Everyone must pull together

Over the past two decades, the modernisation of railways in Eastern Europe — both infrastructure and rolling stock — has moved more slowly than many stakeholders would like. We asked our expert panel what steps should be taken to facilitate more rapid progress.

European countries are focusing on modernisation and expansion of their road networks, as pointed out in a special report published by the European Court of Auditors in May 2016.

By contrast, flagship projects in Western Europe range from high-speed lines in France, Spain and Germany to the Channel Tunnel, the Betuwe freight line in the Netherlands or the new Wien Haupbahnhof. Or look at the automated metro in Dubai and the rapidly expanding high speed network in China. All of these have raised the profile of railways and emphasised their contribution to regional development.

The third-ranked area for action is for governments to enhance the general business environment. Our panelists believe that competitive conditions must be improved, while mismanagement and corruption have to be reduced.

The next two levers achieved almost the same score but differ in their standard deviation. The first was the need to improve the financing landscape by earmarking EU funds for rail, and to establish a single entity in each member state marking EU funds for rail, and to establish a single entity in each member state where infrastructure managers and operators could apply for funding. This would bring together the competences and contacts needed to facilitate access to the different funding sources, and could perhaps be a department in the transport ministry.

Respondents also believe that both governments and infrastructure managers should seek to make greater use of EU cohesion funds in rail projects. This offers a co-financing rate of up to 85%, compared to the TEN-T programme which despite its focus on rail in 2007-13 only offered up to 30% for cross-border projects and 50% for studies. Because road projects were usually financed under the Cohesion Fund or ERDF, they benefited from a higher co-financing rate than rail investment.

Clearly ranked last was the suggestion that more European legislative coherence was needed to encourage efficient use of resources. This is completely in line with the principle of subsidiarity. Respondents believe the initiative must be taken by local governments, infrastructure managers and railway operators, rather than relying on the European institutions. Local stakeholders are best placed to decide what actions are beneficial for their rail networks, but they have to do their homework.

Unife Executive Director Philippe Citroen agrees that ‘a combination of local and EU measures is absolutely essential’ to drive railway development in Eastern Europe. ‘Co-operation and information sharing between all stakeholders, be it at local, national or EU level, will be crucial in making best use of the funds available.’

To find out more about the survey and apply to join our panel, visit the RISW website at: www.railsupplyindustrywatch.com