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Economic Commission for Europe**Inland Transport Committee****Eighty-first session**

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Strategic questions of a horizontal policy nature:**Partnerships and activities of other organizations of interest to the Committee****Transport developments in the European Union in 2018****Submitted by the European Commission****Summary*

This note provides the Inland Transport Committee with:

(a) A brief review of some of the main activities, policy developments and decisions by the European Union (EU) in the course of 2018, relevant for the countries in the United Nations Economic Commission for Europe (ECE) region and particularly for the Inland Transport Committee to consider in light of its regional and global activities; and

(b) Information about cooperation between the EU and ECE.

It is intended to supplement the oral information provided by the representative of the European Commission at the session of the Inland Transport Committee (ITC). Related ITC activities are highlighted to facilitate the discussion.

I. Introduction

1. EU transport policies aim at fostering clean, safe and efficient mobility throughout Europe, underpinning the internal market of goods and the right of citizens to travel freely throughout the EU. The main actions — new legislations, consultations, publications,

* This document was submitted late due to delayed inputs from other sources.

initiatives — carried out by EU during 2018 in the field of inland transport, and also relevant for non-EU countries, are illustrated below.

II. Transport Infrastructure

A. Connecting Europe Facility (CEF)

2. In February, the Commission adopted the report on the mid-term evaluation of the Connecting Europe Facility (CEF). The evaluation assessed the programme's overall performance in light of its objectives, and what has been achieved to date. Regarding transport financing, the report recognises that CEF has brought a clear added value, in particular for the completion of the Trans-European Transport Network (TEN-T) core network by 2030 and for the low-emission mobility ambition.

3. The conclusions of the evaluation, as well as the on-going consultation on strategic infrastructure funding, will provide recommendations for the post-2020 Multiannual Financial Framework and the next generation of financial programmes.

4. CEF is a key EU funding instrument promoting growth, jobs and competitiveness through targeted infrastructure investment at EU level. It supports the development of high performing, sustainable and efficiently interconnected trans-European networks in the fields of transport, energy and digital services. In the field of transport, CEF has so far supported over 690 projects with EU funding of €23 billion, which represents a total investment (CEF grants combined with other funding sources) of €48.3 billion in EU transport infrastructure. Most such funding has been oriented towards projects in sustainable modes of transport such as railways and inland waterways as well as horizontal priorities such as Innovation and New Technologies and traffic management systems for increased safety and interoperability.

B. Trans-European Transport Network (TEN-T) European Coordinators Bodewig and Secchi present progress report on innovative financing to European Parliament

5. Two and a half years after the publication of their Action Plan on how to make the best use of innovative financial schemes for European transport infrastructure projects, Prof. Kurt Bodewig and Prof. Carlo Secchi presented in April a report in which they reflected on the progress made so far and on further recommendations.

6. In their report, both authors acknowledged that a number of things have moved forward following their recommendations, especially with regard to the successful launch of the European Fund for Strategic Investments (EFSI). At the same time, there are still opportunities to further mobilise finances, improve the quality of projects and improve and streamline the regulatory environment. All this to the benefit of transport infrastructure projects in order to move passengers and merchandises swiftly and efficiently within territories and across borders.

7. It is estimated that €500 billion will still be needed over 2021-2030 to complete the core infrastructure of the TEN-T. This figure rises to €1.5 trillion to complete the entire network by 2050. Mobilising more private financing and generating new sources of financial support is thus crucial to reach these very high amounts.

8. Their progress report highlights a variety of measures that are still needed to be implemented as to help ensure that the TEN-T is realised on time.

C. Trans-European Transport Network (TEN-T) Days 2018

9. The TEN-T Days 2018 were held on 25-27 April in Ljubljana, Slovenia. The event was attended by more than 2,300 transport experts and decision-makers, including 4 members of the European Commission, and 26 Ministers, 17 of which from European Union Member States, and focused on smart, sustainable and safe mobility on the TEN-T and the appropriate investment in transport connectivity. TEN-T Days 2018 also offered a new, dynamic format of bringing innovators of futuristic mobility solutions together with investors. In a so-called "Idea Acceleration Marketplace", the European Commission gave fifty start-ups and other project promoters a platform to present their ideas or projects and to meet new investors as well as public and private partners from across Europe. The ideas and projects presented a clear link to the TEN-T such as applications on digital and low-emission mobility, improving (road) safety and security, and on smart cities. Also more than 100 exhibitors showed innovative transport solutions and technologies, including an innovative electric plane were present in the event.

