BRIEFING: TEN-T Guidelines and Connecting Europe Facility Recommendations for sustainable transport spending

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With very long lifetimes for transport infrastructure, today's decisions on EU transport spending will set the course for transport beyond 2050 and into the next century. Greenhouse gas emissions from the transport sector need to fall by 60% by 2050 compared to 1990.[1] This is a serious challenge – transport is the only sector where emissions are still increasing. Without decisive new action, transport GHG emissions are expected to grow by 74% until 2050.[2]

The regulations on the Trans-European Transport Network (TEN-T) Guidelines and the Connecting Europe Facility (CEF) should guarantee that EU spending on transport protects the environment and biodiversity whilst delivering measurable steps towards a low-carbon, climate-resilient and resource-efficient economy.[3] The Commission has pledged that at least 20% of the proposed €1trillion EU budget for 2014-2020 will go towards climate mitigation and adaptation goals.[4] This paper outlines how these commitments can be put into practice in the regulations on CEF and the TEN-T guidelines.[5]

NGOs ask policy-makers to make sure that lessons are learned from previous funding periods, to equip the regulations to deal with a potential funding shortfall and make the chosen projects more economically as well as environmentally sustainable, by implementing four key principles:

1. **Set clearer criteria for priority projects, ensure best value for money;**
2. **Require climate impact assessment and incentives for cleaner projects;**
3. **Avoid clashes with protected sites (Natura 2000);**
4. **Apply the polluter pays principle.**

1. SET CLEARER CRITERIA FOR PRIORITY PROJECTS, ENSURE BEST VALUE FOR MONEY

The regulations should include a clear and credible framework showing how proposals will be appraised and compared/ranked. How will progress towards the objectives be measured and delivered?

Recommendations for the appraisal framework

- Avoid projects being built based on over-inflated traffic numbers. Require project promoters to undertake dynamic transport needs assessment, using independently verified traffic forecasts to show investment in infrastructure is demand-driven (and not vice-versa i.e. 'if we build it, the users will come');
- Require project promoters to demonstrate that spatial and transport planning, demand management including user charging, Intelligent Transport Systems (ITS), upgrading and

[1] European Commission (2011b), *White Paper: Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system,* COM(2011) 144 final.

[2] Skinner, I., et al. (2010). *EU Transport GHG: routes to 2050? – Towards the decarbonisation of the EU's transport sector by 2050,* AEA for European Commission DG Climate Action.

[3] European Commission (2010) *Europe 2020 Strategy*, COM(2010)2020 final, March 2010.

[4] European Commission (2011c) *A budget for Europe 2020,* COM(2011)500, 29 June 2011.

[5] *Whilst the focus of this paper is the TEN-T Guidelines and the CEF, the recommendations are also applicable to grants from the Cohesion Fund (CF) and European Regional Development Fund (ERDF), as well as European Investment Bank (EIB) lending for transport infrastructure projects.*

maintenance have been fully utilised as a priority (see TEN-T Guidelines Article 5 on resource efficiency);

- Before mid-2013, the Commission should establish a common methodology to be applied for the social cost-benefit analysis, including external costs (impacts on climate, air quality, noise, water, soil, biodiversity, health, accidents, congestion), and require the results to be made publicly available;
- Before mid-2013, the Commission should establish a common methodology for climate impact assessment of projects. This could potentially be part of the SEA/EIA process and must use the same traffic forecasts as the needs assessment and CBA used to make the economic case for the project. Results must be made available to the public;
- Favour projects that are 'biodiversity neutral' or positive;
- The regulations should introduce safeguards to ensure impartial assessment of plans, corridors and projects, such as independent external audits and ex-post evaluations.

NGO analysis

Currently, projects are assessed on socio-economic criteria in order to check the economic impacts and the need for public funds. The Commission makes a judgement on 'EU added value', but this should explicitly include the steps above. Project planners would then design proposals to fit in with these priorities and criteria for appraisal and approval. This approach will be more robust in the likely event that there isn't enough money to finance all of the pre-identified corridors and projects.

2. REQUIRE CLIMATE IMPACT ASSESSMENT AND INCENTIVES FOR CLEANER PROJECTS

A stronger focus is needed on GHG emissions to meet the EU goal to reduce transport emissions by 60% by 2050. The proposal for the CEF (Article 10, paragraph 5) does foresee a possibility to increase co-financing by up to 10% for projects contributing to climate mitigation objectives or cutting emissions. However, the absence of a harmonized methodology or proper scrutiny means that this is not yet credible in practice, and so needs to be clarified.

