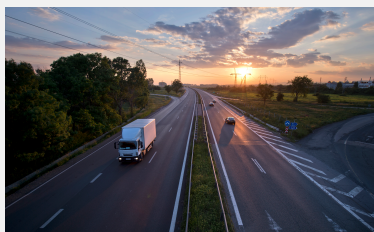




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Audit preview

Information on an upcoming audit



Roads connecting European regions

May 2019

Transport is an important sector of the EU economy that contributes to economic growth and plays a vital role in today's mobile society. Roads, in particular, are still the main mode of inland freight and passenger transport.

As far back as 1996, the Commission issued guidelines on developing a trans-European transport network, including a road infrastructure network. While EU funding has helped to improve links between Member States and regions in recent decades, there are still gaps and missing links in the road network. Maintaining this road infrastructure is another important issue. Without proper maintenance, infrastructure can deteriorate, negatively affecting the quality and safety of roads.

The European Court of Auditors is conducting an audit, which aims to assess whether the Commission's actions ensure that the Member States' national road plans and programmes supported by EU funding give priority to the timely completion and functioning of the TEN-T core network and the improvement of connectivity for citizens.

If you wish to contact the audit team, you may do so at the following email address: ECA-european-roads-audit@eca.europa.eu.

Contents

| | |
|--|-----------|
| Introduction – Road transport in the EU | 4 |
| The policy and legal framework | 6 |
| EU funding for the road network | 7 |
| State of play | 10 |
| Roles and responsibilities | 11 |
| Focus of the audit | 12 |

Introduction – Road transport in the EU

Transport is an important sector of the EU economy. It contributes to economic growth and plays a vital role, in today's mobile society, in moving both people and goods. Moreover, as of 2016, it provided employment to over 11 million people – more than 5 % of the EU's workforce.

Roads are the main mode of inland passenger and freight transport in the EU and, despite attempts to shift traffic to other modes of transport, are likely to remain so for the foreseeable future. Building roads and making them more accessible is important for stimulating economic growth.

However, the EU's road network is incomplete. For example, the Member States in Central and Eastern Europe are not well served by east-west connections, nor are they well linked to each other. While connections have improved in recent decades, notably with the help of EU funding, some links are still missing.

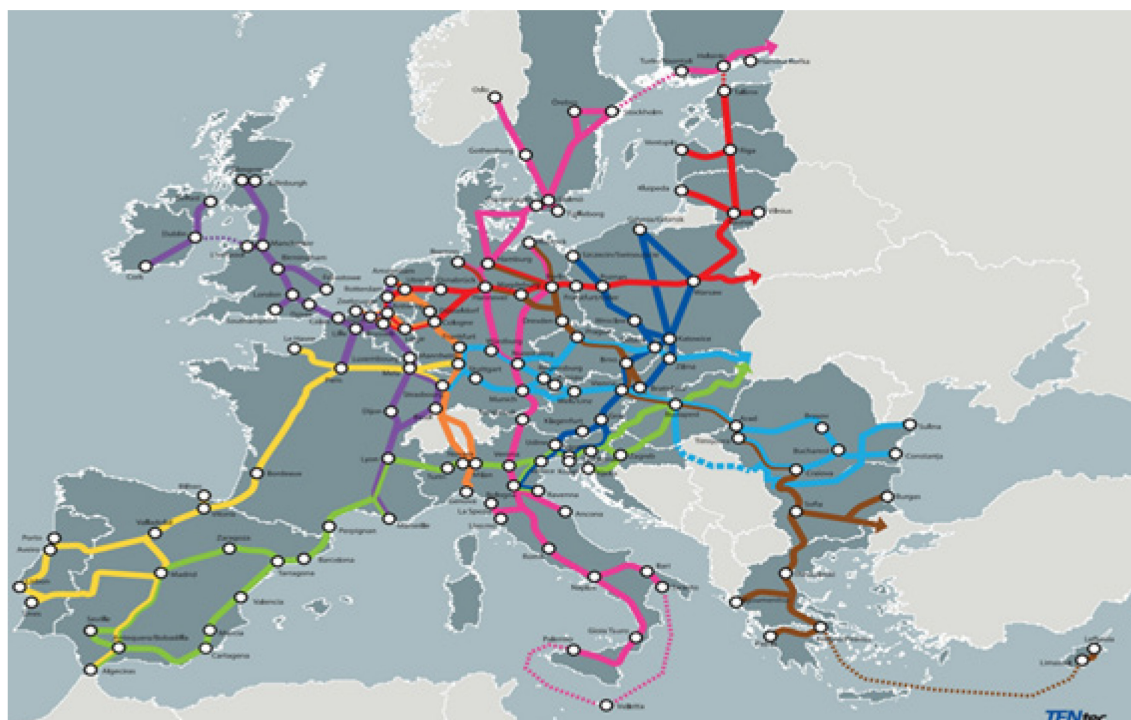
Trans-European transport network

As far back as 1996, the Commission issued guidelines for the development of the trans-European transport (TEN-T) network. After frequent amendments, in 2013 the guidelines were incorporated into a TEN-T regulation, which is the main strategic and implementing tool for developing the network.

