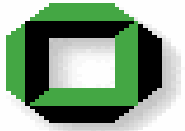


# Monitoring Impacts of EU - Infrastructure Programmes

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## **Monitoring Impacts of EU - Infrastructure Programmes**

- 1 Introduction**
- 2 Transeuropean Networks**
- 3 Strategic Assessment**
- 4 Assessment with CBA and CGE/SDM**
- 5 Megaprojects and their Risks**
- 6 Financing Issues**
- 7 Monitoring and the Role of NGOs**



# **1 Introduction**

3

- 1 White Paper and the TEN Revision 2004**
- 2 European Interest versus Country Interest**
- 3 Increasing Complexity: PPP and Concession Finance**
- 4 Experience from Megaprojects**
- 5 Failures in Public and Private Regimes**
- 6 Necessity of an Independent Observatory**
- 7 Particular Role of NGOs**



## **2 Transeuropean Networks**

4

### **European Policy Guide: White Paper 2001: Time to Decide**

- 1 Shifting the balance between modes of transport**
- 2 Eliminating bottlenecks**
- 3 Placing the users at the heart of transport policy**
- 4 Managing the globalisation of transport**



2 TEN





## **3 TEN Strategic Assessment Criteria for Selecting the Corridors**

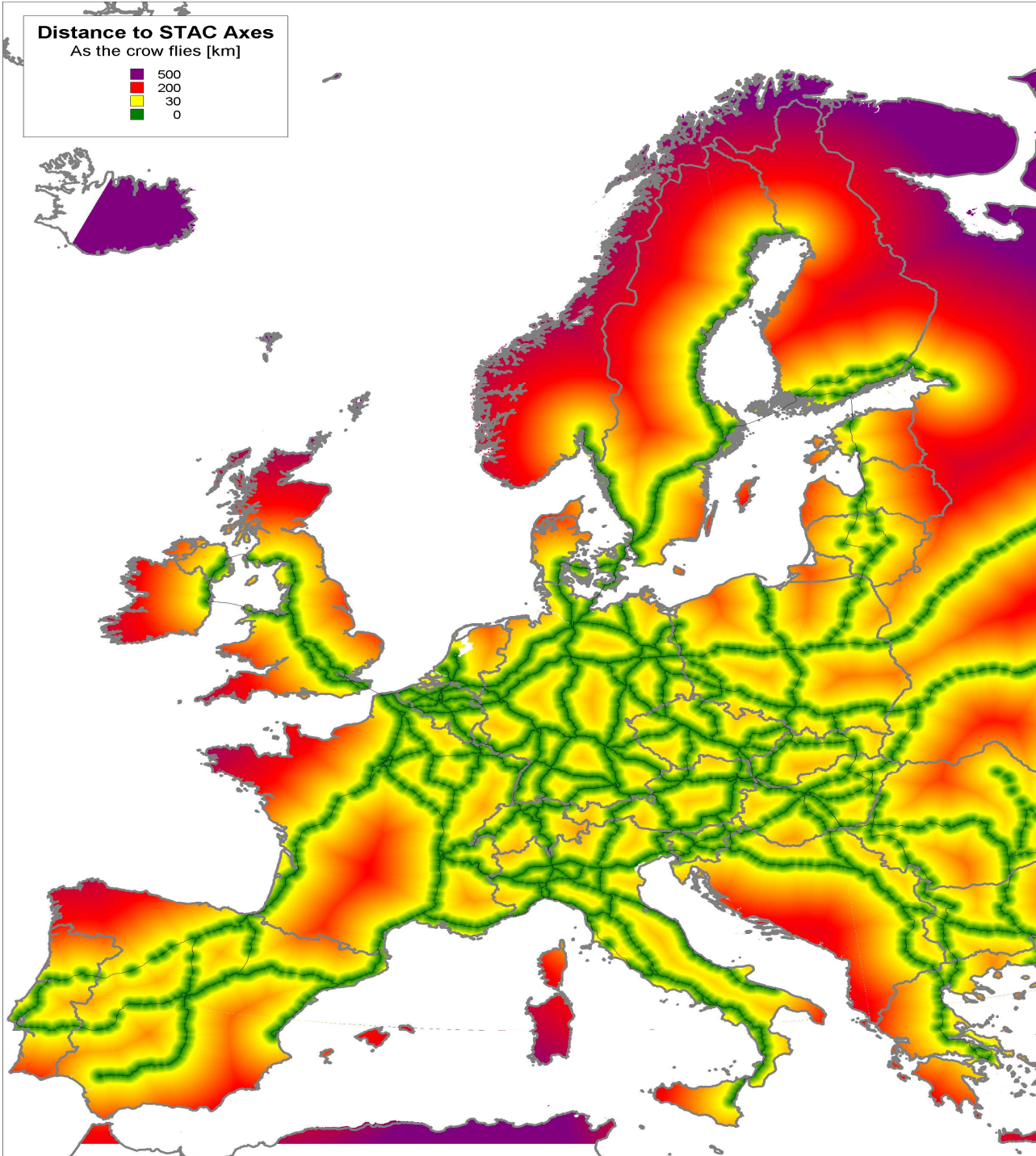
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- 1 Accessibility**
- 2 Traffic Loads/Bottlenecks; Share of International Traffic**
- 3 Economic Impacts (Generalised Cost, Time Savings and Cost Reductions)**
- 4 Environmental Impacts**





