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From: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 21 February 2020

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of  
the European Union

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Subject: COMMISSION STAFF WORKING DOCUMENT  
EXECUTIVE SUMMARY OF THE EVALUATION  
Ex post evaluations of major projects in the transport and environmental  
sectors financed by the European Regional Development Fund and the  
Cohesion Fund between 2000 and 2013

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Delegations will find attached document SWD(2020) 42 final.

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**COMMISSION STAFF WORKING DOCUMENT**  
**EXECUTIVE SUMMARY OF THE EVALUATION**

**Ex post evaluations of major projects in the transport and environmental sectors  
financed by the European Regional Development Fund and the Cohesion Fund between  
2000 and 2013**

{SWD(2020) 41 final}

## 1. INTRODUCTION

This executive summary outlines the main findings of two evaluations analysing the long-term contribution to economic development, quality of life and social well-being of major transport and environment projects co-funded by EU cohesion policy in the 2000-2006 and 2007-2013 programming periods. The findings of the evaluations are set out in more detail in the two separate accompanying staff working documents.

Cohesion policy is the EU's key investment tool. It aims to strengthen economic and social cohesion by reducing disparities in levels of development between regions. Large-scale environmental and transport infrastructure projects have traditionally been among its priorities, thanks to support from the European Regional Development Fund (ERDF) and the Cohesion Fund.

The objectives of environmental investments are to preserve and improve the environment<sup>1</sup> in line with Treaty<sup>2</sup> obligations and the *acquis communautaire*. Cohesion policy support for large-scale transport projects has helped to improve connectivity at EU and national level, and encouraged the development of sustainable transport.

Large-scale infrastructure projects in both fields involve significant investments under operational programmes supported by the ERDF and the Cohesion Fund. In the two periods in question, such projects exceeding a certain financial size<sup>3</sup> qualified as 'major projects' and were subject to special rules involving an assessment procedure and specific approval by the European Commission.

Large-scale infrastructure projects take time to implement and have an impact. It was therefore not possible to include them in the *ex post* evaluations of cohesion policy in 2000-2006 and 2007-2013. The two evaluations summarised here were specifically designed to make up for that.

The two evaluations follow the same methodology, each focusing on a sample of 10 large-scale infrastructure projects selected on the basis of a well-defined set of criteria that sought to ensure geographical<sup>4</sup> and sectoral<sup>5</sup> balance and equal distribution over the two periods.

The 20 case studies are not meant to be statistically representative. They are nonetheless illustrative of large-scale transport and environment infrastructure projects and deliver generally valid insights into the long-term effects of such projects. The analysis is also an opportunity to draw lessons for future ERDF and Cohesion Fund support for large infrastructure projects in both sectors.

The methodology addressed the five standard evaluation criteria (effectiveness, efficiency, relevance, coherence and EU added value) identified in the Better Regulation Guidelines.

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<sup>1</sup> See, for example, Article 1 of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds (OJ L 161, 26.6.1999, p. 1).

<sup>2</sup> Article 11 of the Treaty on the Functioning of the European Union (TFEU).

<sup>3</sup> Under the General Provisions Regulations, the cost threshold above which large-scale environmental and transport infrastructure projects qualified as 'major projects' was €50 million in 2000-2006 and 2007-2013. In 2007-2013, the threshold for major environmental projects was initially set at €25 million, before being put back to €50 million.

<sup>4</sup> The environmental case studies are in Bulgaria, Croatia, Estonia, France, Italy, Malta, Poland, Romania, Slovenia and Spain. The transport case studies are in France, Germany, Greece, Hungary, Italy, Latvia, Poland (2), Slovakia and Spain.

<sup>5</sup> Road, rail and urban transport; drinking water, wastewater treatment, water management and remediation.

## 2. ASSESSMENT AGAINST EVALUATION CRITERIA

### 2.1. Effectiveness

Large-scale infrastructure projects co-funded by the ERDF and the Cohesion Fund contribute to the achievement of core cohesion policy goals by supporting economic growth and competitiveness, and protecting and improving the environment<sup>6</sup>.

