.1.6. *Trans-European Rail Freight Network (TERFN)*

In the context of the discussions in the Council in the second half of 1999 on the so-called "infrastructure package", the idea emerged of defining a network for international freight services. This idea was developed into the Trans-European Rail Freight Network (TERFN) which was introduced into the "package" by the Council when it reached a political agreement on the proposal at its meeting on 9-10 December. The Commission is of the opinion that the network created (i.e. the maps, the list of ports and the other provisions) provides for a coherent approach for better and more seamless freight transport operations. It welcomes very much the density of the network.

It will be recalled that the "infrastructure package" consists of a proposal for a Council directive amending Directive 91/440/EEC on the development of the Community's railways, a Council directive amending Directive 95/18/EC on the licensing of railway undertakings and a proposal for a Council Directive on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification.

3.2. **TEN Guidelines committees**

3.2.1. *Energy*

The TEN-Energy Guidelines Committee did not meet in 1999.

3.2.2. *Telecommunications*

The TEN-Telecom Guidelines Committee met three times during 1999. At its first meeting on 15 January it delivered its opinion on the draft Commission decision determining the content of a call for proposals in the field of trans-European telecommunications networks validation studies and deployment projects in the areas of generic services and of applications in education and training, culture, transport and mobility, environment and emergency management, healthcare, city and regional networks and applications and services for SMEs.

At its second meeting on July 15-16 the Committee discussed: the report to the European Parliament on the 1998 exercise (required by annex I, paragraph 4 of the guidelines); the scope and timetable for the revision of the TEN-Telecom work programme; the TEN-ISDN guidelines evaluation (required by article 10 of these guidelines); the TEN-Telecom guidelines evaluation and revision, delivering in particular its opinion on the outline terms of reference for the evaluation of the TEN-Telecom action (in accordance with article 8(2) of these guidelines decision).

The last meeting of this Committee, of an informal nature, was held on 25 November 1999 in Helsinki. The main issues discussed were the draft revision of the TEN-

Telecom work programme, the results of the project reviews and the progress made on the procedures for carrying out the TEN-Telecom intermediate evaluation.

3.2.3. *Transport*

The committee responsible for helping the Commission in the revision of the guidelines in the field of the trans-European transport network met on 5 November 1999. The main point on the agenda was the preparation of the report on the revision of the guidelines pursuant to Article 21(1).

3.3. **TEN financial assistance committee**

The TEN financial assistance committee met six times in the course of the year ("horizontal" once, "energy" once, "telecommunications" twice and "transport" three times) and gave a favourable opinion on the commitment of EUR 5 467 million. Details of its financing decisions are to be found below in section 4.1.

3.4. **Financial control**

In the course of 1999 the Commission had an exchange of views with the TEN Financial Assistance Committee in its "horizontal" and three sectorial configurations on the practical arrangements for cooperation on financial control between the Commission and the Member States. These discussions concerned Articles 8, 9 and 12 of the TEN Financial Regulation as regards establishing the agreement of the Member State(s) concerned for applications for financial assistance, the financial control measures to be operated by the Member States over the use of the funds requested and their obligation to notify the Commission of the management and control systems established to ensure the efficient implementation of projects and studies and to make available to the Commission any appropriate national reports on the control of projects.

There was general agreement that the situation varied from one sector to another, that measures should be cost-effective and that telecommunications needed special treatment, as the sector had largely been privatised. The committee agreed that it would be useful to hold interministerial discussions in the national capitals to finalise positions which reflected the views of the authorities responsible for the three TEN sectors. The Committee will discuss the issues again in 2000.

TABLE 1
Community financing of the TEN in 1999

(million ECU/EUR)

Secteur	Type of assistance	Instrument	1993-1995 ⁵	1996 ⁵	1997 ⁵	1998 ⁵	1999 ⁵
Transport	Loans	EIB ⁶⁻⁷	7 666	3 504	4 943	4 415	5 977
	Loan guarantees	EIF ⁶⁻⁷	161	303	55	71	266
	Grants	ERDF ⁷⁻⁸	999	2 639	527	n.a.	n.a.
		Cohesion Fund	2 995	1 221	1 251	1 337	444
	Grants, interest rate subsidies, loan guarantees and co-financing of studies	TEN budget line B5-700	625	280	352	474	497
		(Of which the 14 specific projects)	362	211	211	305	266
Energy	Loans	EIB ⁶⁻⁷	1 822	1 176	854	393	174
	Guarantees	EIF ⁶⁻⁷	220	270	4	5	0
	Grants and co-financing of studies	Structural Funds	764	1 265	277	n.a.	355
		TEN budget line B5-71	12	9	24	19	29
Telecommunications	Loans	EIB ⁶⁻⁷	4 295	1 626	1 880	3 434	2 126
	Guarantees	EIF ⁶⁻⁷	175	9	276	230	123
	Financial contributions	Structural Funds	295	173	n.a.	n.a.	387 ⁹
	Co-financing of feasibility and validation studies	TEN budget line B5-720	45	16	27	28	21
Telematic Networks	Grants	TEN budget line B5-721	119	44	47	24	31

NB: n.a. = not available

- ⁵ Money committed.
⁶ Signed contracts.
⁷ TEN and TEN-related projects.
⁸ Usually includes appropriations committed for the period 1996-1999.
⁹ TEN-related projects only.

4. FINANCING THE TEN

Table 1 above gives an overall picture of Union financing of the TEN.

4.1. TEN financial assistance Committee

4.1.1. Energy

The TEN financial assistance committee met on 10 September and approved 28 feasibility and other studies for which the Commission proposed financial assistance of EUR 28.8 million. The corresponding Commission decision was taken on 5 November. Further details are to be found in annex V.