The TEN-T regulation introduced a two-layer structure of core and comprehensive networks, as well as binding deadlines for their completion (2030 and 2050 respectively). According to the regulation, the core network shall consist of those parts which are of the highest strategic importance for achieving the objectives of the trans-European transport network policy¹, while the comprehensive network should ensure the accessibility and connectivity of all regions.

A multimodal corridor approach was introduced as a tool for synchronising the development of the core network and coordinating different projects on a transnational basis (see [Figure 1](#)).

Figure 1 – TEN-T core network corridors



Atlantic, Baltic-Adriatic, Mediterranean, North Sea-Baltic, North Sea-Mediterranean, Orient-East Mediterranean, Rhine-Alpine, Rhine-Danube, Scandinavian Mediterranean

Source: European Commission.

There are nine corridors, covering almost the entire core network. For roads, the main indicator used by the Commission is the total number of km meeting the criteria for motorway or express way road types.

Table 1 – The nine corridors of the core network

| Corridor | Length of corridor road infrastructure | Meeting criteria for road class (motorways/ express ways) |
|------------------------------|--|--|
| Atlantic | 4 400 km | 99 % |
| Baltic-Adriatic | 3 600 km | 84 % |
| Mediterranean | 5 500 km | 98 % |
| North Sea – Baltic | 4 100 km | 70 % |
| North Sea – Mediterranean | 4 200 km | Fully compliant except for some last mile connections to ports |
| Orient/East – Med | 5 400 km | 88 % |
| Rhine – Alpine | 1 700 km | Only one section not compliant |
| Rhine – Danube | 4 500 km | 77 % |
| Scandinavian – Mediterranean | 6 300 km | 99 % |

Source: ECA, based on the third set of corridor work plans, which are the most up to date. The data in these work plans are not standardised and also refer to different years (2014-2017). The length of corridors is approximate.

The policy and legal framework

Transport strategy is governed by the Treaty on the Functioning of the European Union (TFEU). In 1996, the Commission issued guidelines for the development of the TEN-T network. They have been frequently amended and in 2013 were incorporated in a regulation² which is the main strategic and implementing tool for the development of the TEN-T network.

This regulation gives legal form to the White Papers, the key documents for transport, including roads. The Commission establishes a White Paper roughly every ten years. The most recent one, entitled the “Roadmap to a single European transport area”³, was published in 2011 and sets out four general strategic initiatives to be followed.

The framework for the EU funding of trans-European networks is provided through the Connectivity Europe Facility (CEF) Regulation⁴, the Common Provisions Regulation (CPR) and fund-specific regulations⁵.

EU funding for the road network

EU funding for the development of the TEN-T policy is available through several instruments. The EU grants for roads in the 2007-2020 period amount to approximately €82 billion, half of which has been spent on the TEN-T core and comprehensive networks. EU funding represents an important part of the total government capital expenditure on transport in the EU-12⁶.

European Regional Development Fund and Cohesion Fund

The major source of EU grants for co-financing roads are the European Structural and Investment Funds, managed by the Commission, under shared management. The European Regional Development Fund (ERDF) and Cohesion Fund (CF) allocations to roads for the 2007-2020 period amount to around €80 billion: approximately €50 billion for the 2007-2013 programme period and around €30 billion for the 2014-2020 period (see [Table 2](#)).

Table 2 – EU funding allocated to road projects (in million €)

| Instrument | 2007-2013 | 2014-2020 | Total |
|-------------------------------------|-----------|-----------|---------------|
| ERDF and Cohesion Fund | 50 095 | 29 566 | 79 661 |
| TEN-T | 402 | NA | 402 |
| Connectivity Europe Facility | NA | 1 660 | 1 660 |
| Total | 50 497 | 31 226 | 81 723 |

Source: ECA, based on DG REGIO data as of 15.10.2018.

ERDF and Cohesion Fund support has been allocated during the two programme periods to projects concerning either construction or renovation of roads which are part of both the TEN-T core and the comprehensive network and outside the TEN-T network.

