



Press Release
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EU-funded investments in airports provide poor value for money, say EU auditors

A report published today by the European Court of Auditors (ECA) reveals that EU-funded investments in airports have not generated the expected results and have produced poor value for money. Due to a lack of adequate planning and forecasting, say EU auditors, some of the funded airports were situated too close to one another, while some of the construction projects were too big for the numbers of planes and passengers involved.

“We found that some airports were not profitable in the long term, some were underused and some were not used at all,” commented George Pufan, the ECA Member responsible. “European air traffic is set to double by 2030. If Europe is going to meet this extra demand, both the Commission and the Member States must improve the way they invest in our airports by funding only those which are profitable and for which there is a real investment need.”

The EU auditors examined investment projects at 20 airports – in Estonia, Greece, Italy, Poland and Spain – which received more than €600 million of EU money from 2000 to 2013. The auditors found that only half of these airports could show the need for EU-funded investment and that funded infrastructure was often underused, with some €38 million worth not being used at all.

Only half of the airports audited increased passenger numbers, while, for more than half of them, air traffic forecasts significantly over-estimated increases. In Cordoba, for example, fewer than 7 000 passengers travelled in 2013, against the 179 000 forecast. In addition, for most airports there was little evidence of an improvement in customer service or of regional socio-economic benefits, such as the creation of additional jobs.

Seven of the airports, mostly those with fewer than 100 000 passengers per year, are not financially self-sustainable and will struggle to remain in operation without more public money. In Greece, for example, Kastoria’s revenue of €176 000 for 2005-2012 was dwarfed by the €7.7 million it cost to keep the airport open over the same period. The auditors concluded that a further €16.5 million invested in an extension to Kastoria’s runway (which has never been used for the type of aircraft for which it was built) cannot be considered an effective use of public funds.

For most of the audited airports, the auditors found delays in construction and in the delivery of infrastructure, with an average delay of almost two years. Almost half of the airports experienced cost overruns, which meant that the Member States had to spend almost €100 million more from their national budgets than initially envisaged.

The auditors found that funding was not well coordinated by the Member States; for example, Estonia, Greece, Italy and Spain had no strategic long-term airport development plan. Moreover, the funding was insufficiently supervised by the Commission, which generally does not know which airports are receiving funding or what sums are involved. This situation prevents it from having a complete picture of all EU investments going to airports and limits its possibilities for monitoring and ensuring that policies are properly designed and implemented.

The purpose of this press release is to give the main messages of the special report adopted by the European Court of Auditors. The full report is on www.eca.europa.eu

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Notes to editors

ECA special reports are published throughout the year, presenting the findings of selected audits of specific EU budgetary areas or management topics.

This Special Report (21/2014) entitled “**EU-funded airport infrastructures: poor value for money**” analyses EU-funded investments in airport infrastructures and examines whether there was a proven need for the investments, whether the constructions were completed on time and on budget, and whether the new or upgraded infrastructure was fully used. The audit, carried out between May 2013 and October 2014, also assessed whether the investments resulted in higher passenger numbers and improved customer service, and whether the funded airports were financially viable.

The EU allocated some €4.5 billion over the 2000-2013 programme periods to airport infrastructures via the ERDF, the CF and the Trans-European Transport Networks (TEN-T). More than €2.8 billion came from the ERDF and CF, and 75 % of this was invested in Greece, Italy, Poland and Spain.

The audit focused on 20 EU-funded airports in five Member States (two in Estonia, three in Greece, five in Italy, two in Poland and eight in Spain). These airports received total EU funding amounting to 666 million euro during the 2000-2006 and 2007-2013 programme periods through the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), of which 460 million euro was audited.

The EU auditors' conclusions

The EU-funded investments in airports produced poor value for money. Too many airports, which were often in close proximity to each other, were funded and in many cases the EU-funded infrastructures were oversized. Only half of the audited airports succeeded in increasing their passenger numbers, and improvements in customer service were either not measured or not evidenced.

The EU auditors' recommendations

- The **Commission** should ensure during the 2014-2020 programme period that Member States only allocate EU funding to airport infrastructures in those airports which are financially viable and for which investment needs have been properly assessed and demonstrated. This should be part of the approval and monitoring of Operational Programmes carried out by the Commission.
- The **Member States** should have coherent regional, national and supranational plans for airport development to avoid overcapacity, duplication and uncoordinated investments in airport infrastructures.

The Commission provides assurance in its replies, which are attached to this report, that lessons have been learned from this experience. As a result it has put into action a radically different approach in the relevant legislation for the 2014-2020 programme period.