Table 2 : TEN Energy Commitments

	1995		1996		1997		1998		1999	
	Mio Ecus	%	Mio Ecus	%	Mio Ecus	%	Mio Ecus	%	Mio Euros	%
Electricity	6,5	53	3,7	42	9,2	38	10,8	58	7,9	27,4
Gas	5,7	47	5,2	58	15	62	7,8	42	20,9	72,6
TOTAL	12,2	100	8,9	100	24,2	100	18,6	100	28,8	100

4.1.2. Telecommunications

The TEN Financial Committee in its telecommunications composition met twice, on January 15 and July 15-16.

At the January meeting it delivered its opinion on the draft Commission decision granting Community aid to a second series of projects of common interest selected from the 1998/2 call under the 1999 TEN-Telecom budget line.

During the July meeting the committee adopted a favourable opinion on granting Community financial aid for projects selected under the 1999/1 call¹⁰, addressing the promotion of generic services and applications. In total 53 proposals for validation studies and deployment projects were received and evaluated, out of which 28 were considered eligible for Community financial aid of EUR 20 526 million. Among the 28 proposals two were deployment projects. For budgetary reasons only the 17 highest ranked projects were retained for a Community support of EUR 14 042 million. Of the 11 remaining projects only a limited number was to be considered if money remained after the commitment appropriations for the 17 projects had been exhausted (e.g. projects abandoned, contract negotiations resulting in amounts lower than those provided in the decision, or where additional appropriations were made

¹⁰ OJ No. C56/12, 26.2.199, p.28.

available by the budgetary authority). The list of the projects finally contracted after successful negotiations is provided in annex VI.

4.1.3. *Transport*

As regards transport, the TEN financial assistance committee held three meetings in 1999 and gave a favourable opinion on 106 projects and studies for which the Commission proposed financial assistance totalling EUR 497,65 million (plus additional EUR 1,85 million for technical support, in accordance with the budget commentary). Several of the actions chosen were a continuation of (or complementary to) actions previously supported; Annex VII gives full details.

The Commission received 226 requests for financial assistance, a few of them relatively minor sums. The measures to limit financial assistance for transport projects to a minimum of EUR 500 000 was broadly applied in 1999, and helped successfully to reduce the number of decisions to 106.

As can be seen from Table 3, the Commission has continued to concentrate the greater part of its available resources (58%) on the 14 specific "Essen" projects including rail traffic management. The proportion given to traffic management projects other than ERTMS (9%) has decreased relatively as compared to the years before.

Transport : Table 3 : Project categories

	Support 1999	%	
	(Million EUR)	1999	1998
14 specific projects confirmed by the Essen European Council (includes EUR 22.8 million for rail traffic management)	288	58	64
Traffic management (all modes except rail)	45	9	11
Other important projects of common interest (other than the 14 specific projects)	164	33	25
TOTAL	497	100	100

From the point of view of the forms of intervention, table 4 shows that in 1999 the share of interest rate rebates increased slightly compared to 1998, while the feasibility studies/technical support measures continues to decline. This is due to the fact that most of the 14 specific projects are now entering the construction phase, after the study phase has been completed.

Transport : Table 4 : Form of Intervention

	Support 1999	%	
	Million EUR	1999	1998
Feasibility studies/Technical support measures	139	28	47
Direct grants	288	58	40
Interest rate rebates	70	14	13
TOTAL	497	100	100

Transport : Table 5 : Transport modes

As can be seen from Table 5, more than 60% of the Union spending on transport under Regulation 2236/95 in 1999 continued to be allocated to rail projects (64%). Road projects received 17% and Traffic management projects 9% of the 1999 budget for TEN-transport.

	Support 1999	%	
	Million EUR	1999	1998
Rail (including traffic management)	318	64	66
Road	86	17	13
Inland waterways	18	4	2
Sea/Ports	3	1	2
Airports	29	5	6
Traffic management (all modes except rail)	43	9	11
TOTAL	497	100	100

4.2. IDA AND EDICOM

The IDA projects (sectoral and horizontal actions) and EDICOM projects are financed independently of the TEN financial assistance regulation, but mention is made of them here for the sake of completeness. In 1999 the Commission approved financial contributions of EUR 24 million for the various actions supported by IDA and EUR 7 million for EDICOM.

4.3. Structural Funds

The European Regional Development Fund (ERDF) and the Cohesion Fund are by far the main source of Union grants for TEN projects.

4.3.1. ERDF

In 1999 most of the remaining funding programmed for the period 1994-1999 was committed in the national and regional ERDF programmes. This data, however, is as yet only partially available. The most important financing decisions were made in the Greek programmes, in particular regarding the PATHE and EGNATIA motorway-systems, but also for the Rio Anthirio bridge. Table 6 below details total ERDF funding in the transport sector between 1994 and 1999. More detailed tables by transport mode are to be found in annex VIII.

It is not easy to identify exactly the amount of money invested in TEN projects through the ERDF. There are various reasons for this. First of all it is due to the ERDF multiannual programme approach, as opposed to the annual funding of individual projects approach of the TEN Financial Assistance Committee or of the Cohesion Fund. Another important reason lies in the ERDF's decentralised structure : much of its funding is spent via national or regional authorities and the details become available only after a certain lapse of time. Furthermore, ERDF financing of TEN infrastructure is usually part of larger transport programmes and national authorities do not always identify what exactly corresponds to TEN. A final consideration to bear in mind is that, again because of the multiannual "programme" approach, most of the monies are committed in the early years, with a consequent tailing off towards the end of the programme period. For all of these reasons, detailed and accurate figures for ERDF spending on TEN projects are not available at present.

