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## POSITION PAPER



The European Union Road Federation

# Roads and Europe's Enlargement Placing the user at the heart of transport policy



## Introduction

In April 2003, Europe's heads of states and governments fittingly called the enlargement process a "new contract between our citizens, and not merely a treaty between states". This statement applies above all to Europe's Common Transport Policy, which will constitute a decisive factor for the socio-economic integration of citizens living in a Union now stretching from Portugal to Estonia. What good are open borders unless these countries' citizens and transport professionals can enjoy the full mobility benefits conferred by an enlarged European Union ? What happens in transport will heavily influence the success of enlargement as a whole.

**As the "Voice of the European Road", the European Union Road Federation (ERF) extends a warm welcome to the ten new Member States. We firmly believe that they offer the enlarged Union many more opportunities than problems and are committed to help them achieve an efficient, competitive and sustainable road transport system.**

## Executive Summary

On May 1<sup>st</sup> 2004, ten new countries representing some 75 million citizens will be joining the European Union in its largest extension to date. At the heart of this extension, transport will play a predominant role in ensuring freedom of movement for people and goods in an enlarged Union.

For all ten new Member States, enlargement comes at a time of increased transport demand brought on by economic growth and long-term societal patterns. Road transport in particular is set to increase by 4% a year – a trend which will not be contained through arbitrary attempts to restore the balance between transport modes. Instead, the region needs to move towards West-European standards of infrastructure development, road safety and environmental protection.

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Connecting the new Member States to the Trans-European Network via adequate levels of investment is crucial in overcoming the **infrastructure challenge**. According to ERF estimates, 14 000 km of new motorways need to be built within the next 10 years simply to offer similar levels of network accessibility to Central and Eastern European citizens. In a context of scarce public resources, ERF believes this can be achieved by prioritising financial assistance to those projects that meet well-defined socio-economic criteria, by enlisting support from the private sector through targeted incentives and by setting the conditions for a level playing field between the different modes of transport .

Another crucial challenge rests in identifying pragmatic ways of **curbing congestion and emissions**, particularly in urban areas. Europe's towns and regions have experimented with a large variety of measures, but those which have succeeded are the ones which reconcile personal mobility needs with legitimate societal aspirations for cleaner and quieter forms of transport. ERF believes the greatest untapped potential comes from the road sector itself through network optimisation, ITS and the widespread introduction of low-emission cars.

Finally, an answer needs to be found to the burning issue of 12,000 yearly casualties on Central and Eastern European roads. ERF believes the answer lies in adopting an **integrated approach to road safety** with better driver education, enhanced traffic law enforcement and a new approach to road infrastructure safety management.

Successfully meeting these challenges requires a visionary transport policy which fulfils the expectations of European citizens and elevates transport to its envisioned function, an affordable and sustainable service connecting citizens and economies.

## Roads and Europe's Enlargement Placing the user at the heart of Transport policy

### One size does not fit all

Enlargement is often thought of as an eastward extension of the Union to a landmass of homogeneous former Soviet-bloc countries. While some Central and East European Countries (CEEC) do indeed share similar characteristics (e.g. GDP per capita, car ownership levels), the different geographic, demographic and economic situations actually offer highly contrasted scenarios.

In the haulage sector, roads have already acquired a dominant role in the transports of goods in the Czech Republic, Bulgaria and Hungary but remain outweighed by the monopolistic rail sector in the Baltic states. Elsewhere, road haulage is dwarfed by sea-shipping in Cyprus and Malta whose combined flags represent a tonnage almost equivalent to that of the fleet of all current EU Member States put together. Even road safety presents very diverse situations within the new Member States: with 13.9 deaths per 100,000 population, Slovenia's record is nothing to blush about (see table 1).

In short, painting a uniformly bleak picture of paralysed, polluted and unsafe roads in Central and Eastern Europe simply does not do justice to the real progress that has accompanied the region's move towards free-market economy. At worst, nightmarish scenarios only serve as an excuse for imposing outdated ideological concepts which have patently failed in the EU.

Road traffic growth will not be contained through arbitrary attempts to restore the balance between transport modes irrespective of the specificities of each country. Instead, adapted, pragmatic and market-friendly answers need to be found for the essential challenge which lies in helping the region move towards West-European standards of infrastructure development, road safety and environmental protection.

Country	Road	Rail	Inland Waterways	Pipeline
Cyprus	100	-	-	-
Czech Rep.	65.6	29.6	1.6	3.2
Estonia	36.2	63.8	-	-
Hungary	55.5	25.9	4.8	13.7
Latvia	16.2	56	-	27.8
Lithuania	35.4	48.4	-	16.2
Poland	48.3	37.8	0.6	13.3
Slovakia	27.7	62.9	9.3	-
Slovenia	42.2	57.8	-	-

Table 1 : Goods Transport modal split per country in ton-kilometres – 1999 (source : ERF)

## A new deal for Europe's transport policy

The basic commitment - and considerable task - all ten new Member States accepted upon signing the Accession Treaty was to embrace the European single market by applying the full *acquis communautaire* from the first day of Membership. In the 10 years since the Maastricht Treaty clarified Europe's competences in the field of Transport, the EU has built up a considerable body of law now estimated to account for 10% of the overall *acquis*, covering everything from driver training and digital tachographs to the transport of dangerous goods.