D. European Union Budget for the Future: Connecting Europe Facility

10. In May 2018, the Commission proposed a pragmatic, modern, long-term budget for the 2021-2027 period. Regarding transport investments, the Connecting Europe Facility (CEF) has been recognised as delivering European added value and the EU continues to invest in connectivity and in connecting Europe. The future programme will deliver connected, smart, sustainable, inclusive, safe and secure mobility. The proposed budget for CEF Transport is €30.6 billion including a general envelope of €12.8 billion, and a cohesion fund allocation of €11.3 billion. In addition, the Commission proposes that the Union enhance its strategic transport infrastructures to make them fit for military mobility. A dedicated budget of €6.5 billion is foreseen through the Connecting Europe Facility.

11. CEF is just one element of the Commission's proposal for the next EU long-term budget. The Commission is proposing a modern, simple and flexible budget:

(a) Modern: A new Union of 27 needs a new, modern budget that shows that Europe has learnt the lessons of the past. This means further cutting red tape for beneficiaries and managing authorities by making rules more coherent on the basis of a single rulebook. And it also means setting clearer objectives and focusing more on performance. This will make it easier to monitor and measure results — and to make changes when necessary.

(b) Simple: The structure of the budget will be clearer and more closely aligned with the Union's priorities. Today, funds are spread over too many programmes and instruments, both within and outside the budget. The Commission therefore proposes to reduce the number of programmes by more than a third (from 58 currently to 37 in the future), for example by bringing fragmented funding sources together into new integrated programmes and radically streamlining the use of financial instruments, including through the InvestEU Fund.

(c) Flexible: Recent challenges — especially the migration and refugee crisis in 2015 — have clearly shown the limits of flexibility in the current EU budget to react quickly and effectively enough. The Commission's proposal therefore includes increased flexibility within and between programmes, strengthening crisis management instruments and creating a new "Union Reserve" to tackle unforeseen events and to respond to emergencies in areas such as security and migration.

12. The European Council on 13-14 December 2018 agreed on the aim of achieving an overall EU long-term budget agreement at the European Council in Autumn 2019.

Negotiations between the Council of the European Union and the European Parliament are progressing well and this target remains achievable.

E. European Union - China Summit: deepening the strategic global partnership for transport

13. At the third meeting of the EU-China Connectivity Platform, held in the margins of the Summit and chaired for the EU by Commissioner Violeta Bulc, the two parties reaffirmed their commitment to transport connectivity on the basis of respective policy priorities, sustainability, market rules and international coordination.

14. The exchanges focused on:

- the policy cooperation based on the TEN-T framework and the Belt and Road initiative, involving relevant third countries between EU and China;
- cooperation on transport decarbonisation and digitalisation, including in international fora such as the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO);
- cooperation on investment projects based on sustainability criteria, transparency and level-playing field to foster investment in transport between EU and China.

15. The joint agreed minutes of the Chairs' meeting are available, along with the list of European transport infrastructure projects presented under the EU-China Connectivity Platform.

F. European Union investment in transport infrastructure

1. Connecting Europe Facility (CEF) Transport

16. In 2018, the Commission adopted 3 decisions concerning the selection of projects for CEF funding: the decisions relating to the two phases of the 2017 Blending call for the proposals and the decision concerning the 2017 Single European Sky Air Traffic Management System (SESAR) call.

17. Under the Blending call, which aimed at supporting projects combining CEF grants with loans and guarantees from the EIB, EFSI or private financing institutions, overall 74 sustainable and innovative transport infrastructure projects were selected for over €1.4 billion of CEF co-funding.

18. Under the SESAR call, 14 projects concerning the modernisation of Europe's air traffic management were selected for CEF co-funding of over €290 million.