Table 6 : Total ERDF financing for TEN-transport 1994-99

(Provisional figures)

	Programmed ERDF contribution 1994-99 (million EUR)	Commitments up to 1999 (million EUR)	Commitments In 1999 (million EUR)	Ref./Obs.
	period 1994 - 99		1999	
SPAIN	6 045,1 ⁽¹⁾	3614,0	-	⁽¹⁾ figure covering all transport financing
GREECE	1 163,2	1 623,5	749,3	
IRELAND	364,5	366,0	99,0	
ITALY	1 095,0	1 095,0	312,3	
PORTUGAL	708,2	629,8	11,3	
UK	123,8	-	0,0	
GERMANY	129,0	-	0,0	
FRANCE				No information available
Objective 1	287,0			
Objective 2	21,0	21,0	21,0	
BELGIUM	79,3	-	-	No information available
FINLAND	7,4	3,7	-	
TOTAL	-	7 353,0	1 192,9	

4.3.2. Cohesion Fund

Table 7 below shows the commitments made by the Cohesion Fund to TEN projects in each of the four beneficiary member states since 1993. The figures indicate commitments for new projects approved in 1999 as well as annual instalments of assistance to projects approved in previous years.

Table 7 : Cohesion Fund TEN Financing in 1999

	Commitments up to 1999 (million EUR)	Commitments in 1999 (million EUR)
SPAIN	4 605,5	188,1
GREECE	1 534,5	160,4
IRELAND	748,3	96,2
PORTUGAL	1 446,0	0,0
TOTAL	8 334,3	444,7

In general terms, the strategy pursued by the Cohesion Fund has been guided by the main concern of ensuring an appropriate linkage to Trans-European Transport Networks and improving the overall efficiency of transport systems in those countries that benefit from the Fund. In the period 1993-1999, the Cohesion Fund concentrated its efforts in making a substantial contribution to the national transport infrastructure in line with the objectives of the Community's guidelines for the development of the Trans-European Networks.

Table 8 below shows the total commitments made by the Cohesion Fund to TEN projects from 1993 until 1999. For the four beneficiaries countries a total of EUR 8.3 billion has been committed to projects identified as TEN, of which slightly more than half (56%) has been committed to road projects and 34% to railways. Since the first Cohesion Fund period finished in 1999, a short description of what has been achieved in each beneficiary country is given below.

Table 8 : Cohesion Fund TEN financing by country/mode 1993-1999

	Roads		Railways		Airports		Ports		Other		TOTAL	
	MECU	%	MECU	%	MECU	%	MECU	%	MECU	%	MECU	%
Spain	2608,0	56,8	1858,0	40,5	73,0	1,6	28,0	0,6	25,0	0,5	4592,0	55,2
Portugal	856,3	59,2	334,0	23,1	159,9	11,1	95,8	6,6	0,0	0,0	1446,0	17,4
Greece	680,3	44,3	484,4	31,6	259,8	16,9	77,6	5,1	32,4	2,1	1534,5	18,4
Ireland	559,5	74,8	141,7	18,9	3,2	0,4	38,5	5,1	5,4	0,7	748,3	9,0
TOTAL	4704,1	56,5	2818,1	33,9	495,9	6,0	239,9	2,9	62,8	0,8	8320,8	

In Spain, a total of EUR 4.6 billion of assistance was committed representing 55% of the total allocation for the four beneficiaries countries.

The investments in roads and motorways have reflected the need to complete and upgrade the extensive Spanish main road system in response to the rapid growth of road traffic. All the projects supported by the Cohesion Fund aim to meet the objectives of the TEN road network. These include: the completion of the most heavily used motorway corridors, the connection of outlying regions with the major centres of economic activity, a reduction in the excessively radial structure of the Spanish road network, the relief of urban congestion and the integration of the Spanish road network with its neighbours. As a result the main road projects in Spain have been the following: Rías Bajas motorway, Madrid Ring Road M40, Madrid-Granada motorway, Zaragoza-Huesca-Somport-France motorway, Madrid-Valencia motorway, Costa Cantábrica motorway and the Trans-Catalonia highway.

In the railways sector, the Cohesion Fund has contributed to the financing of the main priorities identified in the "Plan Director de Infraestructuras 1993-2007" when they related to the development of the Trans-European Transport Network. The main projects were the following: upgrading to 200/220 kph the Mediterranean Corridor (Valencia-Tarragona-Barcelona) and the Madrid-Valencia Corridor, the modernisation of the conventional rail system and the building of the new high-speed line Madrid-Barcelona-French Border.

In Portugal, the Cohesion Fund assistance totalled EUR 1,4 billion. A major part of the assistance was devoted to road projects allowing the completion of the corridors Lisbon/La Coruña and Lisbon/Madrid and faster construction of the Lisbon/Valladolid road axis. High priority was also given to the removal of capacity bottlenecks and the reduction of congestion in the urban areas of Lisbon and Porto by providing finance to widen motorways, to construct the Lisbon inner and outer ring roads, the bridge over the Tagus and the "Freixo" bridge.

In the rail sector, assistance was provided to support the major effort the Portuguese authorities are making to modernise two railway lines (towards the North and Beira Alta) of strategic importance to Portugal, both of which form an integral part of the rail TEN.

In sea transport, Cohesion Fund assistance has gone to investments improving the links between the ports and the other modes and to promoting port services and infrastructures in the main Portuguese ports of Leixões, Lisbon, Setúbal and Sines.

In the airport sector, only one project was assisted by the Fund - Funchal airport on Madeira - in order to increase accessibility to this ultraperipheral region.

