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MONITORING DEVELOPMENTS RELEVANT FOR THE PAN-EUROPEAN TRANSPORT CORRIDORS AND AREAS

Note by the secretariat

At its seventeenth session, the Working Party noted the proposals for the follow-up of the conclusions of the Seminar “Transport infrastructure development for a Wider Europe” held in Paris in 2003, and in particular proposals related to its competence as presented in document TRANS/2004/6. Following one of these proposals, the Working Party asked the secretariat to prepare the criteria used by The Van Miert Group for prioritization of projects in the Trans-European Transport Networks of the European Union for consideration at its eighteenth session, in order to consider how similar criteria could be developed and used for the prioritization of transport infrastructure projects in the context of Wider Europe, Caucasus, Central Asia and other UNECE member countries (TRANS/WP.5/36, paras.6-7).

The document reproduced in this note was originally prepared for the second Expert Group meeting on Developing Euro-Asian Transport Linkages held under the UNECE–ESCAP UN Development Account Capacity Building Project on Interregional Transport Linkages. The document was reproduced as it provides not only a review of criteria used by The Van Miert Group, but also because it offers a fairly complete overview of the criteria used for prioritization in a variety of European-wide transport infrastructure projects, and as such was considered to represent an adequate answer to the Working Party request.
1. Introduction

The 1st Expert Group Meeting, held in March 2004 in Almaty, Kazakhstan, in the framework of the UNECE-UNESCAP Euro-Asian Transport Linkages Project, agreed that the first Phase of the project would focus on the formulation of interregional transport linkages between Europe and Asia. On the basis of set criteria, participating countries nominated the relevant “Euro-Asian transport linkages” passing through their territories. The UNECE and UNESCAP (hereafter called the secretariat), based on country proposals, consolidated the nominated linkages, identified “missing links” between these linkages and proposed a number of routes that could be further developed, starting with an in-depth analysis to be conducted during the next Phase of the project (2005).

The quality of transport infrastructure in the participating countries varies widely. Given that all countries have investment needs, and are competing for scarce resources, the secretariat requested countries to provide in their country report two tables on investment activities: the first on current/planned investment activities, and the second on newly proposed projects over the short term (up to 2010); medium term (up to 2015) and long term (beyond 2015). The responses from countries have been consolidated into an Information Note to accompany the discussion. As not all countries submitted country reports, there is still a need to follow-up in order to develop a comprehensive picture of investment activities.

As agreed at the 1st Expert Group Meeting, the proposed projects would have to be prioritized using a set of agreed criteria. In this regard, a first attempt to identifying investment priority needs and setting of criteria for prioritization of projects are among the main objectives of the 2nd Expert Group Meeting. The purpose of this document is to briefly describe the experience of other regional/subregional approaches to conducting such an exercise, and drawing from this experience, to present a set of criteria for prioritization of projects under the current project, for the consideration of participants.

2. European experience of project prioritization

During the last 10 years, Europe experienced an increasing concern for the identification of major transport corridors and infrastructure needs along those corridors, as well as for respective projects prioritization. The corridors concept for the entire Europe, as well as the idea of Pan-European cooperation in transport, was referred to in the declaration adopted by the 1st
Pan-European Transport Conference held in Prague (October 1991). Given the huge needs for new transport infrastructure fabric and the scarcity of resources for implementing them, the prioritization of projects has been identified as among the major transport development issues. Since the 1st Pan-European Transport Conference, a number of initiatives, studies and exercises were elaborated on a Pan-European or sub-regional level. Building on the existing experience in Europe for addressing the development of Euro-Asian Transport Linkages is considered essential. Here follows an overview of the most important initiatives undertaken in Europe during the last decade:

2.1 The Pan-European Corridors concept

Following the 1st Pan-European Transport Conference, the 2nd and 3rd Pan-European Transport Conferences held in Crete (March 1994) and Helsinki (June 1997) respectively, the Corridors concept was elaborated in more concrete terms.