However, while the *acquis* is a fundamental pillar of the European single market, it does not constitute a transport policy in its own right. Social and technical harmonisation need to be accompanied by a visionary policy which meets the expectations of European citizens and elevates transport to its envisioned function, an affordable and sustainable service connecting citizens and economies.

By all accounts, transport demand is set to significantly increase throughout the ten new Member States as they catch up with the GDP per capita of current EU Members. According to EU figures, private car travel in Central and Eastern Europe is growing by 4% a year and will account for 80% of passenger transport by 2030 (source : European Energy and Transport Trends to 2030).

By contrast, the same statistics point to a lasting collapse of rail passenger traffic and especially goods traffic east of the Vienna meridian going from an index base of 100 in 1985 to index 42 in 1999.

The answers offered today by Europe's transport policy-makers to cope with this rising demand have failed to understand the geographic and economic causes behind road transport's growing popularity for Europe's new Member States. Many of these are natural transit countries at the junction between several pan-European corridors where the rise of transport services has accompanied a long-term decline of agriculture and heavy industry. In addition, massive foreign investment and corporate outsourcing strategies have brought fundamental changes in the labour market and the demand in personal mobility.

Enlargement is therefore a unique opportunity for a new deal for Europe's transport policy, based on the following considerations :

- roads are above all a major purveyor of socio-economic welfare, accounting for 7% of total employment and up to 10% of total fiscal income,
- congestion and pollution are primarily an urban issue which will not be resolved by investing in a handful of high-profile inter-urban rail projects,
- the implementation of technological progress has already significantly improved road transport's overall environmental performance,
- the conditions must be established for a free competition between transport modes and enhanced participation from the private sector.



## Setting the conditions for a pan-European transport network

The conferences of the European Ministers of Transport held in Crete (1994) and Helsinki (1997) identified a series of pan-European routes crossing Central and Eastern Europe and deemed of strategic value to international traffic.

These corridors were the basis of the 1999 Transport Investment Needs Assessment (TINA) and played an important role throughout the 1990s in helping prioritise financial aid and coordinate transport policy in Central and Eastern Europe where rail and road renovation projects were essentially designed to meet internal needs.

However, the Union's enlargement will significantly alter the situation by accelerating traffic flows and increasing the need for better cross-border network coordination. These fundamental changes make it necessary to combine together the Trans-European Networks of the 15 EU countries with the pan-European corridors and set up a **unitary pan-European transport network of the 25 EU countries** coordinated on at European level and based on the establishment of well-chartered European axes that rise above purely national interests.

In a report published in June 2003, the High Level Group on Trans-European Networks (van Miert Group) gave a useful insight into the criteria which could be used to define these European axes :

- land and maritime links expected to have great significance in terms of inter-country trade,
- links which address the accessibility needs of peripheral regions,
- links with proportionally high volumes of long distance traffic.

In addition to these criteria, ERF believes European axes must be evaluated according to their capacity to **offer anchorage with neighbouring countries**, particularly in the Balkan Region and Mediterranean Basin which share clear socio-economic interests with the European Union.

### The 10 Pan-European Corridors

Corridor I – Road & rail: 995 km running from Helsinki (Finland) to Kaliningrad (Russia)

Corridor II – Road & rail : 1.830 km running in parallel for the most part from Berlin (Germany) to Nijni Novgorod (Russia)

Corridor III – Road & rail. Total length 1.640 km running in parallel for the most part from Berlin (Germany) to Kiev (Ukraine)

Corridor IV – Multimodal link EU-South-Eastern Europe: 3.258 km running from Berlin (Germany) to Istanbul (Turkey)

Corridor V – Road & rail: 1.600 km running from Venice (Italy) to Sarajevo (Bosnia)

Corridor VI – Road, rail & combined transport: 1.800 km running from Gdansk (Poland) to Ostrava (Czech Republic)

Corridor VII - Waterway route on the Danube from Germany to the Black Sea

Corridor VIII – Road, rail & combined transport: 1.300 km running from Durrës (Albania) to Varna (Bulgaria)

Corridor IX – Road, rail & port expansion: 6.500 km running from Helsinki (Finland) to Ormenio (Bulgaria)

Corridor X – Road & rail: 2.360 km running from Salzburg (Austria) to Sofia (Bulgaria).

## The investment challenge

The European Commission's 2001 White Paper : *European Transport Policy for 2010, Time to Decide*, rightly stated that "the first challenge in making enlargement a success will be to connect the future Member States to the Trans-European Network".

The Commission has put the cost of this interconnection at some EUR 100 billion, based on the final conclusions of the 1999 Transport Infrastructure Need Assessment programme. This amounts to roughly 20 000 km of roads and 30 000 km of rails which need to be built or significantly upgraded. Work has already begun, thanks to Europe's pre-accession instruments (ISPA and PHARE) and long-term loans from the European Investment Bank, almost half of which have gone to transport projects.

