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France's most expensive road

Dear European taxpayers, here's where your money goes

- Indian Ocean Viewpoint -



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Reunion Island : amidst rumors of bribery, growing discontent and judicial proceedings, hundreds of millions of euros of european funds are about to be spent on a 12 km coastal road. At a minimum cost of 133 million euros per kilometer...



Forget about Romania's Rosia Montana goldmine, Germany's Stuttgart Railway Station, Spain's Ciudad Real giant airport : one of the EU's biggest mega-project might be implemented more than 10.000 km away from european coasts, in Reunion Island, a French Indian Ocean territory which is also an « ultra-peripheral region » within the European Union.

There, Didier Robert, President of the Région Réunion (one of the Island's two decentralized assemblies) has since his election in 2010 focused his action on a gigantic project known as the « New Littoral Road » (NLR) : a 12 km combined dikes & viaducts coastal highway of which 6 kilometers will be perched on giant concrete piers plunging into the depths of the sea.

The project is being funded with an amount of Euros 1.600.000.000, directly including 181 million granted by the European union.

The Région Réunion « the project owner for the NLR » has recently borrowed the European Investment Bank (EIB) an amount of Euros 500 million in order to complete the financial package.

Most experts and grassroots organizations assume that the construction of the New littoral road will give rise to important additional costs. « *The over-cost will reach 600 million euros, plus unexpected incremental costs that will inflate the bill* », stated French daily « Le Figaro » [\[1\]](#).

For its part, the Regional Chamber of Accounts [\[2\]](#) (*Chambre régionale des comptes*) estimates that the project's actual cost has already reached around 2 bn euros disregarding the various extra costs to come.

According to Bruny Payet « a renowned retired reunionese engineer who heads an association of taxpayers opposing the project » the NLR's final cost will be significantly higher than planned and might even excess Euros 3.000.000.000.

The large public works achieved in this rugged, mountainous and volcanic island these last thirty years have generated an average 60% of additional costs ; still such an estimate does not include the tremendous overcosts spawned by the realization of the giant Water Transfer Project « a short-term irrigation project estimated Euros

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530.000 when it started in 1989, which will finally be achieved in 2016 at an expected final cost of more than Euros 1.000.000.000.

In a study published last year, geographer Bent Flyvbjerg laid out the rule by which most of megaprojects are doomed to overruns – “*over budget, over time, over and over again*”.



Good news for the Danish professor, Reunion's experience of decades of large-scale public works in Reunion Island prove his “*iron law of megaproject*” right.

Bad news for Reunionese, mainland French and other EU taxpayers : Flyvbjerg has also disclosed the rule of the “*survival of the un-fittest*” by which project-owners stubbornly hold on to building the worst projects rather than building better ones...

However, plans concerning this megaproject are still preliminary and their technical feasibility remains uncertain.

Despite President Robert's oft-repeated claim that “*there can be no turning back*” and that “*the construction works are already underway*”, many observers still doubt Région Réunion's very ability to complete the construction project – or even its readiness to seriously cope with it.

Fact : both the Région Réunion and the consortium of French corporations awarded to carry out the road project still haven't found what they're looking for [3] – the needed 19 millions tons of massive rocks to construct the dikes. Although two small-capacity stone quarries have started their activities in the Eastern and Western part of the island, the attempts to open a giant stone quarry in an inhabited area located in west Reunion provoked the biggest demonstration of the last five years. Yet, Région Réunion hasn't made any clear statement regarding the lack of materials, nor has it clearly addressed the rumors of (expensive) importations of rocks from Madagascar or South Africa to come.