The starting points of this exercise, which lead to the current shape of the Corridors, were the existing European Agreements in the field of infrastructure planning development in the framework of UNECE, namely the AGR (including the TEM network), AGC (including the TER network), AGTC Agreements, the European Community decisions on Trans-European Networks for combined transport, road and inland waterways and on High Speed trains, as well as other Community-related agreements and work on transport.

The deliberations of the Crete Conference provided concrete guidance in the short-term investment planning, while recognizing at the same time the desirability of keeping a medium- and long-term perspective. They resulted in the establishment of the “three-layer” concept for a common approach to infrastructure planning:

Layer 1: The long-term perspective for Pan-European Infrastructure development of common interest, as reflected in the international instruments AGR, AGC, AGTC for which no time horizon for implementation was set.

Layer 2: The priorities of common interest for medium-term development for the European Community: these could be the Trans-European Networks as adopted by the Council or to be adopted for Central and Eastern Europe; these could be a number of priority corridors covering all modes of transport, including parts of the TEM and TER networks for development within a time horizon up to 2010.

Layer 3: The short-term priorities of common interest located on layer 2 expected to be under implementation within a shorter time period (roughly 5 years). For Central and Eastern Europe, these priorities would be determined through the application of agreed operational criteria to the list of specific projects presented.

Based on the results of the Crete Conference, the 3rd PanEuropean Conference in Helsinki completed the Corridors from 9 to 10, included some new sections and extensions to the previously agreed corridors, and introduced 4 new transport Areas, called the Pan-European Transport Areas.

The description of the Layer 2 Corridors is based in part of the TEM and TER networks and on some assumptions:

First: Every participating country in Central and Eastern Europe should be touched by at least one Corridor.
Second: The Corridors should be only included if they are economically viable and if there is a realistic perspective of financing their development for an appropriate level by the year 2010.

Third: The Corridors chosen should be consistent with a network concept, thus reinforcing their individual viability.

For the priority projects of common interest located on the Layer 3 for implementation within a period of about 5 years, a number of operational criteria were developed, constituting a pre-screening mechanism, based on those set up by the EC and the UNECE and drawing heavily on the criteria for selecting investment priorities used by the international financial institutions.

2.2 Transport Infrastructure Needs Assessment (TINA)

TINA exercise was completed in 1999. TINA work focused the following 11 countries: Estonia, Latvia, Lithuania, the Czech Republic, Slovakia, Hungary, Poland, Slovenia, Romania, Bulgaria and Cyprus.

The objectives of TINA were to initiate the development of a multi-modal transport network within the territory of the candidate countries for accession to the EU. This network development would comply with principles, objectives and criteria as set out in the Guidelines for the development of a Trans-European Transport Network in the Territory of the European Union (Decision 1692/96/EC). The TINA process can be divided into two main stages:

First Stage: Concerned the definition of the network where cost estimates play a major role. This stage was intended to define the TINA multi-modal transport network, which could be realized in the time horizon of 2015, taking into consideration the expected economic development of the countries concerned. In this respect, all necessary parameters that play a role while designing a network were identified and investigated. Among them: The political vision; the economic framework; the cost of investment measures; the existing financial opportunities; the traffic forecast; the efficient operation of the network.

Second Stage: Concerned the identification of investment measures by which the identified network would be brought up to a desired quality level. In this stage the reported measures were analyzed comparing cost estimates of different countries with unit cost.

2.3 Transport Infrastructure Study in Balkans (TIRS)

The study was delivered in 2002. The study focused on the following 7 countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Serbia and Montenegro, The Former Yugoslav Republic of Macedonia and Romania.

The objectives of TIRS were:

- To identify major international and regional routes in the region. (Routes of purely local interest were not covered by the study);
- To define a coherent medium-term network to be used as a framework for planning, programming and coordinating infrastructure investments;
- To define short-term priority projects suitable for international financing (Projects already decided and financed were not examined by the study).
The basic network of regional importance for Bulgaria and Romania was identified as identical to that defined by the TINA process. For the other five countries covered by TIRS study an inventory was made to the infrastructure in the region, starting from the EIBs *Western Balkans Transport Infrastructure Inventory (June 2002)* and referring also to the Pan-European Corridors and the Strategic Networks defined by the EU.