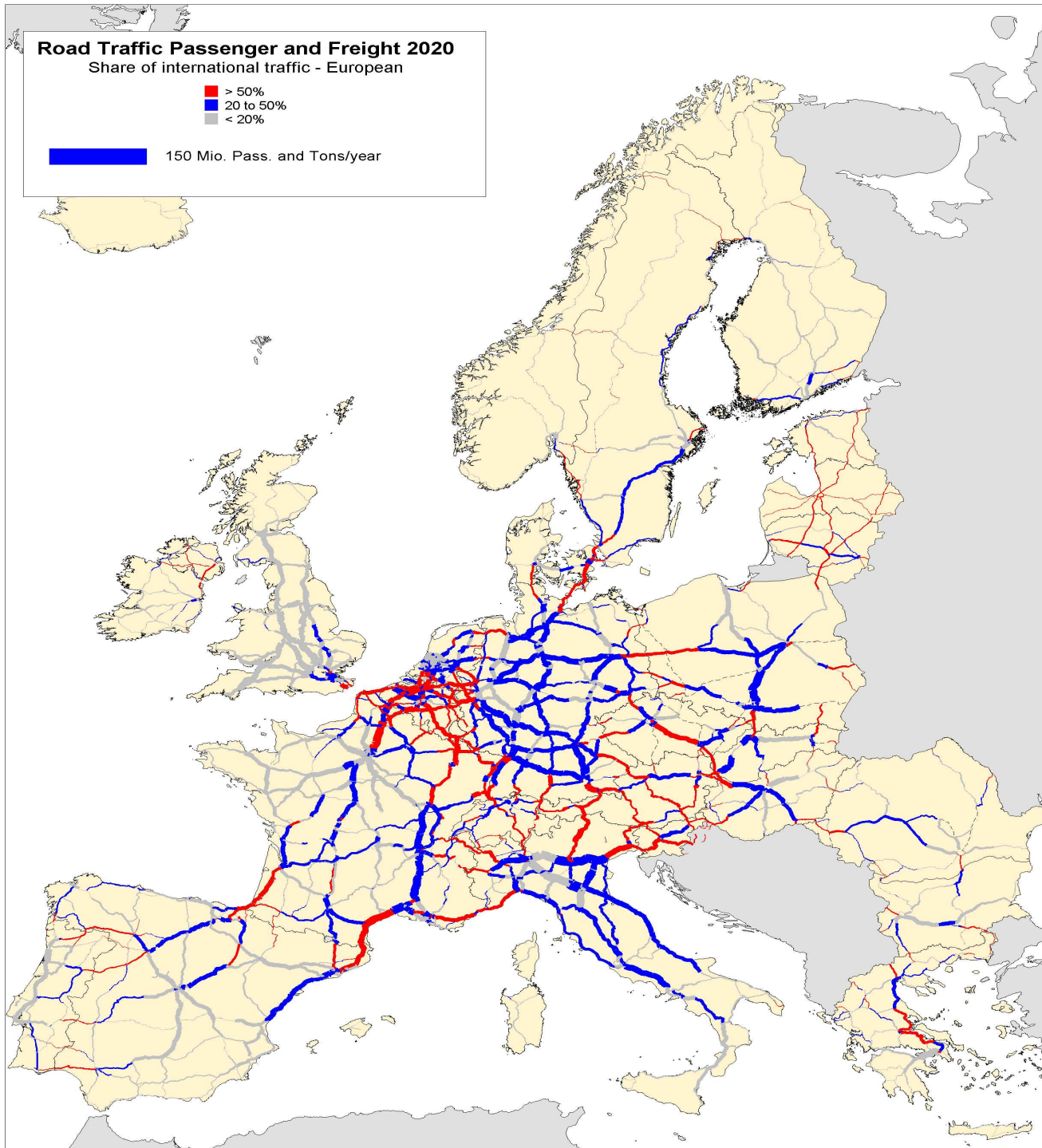
**Distance to STAC Axes**  
As the crow flies [km]