19. The Commission also launched two new calls for proposals which will unfold in 2019:

- The CEF 2018 Multi-Annual call for an indicative budget of €450 million. The call focuses on several funding priorities under the cross-sector themes of digitalisation, road safety, and multimodality in support of the Commission's third Clean Mobility Package of 17 May 2018. The selection decision is scheduled for adoption in mid-April 2019.
- The 2019 Annual call for an indicative budget of €100 million. The call aims to support (1) cross-border projects (rail and road) and connections to and the development of maritime ports on the TEN-T comprehensive network (€65 million), as well as (2) actions to reduce rail freight noise (€35 million). The deadline for

submission of proposals is 24 April 2019 and the outcome of the selection process is expected in October 2019.

20. Looking ahead, the Commission in coordination with its Innovation and Networks Executive Agency is constantly reviewing progress in project implementation and applying the 'use-it-or-lose-it' principle as appropriate with a view to re-utilising reflow funds in new calls for proposals in 2019/2020.

2. European Structural and Investment Funds (ESIF) (transport)

21. For the period 2014-2020, cohesion policy is financed by the European Structural and Investment Funds (ESIF). The ESIF include five different funds, which are all covered by Regulation (EU) No 1303/2013 of the European Parliament and of the Council. Transport is mainly covered by Structural and Cohesion Funds. The Cohesion Fund allocates a total of €63.4 billion to activities related to the development of the trans-European transport networks, notably priority projects of European interest as identified by the EU. The Cohesion Fund will support infrastructure projects under the Connecting Europe Facility.

3. European Fund for Strategic Investments (EFSI) (transport)

22. As of December 2018, €69.5 billion of EFSI finance has been approved triggering investments of €371.2 billion. As of the December EFSI Investment Committee, EFSI has been approved for 67 operations contributing to transport objectives triggering a total €27 billion in related investment. This represents around 11 per cent (%) of the overall investment from the Infrastructure and Innovation Window (IIW) of the EFSI.

23. In addition, 6 programmes have been preapproved for €2.6 billion of EFSI financing.

4. Sustainable finance (capital market)

24. In May 2018 the Commission presented a package of measures which include the establishment of a unified EU classification system of sustainable economic activities ('taxonomy'). The proposal sets harmonised criteria for determining whether an economic activity is environmentally-sustainable. The ultimate aim is to develop a system that provides businesses and investors with clarity on which activities are considered sustainable so they take more informed decisions.

25. A Taxonomy Working Group (TWG) has been set up to recommend technical screening criteria, which will allow the Commission to assess whether economically sustainable activities are eligible for the taxonomy.

26. In a first round, the Transport TEG worked on the segments with the highest share in the overall CO₂ emissions from transport (i.e. land transport and road transport in particular). A public consultation was launched in December to seek feedback on the first proposed activities that contribute substantially to climate change mitigation and to answer questions on the usability of the taxonomy. The transport sub-sectors included in this first round are passenger and freight rail transport; public transport; infrastructure for low carbon transport; light passenger cars and commercial vehicles; freight transport services by road; and interurban scheduled road transport services of passengers. The consultation will close on 22 February 2019.

E. Transport Community in the Western Balkans

27. In 2018 we achieved several important objectives:

(a) On policy priorities, 3 declarations representing the commitment of the Western Balkans 6 to deliver — with the EU support — on a regional rail strategy, on a comprehensive action plan on road safety, on a comprehensive action plan on border crossing facilitation;

(b) On supporting tools: following the agreement governing the relations between the Transport Community and Serbia, the host country of the Permanent Secretariat (July 2018, WB6 summit), the Council (EU) adopted the budget of the secretariat for 2019 and empowered the Commission to execute this budget and initiate the preparation of the secretariat of the Transport Community (19 December);

(c) On financing: at the Western Balkan summit in Sofia (18 May), €192.7 million from the Western Balkan Investment Framework (WBIF) were allocated to TEN-T projects in Western Balkans, which will generate more than 1 billion investments in the region.

G. New Trans-European Network maps to improve connectivity with Eastern Partnership countries

28. The European Commission in November adopted the maps of the Trans-European Transport Network (TEN-T core network) in Armenia, Azerbaijan, Belarus, the Republic of Georgia, the Republic of Moldova and Ukraine.