In evaluating 223 projects presented through the TIRS initiative for establishing future investment programmes across the region, potential projects have been classified through a multi-criteria analysis centred around two basic concerns, namely the socio-economic return of investment on the one hand, and functionality and coherence, on the other.

Projects have been classified into four categories, depending on their overall interest and on the reliability of their definition:

*Category I*: Are projects deemed to be easily eligible for financing and should be implemented rapidly.

*Category IIa and IIb*: Include projects that necessitate some additional analyses before they may be approved for financing: IIa: Most worthwhile and well-defined projects and IIb: Rather more questionable projects.

*Category III*: Projects that should be discarded for the moment

A number of criteria were used for the selection of projects, mostly based on the TINA exercise. Unit cost estimation based on the collected data gave unit values per kilometre on cost gained by the analysis of projects.

### 2.4 Regional Balkans Infrastructure Study (REBIS)

The study was delivered in 2003. The study focused on the following 5 countries: Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and The former Yugoslav Republic of Macedonia. The objective was to prepare an investment plan for short-term priority projects that will furnish the EC, IFIs and other donors with a consolidated list of suitable projects for financing.

The procedure for assessing investment projects and their selection across transport modes was based on the method used for the TIRS project, work carried out on TINA and the consultant’s experience. The method was a two-step procedure:

**First:** a screening tool based on Multi-criteria analysis for number of aggregated criteria for a large, gross list of identified projects. Inputs for the screening tool were based on existing data, a dialogue with national authorities and expert assessments. These criteria were: Economic appraisal; financial viability; environmental effects; functionality and coherency of the network; readiness of authority; and speed of implementation

**Second:** once projects have been selected and screened, pre-feasibility studies were carried for a subset of selected projects. The pre-feasibility guidelines comprised a genuine analysis based on data collection. The purpose of the guidelines was to describe principles for the collection and computation of the data needs for pre-feasibility studies. In contrast to the screening tool, the pre-feasibility guidelines described how to perform the process of the pre-feasibility analysis. Pre-feasibility is a more in-depth analysis before final decision is taken.
In the guidelines, as well as in the pre-feasibility analysis, no consideration has been given to the distribution of projects among the countries. The data required were as follows: Traffic data (present and forecasted); benefits from the project; savings in maintenance cost from the project; and investment cost assessment.

The pre-feasibility study was only performed for the projects selected in the screening process. Based on the same principle as those used in the screening phase, a score was shown for each criterion, side by side with quantitative or monetary estimations resulting from pre-feasibility.

2.5 Van Miert High-Level Group on trans-European transport networks

The Group presented its results in 2003. The objective of the High-Level group was to select a restricted number of priority projects on the transport network of the expanded European Union up to 2020 on the basis of proposals from Member States and acceding countries.

The methodology for choosing priority projects, following the specific mandate given, was based on two stages:

First: aimed to ensure the overall coherence of projects, the maturity of projects, and the commitment on the part of the Member States concerned to carry them out. Among the criteria used for the selection of proposed projects were the following:

- On the trans-European axis, taking in particular into account projects crossing natural barriers, solving congestion problems or corresponding to missing links;
- Meeting the threshold of Euro 500 million for infrastructure for having a European Dimension;
- The existence of evidence showing potential economic viability, other socio economic benefits (e.g. social, environmental), and firm commitments from the concerned Member States to carry out the required impact assessment with a view to completing the project within an agreed timeframe.

Second: assess the contribution of the projects to 3 essential Community policy objectives: their added value in facilitating the mobility of goods and people between the Member States, their contribution to territorial cohesion, their contribution to sustainable development of transport. More precisely:

- The European value added, in terms of importance for facilitating exchanges between Member States (improving interconnections, interoperability between national networks etc);
- Strengthening cohesion, better incorporating future Member States, or connecting main peripheral areas and least developed regions to the rest of Europe;
- Contributing to the sustainable development while tackling the problems of safety and environmental protection and by promoting modal transfer.