In Greece a total of EUR 1.5 billion of assistance has been committed representing 18,4% of the total allocation for the four beneficiary countries.

The commitments for the Essen project no 7 "Pathe-via Egnatia" in 1999 were EUR 82,61 million and for other TEN motorways EUR 10 million. The commitments for this project concern:

"Pathe": construction of a new section of the underground passing through the urban area of the town of Katerini and different complementary contracts for the by-pass of Patras, Skotina-Katerini, Rahes-Pelasgia sections.

"Via Egnatia": construction of the Asprovalta-Strimonas section about 22 km in length.

The main actions in the railway sector are concentrated in the projects Evangelismos-Leptokarya, Thessaloniki-Alexandroupolis, Athens-Korinthos, Axios river, the Piraeus-Athens-Thessaloniki line, Paleofarsalos-Kalambaka, the Thriassio complex and other connecting lines to the network and the port of Piraeus.

In Ireland Cohesion Fund investment has been concentrated on the primary national road network focusing on priority TEN routes. The fact that roads investment accounted for 75% of all transport investment, higher than any of the other Cohesion Fund beneficiaries, was justified by the low standard of even major routes. In 1996 Ireland was by far the most poorly endowed Member State as measured by motorway network in an EU 15 index. Also roads are by far the primary mode of internal transport (accounting for 96% of passenger and 90% of freight traffic). The major routes funded have included; M1 - Dublin to the border towards Belfast; M50 - Dublin Ring Road; N7-8 - Dublin -Cork/Limerick and N4 Dublin - Sligo.

In the rail sector funding was given to the Dublin-Belfast and Dublin-Cork lines (part of Essen Priority Project No 9) covering signalling improvement and replacement of old jointed tracks with continuous welded rail. Apart from this line, track and signalling replacement was funded on lines with the highest actual or potential traffic. The extension of the DART electrified rail network north and south of Dublin City to the outer suburbs was also assisted as there are more daily passengers on the suburban rail network in Dublin than on the rest of the network combined.

In the ports sector assistance was granted to infrastructure improvements in the four largest ports; Dublin, Cork, Rosslare and Waterford. The aim was to drive down cost by increasing throughput and thereby increasing competition. This policy was successful with port charges per container falling by over 15% in Dublin and Cork since 1995. With the improvement of the economic environment for the port managing authorities capital investments later in the period were undertaken without further Cohesion Fund support.

4.4. European Investment Bank (EIB) loans

The development of large infrastructure of common interest, of which the Trans-European Network constitutes the main part, remains one of the EIB's priority objectives. In 1999, the EIB's Board of Directors approved a total of EUR 7 341 million in favour of TEN and related projects in the Union. Finance contract signatures reached EUR 8 277 million, representing over 30% of the Bank's activity in the Member States. Since 1993, the Bank has approved loans in favour of TEN for a total of EUR 57 648 million and signed finance contracts for a cumulated EUR 44 319 million. The total investment cost of the corresponding projects is estimated to EUR 183 billion.

EIB has taken a proactive role in the financial engineering of TEN projects most notably in those which are based on PPPs. Some of the most significant examples of these, which are also potential models for other projects in the future, are the development of DBFO Road financing structures which have been applied in the UK, Finland and Portugal. The Bank has also been to the fore in the development of innovative financial instruments such as securitisation of receivables to finance rolling stock and in the development of refinancing structures to enable commercial financiers a defined exit from long-term financings.

EIB is also facilitating the cross-fertilisation of experience in the PPP financing of infrastructure between the public and private sectors in the Member States as well as facilitating the ability of major private-sector companies to invest in a series of PPPs in different countries within the EU. The Engelberg Tunnel in Germany is an example. This cross-fertilisation should improve the overall efficiency of capital as well as reduce the cost of capital of those banking and capital markets instruments used to finance them.

Loans approved by the EIB in 1999 for TEN in the **transport** sector reached EUR 4 807 million in the Union, resulting in a total of EUR 36722 million approved for that sector to date. Finance contract signatures amounted to EUR 5 977 million in 1999 (EUR 4 415 million in 1998) which brings the total amount of signatures to date to EUR 26 506 million. New loans approved were mainly for Portuguese DBFO motorway projects in Beira and Algarve, the Malpensa Airport and the Patras Bypass in Greece.

In Central and Eastern European Countries, the Bank's signatures for projects on the 11 transport corridors approved by the Pan-European Transport Conferences of Crete and Helsinki amounted to EUR 1 321 million.

In the **energy** sector, EUR 134 million of new loans were approved in 1999 for gas and electricity TEN, for a cumulated amount since 1993 of EUR 6 054 million. In 1999 EUR 174 million were signed for the electrical interconnections Italy-Greece and Spain-Morocco, the Portgas project in Portugal and the Ruhrgas Netra project in Germany. This compares with EUR 393 million in 1998.

In 1999, the EIB also provided new loans for European **telecommunication** networks, not covered by the TEN Telecommunications guidelines, with EUR 2 400 million of new loan approvals and EUR 2 126 million of signatures (EUR 3 434 million in 1998). Finance contracts signed from 1993 onwards reach a total of EUR 12 985 million.

Under Article 21 of its statute the EIB consults the Commission in relation to projects to be financed by the Bank. This arrangement is currently being reviewed and the Commission will use this opportunity to seek to improve the consistency of EIB financial assistance with Community policies in the fields of TEN and the environment.

More detailed figures on EIB lending for TEN projects can be found in Annex IX.