During the 2007-2013⁷ and 2014-2020⁸ programme periods, the share of ERDF and CF support to roads allocated to the TEN-T network was 45 % during the 2007-2013 programme period and around 60 % during the 2014-2020 programme period, of which 30 % was for the core network (see [Table 3](#)).

Table 3 – ERDF and CF allocations to roads projects, within and outside the TEN-T network (in million € and as share of total allocations for roads)

| Programme period | Core network | Comprehensive network | Outside TEN-T network |
|------------------|---------------|-----------------------|-----------------------|
| 2007-2013* | 22 626 (45 %) | | 27 469 (55 %) |
| 2014-2020* | 8 947 (30 %) | 8 846 (30 %) | 11 773 (40 %) |
| 2007-2020 | 40 419 (51 %) | | 39 242 (49 %) |

* For the 2007-2013 period, the categorisation given in Commission Regulation (EC) No 1828/2006 does not make any distinction between the core and comprehensive networks. The table is based on the assumption that the category “national roads” (code 22) is outside the TEN-T network.

Source: ECA based on DG REGIO data.

Allocation of ERDF and CF

The major beneficiaries of ERDF and CF support for roads are central and eastern European Member States. Poland alone accounts for almost 40 % of ERDF and Cohesion Fund allocations to road projects for the 2007-2020 period. In those Member States progress in completing the core road network varied. At the same time, almost half of the ERDF and CF support for roads was allocated to road projects outside the core and comprehensive networks during the 2007-2020 period.

As well as new construction, both the ERDF and the CF support the reconstruction and improvement of existing roads. For the 2014-2020 period, approximately 31 % (around €9.2 billion) of CF allocations to roads targeted reconstruction or improvement. In particular, Poland, Romania and the Czech Republic each allocated more than one billion euros from the ERDF and the CF to the reconstruction or improvement of roads.

TEN-T/Connecting Europe Facility

The Connecting Europe Facility instrument, directly managed by the Commission, is also a source of funding for road projects, including cross-border projects, but to a much more limited extent than cohesion policy support, as most of the CEF allocation is spent on more sustainable modes of transport, such as rail. Grants to road projects account for €0.4 billion from the TEN-T during the 2007-2013 period, and approximately €1.7 billion from the CEF during the 2014-2020 period (see [Table 2](#)). Out of the €1.7 billion allocated from the CEF to roads for the current programme

period, €798 million is for infrastructure projects, while the rest is focused on more technological projects.

Other sources of EU funding

Other sources of EU funding are also available for the construction and reconstruction of roads. In particular, the EU uses financial instruments such as loans and guarantees to attract private investment in transport, as follows:

- the CEF debt instrument, which uses the EU budget to provide guarantees mainly for European Investment Bank (EIB) financing, has supported seven road projects with a total cost of approximately €4.4 billion;
- the EIB Group and the Commission jointly launched the European Fund for Strategic Investments (EFSI) in 2015 to help to meet current needs in the EU. So far, it has provided financing of €1.5 billion for six road projects⁹.

In addition, the EIB has provided approximately €140 billion in loans for transport projects in the 2007-2018 period, of which around 80 % relate to road infrastructure¹⁰.

Road maintenance

The Commission has recently raised concerns over inadequate maintenance and a maintenance backlog in the Member States¹¹. Without proper maintenance, infrastructure can deteriorate, negatively affecting the quality and safety of roads.

The Commission is not directly responsible for road maintenance in the Member States; this is up to national, regional and local authorities. One problem is that different methodologies and standards are used to define maintenance needs and there is no comprehensive assessment being carried out at EU level. Data on maintenance is therefore difficult to compare and Member State reporting on maintenance, where it exists, is not harmonised.

In principle, road maintenance work is not eligible for EU funding. However, for the 2014-2020 period, the Commission requires Member States using EU funding for roads to include maintenance measures in their comprehensive transport plans.

In the proposed Regulation governing funding for the 2021–2027 period, the Commission has included a prerequisite or “enabling condition” that authorities must, among other things, have the necessary resources to cover maintenance costs¹².