However, much remains to be done in order to align the road infrastructure standards in the new Member States. As a case in point, only 3% of the Polish road network currently meet the EU standards for maximum axle loads, with the result that international traffic is limited to main transit routes. The upgrade of Polish roads alone will require EUR 1 billion per year over the next 15 years. Overall, the average density of motorways in the new Member States is less than one fifth of the current EU average (see table 2). These figures suggest that simply in order to reach average European levels of motorway accessibility, **14 000 km of motorways need to be built in Central and Eastern Europe within the next 10 years.**

As the European Parliament made it clear in its 2002 report on the White Paper: "the 0.14% of GDP with which the Union intends to meet the budgetary needs arising from enlargement suggest that the extent of the challenge has not been fully understood".

Both the European Institutions and the ten new Member States have a role to play in building and maintaining a modern, well-interconnected transport network. In a context of scarce public resources, ERF believes this can be achieved by:

Motorway density (km/1,000 sq. km)	
EU 15 average	17
Candidate Country average	2.7
Cyprus	26
Czech Republic	6
Estonia	2
Hungary	6
Latvia	0
Lithuania	6
Malta	0
Poland	1
Slovakia	6
Slovenia	21

Table 2 : Motorway density

- ✓ **prioritising financial assistance:** infrastructure projects must be selected on the basis of a transparent evaluation of their cost- efficiency, environmental effects, and contribution to Europe's cohesion objectives (job creation, European competitiveness, etc.).
- ✓ **enlisting support from the private sector:** investment in long-term transport infrastructure projects must be made more attractive to private investors. Europe's new Member States must be able to experiment with different approaches to Public Private Partnership.
- ✓ **setting the conditions for a level playing field between the modes:** for years, Europe's governments have extensively subsidised a handful of monopolistic public operators at great cost to their economies (which routinely amount to 1-2% of GDP in CEEC) and with limited tangible results. Costs and deadlines for a progressive shift to free market competition need to be established so that public transport is no longer a drain on public finances.

## A clean and safe road network

While the previously ubiquitous Ladas and Trabants have lost their dominant position, Central and Eastern Europe's ageing car and lorry fleet nevertheless presents serious environmental and safety challenges. Europe has made clear commitments in both areas, in particular by signing the 1997 Kyoto Agreement and by giving itself until 2010 to cut road deaths by half. However, until the "generational leap" in the region's car fleet becomes a reality, much can be done to improve the sustainability of road transport.

One of these challenges rests in identifying pragmatic ways of curbing congestion and road-related emissions, particularly in urban areas where 80% of Europe's population works and lives. Europe's new Member States need only look to the West where a bewildering array of local transport policy measures have been experimented within the last decade. Those measures which have succeeded are the ones which have reconciled personal mobility needs with legitimate societal aspirations for cleaner and quieter forms of transport. Efficient public transport in urban areas undoubtedly forms one part of the equation, but the greatest untapped potential comes from the road network itself. Local authorities in Central and Eastern Europe can do much to optimise the existing road network, for instance by providing incentives for car-pooling, and through targeted road infrastructure improvement, such as building ring roads to relieve city centres. Within a matter of years, the development of Intelligent Transport Systems (ITS) applications and widespread use of low-emission vehicles will deliver further improvement in environmental protection and traffic fluidity.

Perhaps the greatest challenge of all, however, rests with improving the region's road safety statistics. Over 12,000 citizens kill themselves every year on the roads of Europe's new Member States, a figure which could grow with rising car ownership combined with more novice drivers behind the steering wheel. The answer lies in adopting an integrated approach to road safety which combines better driver education, enhanced traffic law enforcement and a new approach to road infrastructure safety management. In Central and Eastern



Europe, too many motorists die as a result of poorly planned, designed, signposted and maintained road networks. ERF's own research has conclusively demonstrated that these situations can be solved through a combination of the following measures :

- **road safety impact assessments** as part of the initial cost-benefit analysis of any new road project,
- **road safety audits** to be carried out at the planning, design and early operations of new roads by qualified teams of experienced auditors undertaking a review of potential hazards before they occur,
- **black spot eradication** : high-risk road sections must be carefully monitored and remedial measures must be ranked according to their cost-effectiveness,
- **road safety inspections** : the entire road network should be regularly inspected from a safety point of view,
- **comprehensive road maintenance programmes** to ensure that the lack of upkeep of road networks does not lead to unsafe driving situations.

## **Time to decide**

Enlargement will offer significant new opportunities to the transport sector as enhanced trading, increased economic growth and societal mobility aspirations stimulate demand for better transport services.

What the leaders of an enlarged Europe must do is seek a balance between a sound regulatory framework and a cultural shift towards liberalisation in the transport sector. What they must at all costs avoid is a repeat of the same tired old policies.

## **The European Union Road Federation**

The ERF is a non-profit association which coordinates the views of Europe's road sector and acts as a platform for dialogue and research on mobility issues.

For further information on the activities of the ERF :



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