Table 9 : EIB lending for TEN¹¹ in the European Union

	1993	1994	1995	1996	1997	1998	1999	TOTAL
TRANSPORT	1908	1939	3819	3505	4943	4415	5977	26 506
<i>Essen Projects</i>	<i>1346</i>	<i>1137</i>	<i>1603</i>	<i>1189</i>	<i>1751</i>	<i>1142</i>	<i>1616</i>	9784
ENERGY	367	715	910	1415	854	393	174	4828
<i>Essen Projects</i>	<i>207</i>	<i>315</i>	<i>523</i>	<i>695</i>	<i>300</i>	<i>100</i>	<i>75</i>	2215
TELECOM¹²	1005	2100	839	1602	1880	3434	2126	12 986
TOTAL	3280	4754	5568	6522	7677	8242	8277	44 320

Table 10 : EIB lending in the countries of central and eastern Europe

	1993	1994	1995	1996	1997	1998	1999	TOTAL
TRANSPORT	469	397	270	553	427	1357	1321	4794
ENERGY	0	80	0	0	0	0	0	80
TELECOM	110	300	130	115	357	150	135	1297
TOTAL	579	777	400	668	784	1507	1456	6171

4.5. European Investment Fund (EIF) guarantees

At the end of 1999 the total portfolio of signed operations since the EIF's inception, net of loans repaid, stood at EUR 2784 million. Of this, TEN projects accounted for

¹¹ EIB lending refers to finance contracts signed.

¹² These projects for telecommunications physical infrastructure are not covered by the TEN-Telecom guidelines but can be considered as being TEN related.

EUR 1918 million, corresponding to 69% of the total (transport 36%, energy 29% and telecommunications 35%).

Overall EIF signatures for 1999 amounted to EUR 456.1 million of which EUR 406.6 million were related to guarantees and EUR 49.5 million related to equity. Of the total of guarantees, EUR 388.8 million (95%) were for TEN projects, including EUR 265.8 million for transport projects, in Germany, Portugal and the UK and EUR 123.1 million for telecom projects in Belgium, Hungary, Poland and Ireland. Details of these operations are to be found in Annex X.

Since the creation of the EIF, TEN operations have been guaranteed in ten member states (Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, UK) and outside the EU, in Hungary, Poland, Slovakia and the Norwegian sector of the North Sea.

Table 11 : EIF loan guarantees for TEN projects
(signed operations in MEUR)

	1994	1995	1996	1997	1998	1999	1994-1999
TRANSPORT	75.6	85.2	302.6	55.0	72.0	256.3	846.7
ENERGY	207.7	11.9	270.2	3.8	4.5	-	498.1
TELECOM	156.1	19.4	9.3	277.8	235.0	104.0	801.6
TOTAL	439.4	116.5	582.1	336.6	311.5	360.3	2146.4

4.6. Member States' financing

Union financing of TEN represents in most cases a small proportion of the total cost, except for some projects in the "cohesion" countries. The greater part of the funding comes either from the public authorities of the Member States or, especially in the energy and telecommunications sectors, from the private sector. Exact or meaningful figures about Member States' expenditure on TEN are hard to come by.

4.7. Financing infrastructure in third countries

4.7.1. ISPA

On 21 June 1999 the Council adopted Regulation 1267/99 establishing an instrument for structural policies for pre-accession (ISPA). For the period 2000-2006 ISPA will provide financial assistance of around EUR 520 million per year for transport infrastructure projects in the 10 CEEC applicant countries. Are eligible for support projects which promote sustainable mobility and in particular projects of common interest and those which would enable the beneficiary countries to comply with the objectives of the accession partnerships. That includes interconnection and interoperability of national networks among themselves and with the trans-European networks, together with access to such networks. ISPA will follow a project-based approach broadly similar to the Cohesion Fund, given the similarity of objectives.

Aid under ISPA is restricted to projects of sufficient scale to have a significant impact; the total cost of each measure will normally be at least EUR 5 million. Community assistance may take the form of non-repayable or repayable grants of up to 75% (85% in exceptional cases) of the total public expenditure. Table 12 below gives the indicative allocation of ISPA aid among the applicant countries based on population, per capita GDP and surface area criteria (see also 7.3).

Table 12 : Basic data on applicant countries and indicative ISPA allocation

<i>Country</i>		<i>Surface area (km²)</i>	<i>Population in 1997 (thousand)</i>	<i>Index of GDP* per inhabitant (average = 100)</i>	<i>Indicative allocation as a percentage of the total</i>
BG	Bulgaria	111 062	8 312	67	8.0 – 12.0
CZ	Czech Republic	78 864	10 304	166	5.5 – 8.0
EE/	Estonia	43 431	1 458	90	2.0 – 3.5
HU	Hungary	93 030	10 155	124	7.0 – 10.0
LV	Latvia	64 589	2 469	67	3.5 – 5.5
LT	Lithuania	65 300	3 706	76	4.0 – 6.0
PL	Poland	312 685	38 660	91	30.0 – 37.0
RO	Romania	238 391	22 546	84	20.0 – 26.0
SK	Slovakia	49 035	5 383	116	3.5 – 5.5
SI	Slovenia	20 256	1 986	175	1.0 – 2.0
Total		1 076 643	104 979	100	

Source: Eurostat

*Note: * based on the average of 1995-1997*

4.7.2. PHARE

Following the revision of PHARE's investment strategy for Central Europe, a Large Scale Infrastructure Facility (LSIF) was created for the years 1998 and 1999, providing funds at a rate of $\leq 25\%$ of total project costs for transport and environment projects with a maximum value of EUR 250 million. This facility included also a Project Preparation Facility (PPF) devoting EUR 25 million to studies or design work which are required to prepare projects for construction. This facility, in particular, has been used to prepare projects for ISPA financing. As from

the year 2000 all Community financial assistance for transport infrastructure on the main corridors in the CEEC will be channeled through ISPA (see above).