The priority projects were divided into 3 categories:

List 1: Contained a limited number of new projects of which work was to start before 2010 (out of 100 projects only 19 approved). In order to facilitate cooperation with regard to monitoring these projects, they are grouped together along the main routes which link the capitals of the enlarged Union or which extend projects already proposed in October 2001. To attract the participation of financial intermediaries (such as the private sector) as well as to
encourage better management of costs and risks, it was considered essential to obtain the best mix of the three existing sources of funding, i.e. the national budgets, the Community budget and resources generated by direct contributions from users.

The High-Level group carried out an initial examination of the projects included in this proposal as projects declared to be of European interest as well as the benefits to be expected from closer coordination between Member States. According to preliminary analysis, these priority projects offer strong socio-economic advantages in terms of lower costs (internal and external), higher quality transport and development. The report’s technical annex gave the characteristics, expected benefits and progress of each of the new projects included in this proposal. Among them: Time savings; reduce CO2 emissions and other pollutants as NOx, reduction of congestion; improved safety reducing road accidents; more balanced spatial development; sustainable development contribution by promoting intermodality; benefit of future generations; dynamize the internal market boost growth potential; contribute to sustainable development; and were regarded as productive investments with positive repercussions for the whole Union and its competitiveness.

List 2: contained less matured longer-term priority projects with a particular high European added value and although for a long-term time horizon, deserving special attention. These projects could have appeared in list 1, however the Group was not able to obtain from all countries concerned a commitment that construction would begin before 2010.

List 3: contained important projects for territorial cohesion contributing to the aims of economic and social cohesion.

2.6 UNECE TEM and TER Projects Master Plan

The TEM and TER Projects Master Plan started in September 2003 and is expected to be completed within November 2004. The work focuses on the following 21 countries: Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, The former Yugoslavian Republic of Macedonia, Hungary, Italy, Lithuania, Republic of Moldova, Poland, Romania, Russian Federation, Serbia and Montenegro, Slovakia, Slovenia, Turkey and Ukraine.

The objectives are the elaboration of a consistent transport investment strategy (of updated and prioritized road, rail and combined transport infrastructure needs of TEM-TER member countries and a number of selected neighbouring countries) as a complete backbone road, rail and combined transport network in the wider TEM and TER Region i.e. (1) Identification of investment priorities; (2) Establishment of a timetable for their realization; and (3) Assessment of cost involved and appropriate financing arrangements.

The work is expected:

To support the elaboration of TEM and TER Projects’ objectives; the European transport infrastructure integration; the extension of TEN-T; The practical implementation of Pan-European Transport Corridors; the promotion of intermodal operation and transport modes complementarity; the provision of maximum effectiveness of transport infrastructure;

To build upon the experiences obtained from TEM and TER network; Pan-European Transport Corridors; Transport Infrastructure Needs Assessment (TINA); trans European Transport Networks (TEN-T); European Union railway infrastructure package and its impact in the TER region; TIRS, REBIS, and other similar works; to take stock of UNECE definition of
bottlenecks, missing links and other priority transport infrastructure needs, as well as social, environmental and safety aspects; interoperability in terms of railway rolling stock and railway equipment; interoperability between modes, alternative links by modal split, interchanges and multimodal transfer points; international connections, extension, interrelation and dynamism towards neighbouring regions; intelligent Transport Systems and other operational aspects; transport forecasting; identified criteria of priority infrastructure needs on the main road, rail and combined transport corridors of the TEM and TER Region; the EU Guidelines for the development of TEN-T (council Decision 1692/96/EC) and its revisions;

To be based on the UNECE AGR, AGC, AGTC, TEM and TER technical standards and recommendations; the UNECE recommendations for definition of transport infrastructure capacities, technical standards, Bottlenecks, Missing Links and Quality of Services of infrastructure networks (TRANS/WP.5/60); the use of global criteria for identification of backbone networks, such as those used for TINA and the identification of the Crete Corridors and their adjustments and additions endorsed at the 3rd Pan-European Conference of Helsinki.