3 TEN  
Assess



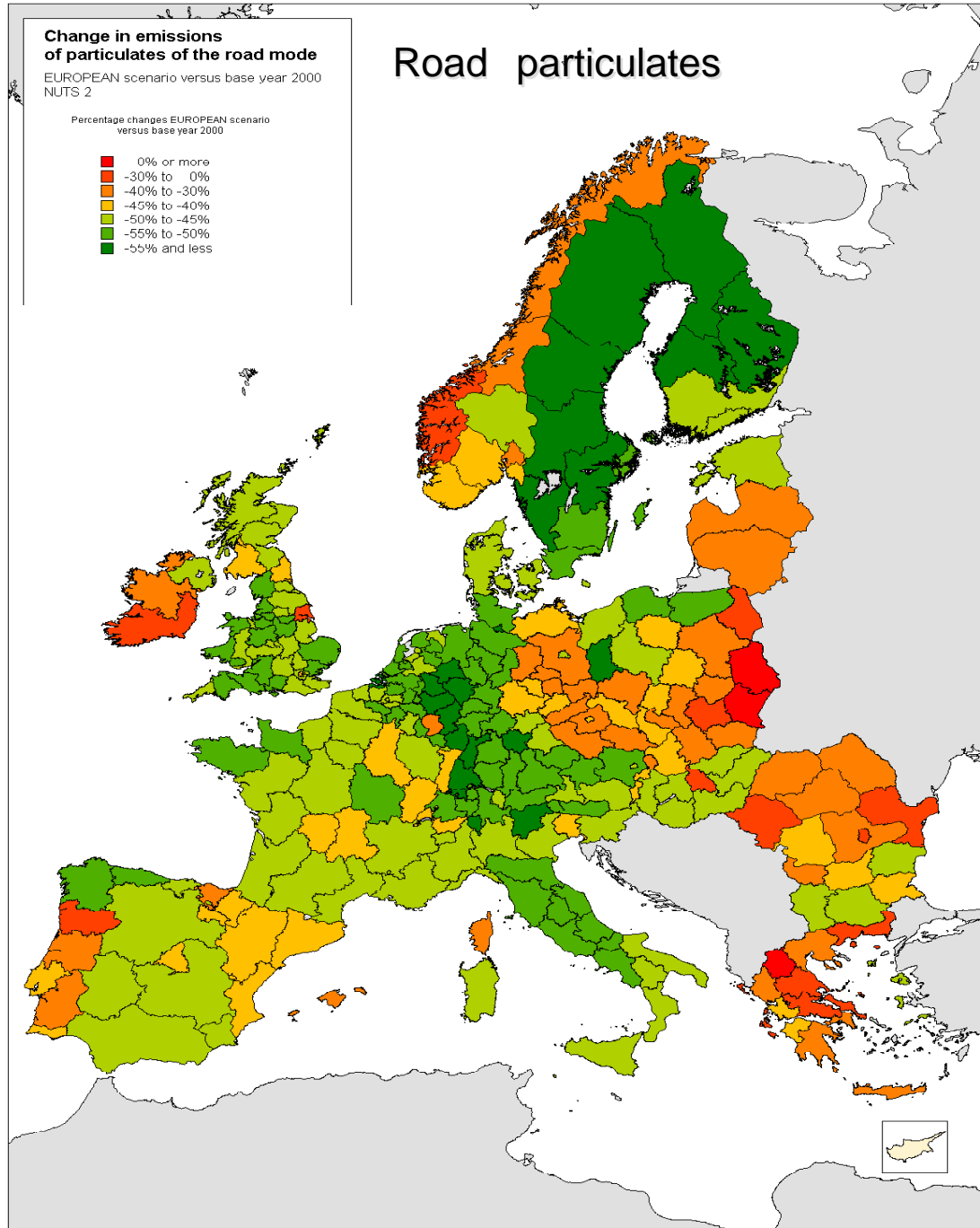
### 3 TEN Assess







### 3 TEN Assess





## **4 Assessment with CBA and CGE/SDM**

10

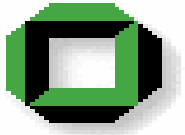
### **Standard CBA - Benefits**

#### **1 Mandatory Impacts**

- **Time Savings**
- **Savings of Operation Costs**
- **Change of Variable Infrastructure Cost**
- **Change of Accident Costs**

#### **2 Discretionary Impacts**

- **Environmental Impacts**
- **Climate Change**
- **Spatial Impacts**



## **4 Assessment with CBA and CGE/SDM**

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### **Standard CBA - Benefits**

#### **1 Problem Area I**

- **Country-based CBA not Comparable**
- **Ex: Lyon - Turin High Speed Project**

#### **2 Problem Area II**

- **European Value is not Equal to the Sum of Country Values**
- **National Companies don't Consider International Benefits**

#### **3 Problem Area III**

- **Scales are not Comparable with Private Investments**
- **Political Appraisal Bias**



## **4 Assessment with CBA and CGE/SDM SGE/SDM**

12

- 1 Computed General Equilibrium Models**
  - **Consideration of Horizontal Interdependencies**
  - **Mainstream Economic Welfare Analysis**
  
- 2 System Dynamic Modelling**
  - **Consideration of Horizontal and Vertical Interdependencies**
  - **Modelling of Staged Policies**
  
- 3 Most Important Issues**
  - **Identification of Overall Net Benefits and their Spatial Distribution**
  - **Construction of Complete Scenarios (Investment and Finance)**

