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EU Neighbourhood Transport Plan

What are the key actions proposed by the Commission?

To achieve closer transport market integration with the neighbouring countries, the Commission today published a new EU Neighbourhood Transport Action Plan setting out over 20 actions for the short and longer term to strengthen transport connections. The full detail of these measures are set out in the *Communication on "The EU and its neighbouring regions: A renewed approach to transport cooperation."*

Aviation

In the aviation sector, closer integration with the EU's neighbours aims to create a wider European Common Aviation Area, covering 1 billion people in the EU and all neighbouring countries on its southern and eastern borders. The annual growth in the number of air passengers between the EU and the Southern neighbourhood has been 6.7% on average and 11.6% between the EU and Eastern neighbourhood in the period 2004-2009.

Proposed actions:

- Complete negotiations for comprehensive air services agreements with neighbours that are interested and ready to participate;
- Continue assistance for the modernisation of air traffic management systems;
- Assist in achieving EU and international levels of aviation safety and security;
- Integrate neighbours into the Single European Sky.

Maritime and inland waterway transport

In terms of tonnage, 90% of freight movements between the EU and the rest of the world are seaborne. The vision for maritime transport is one of quality shipping that is competitive and has good environmental, safety and security performance. This is a shared interest of the EU and of its neighbours, who share regional seas.

Proposed actions:

- Help to improve Flag State performance and compliance with safety, security and social standards;
- Promote the participation of neighbouring countries in the European SafeSeaNet and CleanSeaNet services;
- Assist in achieving EU and international standards in inland navigation;
- Promote closer integration of the neighbouring countries to the "Blue Belt" of free maritime movement in and around Europe.
- Promote the implementation of the Motorways of the Seas concept

Road transport

Road transport plays a key role in trade flows with those neighbouring countries with which the EU shares a land border. However, cumbersome administrative procedures at border crossings remain an obstacle to the efficient flow of goods between the EU and its neighbours in the East. On average, 40% of total transportation time is lost at the borders due to divergences in administrative procedures. Low levels of road safety in neighbouring countries are also an issue of direct concern for the EU.

Proposed actions:

- Assist in digital tachograph deployment;
- Help neighbouring countries to develop and implement actions that increase road safety, from awareness campaigns to road safety audits;
- Study the potential effect of gradual road market opening with selected neighbouring countries;
- Strengthen customs cooperation with Belarus, Moldova and Ukraine to facilitate border crossings;
- Enlarge the scope of the Interbus Agreement to include international regular carriage of passengers by coach and bus and extend it to countries covered by the European Neighbourhood Policy.

Rail transport

The most significant rail freight flows between the EU and its neighbours are East-West. In the last decade, there has been a 7% increase in the volume of rail freight between the EU and its immediate neighbours in the East (Belarus, Moldova and Ukraine). Growth of up to 40% in rail freight demand with the EU's Eastern Neighbours is forecast by 2020.

In the EU, opening of the rail freight market has enabled new companies to enter the market, lowered prices and initially increased volumes despite the effects of the economic crisis. A further boost could be given to the railway sector by strengthening rail cooperation with neighbouring countries.

Proposed actions:

- Specify the 1520/1524 mm track gauge system in the standards developed by the European Railway Agency (ERA);
- Promote the deployment of the European Rail Traffic Management System (ERTMS) in neighbouring countries;
- Promote the participation of enlargement and neighbouring countries in the activities of the ERA;
- Study trans-shipment (from 1520 mm to 1435 mm and vice versa) practices at connecting points and try to improve them, including via research activities;
- Explore the possibility of an opening of the rail market with the ENP countries.

Infrastructure connections

To improve and promote infrastructure connections, the Commission will focus on three key elements: defining the networks, prioritising projects and mobilising financing.

Proposed actions:

- Define strategic transport networks in neighbouring regions connected to the revised TEN-T;
- Prepare a potential pipeline of priority transport projects that connect the neighbouring countries with the EU;
- Strengthen the Commission's transport cooperation with the International Financial Institutions;
- Enlarge the scope of the TENtec Information System to cover all countries in the neighbouring regions.

BACKGROUND

Why is the Commission proposing this policy?

One of the EU's most ambitious policies is the development of closer relations between the European Union and its neighbours to the East and South, promoting democracy, pursue sustainable economic growth and manage cross border links. Closer economic integration and increased mobility of goods and passengers with our neighbours is both a great opportunity and a challenge for the future.

With this Communication the Commission has set out a policy framework for promoting transport infrastructure and market development in the EU's neighbourhood through transport, enlargement and neighbourhood policies.

Missing links in infrastructure, lack of security and safety and cumbersome administrative procedures hamper transport flows. The Commission has put forward a number of measures to make transport connections with the neighbouring countries more efficient.

Those measures target both infrastructure connections and transport operations. On infrastructure, the Trans-European Transport Network will have to join up the EU and Neighbouring countries through transport infrastructure priority projects. On operations, measures set out by the Commission aim at ensuring the interoperability between the EU transport system and those of neighbouring countries.

For example, integrating neighbouring countries in the EU's internal aviation market will offer more business opportunities for the operators and a greater choice to passengers.

What are the countries covered by this Communication?