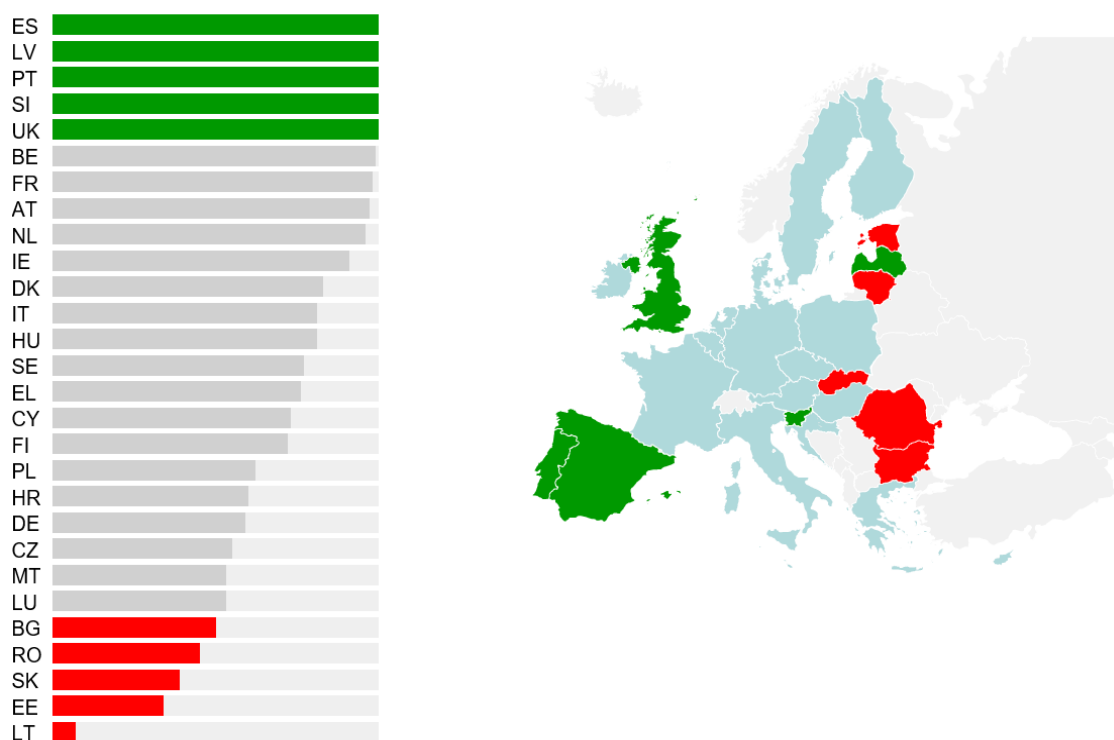
Under the proposal, failure to meet this condition would result in expenditure related to the specific objective in question being deducted from payment applications.

State of play

The binding deadline for the completion of the TEN-T core network is 2030. While some Member States had already completed their part of the network by the end of 2015, some countries still have a lot to accomplish (see [Figure 2](#)).

Only the completed network can bring optimal results in terms of connectivity between Member States and within their regions, e.g. shorter journey-times for passengers and freight, increased capacity on better roads and perhaps shorter waiting times at borders. There are still missing links and bottlenecks and it is not certain that the entire network will be finished on time.

Figure 2 – Completion of TEN-T road core network (as of end 2016)



Source: https://ec.europa.eu/transport/facts-fundings/scoreboard/compare/investments-infrastructure/ten-t-completion-roads_en

Several factors are contributing to the slow progress in some Member States. One may be the scale of funding required, since the whole core network covering all modes of transport is estimated to require 500 billion euros for the 2021-2030 period (1.5 trillion euros including the comprehensive network and other transport investments)¹³, while infrastructure investments have been reduced in the aftermath of the 2008 financial crisis.

Others relate to inefficient regulatory and administrative procedures that slow down implementation. In addition, Member States may lack incentives to prioritise core network projects, especially on the cross-border sections.

Roles and responsibilities

European Commission

DG Mobility and Transport (DG MOVE) is responsible for the EU roads policy, in particular for the design and monitoring of the TEN-T road network implementation. DG MOVE is also responsible, under direct management for EU funding for road infrastructure through the Connecting Europe Facility (CEF).

Directorate-General Regional and Urban Policy (DG REGIO) provides financial support through the European Structural and Investment Funds, which are implemented by Member States under shared management.

In shared management, the Commission entrusts the Member States with implementing operational programmes nationally. Operational programmes define how the Member States will spend money from the ESIF during a programme period. For the ESIF, DG REGIO plays a supervisory role by satisfying itself that the arrangements governing the management and control systems are compliant with all applicable EU regulations.

Member States

National and regional authorities are ultimately in charge of all the roads-related investments and activities they manage which have been supported by EU funding. Member States allocate funds to final recipients based on amounts earmarked in operational programmes. The Member State has the primary responsibility for setting up a management and control system, which aims to ensure the effective and efficient delivery of investment projects.

Member States are also responsible for adequately maintaining the TEN-T road network.

European Coordinators

European Coordinators facilitate the coordinated implementation of the core network corridors (there is a Coordinator for each of the nine corridors). They act in the name and on behalf of the Commission. They are appointed by the Commission upon

agreement with the Member States concerned and after consulting the European Parliament and the Council. They prepare corridor work plans, monitor their implementation and report on progress. The publicly available work plans, which should highlight the challenges and show progress, are approved by the Member States concerned.