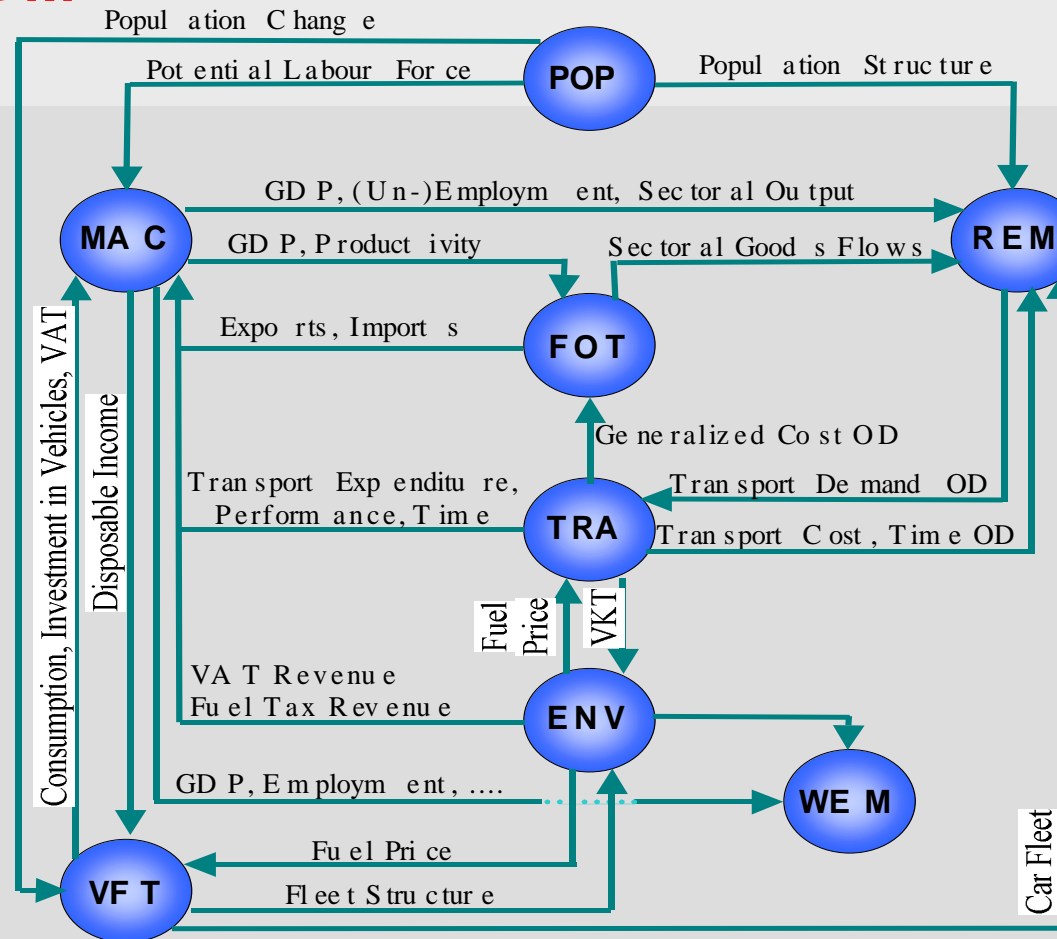






# 4 Assessment with CBA and CGE/SDM

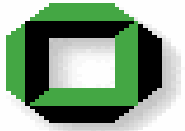
## SDM AS TRA Modules and Main Interfaces



Abbreviations :

