



Is the extension of the TEN-T network beyond EU borders a priority?

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External dimension of TEN-T

The TEN-T regulation in force since 2013 includes a specific provision on the cooperation with third countries (Art. 8)

- **Indicative maps of third countries included in Annex III to the regulation.**
- **Maps now cover : Western Balkans, Turkey and Eastern Partners.**
- **Next steps : Euromed**

Is it enough to extend the maps?

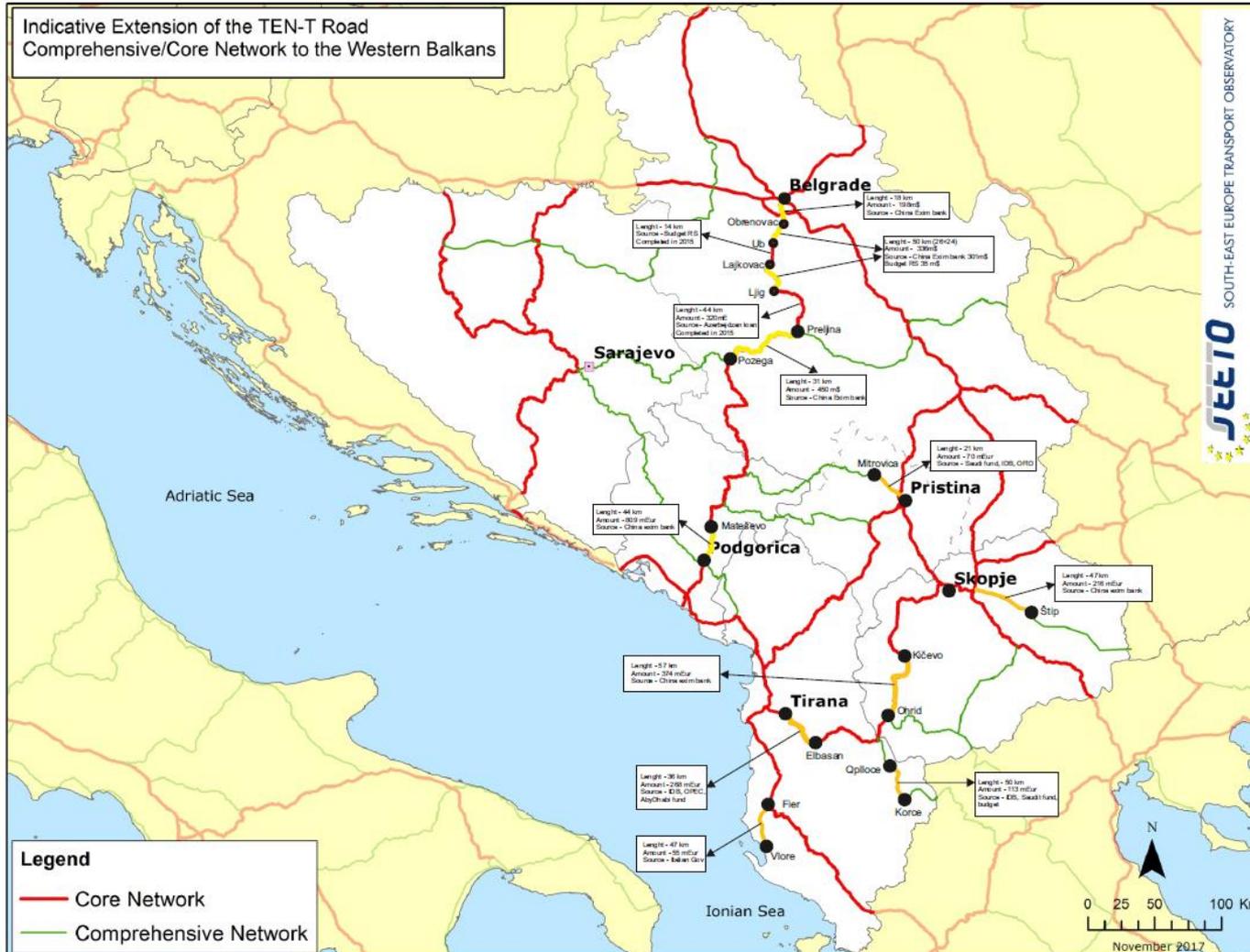
NO

In view to cope with the present challenges in transport, our objective is to go beyond the "network" dimension.