4.7.3. *TACIS*

Improving infrastructure links with the New Independent States (NIS) is one of the objectives of the TACIS programme, which can now spend up to 10% of its annual budget on investment, including small-scale infrastructure projects, in the context of cross border co-operation.

4.7.4. *MEDA*

Spending by the MEDA programme to link better the countries of the Mediterranean Basin to the Union is at present marginal, but very useful, being limited to a small number of feasibility studies (cf., for example, the Eumedis project mentioned in 7.2 below).

5. FINANCING THE TEN : OTHER ISSUES

5.1. Amendment of the TEN Financial Regulation

As part of the Agenda 2000 package the European Parliament and the Council agreed in June 1999 on amending the TEN financial regulation EC No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks.

The amended financial regulation¹³ includes a financial framework for the period 2000-2006 of EUR 4 600 million for all three TEN sectors. Of the EUR 4 600 million approximately EUR 4 170 million will be allocated to transport projects, EUR 155 million to energy projects and EUR 275 million to telecommunication projects.

The EUR 4,6 billion agreed upon is a doubling of the EUR 2.3 billion budget for the period 1995-99. This increase will help speed up the implementation of the trans-European networks. The Union will be able to make a considerable contribution to the construction of the 14 specific projects identified in Essen, which for the main part are now entering into the building phase. Also, European Intelligent Transport Systems like ERTMS (European Rail Telematics Management System) which increase the interoperability between the European rail systems and the Galileo project will be developed further with substantial help from the TEN budget line in the coming period.

The new TEN financial regulation also includes the possibility for the Commission to establish Multi-annual Indicative Programmes (MIP), which is a major step forward as an appropriate instrument for providing long-term financing for long-term projects. The MIP, which gives the project promoters an indication of the level of future support, is particularly useful for the very big infrastructure projects in the transport sector and for private-public partnership projects.

The revised regulation also opens up the possibility to invest initially up to 1% of the TEN budget line in risk-capital funds, with the aim of catalysing the development of such funds and consequently gaining access to the potentially very large resources of long-term funding from pension funds and insurance companies for the financing of TEN infrastructure projects. The risk capital will be especially interesting for public-private partnership projects.

Another improvement included in the new financial regulation is the possibility as from 2003 to increase the support level from the normal 10% to 20% for satellite navigation projects including Galileo. That component is essential in order to demonstrate that this vital genuinely European project can be financed.

¹³ EC No. 1655/99 of 19 July 1999.

5.2. Promoting Public / Private partnerships (PPP)

5.2.1. *Follow-up to the Kinnock High-Level Group*

To follow-up the recommendations of the High-Level group on public-private partnerships for trans-European transport networks projects, which reported in May 1997, the Commission, in co-operation with the Member States, took forward the results of the study it had commissioned on the role of equity in TEN projects. It also hosted a seminar to disseminate information on successful public-private partnerships in a number of major TEN projects, in particular in relation to project authorities in December 1999.

5.2.2. *Public procurement*

In April 1999 the Commission adopted a draft interpretative communication on concessions and public procurement rules and asked interested parties to submit their comments. In this document the Commission set out its first thoughts on concessions and similar forms of public-private partnership. In the introductory part specific reference is made to the Commission's Communication on public-private partnerships in trans-European Transport Network projects of 1997¹⁴ and the Commission's commitment to promote this type of partnerships.

As to concessions in the transport sector, it stated that if the concession is granted by entities not operating in transport it falls (a) within the rules and principles of the Treaty (such as non-discrimination, equality of treatment, transparency, mutual recognition and proportionality) if it is a service concession and (b) within the rules of Treaty and those of Directive 93/37/EEC on public works contracts if it is a works concession. For concessions granted by entities operating in the sector of transport, the above mentioned rules of the Treaty apply.

Following the requests made in a great number of contributions, the final communication focuses on such public-private partnerships which may be analysed as concessions within the meaning of Community law¹⁵. This communication addresses some of the issues relevant in the field of TEN projects.

As to the need to allow "technical dialogue" during the conception phase in TEN projects, the Commission's communication on public procurement¹⁶, published in March 1998, stated that the Commission would propose amendments to the Directives with a view to allow more dialogue in the course of procurement procedures.

¹⁴ COM (97)453 final of 10.9.1997.

¹⁵ JOCE C 121/2, 19/04/2000.

¹⁶ COM (98)143 Commission communication: Public procurement in the European Union.

6. REPORTS, COMMUNICATIONS AND EVALUATION

6.1. Reports and Communication

6.1.1. First report on high-speed train interoperability

The Commission adopted on 10 September 1999 the first report on the implementation and the effects of Directive 96/48/EC concerning the interoperability of the high-speed trans-European railway system¹⁷.

6.1.2. Galileo

On 10 February 1999, the Commission adopted a Communication entitled "Galileo – involving Europe in the next generation of satellite navigation services", drawing conclusions from the work done in the preceding year.

6.1.3. Commission Communication on the development of EURO-ISDN

At the end of 1999 and in accordance with article 10 of Decision 2717/95/EC of the European Parliament and of the Council of 9 November 1995, the Commission prepared a Communication giving an overall evaluation of the Guidelines for the development of EURO-ISDN (Integrated Services Digital Network) as a trans-European Network (TEN-ISDN). In order to address the requirement of the aforementioned article, the Commission had previously carried out two studies with the support of external experts:

- a study on the status of EURO-ISDN in the European Union in 1997-1998 (completed in June 1998) and

- an intermediate evaluation of the action of development of trans-European telecommunications networks carried out during the period 1993-1997 within the framework of the Euro-ISDN guidelines (completed in November 1998).