This Communication brings a renewed approach to transport cooperation with the regions and countries covered by enlargement¹ and European Neighbourhood² (ENP) policies, with an emphasis on the ENP region. With countries covered by enlargement policy, cooperation is well advanced, and can be a model for more intensive transport cooperation with neighbourhood countries.

¹ Candidate countries: Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Turkey. Potential candidates: Albania, Bosnia and Herzegovina, Serbia, Kosovo (under UNSCR 1244/99).

² ENP East: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine; ENP South: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Occupied Palestinian Territory, Syria, Tunisia.

What do we want to achieve?

Transport contributes significantly to our economy. It enables goods to be distributed efficiently and citizens to travel freely. The transport industry directly employs around 10 million people and accounts for about 5% of GDP in the EU. So far, much has been achieved in making the European transport system more efficient. Market opening and development of Trans-European transport networks have removed barriers and bottlenecks. Through closer cooperation in transport, similar benefits can be extended to our neighbours.

Our new transport cooperation policy aims to cut time and resources spent on transport of goods and passengers. Closer transport cooperation can deepen economic integration between the EU and its neighbours. Closer transport market integration can make transport connections faster, cheaper and more efficient, but this should not come at the expense of unfair competition or lower safety, security, environmental and social standards

Transport cooperation with the EU's neighbours goes beyond infrastructure. Procedures and standards especially in the field of safety need to be improved. For instance, a highway or high-speed rail link will not be viable if border crossing procedures are the main obstacle and if safety, security, environmental and social aspects are neglected. The Commission will continue to tailor transport cooperation to the needs of each sub-region.

How will neighbouring regions benefit?

The EU is a major political and economic partner of countries in its neighbouring regions. Improving transport connections and promoting a safe, secure and environmentally friendly transport system can help our neighbours to become economically stronger and politically more stable. .

Prospects for closer integration rely on the ability and readiness of neighbouring countries to move towards EU standards. Based on its own experience, the EU can help the neighbouring countries to make necessary reforms.

To improve infrastructure connections, firstly the EU can help its neighbours to define regional networks to be connected with the TEN-T. Secondly, it can help to identify priority projects that will alleviate bottlenecks in particular in cross-border connections. Thirdly, it will seek closer cooperation with the international financial institutions in order to mobilise financing.

How will the EU benefit?

Citizens and businesses in the EU and in neighbouring regions are the direct beneficiaries of improved transport cooperation, which aims to reduce the time and resources spent on transport of goods and passengers.

The extension of the Trans-European Transport Network (TEN-T) beyond the EU's borders can facilitate the flow of goods and passengers and increase economic activity with neighbouring regions. Closer transport integration will also offer new market opportunities for companies, both in the EU and neighbouring countries. Having common safety and security standards on both sides of the border will ensure a level playing field for all operators and companies.

How will the EU work with its neighbours?

Frameworks for implementation of this Communication, in relation to planning of transport infrastructure and also to policy cooperation, have already been established in both the Western Balkan and Southern Neighbourhood regions. In the Western Balkans, regional transport cooperation is dealt with within the framework of the South East Europe Transport Observatory (SEETO). In the Southern Neighbourhood, transport cooperation is guided by the Regional Transport Action Plan for the Mediterranean region 2007-2013 within the Euromed framework.

In order to strengthen cooperation with the EU's Eastern neighbours specifically, the Commission proposes to set up a Transport Panel under the Eastern Partnership initiative.

How will the policy be financed?

Actions up to 2013 will be financed with existing resources through better prioritisation of projects and measures. The EU can provide grants from the Neighbourhood Investment Facility (NIF), to be complemented with additional funding from the IFIs. To date, around 25% of the €745 million available under the NIF in 2007-2013 has been allocated for transport infrastructure projects.

It is clear that the EU alone does not have resources to finance all transport infrastructure connections. The Commission intends to work closely with neighbouring countries, Member States and International Financial Institutions to agree on common priorities and mobilise financing for projects that are beneficial both for the EU and for neighbouring countries.

In its recent proposal on the next Multiannual Financial Framework, the Commission proposed adding flexibility to possible financing for strategic infrastructure projects linking the EU and its neighbours. This will be followed up in the negotiations on the future financial framework.

The Context

With the entry into force of the **Lisbon Treaty**, the EU has committed itself to developing a special relationship with neighbouring countries. The Treaty also provides that the Union may decide to cooperate with third countries to promote projects of mutual interest and to ensure the interoperability of networks).

The **Europe 2020 Strategy** attaches importance to deploying external aspects of our internal policies for fostering EU economic growth. This is particularly true of transport policy, as efficient border crossings, shorter and faster connections and liberalisation of markets facilitate the flow of goods and people across the EU's borders.

In March 2011, the Commission adopted a **Roadmap to a Single European Transport Area – Towards a competitive and resource-efficient transport system** for increasing mobility and fuelling growth and employment. In this roadmap, the Commission proposed extending the EU's transport and infrastructure policy to our immediate neighbours and opening up third country markets in transport services.

The Commission will propose a **revised TEN-T policy** in autumn 2011. This policy also aims at better connecting the TEN-T with the infrastructure networks of neighbouring countries.

The Commission has recently **reviewed the European Neighbourhood Policy**, the policy framework for the EU's relations with its neighbouring partner countries and proposed a new response to a changing neighbourhood. In this review, the EU's neighbours in the East and South were offered deeper economic integration through closer cooperation in different policy sectors.