

Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2210(COS)	Procedure completed
Trans-European transport network: financing projects by public-private partnerships		
Subject 3.20.11 Trans-European transport networks		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	TRAN Transport and Tourism		04/02/1998
		UPE DANESIN Alessandro	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		
	ECON Economic and Monetary Affairs, Industrial Policy		16/02/1998
		PSE ETTL Harald	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2032	13/10/1997
	Transport, Telecommunications and Energy	2031	09/10/1997
	Economic and Financial Affairs ECOFIN	1846	22/05/1995

Key events			
22/05/1995	Debate in Council	1846	Summary
10/09/1997	Non-legislative basic document published	COM(1997)0453	Summary
09/10/1997	Resolution/conclusions adopted by Council		
13/10/1997	Debate in Council	2032	
16/01/1998	Committee referral announced in Parliament		
27/10/1998	Vote in committee		Summary
27/10/1998	Committee report tabled for plenary	A4-0372/1998	
12/01/1999	Debate in Parliament		
13/01/1999	Decision by Parliament	T4-0017/1999	Summary
13/01/1999	End of procedure in Parliament		

14/04/1999	Final act published in Official Journal		
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Technical information	
Procedure reference	1997/2210(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/4/09289

Documentation gateway					
Non-legislative basic document		COM(1997)0453	10/09/1997	EC	Summary
Economic and Social Committee: opinion, report		CES0293/1998 OJ C 129 27.04.1998, p. 0058	25/02/1998	ESC	
Committee report tabled for plenary, single reading		A4-0372/1998 OJ C 359 23.11.1998, p. 0004	27/10/1998	EP	
Text adopted by Parliament, single reading		T4-0017/1999 OJ C 104 14.04.1999, p. 0038-0067	13/01/1999	EP	Summary

Trans-European transport network: financing projects by public-private partnerships

The Council took note of the details that Commissioner KINNOCK provided on the progress of the priority projects defined in the conclusions of the European Council meeting in Essen and of their financing requirements. The Council agreed to return to this matter at its forthcoming meeting in June with a view to preparing the proceedings of the European Council meeting in Cannes. To that end, it asked the Commission to prepare a specific timetable - project by project - for the financing.

Trans-European transport network: financing projects by public-private partnerships

OBJECTIVE: this communication describes how the Commission intends to follow up the recommendations of the High-Level Group on Public-Private Partnership Financing of Trans-European Transport Network Projects. **SUBSTANCE:** the report of the High-Level Group, set up at Commissioner Kinnock's initiative in September 1996, indicates that Public-Private Partnerships (PPPs) are an essential instrument in the development of the Trans-European Networks (TEN) envisaged in the Maastricht Treaty. The Commission therefore intends to take rapid action on the recommendations of the High-Level Group for action by the Commission in order to assist in the creation of PPPs for financing TEN projects. The Commission calls on the Member States to identify very quickly the specific projects for which the establishment of a PPP would be appropriate. The Commission for its part has identified a certain number of projects on which it will concentrate its efforts with a view to speeding up the conclusion of agreements on a PPP structure, the establishment of which would be entrusted primarily to the private sector: the HST south; the PKBAL, Dutch section; the Brenner tunnel; the new Berlin airport; the Semmering tunnel and the Piraeus-Athens rail link. The Commission also announced a series of initiatives in progress or for the future: - the establishment of revised guidelines on the application of EC public procurement legislation to transport infrastructure concessions; - clarification of the guidelines on the application of EC competition legislation; - discussions with the EIB and EIF on the possible development of structurally subordinated and early operational loans; - consultation of private sector investors on the possibility of setting up a mezzanine fund focused on TENs; - consideration of possible methodologies for assessing project benefits at a European level and establishment of a European database. Lastly the Member States are urged to make strong efforts to implement those recommendations of the High-Level Group requiring action on their part. They are therefore asked to: - seek to involve the private sector at the earliest possible stage of infrastructure project development; - work to remove barriers to the creation of ad-hoc project vehicle companies; - press ahead with the reform of their railway industries; - cooperate with the private sector in developing the necessary instruments to finance projects; - integrate environmental consideration at the earliest possible stage into their planning process. ?

Trans-European transport network: financing projects by public-private partnerships

By adopting Alessandro DANESIN's (EPP, I) report on public-private partnerships in trans-European transport networks, the Committee pointed out that the EU will fail to make significant progress in the realisation of these networks unless private investment is made available. The level of funding from the Union fell visibly short of what was required for the needs and challenges arising from the creation of the TENs.

The financial reference amount for Community aid of the TENs was ECU 1800m for the financial period 1995-1999 and the financial perspectives submitted for the period 2000-2006 proposed only the allocation of ECU 5bn. At national level, the persisting problems of financing the TENs were caused by restrictions affecting public investment. The Committee took the view that private public partnerships (PPPs) should be used as a key instrument for the creation of the TENs. But the success of PPPs required a genuine alliance and a clear and suitable division of project risks between the two sectors on the basis of the necessary equilibrium between commercial and socio-economic criteria. It was essential to establish, at both national and Community level, a suitable framework for the mobilisation of the private sector in the area of infrastructure, in particular by creating conditions of legal security. This was vital if the participation of private capital was to be encouraged. The Committee called on the member states to devote at least 1,5% of their budget resources to the TENs, especially in view of the multiplier effect of such investment for the economy and jobs. Finally, the Commission should submit proposals for forms of long-term funding and should, together with the EIB and the EIF, examine the possibility of improving the existing Community resources.?

Trans-European transport network: financing projects by public-private partnerships

The resolution drafted by Alessandro DANESIN (I,EPP) supporting the involvement of the private sector in TENs programmes with high priority given to environmental protection was approved by the European Parliament. The report expresses the Parliament's conviction that without private investment the EU will fail to make significant progress with TENs within a reasonable time. The Parliament considers that TENs policy and financing should respect the goals of a sustainable mobility policy, promoting a more integrated use of all transport modes, in particular, intermodal transport favouring more environmentally-friendly modes, respect for the environment and safety, as well as the internationalisation of external transport costs and suitable arrangements to ensure that infrastructure users contribute to the relevant investment and maintenance costs. In the view of the Parliament, the success of public-private partnerships (PPPs) depends upon respect for an equilibrium between commercial and socio-economic criteria in project planning and a suitable division of risks. It considers that at both national and Community level, a suitable framework is required for the mobilisation of the private sector in the area of infrastructure, in particular by creating conditions of legal security. The Parliament appeals to Member States to devote at least 1.5% of their budget resources to TENs, especially in view of the multiplier effect of such investment for the economy and jobs. Finally, it requests that the Commission make proposals for new forms of long-term funding and, in cooperation with the EIB and the EIF, examine the possibility of improving the existing Community financial resources.?