Focus of the audit

When examining whether the Commission's actions ensure that the Member States' road strategies and EU funding are aligned with EU priorities in order to achieve timely completion of the TEN-T core network and improve connectivity for citizens, we will examine whether:

- the Commission has ensured that Member States' road plans and programmes provide for the timely completion and maintenance of the TEN-T core network;
- the Commission has ensured that EU funding for roads addresses the EU priority for the completion of the core network;
- the TEN-T core network is on track for timely completion, thus improving connectivity between Member States.

In the course of our audit, we will analyse key issues identified during the preparation phase of this audit. Since these issues have been identified before the audit work commences, they should not be regarded as audit observations, conclusions or recommendations.

In our assessment we will draw on the results of audit visits to Bulgaria, the Czech Republic, Spain and Poland. On the basis of this work we will then contact and, if necessary, visit other stakeholders in order to obtain any additional relevant data and information.

We will also draw on the ECA's landscape review on transport¹⁴ and previous audits in which we examined road related topics¹⁵.

ABOUT ECA SPECIAL REPORTS AND AUDIT PREVIEWS

The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas.

Audit previews provide information in relation to an ongoing audit task. They are based on preparatory work undertaken before the start of the audit and are intended as a source of information for those interested in the policy and/or programme being audited.

If you wish to contact the team in charge of this audit, please do so through the following e-mail address: ECA-european-roads-audit@eca.europa.eu.

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- ¹ Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU, Article 38.
 - ² Regulation (EU) No 1315/2013 of 11 December 2013 on Union guidelines for the development of the trans-European transport network (OJ L 348, 20.12.2013, p. 1).
 - ³ COM(2011) 144 of 28.3.2011, *Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system*.
 - ⁴ Regulation (EU) No 1316/2013 of 11 December 2013 establishing the Connecting Europe Facility (OJ L 348, 20.12.2013, p. 129).
 - ⁵ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.
 - ⁶ Investment in transport accounted for over 40 % of total government capital expenditure on transport over the 2007-2013 period in the EU-12 (the 10 Member States which joined the EU in 2004 plus Bulgaria and Romania); see the *Commission's Seventh report on economic, social and territorial cohesion, 2017*, p. 198.
 - ⁷ Categorisation of expenditure for roads for the period 2007-2013, 7 dimensions, priority themes 20 to 23: 20 Motorways, 21 Motorways (TEN-T), 22 National roads, 23 Regional/local roads (Commission Regulation (EC) No 1828/2006).
 - ⁸ Categorisation of expenditure for roads for the period 2014-2020, 7 dimensions, intervention fields 28 to 34: 28 TEN-T motorways and roads – core network (new build), 29 TEN-T motorways and roads – comprehensive network (new build), 30 Secondary road links to TEN-T road network and nodes (new build), 31 Other national and regional roads (new build), 32 Local access roads (new build), 33 TEN-T reconstructed or improved roads, 34 Other reconstructed or improved road (motorway, national, regional or local) (Commission Implementing Regulation (EC) No 215/2014).
 - ⁹ Six projects in Germany, France, Italy, the Netherlands and Slovakia:
<http://www.eib.org/en/efsi/efsi-projects/index.htm?c=&se=5>
 - ¹⁰ EIB financed projects as of October 2018 (<http://www.eib.org/en/projects/loan/list/index>).

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- ¹¹ DG Grow Discussion Paper, European Commission, *Transport in the European Union Current Trends and Issues* – 2018, Impact assessment accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures, SWD(2017) 180 final of 31.5.2017, European Parliament *resolution of 19 January 2017 on logistics in the EU and multimodal transport in the new TEN-T corridors*.
- ¹² Article 67(3) of the Proposal for a regulation laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument, COM(2018) 375 final, 29.5.2018.
- ¹³ European Commission, *“Delivering TEN-T: Facts & figures”*, September 2017.
- ¹⁴ ECA Landscape Review *“Towards a successful transport sector in the EU: challenges to be addressed”*, 2018.
- ¹⁵ ECA Special Report 19/2018: A European high-speed rail network: not a reality but an ineffective patchwork
- ECA Special Report 13/2017: A single European rail traffic management system: will the political choice ever become reality?
- ECA Special Report 05/2013: Are EU Cohesion Policy funds well spent on roads?
- ECA Special Report 08/2016: Rail freight transport in the EU: still not on the right track
- ECA Special Report 09/2018: Public Private Partnerships in the EU: Widespread shortcomings and limited benefits.

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