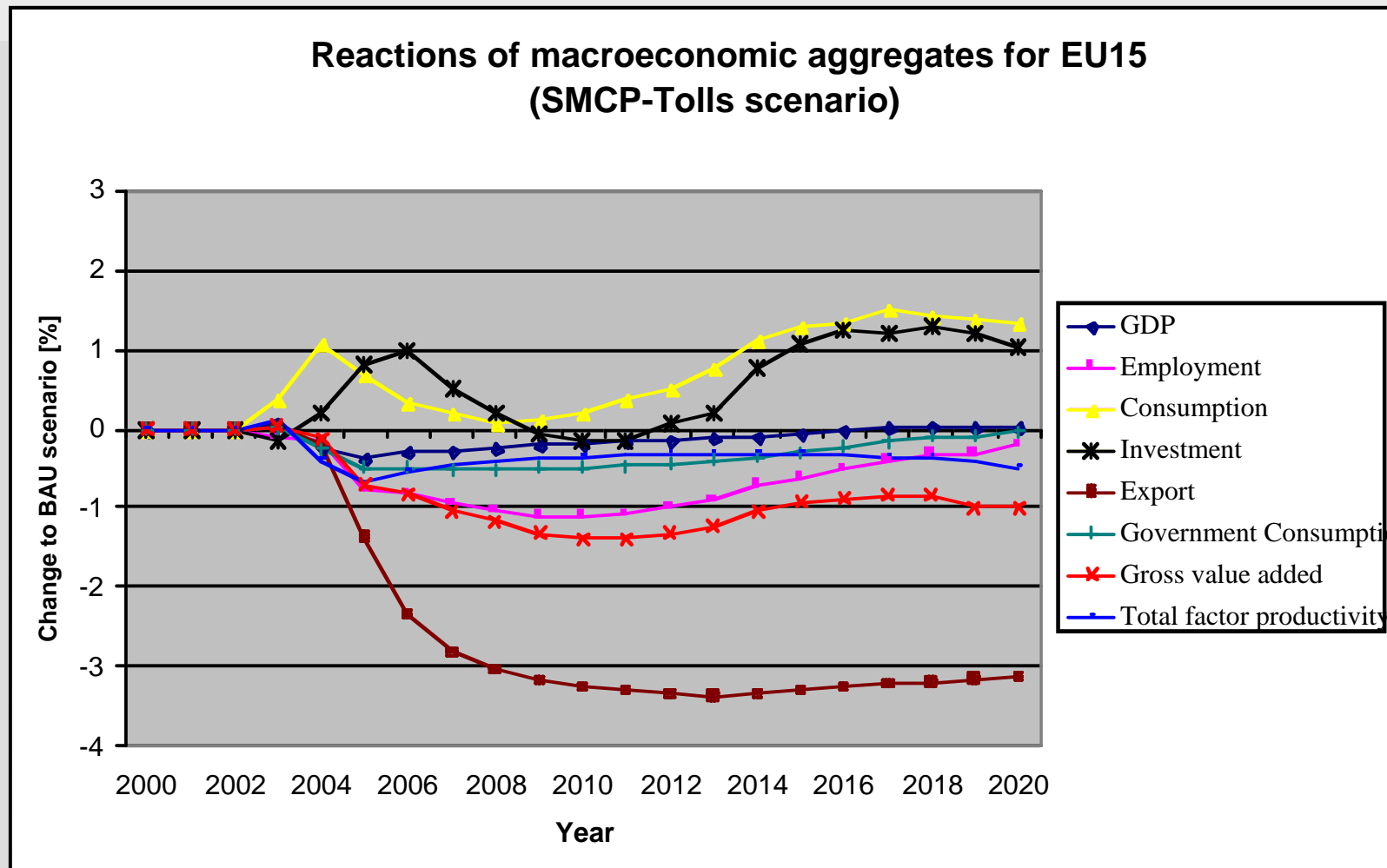
POP = Population Module  
 MAC = Macroeconomics Module  
 REM = Regional Economics Module  
 FOT = Foreign Trade Module