To propose alternative scenarios for the TEM and TER Region Master Plans; projects and plans to address road, rail and combined transport infrastructure needs incorporating national, regional and European concerns; interconnections between TEM and TER Networks as well as between TEM and TER with other components of the network (Sea Ports-Inland Ports-Airports-Short Sea Shipping connections-Inland Waterways); and possible connections and extensions of the TEM and TER Networks with neighbouring regions (Baltic Sea, Mediterranean Sea, Black Sea, Caspian Sea, North Africa, Euro-Asian, Trans-Africa).

Expected results include:

The identification of the TEM and TER Region Backbone Network; the TEM and TER Region Master Plans and their alternative implementation scenarios; an inventory of specific projects for the implementation of the Proposed TEM and TER Region Master Plans; estimates of budget for the implementation of the Proposed TEM and TER Region Master Plans; possibilities of stage construction and Macro-scale of the necessary technical and institutional actions for assisting the implementation of the proposed TEM and TER Region Master Plans; estimates of financial resources available; Remarks on the perspectives to construct the TEM and TER Region Backbone Networks; Inventory of Border crossing problems on the TEM and TER Region Backbone Networks and improvement recommendations.

For the needs of the TEM and TER Master Plan, Professor D. Tsamboulas, NTUA Athens, Greece, with the assistance of Prof. A. Pearman, University of Leeds, United Kingdom, and the support of the TEM and TER project Central Offices and the UNECE Transport Division, elaborated a prototype methodology for project identification and prioritization. The TEM and TER Methodology was considered and adopted by the participating countries at a special Meeting of the designated national experts for each project, in February 2004, in Bratislava, Slovakia and in Budapest, Hungary respectively, and thereafter was used for the evaluation and prioritization of more that 350 projects proposed by the countries. The basic elements of the TEM and TER Master Plan Methodology are presented below.

3. UNECE TEM and TER Master Plan Methodology for project prioritization

The methodology used for the TEM and TER Master Plans concerns, as a first step, address the definition of an initial two-dimensional network (comprising the physical dimension
as well as the time dimension for implementation) and, subsequently, is covering among other things data collection, description of existing “national networks” and their problems, forecasting and assessment, and finally the needed project identification. The implementation of the methodology shaped the TEM and TER networks, and thus created a viable Master Plan. The methodology can be divided in four phases:

PHASE A – Identification

PHASE B – Forecasting

PHASE C – Evaluation

PHASE D – Prioritisation

Identification -according to generic criteria- of the projects that is worth further analysis and evaluation; forecasting the future conditions of the identified network; evaluation of the selected projects, with respect to specific evaluation criteria; prioritisation of the projects -based on the evaluation results- in order to classify them into four priority levels.

PHASE A - Project Identification

This phase is designed in three screening levels, the first dealing with the projects’ “relevance”, the second with their “readiness” and the third with their “viability”.

1st Level: Relevance of Project

- The project is consistent with UNECE AGR, TEM and TER technical standards and recommendations, respectively;
- The project advances one or more goals of the TEM-TER Master Plan;
- The project is on a main trans-European axis pertinent to the internal market of the enlarged Europe, the Pan-European corridors, TINA, REBIS, TEN-T etc;
- The project is contributing to the connection of TEM and TER networks to other regions (e.g. the 4 Euro-Asian corridors identified Euro-Asian Conference on Transport, St. Petersburg, 2000);
- The project is capable of reducing bottlenecks and eliminating missing links;
- The project is consistent with the objectives of country’s National Plans, or neighbourhood countries plans, or other sub-area plans, or the visions of country leadership.

2nd Level: Readiness

- The project has been defined and development responsibility has been established and acknowledged;
- Additional considerations could be whether a management plan exists that can lead to a successful implementation of the project.