29. Close cooperation on transport infrastructure networks will foster connectivity between the European Union and our Eastern neighbours. It will make border crossings more efficient and improve road safety. Efficient transport networks create growth and jobs and enable to bring people closer together, and allow for goods to move.

30. This decision follows the signature of six high-level agreements between the EU and these six countries. The cooperation on infrastructure planning and development with neighbouring countries is part of the EU's policy for a TEN-T. The Council and the European Parliament now have two months of scrutiny period before the act can enter into force.

III. Road Transport

Training for professional drivers

31. The European Parliament overwhelmingly adopted in March the proposal improving the training of professional drivers during its plenary session in Strasbourg.

32. The Commission had proposed to enhance rules on professional drivers' training to improve road safety standards in February 2017, as a revision to Directive 2003/59/EC.

33. The proposal aims to:

- modernise the training by putting the accent on road safety, including for example the protection of vulnerable road users and the use of driver assistance systems, emphasizing the optimisation of fuel consumption and introducing the use of new technology, like e-learning options;
- clarify the rules on minimum ages between the Professional Drivers' Directive and EU rules on driving licenses;
- ensure the mutual recognition of training followed in a Member State different from the Member States of residence; and

- make the Directive clearer and easier to interpret.

34. In addition, the Parliament decided to establish an electronic exchange system for drivers' qualifications, which helps the mutual recognition of training undergone in another EU Member States and can also be used by enforcement authorities.

IV. Rail Transport

A. European Commission puts forward action plan to improve security of rail passengers in the European Union

35. In June 2018 the European Commission presented an EU action plan to improve the security of rail passengers and staff in the EU by establishing a new cooperation and coordination framework. The goal is to improve the prevention and response to possible terrorist attacks targeting rail services by creating an effective cooperative environment and make recommendations that will help Member States coordinate rail security actions efficiently.

36. While transport operators and authorities in the EU have been providing solutions to safety risks for a long time, emerging and evolving security risks are forcing them to put in place new and appropriate responses. Measures introduced unilaterally by individual Member States may create barriers, be under-optimised and generate costs. Part of the Action Plan was to establish an EU Rail Passenger Security Platform. A first meeting has been held in December 2018. The Platform will provide support in collecting information on rail security, developing possible technical guidance documents, on optimising the security of cross-border rail services and defining a coordination mechanism to avoid unilateral decisions at national level. It will play a key role in the efficient exchange of vital information at the EU level. It will also help Member States and rail stakeholders build a mechanism to quickly assess new threats and security incidents, and to undertake an appropriate coordinated response.

B. Rail: Better contingency management one year after Rastatt incident

37. Due to an incident near the German city of Rastatt one year ago, on 12 August 2017, a highly used rail track section was closed for all traffic for nearly two months. The section is part of the Rhine-Alpine rail freight corridor and connects the ports of Rotterdam, Hamburg and Antwerp to Switzerland and Italy, it is one of the busiest rail freight routes in the EU. Since alternative routes were limited in capacity and by interoperability, the incident led to very significant financial losses and was detrimental to rail freight.

38. The European Commission swiftly reacted to this incident and gathered key stakeholders to find European solutions, quickly establishing measures to mitigate such incidents more effectively in the future. The resulting Handbook for International Contingency Management describes standards that will - in case of an international disruption - allow for the continuation of rail traffic at the highest possible level. It assures better information on the status of the disruption, on actions taken, on alternatives and on traffic flow impacts.

39. A follow-up meeting on the Handbook for International Contingency Management is organised by the European Commission on 17 June 2019, to assess if the rail sector is — one year after its endorsement — better prepared for disruptions.

C. Eurobarometer on rail satisfaction: Europeans increasingly satisfied with passenger rail services

40. The European Commission published in September the results of a Eurobarometer survey on satisfaction of Europeans with rail services, which looked at who travels by train and why, as well as to what extent people are happy with the services provided.