TRA = Transport Module  
 ENV = Environment Module  
 VFT = Vehicle Fleet Module  
 WE M = Welfare Measurement Module



# 4 Assessment with CBA and CGE/SDM

## SDM

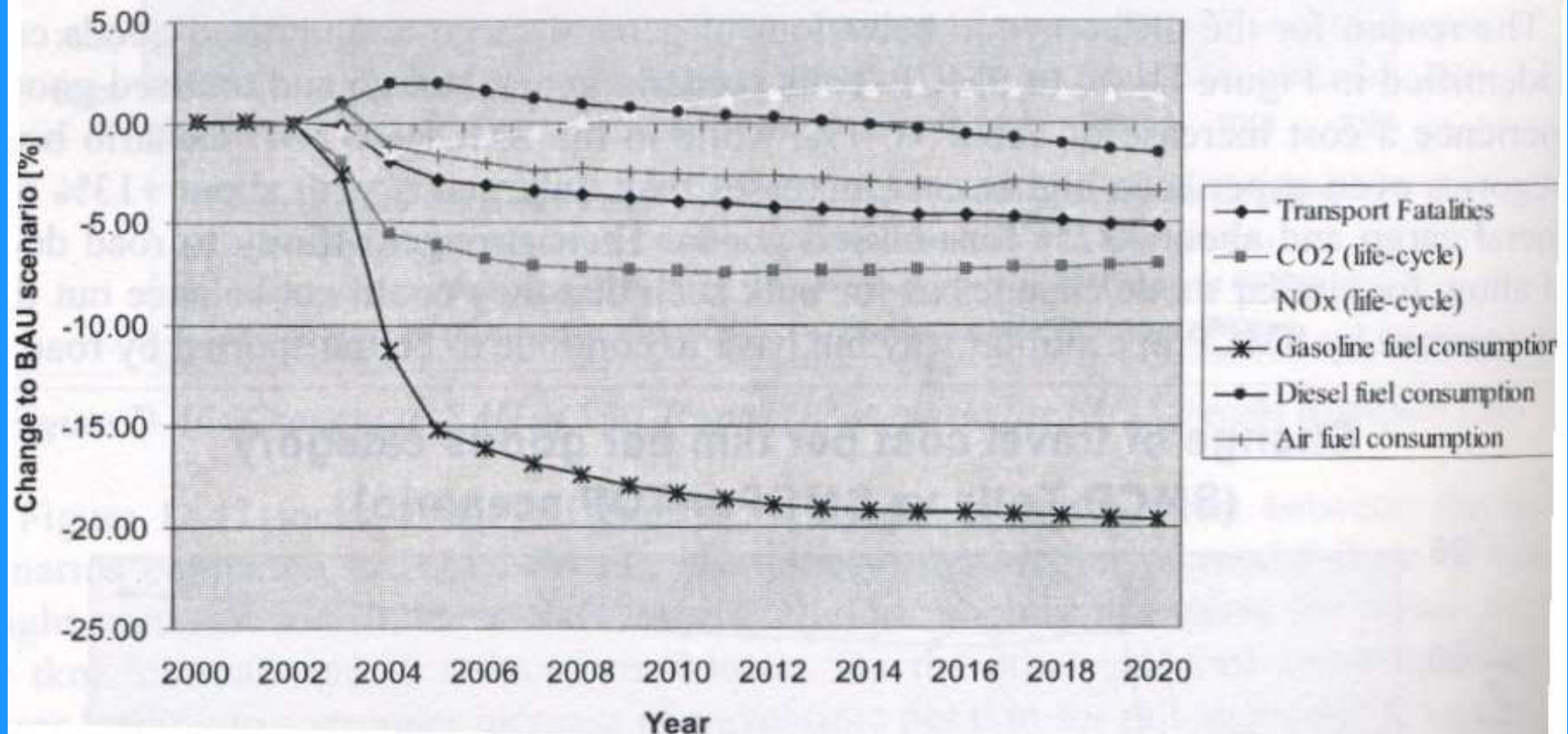




# 4 Assessment with CBA and CGE/SDM SDM

16

Reactions of environmental impacts for EU15  
(SMCP+onTOP scenario)





## **5 Megaprojects and their Risks**

17

### **Examples**

- 1 Channel Tunnel, Oeresund (in Operation)**
- 2 NEAT Tunnels (under Construction)**
- 3 Further Alpine Tunnel Projects**
- 4 Fehmarn-Belt**
- 5 Strait of Messina**
- 6 Spanish Rail Interoperability**



## **6**

# **Financing Issues**

## **European Assistance**

18

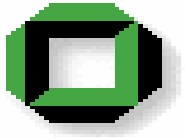
### **1 The Megaproject Financial Rule(FBR):**

- **Add 50% to Cost Figures**
- **Subtract 30% from Estimated Demand**

### **2 Procurement Including a Company outside the Public Budget**

- **Example of the Oeresund Project**
- **30% Rule of FBR**
- **Clear Risk Allocation**





## **6 Financing Issues**

### **European Assistance**

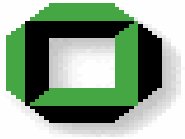
19

#### **3 Financial Volume for TENT:**

- 600 bill. € in total
- 225 bill. € for the High Priority Projects
- 140 bill. € in the Period 2007 - 2013
- Presently available: 700 mill. € per year

#### **4 Financial Contributions**

- 20 % EU Funding (for Cross Border or Cross Natural Barrier Projects, up to 50% in Cross-border Sections)
- Private Contributions: 20%