6.2. Evaluation

In the context of its "SEM (Sound and efficient management) 2000" programme the Commission attaches high priority to evaluating its actions.

6.2.1. Energy

In the course of the year independent experts carried out for the Commission a mid-term evaluation of the TEN energy programme.

¹⁷ COM (1999) 414 final.

6.2.2. *Telecommunications*

The review of the TEN-Telecom projects

In total 39 projects were reviewed in 1999 (see annex III), of which 28 were reviewed in November. The latter were projects that started on 1 January 1999 following the 1998 calls for proposals.

The first aim of the reviews was to make a technical assessment of the work carried out in order to ascertain whether the projects were progressing in accordance with their contractual commitments. This assessment concluded that the projects were, as a whole, proceeding in a satisfactory manner towards achieving their stated objectives.

The second aim of the reviews was to demonstrate the contribution of these projects to the achievement of the overall objectives of the TEN-Telecom action, namely: societal impact, competitiveness, strengthening the internal market, cohesion and developing new growth-area activities (job creation) as laid down in the TEN-Telecom guidelines and subsequently in the TEN-Telecom work program. On the whole the projects demonstrated a comprehensive level of achievement over a range of criteria. Furthermore, the results of the reviews have shown that the achievement of the TEN-Telecom objectives and the technical performance of the projects was correlated.

The review of the multimedia joint-call projects

The Commission reviewed in October 1999 the 13 projects of the Educational Multimedia Task Force¹⁸ co-funded by TEN-Telecom.

The first aim was to assess the technical progress achieved by these projects compared to their contractual commitments and also, for the first time, the degree to which they were meeting the objectives of the TEN-Telecom action. The general conclusion drawn was that most of the projects reviewed had accomplished a considerable amount of work, some with remarkable results and others with potential yet to be developed.

The second aim of the review was to determine the contribution of the projects to the objectives of the TEN-ISDN/Telecom action (see the section above). This was an assessment of the impact as intended and achieved and not a reflection of the quality of the project.

The main achievement of these projects was in meeting the societal impact objective, this being largely a result of well chosen user groups and clearly identified established needs.

¹⁸ In December 1996, the Multimedia Task Force launched a joint call for proposals involving six European programmes, with complementary objectives but with differing specific implementation modalities from four Directorates General: Telematics Applications and Targeted Socio-economic research, supporting research projects, TEN-Telecom action, supporting the deployment of telecommunications applications and services, and SOCRATES and LEONARDO supporting education and training.

The intermediate evaluation of the TEN-Telecom action

In accordance with the requirements of article 14 of the Guidelines decision, the Commission must carry out an intermediate evaluation of the TEN-Telecom action. In addition, the Commission SEM2000 initiative requires a systematic evaluation of all EU programmes. Having received a favourable opinion from the Guidelines Committee (see also section 3.2.2 above) on the outline terms of reference the Commission published a pre-information notice in the OJ¹⁹ with a view to contracting external experts under the normal open tender procedures.

6.2.3. Transport

The Commission organised an independent external evaluation of its financial support for transport projects, which was delivered in 1999, and then communicated to Member States and the European Parliament. On the basis of this evaluation, and also one-off evaluations for specific sectors (notably ERTMS and Road Traffic Management), the Commission will prepare a plan to implement appropriate recommendations. These concern project management, the setting of objectives and performance indicators, and the improved integration of environmental aspects into the project cycle, from appraisal to ex-post evaluation.

¹⁹ OJ No S 230 of 26/11/99.

7. EXTERNAL RELATIONS

7.1. Energy

The extension of the energy networks is vital, not only for the energy supply of the European Union which will remain strongly dependent on external resources, in particular for oil and natural gas, but also for international cooperation and development in general.

The prospects for the enlargement of the European Union, confirmed in 1999, also demonstrate the increasing need to connect the energy networks of the applicant countries with those of the European Union.

The TEN-Energy Guidelines already identify a good number of gas or electric connection projects which require work in applicant countries or non-Member countries. The study of these projects, as well as the efforts to achieve energy cooperation at regional level (in the areas of the Baltic, the Balkans, the Black Sea and the Mediterranean) continued benefiting in 1999 from Community financial support under the TEN-Energy programme (see Annex V - the list of the projects funded in 1999), the Synergy programme and the horizontal assistance programmes (PHARE, TACIS and MEDA).

7.2. Telecommunications

Telecommunications infrastructure and its related new services and applications are key factors for the socio-economic development and integration of the neighbouring countries with those of the EU. Specifically, they can allow the central and eastern European countries (CEECs) and the countries of the Mediterranean Basin to modernise their economies and improve their prosperity.

In order to secure commercial financing sources for telecom development, a fair and stable regulatory framework for the sector, well organised operating companies and well-prepared investment proposals must be in place. In all cases, the pre-condition for the successful development of the telecommunications sector is the adoption of appropriate liberalisation and regulatory policies by the governments.

The first action to be taken by the EU is therefore to encourage the institutional changes leading to the liberalisation of telecom services and the regulation and monitoring of operations as well as to assist the regulatory reforms. In addition, there is considerable scope for preparing the deployment of new telecommunications applications and services with a high social and business value, based on experience derived from the TEN-Telecom action in the Community as well as from the Eumedis initiative under the MEDA programme.

Moreover, the Commission is considering improving the links between activities supported by the EU instruments which should prepare the ground for EIB and other IFIs loans.