41. According to the survey, 66% of Europeans are satisfied with the frequency of trains. Punctuality and reliability are also well received, with 59% of users satisfied. Moreover, 55% of Europeans are satisfied with the provision of information during the journey, particularly when facing a delay. These figures all represent significant improvements on the results of a similar survey carried out in 2013. The survey also provides an insight into travel habits. Four out of five (80%) Europeans travel by train, and they are most likely to use the train for suburban trips (67%). More than three quarters (78%) never make international trips by rail.

42. Significant room for improvement remains: only 38% of Europeans are satisfied with complaint handling mechanisms, and the accessibility of rail services for persons with reduced mobility requires further work. For example, only 41% of Europeans expressed satisfaction with assistance provided by station staff for persons with disabilities or persons with reduced mobility. The figures also show a need to strengthen the enforcement of passenger rights.

43. The survey shows that 75% of Europeans find that buying train tickets is easy and 62% are happy with the availability of tickets for the journeys using several trains and transport. It illustrates the value of continued efforts to promote multimodality — that is, the use of different modes or means of transport on the same journey — thereby increasing the attractiveness of rail services.

V. Inland Water Transport

44. In January the directive on the recognition of professional qualifications in inland navigation entered into force. This the Directive (EU) 2017/2397 of the European Parliament and of the Council of 12 December 2017 on the recognition of professional qualifications in inland navigation and repealing Council Directives 91/672/EEC and 96/50/EC.

Towards quality inland waterway transport — State of Play

45. The European Commission published in September a mid-term progress report on the EU inland waterway action programme - also known as NAIADES II - and a report on digital inland navigation (DINA). The NAIADES II progress report highlights that most of the foreseen actions regarding regulations, policy and financing have been achieved and it further identifies on-going actions until 2020 for further implementation of the NAIADES II programme.

46. The NAIADES II mid-term report presents progress achieved up to 2017 and the on-going actions for implementing NAIADES II until 2020. The report specifically focused on the six key areas of intervention:

- Quality infrastructure;
- Quality through innovation;
- Smooth functioning of the market;

- Environmental quality through low emissions;
- Skilled workforce and quality jobs;
- Integration of inland navigation into the multimodal logistics chain.

47. The NAIADES II action programme aims at creating the conditions for inland navigation transport to become a quality mode of transport. It was announced in 2013.

48. The report on Digital Inland Navigation follows up on the 'Digital Inland Waterway Area' study from October 2017. The report helps framing the discussion on the digitalisation of the inland waterways transport sector in order to seek synergies and improving interoperability in logistics and freight transport across Europe. It describes existing initiatives and tools in the area in an integrated way, including the findings of the previous study and ongoing Commission initiatives.

VI. Road Safety

Data show improvements in 2017 but renewed efforts are needed for further substantial progress

49. The 2017 EU road safety statistics showed, for the second year in a row, a decrease in the number of fatalities of around 2%.

50. About 25 260 people lost their lives on EU roads in 2017, which is 300 fewer than in 2016 (-2%) and 6 200 fewer than in 2010 (-20%). While this trend is encouraging, reaching the EU objective of halving road fatalities between 2010 and 2020 will now be very challenging. In addition, it is estimated that another 135 000 people were seriously injured last year, including a large proportion of vulnerable users: pedestrians, cyclists and motorcyclists. Beside the victims, road fatalities and injuries also affect the society as a whole, with an estimated socio-economic cost (Rehabilitation, healthcare, material damages, etc.) of €120 billion a year. All this calls for fresh efforts from all actors to make European roads safer. While national and local authorities deliver most of the day-to-day actions, such as enforcement and awareness-raising, the Commission is currently working on a series of concrete measures to spur further substantial progress.

51. With an average of 49 road fatalities per one million inhabitants, European roads remained by far the safest in the world in 2017. Within the EU, Sweden (25 deaths per million inhabitants), the UK (28), Denmark (30) and the Netherlands (31) reported the best records in 2017. Compared to 2016, Estonia reported the largest drop in fatalities with -32%.

52. In addition, the performance gap between Member States further narrowed in 2017, with only two Member States recording a fatality rate higher than 80 deaths per million inhabitants (Romania and Bulgaria).