See also the recommendations to the TRAN committee of CE/RBConsult (April 2012) on Financing instruments for the TEN-T, which also advocate better assessment of climate impacts as a means of prioritizing funds.[6]

Climate Impact Assessment recommendations

- Require a quantitative assessment of climate impacts at project, corridor, and aggregate level: Net greenhouse gas impacts included in the EIA and SEA and made available to the public;
- Use the results of the climate-rating process as a basis to prioritise and incentivise cleaner projects: Those offering the highest climate mitigation (or least damage), whilst achieving other policy objectives such as connectivity and accessibility, should enjoy preferential co-financing rates;
- This should be further developed in both Regulations, in particular CEF Article 10(5) and the TEN-T Guidelines (Articles 22 and 39) which seeks to promote low carbon innovations, but should offer specific incentives on the basis of measurable emissions reductions.

NGO analysis

Setting out a pre-defined list with a focus on rail and waterway projects (CEF Annex) is too

[6] Van Essen, H. and Bain, R (2012) *Financing instruments for the EU's transport infrastructure,* Study for EP policy dept B, Transport & Tourism, as presented to TRAN committee 28 February 2012.

superficial. This approach fails to guarantee that the most sustainable projects will be given priority.

3. AVOID CLASHES WITH PROTECTED SITES (NATURA 2000)

The lessons learned from the Via Baltica/Rospuda case damaging Natura 2000 sites[7] (as just one high-profile example) must be reflected in the regulations. References to environmental legislation to ensure proper checks and balances remain essential.

Nature conservation recommendations

- Unequivocally require all transport projects to be subject to environmental assessment laws and EU nature directives tests and must respect the recommendations/findings: strengthen Article 42 of the TEN-T Guidelines regulation on environmental protection.
- Require mandatory pre-screening of corridors (using SEA and SAA[8]) to identify potential clashes with protected or sensitive sites at the earliest possible planning stage, and require avoidance and remediation measures to be included in proposals;
- Require ex-ante assessment of biodiversity impacts of corridors and projects and a "no net loss" approach to biodiversity protection to be included in funding proposals;
- Allocate clear accountability to corridor coordinators to ensure that proper SEA, EIA and public consultation are undertaken. Requiring this at corridor level will help to address the persistent problem of 'salami slicing', meaning splitting projects into small sections for environmental assessment, in order to downplay the full impacts.

NGO analysis

Infrastructure projects must take into account biodiversity value at the earliest possible stage and make every effort to identify potential clashes, for example between Natura 2000 (protected) sites and transport infrastructure projects. A "no net-loss approach " needs to be adopted where any impacts on biodiversity are fully mitigated and enhancement provided where possible. Waterways and maritime areas merit particular attention. There are several good practice examples of successful eco-system restoration and enhancement, such as the section of the Seine-Scheldt waterway in Flanders where some 500 hectares of wetlands were restored as part of the project.[9]

The push for waterways to "comply with the minimum requirements for class IV waterways" is a thinly veiled obligation to dredge, widen and deepen some waterway sections to accommodate large container vessels, whilst ignoring that there are preferable solutions: the vessels should be adapted to the waterways, and not vice-versa.

4. APPLY THE POLLUTER PAYS PRINCIPLE

Internalisation of the external costs of transport has been a key objective of EU transport policy for over twenty years. There are multiple benefits, including optimizing the use of existing capacities, improving transport efficiency, reducing emissions and raising revenues to cover the infrastructure costs or for other purposes.

Polluter pays recommendations

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[7] http://www.birdlife.org/eu/EU_policy/Birds_Habitats_Directives/casework_via_baltica.html

[8] Strategic Appropriate Assessment, under the Habitats Directive for projects that might have significant effects Natura 2000 sites.

[9] Birdlife et al (2008): http://www.birdlife.org/eu/EU_policy/Ten_T/ten_t_Solutions_the_way_forward.html

- Require user charges based on internalization of external costs;
- The needs assessment should take into account a scenario of full internalization of external costs.

NGO analysis

The double dividend of reducing pollution means that revenues can be used to reduce the tax burden on employment and enterprise, and so can be a route to green growth. User charging can also help to raise private investor interest and address the funding gap.

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