Although major environmental projects respond primarily to environmental needs, they generate other benefits as regards economic development and quality of life. By furthering the efficient and sustainable management of natural resources and providing basic services in previously unserved areas, they make those areas more economically and socially attractive, inducing people and firms to locate there and creating necessary (though not sufficient) conditions for territorial development.

The evaluation indicates that the large-scale transport infrastructure projects have helped Member States to enhance travel conditions, improve connectivity, reduce travel times, divert traffic to less populated areas, improve transport safety and reliability, and boost local economic development. Of the 10 projects studied, the most effective were those responding to clear transport needs and providing significant transport benefits (especially in terms of travel time and cost reductions).

All projects analysed were successful overall in achieving their stated objectives and delivering the expected benefits. However, only a few fully achieved their objectives. For most of the transport projects, this may suggest widespread, systematic over-ambition in target-setting. The effectiveness of the environmental projects was affected by a lack of the necessary accompanying or synergic investments.

### 2.2. Efficiency

Even where not all objectives were achieved, almost all the projects generated net gains, with social benefits outweighing costs. At the same time, most of them were not as efficient as expected, partly because of cost and time overruns (which are common in all types of infrastructure project).

Most of the projects experienced time overruns. Delays were primarily due to contractors' underperformance, low technical capacity, slow procurement procedures or unpredicted exogenous factors such as adverse weather conditions. Without the assistance of JASPERS<sup>7</sup>, which helped Member States to improve project preparation and streamline the review process so that projects could be implemented quickly, the delays could have been even longer.

Budget planning proved accurate for the majority of environmental projects, while costs exceeded the *ex ante* forecasts in the case of some of the transport projects.

Medium- to long-term financial sustainability proved to be an issue with the transport projects. Only two are capable of covering operation and maintenance costs through revenues. In the other cases, financial sustainability is mainly ensured through public funding. Seven of the environmental projects are generating revenues that ensure their long-term financial sustainability. All the water and waste projects collect revenues from end-users in line with

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<sup>6</sup> Article 3 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25);

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1083&from=EN>

<sup>7</sup> Joint assistance to support projects in European regions (JASPERS).

the ‘polluter pays’ principle<sup>8</sup>. Risk reduction projects, on the other hand, rely exclusively on government subsidies.

### **2.3. Relevance**

Large-scale environmental infrastructure projects generally address significant and clearly identified environment-related needs for intervention. Compliance with EU legislation is a significant driver for such projects, particularly in the fields of wastewater treatment and waste management. However, it is generally not an objective *per se*, but instrumental in prioritising needs and investments. This is a peculiarity of the environmental sector; it was not so evident in the transport sector.

Almost all the transport projects addressed well-identified development needs. In some cases (e.g. the Malaga project), these were particularly urgent and called for immediate intervention. Other projects (e.g. the Greek project) addressed longstanding mobility issues. All the projects reflected priorities established at national or EU level, e.g. six are part of the TEN-T network.

### **2.4. Coherence**

Most of the selected projects were generally consistent with other interventions at various (EU, national, regional or local) levels. In the case of the transport projects, while consistency with broader EU, national and regional priorities was generally ensured, consistency with more local and/or specific priorities was sometimes less obvious.

The environmental projects (primarily those to do with wastewater treatment and waste management) were coherent with the environmental framework and, in several cases, played a major role in pushing national and regional administrations to comply with the environmental *acquis*. This was particularly relevant in the EU-13 Member States.

### **2.5. EU added value**

For most of the projects, the availability of a significant proportion of EU funding was critical in enabling or accelerating implementation, and thus the achievement of the objectives. This is probably the most obvious and most widely recognised dimension of EU added value. Some of the projects would have been implemented even without EU funding.

For both types of project, the technical assistance provided by the EU institutions contributed to the development of administrative capacity and institutional learning, particularly in EU-13 Member States.

From a more strategic point of view, the environmental projects made a major contribution to compliance with the environmental *acquis* and broader EU sustainable development strategies. Compliance with the *acquis* was also a key driver for investment prioritisation. In some cases, EU support facilitated innovative and complex investments with demonstrative value and enabling knowledge transfer. Environmental issues are often transboundary in nature and require action at international level; in some cases, EU support triggered positive transboundary effects that may not have been attainable through Member State action alone.