In 1999 the European Commission signed a co-ordination agreement with the European Bank for Reconstruction and Development. The agreement aims at providing financial support to projects in the telecommunications sector in the

CEECs and New Independent States in specific circumstances. These will concern, in particular, the setting up by these countries of a minimum regulatory framework. In the case of applicants for joining the Union, the regulatory requirement entails full compliance with the EU's telecommunications acquis.

7.3. Transport

The Transport Infrastructure Needs Assessment (TINA) final report was published in October 1999, bringing to an end the Commission's fact-finding mission to identify the necessary components for the future Trans-European Transport Network on the territory of 11 candidate countries for accession: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

The transport network identified by the TINA process comprises the routes of ten multi-modal Pan-European transport corridors, endorsed at the third Pan-European Transport Conference in Helsinki in June 1997, on the territory of the applicant countries, and additional network components selected on the basis of the TEN-Transport Guidelines criteria of Decision N° 1692/96/EC. In its final report the TINA Senior Officials Group suggests that the components of this network should be considered as the necessary components for a future trans-European transport network, in particular on the territory of the 10 applicant countries of central Europe. In its recommendations the Senior Officials Group also suggests giving investment priority to those components which complete the Pan-European transport corridors.

The TINA report shows the proposed network in a series of maps, based on detailed information in the TINA database. Special analyses showing traffic forecasts, the development of the network over time and its changing technical features, existing and future capacity imbalances etc., are also included in the report.

In its present form, the network on the territory of the applicant countries comprises 18,683 km of roads, 20,924 km of railway lines, 4,052 km of inland waterways, 40 airports, 20 seaports, 58 river ports and 86 terminals. The ratio of network length to surface area is generally significantly lower than inside the EU-15, while the ratio of network length to population is generally of a similar order.

The estimated cost of constructing the network is EUR 92 billion (EUR 37 billion for the railway network, EUR 44 billion for the road network, EUR 1,5 billion for the inland waterways network, EUR 9,5 billion for network nodes such as airports, river ports, seaports and other terminals).

About three-quarters of the cost for the rail and road components of the network relate to implementing the Helsinki Pan-European Transport Corridors, which will be given priority in the EU's financing schemes through ISPA and the EIB.

8. RESEARCH AND DEVELOPMENT

Under the Fourth Framework Programme of the European Community for research, technological development and demonstration (1994-1998), several specific programmes have included activities contributing to the development and the implementation of the TEN policy, namely the Transport research programme, the non-nuclear energy programme and programmes on information and communications technologies. Projects to assess the socio-economic and environmental dimensions of the TEN policy are contributing to the preparation of the revision of the Community guidelines for the development of the transport network. Moreover systems like the European global navigation satellite system (GALILEO) and the European rail traffic management system (ERTMS), after a development phase supported by the research programmes, are now or will be further developed, validated and deployed with the financial support from the TEN budget.

Under the Fifth Framework Programme for research, technological development and demonstration (1998-2002), several key actions on sustainable mobility and intermodality, land transport and marine technologies, efficient energy systems and services for the citizens have been initiated. The Community guidelines for the development of the trans-European transport network identify research and development activities among the broad lines of measures. New activities under the key action "sustainable mobility and intermodality" therefore include socio-economic research to forecast traffic and the associated socio-economic and environmental impacts as well as technological development to improve the infrastructure and their interfaces with transport means and the traffic management systems. Furthermore, successful Information Society Technology research projects can lead to market validation and business development under the TEN-Telecom action.

A pilot study performed by a cluster of projects provided quantified forecasts of the impacts of TEN-T infrastructure and policies on European travel demand and emissions in 2010. The results indicate that the policy package including interoperability, intermodality, and internalisation of external costs contributes the most to attain EU environmental goals. The study also demonstrates the feasibility of a more detailed strategic environment assessment to be used in the future development of the TEN-T policy.

The CODE-TEN project assessed the feasibility of extending the TEN-T towards CEEC/CIS countries for the 14 Helsinki corridors. It applied a scenario approach in order to elaborate consistent 'images' of the future combining assumptions on GDP growth, European integration and infrastructure planning. Traffic forecasts and assignment were performed.

The results indicate that a multimodal network development is most beneficial under all different scenarios. The relative benefits from rail come from improved safety and air pollution situation whereas roads contribute most to accessibility.

LIST OF ANNEXES

**For technical reasons the annexes are to be found
in
document SEC(2000)1113**

Annex I :	List of abbreviations
Annex II :	Community Financial Support for Trans-European Network Projects in the Energy Sector during the period of 1995 to 1999
Annex III :	Progress achieved on specific TEN-ISDN / Telecom projects
Annex IV :	Summary of Progress on the 14 "Specific" Transport Projects identified by the Essen European Council
Annex V :	Trans-European Networks : Granting Community Financial Aid to energy projects of Common Interest in 1999
Annex VI :	TEN-Telecom projects financed in 1999 following the 1999 call for proposals
Annex VII :	TEN-Transport Projects / Studies financed in 1999 under Regulation 2236/95
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Annex X :	EIF Guarantees in favour of TEN signed during 1999

List of abbreviations

CEEC	Central and eastern European countries
DBFO	Design, build, finance and operate
ERDF	European Regional Development Fund
EIB	European Investment Bank
EIF	European Investment Fund
GNSS	Global navigational satellite system
GPS	European positioning system
HST	High speed train
IDA	Interchange of data between administration
IFI	International financial institutions
ISDN	Integrated services digital network
ISPA	Instrument for Structural Policies for Pre-Accession
PPP	Public / Private partnership
TEN	Trans-European-Network
TERFN	Trans-European Rail Freight Network