European Commission

Indicative Extension of the TEN-T Road Comprehensive/Core Network to the Western Balkans



JEE10 SOUTH-EAST EUROPE TRANSPORT OBSERVATORY



European Commission



Concerns

Most of these projects raise concerns related to alignment with EU acquis and standards in particular as regards:

Public procurement;

Transparency;

State aid;

Competition;

Transport interoperability and the type of project selected;

Environment;

Health and safety at work;

Public debt.

What are these challenges that EU is facing in its neighbourhood?

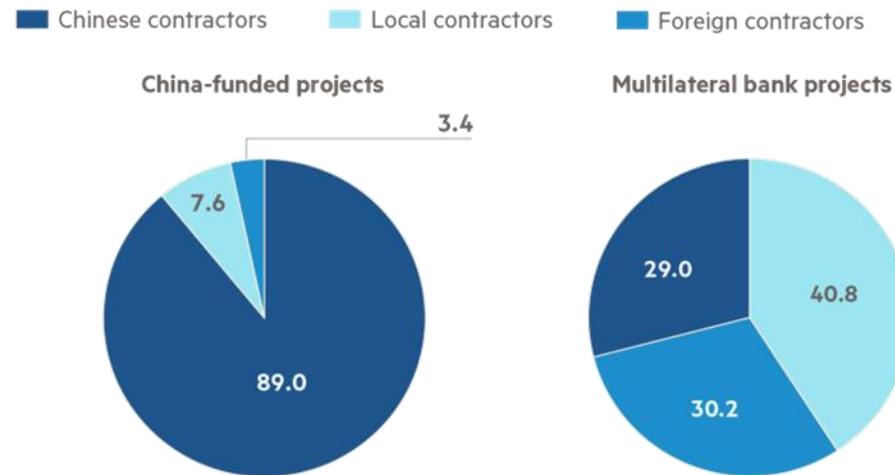
*New players : **China** but not only (in Western Balkans : RU, TK, AZ...and US).*

- *Setting new World's priorities : **Belt and Road Initiative***
- *Bringing funding (loans) to finance projects*
- *Competing with EU financing and EU financing management.*
- *Increasing the debt of these countries*
- *Lack of compliance with international norms (procurement – environment – social) and offering "new" technical standards*
- ***Results** : increasing their political influence – setting new policy priorities in transport – financing wrong projects.*

An imbalanced framework

Chinese companies win majority of Eurasia projects

Distribution (%)



Study covers 178 transport infrastructure projects funded between 2006-18 by either Chinese institutions or the World Bank and Asian Development Bank

Source: CSIS Reconnecting Asia Project

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Why is this problematic for the TEN-T in particular?

1. *Bringing funding but bypassing rules.*
2. *Bringing money but not always complying with the agreed priorities*
3. *Win – win : foreign companies and banks / Lose – Lose local companies and tax-payers.*
4. *Cost per km ? Quality ?*
5. *Distorting competition at the expenses of EU companies.*

NETWORK – POLICY – MARKET INTEGRATION

- **NETWORK** : maps – common priorities and same technical standards.
- **POLICY** : sharing the same objectives (for instance : road safety) – transposing key transport acquis (EaP).
- **MARKET INTEGRATION** : setting a "transport community" with non MS countries (Western Balkans).

From regional cooperation to transport market integration

Euromed

Regional transport network integration.

Eastern Partnership

Infrastructure cooperation + regulatory convergence in specific transport fields

Western Balkans

Candidate countries :
Infrastructure + acquis + priorities + market access
: **Transport Community**

Transport Community Treaty with the Western Balkans : the game changer.

- *Last step of policy integration before accession;*
- *Same legal framework to apply;*
- *Same transport policy to adopt;*
- *Requires strong efforts from WB countries, **BUT** :*
- *Opening of the markets (when acquis fully transposed and applied);*
- *T.A and support through the Permanent Secretariat of the TCT to implement reforms.*

What next?

- **Financing: more ambition / better management of the funding on a merit base.**
- **Integration requires full commitment of MS : more efforts to be done.**
- **Need to work on administrative capacity.**