Likewise, for most of the transport projects, EU support was relevant in pushing national authorities to adopt a more strategic approach, by prioritising investments in TEN-T infrastructure over national or regional transport priorities, improving project design and ensuring a better allocation of resources. Apart from having a positive effect on

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<sup>8</sup> Article 191(2) TFEU.

implementation, this helped Member States to align their transport network systems with EU standards in terms of technical design and service performance.

Both *ex post* evaluations found that project quality at entry, project governance and project management were the main determinants of success. On the other hand, forecasting capacity, especially as regards future demand and design flexibility, emerged as problematic determinants of performance.

### 3. CONCLUSIONS

The evaluations of a sample of large-scale transport and environment infrastructure projects co-funded by the ERDF and Cohesion Fund, though not statistically representative, have delivered generally valid insights into the long-term effects of these projects. They have confirmed the importance of EU support for these projects in achieving EU objectives.

By supporting large-scale transport projects, cohesion policy has made a significant contribution to improving connectivity at EU and national level and encouraged the development of sustainable transport. Investments have improved accessibility in the countries and regions concerned and paved the way for increased trade with the rest of the EU, which is vital for economic development.

Large-scale environmental infrastructure projects have made a major contribution to compliance with the *acquis* and broader EU sustainable development strategies. Compliance with the environmental *acquis* was a key driver for investment prioritisation. In most cases, the objectives would not have been achieved – or their achievement would have been delayed – in the absence of a critical proportion of EU funding.

Project quality at entry, forecasting capacity, project governance and project management proved to be the main determinants of success. On the other hand, the long-term financial sustainability of EU-funded transport projects proved to be a challenge.

Some of the critical points identified in respect of the 2000-2006 and 2007-2013 programming periods have been addressed in the current period, particularly with the introduction in the regulations of ‘*ex ante* conditionalities’ for the effective and efficient use of funds.

In the future, the environment will remain a priority for EU cohesion policy, which will continue to support large infrastructure projects in the sector thanks to a specific policy objective targeting a greener, low-carbon Europe<sup>9</sup>. The ‘thematic concentration’ provisions proposed by the Commission, whereby Member States would have to devote a greater proportion of their resources to policy objectives such as ‘a smarter Europe’ and ‘a greener Europe’, would further boost the environmental benefits of cohesion policy.

Support for large-scale transport infrastructure remains strategically relevant at EU, national and regional levels, as it improves connectivity and social and territorial cohesion, and encourages the development of sustainable transport. The Commission proposes to continue to fund large-scale transport infrastructure through the ERDF, the Cohesion Fund and the Connecting Europe Facility, in order to promote sustainable, climate-resilient and intelligent mobility.

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<sup>9</sup> Article 4(1)(b) of Commission proposal for a Regulation laying down common provisions - COM(2018) 375 final);  
Article 2(1)(b) of Commission proposal for a Regulation on the ERDF and the Cohesion Fund - COM(2018) 372 final).

The Commission's proposals for the next programming period drop the procedural distinction between projects above and below a specific threshold. All projects, regardless of their size, would undergo an enhanced selection procedure incorporating some features of the old 'major projects' approach. The clear prioritisation of projects is designed to maximise the contribution of EU funding to the achievement of the programme's objectives.

Achievement of these objectives would be further supported by the proposed introduction of new enabling conditions replacing and reinforcing the 2014-2020 *ex ante* conditionalities for both transport and environmental investments. The two-tier approach requiring a cost/benefit analysis (CBA) only for projects above a certain threshold would be discontinued. To prioritise projects offering the best value for money, programme authorities will need a suitable assessment tool or mechanism. Member States will be free to choose what form this takes, but it is likely that many will continue to use CBAs, given their experience from previous periods and the straightforwardness of the tool.

The Commission's proposal would require that the most important projects from a strategic perspective be explicitly included in the programme and be subject to heightened monitoring in discussions with the monitoring committee, and with the Commission in the annual review process. They would also be subject to stricter visibility and communication requirements.