3rd Level: Viability

- For the purpose of TEM Master Plan projects with a minimum budget amounting to 10 million per project will be considered;
- The existence of evidence, out of the project’s feasibility study, showing potential economic viability, and firm commitments from the concerned countries to carry out the required impact assessments with a view to completing the project within an agreed timeframe;
Whether there are no major environmental constraints that would prevent the start of implementation;  
Whether the expected/forecasted demand associated with the project, can justify the need for the project.

PHASE B - Forecasting

Given the need to have a reliable overview of current transport demand as well as transport characteristics of the TEM and TER region before preparing any future transport demand scenarios for the projects, alternative demand scenarios were produced using a combination of official forecasts, international studies forecasts, as well as trend extrapolation.

PHASE C - Evaluation

The still very preliminary level of definition of most projects, the lack of precise information on the present situation, the imperfect knowledge of transport demand perspectives, the large array in types of projects, as well as the specific objectives of TEM, mitigate in favour of utilizing a Multi-Criteria Analysis, instead of any other method, to compare and evaluate the identified projects.

Such a method allowed available information to be taken into account on projects, even at their very preliminary level of definition, as well as background data. At the same time, some specific elements of particular interest for the decision-makers were introduced.

The criteria for the evaluation were defined according to three basic concerns:

- the socio-economic return on investment;
- the functionality and the coherency of the network;
- the strategic/political concerns of the network.

Under these three fundamental orientations of the evaluation process, the following criteria have been introduced.

CLUSTER A - Socio-economic return on investment:
- degree of urgency;
- cost effectiveness;
- relative investment cost;
- level of transport demand;
- financing feasibility.

CLUSTER B - Functionality and coherency of the network:
- relative importance of international demand of traffic/passengers;
- relative importance of international demand of traffic/goods,
- alleviation of bottlenecks;
- interconnection of existing networks (international level);
- interoperability of networks.

CLUSTER C - Strategic/Political concerns regarding the network:
- border effects;
- political commitment;
- regional and international cooperation;
- historical/heritage issues;
- Economic impact.
Following set criteria scores for each project, the evaluation and projects prioritization were proposed.

**PHASE D – Prioritization**

A combination of the criteria scores and priorities puts each project in one of the four priority categories.

- **Priority I**: projects, which may be funded and implemented rapidly, including on-going projects up to 2010.
- **Priority II**: projects requiring some additional investigations for final definition before likely financing, or planned for implementation up to 2015.
- **Priority III**: projects requiring further investigations for final definition and scheduling before possible financing, or planned for implementation up to 2020.
- **Priority IV**: projects to be implemented in the long run, including the projects where insufficient data existed.

4. **Project on the prioritization of investments on the Asian Highway network**

There are a number of similar exercises, which are currently ongoing in the Asian region by various subregional groups, including under the ADB Central Asia Regional Economic Cooperation (CAREC) programme and the ASEAN highway project.

UNESCAP has recently initiated a project, which takes the first step towards identifying investment priorities on the Asian Highway Network. Given the vast size of the network (over 140,000 km), the secretariat focused first on the following criteria: current status of route (conditions); national policies; subregional and regional priorities; and the potential of the route/corridor to provide transit to other countries, particularly landlocked countries. Special attention is also being given to connectivity to neighbouring countries (sections connecting to border crossings) and substandard sections, which require upgrading in order to meet the international standards given in the Intergovernmental Agreement on the Asian Highway Network.

As there are many routes in the current Asian Highway Network, which require investment, it is expected that this issue will be further studied and explored over the next ten years.

5. **Proposed criteria and methodological framework for the prioritization of projects along Euro-Asian Transport Linkages**

Building on the European Experience, the secretariat is proposing a similar approach to that used for the elaboration of the TEM and TER Master Plan to be considered for project prioritization in the case of Euro-Asian Transport Linkages.

Countries will be requested to further elaborate the list of projects and propose further projects along the identified Euro-Asian Transport Linkages, in a uniform manner.