53. In order to further improve its road safety records, the Commission has adopted, as part of the third Mobility Package in May 2018, legislative proposals on vehicle and infrastructure safety; a strategy for connected and automated mobility; and the principles of a policy framework for our road safety work 2021-2030, accompanied by a Strategic Action Plan.

VII. Urban Transport and Mobility

A. Urban transport roadmaps web-based tool

54. In February, a web-based tool to help cities develop sustainable mobility strategies the Urban transport roadmaps was launched. The urban transport roadmaps tool is a web-based tool to help city authorities develop urban transport roadmaps that address the most pressing environmental, social and economic issues faced by their transportation systems between now and 2030.

55. The tool provides cities with the ability to identify, develop, screen and assess different transport policies and measures. In particular, it helps cities to quickly and easily assess the likely costs and impacts of measures that could help them improve the sustainability of their transport systems. Cities can explore combinations of different policy scenarios and assess the impacts of these scenarios on the environment, safety, mobility, the economy and the city's transport system. This type of scenario analysis helps cities to rapidly identify which policy measures are likely to be useful in supporting their own urban transport sustainability goals.

56. A key benefit of the tool is that users do not need any prior experience in transport modelling. The tool is user-friendly, and has a simple and intuitive graphical user interface.

B. Europe on the Move: Commission completes its agenda for safe, clean and connected mobility

57. The third Mobility Package delivers on the new industrial policy strategy of September 2017 and completes the process initiated with the 2016 Low Emission Mobility Strategy and the previous Europe on the Move packages from May and November 2017. All these initiatives form a single set of consistent policies addressing the many interlinked facets of our mobility system. Today's package consists of:

- A Communication outlining a new road safety policy framework for 2020-2030. It is accompanied by two legislative initiatives on vehicle and pedestrian safety, and on infrastructure safety management;
- A dedicated communication on Connected and Automated Mobility to make Europe a world leader for autonomous and safe mobility systems;
- Legislative initiatives on CO₂ standards for trucks, on their aerodynamic, on tyre labelling and on a common methodology for fuels price comparison. These are accompanied by a Strategic Action Plan for Batteries. Those measures reaffirm the EU's objective of reducing greenhouse gas emissions from transport and meeting the Paris Agreement commitments.
- Two legislative initiatives establishing a digital environment for information exchange in transport.
- A legislative initiative to streamline permitting procedures for projects on the core TEN-T.

58. They are supported by a call for proposals under the Connecting Europe Facility with €450 million available to support projects in the Member States contributing to road safety, digitisation and multimodality. The call will be open until 24 October 2018. Under the CEF Telecom programme there will be an additional €4 million for Cybersecurity for Co-operative Connected and Automated Mobility.

C. ELENA (European Local Energy Assistance): supporting the deployment of sustainable and innovative urban mobility

59. ELENA (European Local Energy Assistance) provides grants for project development assistance to public and private project promoters. It has already awarded around €120 million of EU support triggering €4.7 billion of expected investments on the ground in 21 countries.

60. The facility was created by the European Commission and the European Investment Bank (EIB) to support the preparation of bankable, ambitious and large-scale investment programmes in energy efficiency and distributed renewable energy. Since 2016, ELENA also supports projects in the field of sustainable and innovative urban mobility. Six transport projects are currently benefitting from €12.4 million from the ELENA facility. These projects are expected to generate a total investment of €511 million.

61. Funded under the Horizon 2020 programme since 2014, ELENA is implemented by the EIB as part of an agreement with the European Commission. Support from the ELENA facility can cover up to 90% of eligible project development costs, which may include expenses related to feasibility and market studies; programme structuring; energy audits; financial structuring and/or preparation of tendering procedures and contractual arrangements. It does not cover costs related to the investment itself.

VIII. Publications

Transport in the European Union: Current Trends and Issues

62. In April 2018, the report ‘Transport in the European Union: current trends and issues’ was published for the first time. The report draws an overview of the main challenges transport is facing both at the EU-level and in Member States. It sets out the key trends and issues for the single European transport area. An update of the report is upcoming. More information can be found here: <https://ec.europa.eu/transport/sites/transport/files/2018-transport-in-the-eu-current-trends-and-issues.pdf>.