- Rest of Funding: Member States , EIB



# 7

## **Monitoring, Role of NGOs Government Failures**

20

### **1 Process of Procurement**

- **Lobby Groups; Projects and Political Career**
- **State as a Promoter**
- **Systematic Underestimation of Costs and Overestimation of Benefits**
- **No Interest in Ex-post Evaluation**

### **2 Possible Change**

- **Role of Coordinator and Protector of Social Interest as well as of the Environment**
- **Clear Set of Performance Specifications**
- **Quality Control. Observatory of Progress**



# 7

## Monitoring, Role of NGOs

21

### Private Failures

#### 1 Process of Procurement

- Lobbying for Projects, Rent Seeking Behavior
- Partial Optimisation, Fragmentation of the Networks
- Reinvestment in Value Adding Segments
- No Interest in Strict Auditing

#### 2 Possible Change

- Public Framework for Concession Finance
- Shorter Life of Concessions, Tender
- Benchmarking (Yardstick Competition)
- Improved Contracts (No Cost-plus Contracts)



# 7

## Monitoring, Role of NGOs

22

### Role of NGOs

#### 1 Participation in Project Procurement

- Setting Performance Criteria (Economic, Social, Environmental)
- Representing the Stakes of Users and Taxpayers
- Protecting the Groups Exposed to Harmful Impacts

#### 2 Participation in Quality Control and Auditing

- Observatory for Project Development
- Construction and Operation Phase
- Benchmarking
- Control of Recontracting and Tendering Processes