Upon receipt of the final country proposals, the evaluation and prioritization process will be implemented in two stages. The first stage will be the pre-selection of projects. According to generic pre-selection criteria, projects worthy of further analysis and evaluation will be chosen, and consequently the projects not meeting one of the key pre-selection criteria will be put on a reserve list (category 4) for implementation in the longer-term. In the second stage the priority
projects will be chosen, with respect to more specific selection criteria, and will be prioritized into three levels (Category 1, 2 and 3). Here follows a brief description of proposed criteria.

Pre-selection of projects

Within the pre-selection phase, the following two levels of screening should be considered:

1st Level of Screening: Relevance of Project

- The project is consistent with the relevant UNECE AGR, AGC, AGTC, TEM and TER, as well as UNESCAP AH and TAR technical standards and recommendations, respectively;
- The project is implemented along the identified Euro-Asian Transport Linkages, preferably along the agreed priority routes;
- The project is aiming at removing bottlenecks and missing links along these linkages;
- The project is aiming at facilitating landlocked developing countries territorial access to the sea and promoting solutions to their problems of remoteness and isolation from world markets;
- The project is consistent with the objectives of country’s National Plan, neighbouring countries plans, or other sub-area plans.

2nd Level of Screening: Readiness

- The project has been defined, and development responsibility has been established and acknowledged;
- A management plan exists that can lead to the successful implementation of the project;
- Environmental and socio-economic considerations have been carefully considered, so as to avoid any problems in the implementation of the project;
- The expected/forecasted demand associated with the project can justify the need for the project.

3rd Level of Screening: Viability

- Having a Euro-Asian dimension in particular by meeting a threshold of $ 10 million;
- The existence of evidence showing potential economic viability, other socio-economic benefits (e.g. social, environmental), and commitment from the concerned countries to carry out the required impact assessments with a view to completing the project within an agreed timeframe.

Selection of Projects

After the completion of the pre-selection stage, as presented above, the specific project selection criteria will be used for the prioritization of projects. These criteria may include:

- The UNECE AGR, AGC, AGTC, TEM and TER, as well as UNESCAP AH and TAR technical standards and recommendations;
- The Euro-Asian Transport Linkages value added of the project, in terms of importance to facilitating exchanges among the countries involved in the project and between Europe and Asia in general;
- The contribution to the sustainable development of transport while tackling the problems of safety and environmental protection and by promoting intermodal transport operations;
Groups of criteria

The specific selection criteria are developed in two “dimensions”. The horizontal dimension called “Functionality/Coherence” expresses the role of the project in the functionality and coherence of the Euro-Asian Transport Linkages. The vertical dimension called “Socio-economic Efficiency/Sustainability” expresses the socio-economic return on investment.

**Horizontal Dimension: Functionality/Coherence Criteria**

- Serve international connectivity (including at least two countries involved in the Euro-Asian Transport Linkages project);
- Promote solutions to the particular transit transport needs of the landlocked developing countries;
- Connect main peripheral areas and/or least developed areas of the countries involved, to rest of European and Asian major destinations;
- Cross natural barriers in Euro-Asian Transport Linkages;
- Remove bottlenecks and/or missing links along the Euro-Asian Transport Linkages;
- Develop major national priority infrastructure identified and included in the national plans.

**Vertical Dimension: Socio-economic Efficiency and Sustainability Criteria**

- Have high degree of urgency due to importance attributed by the national authorities and/or social interest;
- Pass economic viability test;
- Have a high degree of maturity, in order to be carried out quickly (i.e. project stage);
- Financing feasibility (i.e. assured finance and/or allow for private financing in order not to burden States’ budget).

**Project priorities**

The combination of the scores puts each project in one of the four quadrants. Each quadrant expresses a priority level. The classification of priorities is proposed as follows:

- **Priority I**: projects, which may be funded and implemented rapidly, including on-going projects up to 2010.
- **Priority II**: projects requiring some additional investigations for final definition before likely financing, or planned for implementation up to 2015.
- **Priority III**: projects requiring further investigations for final definition and scheduling before possible financing, or planned for implementation up to 2020.
- **Priority IV**: projects to be implemented in the long run, including the projects where insufficient data existed.