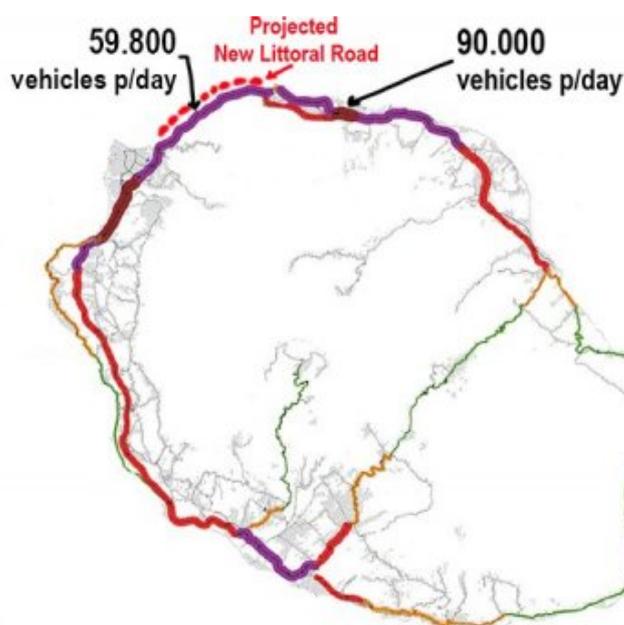
Fact : when signing the so-called « Matignon agreement » which funds the project in november 2010, the then Prime minister François Fillon withdrew the clauses by which the French state would have supported NLR extra costs. In other words, Région Réunion will have to cope with the unavoidable extracosts through tax increases or through partial re-allocations of the funds granted by the EU through the FEDER program. Anyway, “*only*” Euros 500 million euros on one billion are eligible to such reallocation.

Fact : a judicial inquiry is ongoing [4], which has already led the financial brigade of French Gendarmerie Nationale to conduct several searches in the Région Réunion County Hall.

President of Région Réunion has dubbed these searches “*a routine review*”, although searches reportedly occurred even within his own office. According to the local website “*IPR*”, investigators closely examine the

conditions under which public procurements were awarded [5] to the enterprises chosen to carry out the project. It is suspected that facts of bribery and fraud occurred, reports « IPR », quoting an entrepreneur who has himself been bugged by the financial brigade. Rumours do also suggest the existence of offshore accounts.

Fact : An increasing number of voices from the civil society are questioning the relevance of spending at least 10% of the FEDER 2014-2020 funds, arguing that basic infrastructures such as education structures should be prioritized, as the illiteracy rate in the island still reaches 21%. As specialists point out, less than 4% of the FEDER funds are committed to build the new high schools buildings needed in order to relieve the pressure on the existing school building stocks. The critique has also targeted the NLR project as unsuited to the challenges of rebalancing the Island's territory : the road bridge intends to tackle traffic problems at the benefit of the daily 59.800 drivers located in the richest part of Reunion, while the road system will remain underdeveloped in the poor Eastern area where the traffic is gridlocked by a daily influx of 90,000 vehicles.



Fact : a broad consensus exists within the Reunionese society on the necessity of building a safe coastal way, as the present road is exposed to falling rocks from the nearby cliff (« La Corniche »). Nevertheless, the Région Réunion has dumped down in 2010 the smaller and lower cost « Perben » coastal road project named after the French minister who had in 2005 approved a multi-modal package of projects combining rail and road solutions.

Fact : all French and local environment institutions [6] have dismissed the project for being unsustainable as well as for jeopardizing Reunion Island's unique marine biodiversity.

One may thus hardly ascertain that the NLR will materialise, all the more so as Didier Robert's main challengers in the upcoming december regional election are all declared opponents to the mega-project.

In this context, one might ask : why are both France and the EU providing such strong support to an obviously uncertain and controversial project ? A part of the answer might lie within the deeply-rooted Colbertist tradition espoused by most French policy-makers, which has since the midst of the XXe century degenerated into a distorted economic and financial framework, within which big State-connected enterprises can expect a lower level of control and constraint to that which would have been exercised in mainland France when deploying their activities in the French preserve of oversea territories .

Such renewed mercantilist policies do not always fit local interests — although it might offer inducement of various kinds to members of local elites. In the case of the NLR, the relevance of the project, the project-owner's

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capability of completing it, the transparency and even the legality of the award procedures are "at least" questioned altogether.

The world has been watching our island these last days, after some wreckage believed to be from missing MH 370 [7] from Malaysia was found on an eastern shore near by Saint-André.

Many European citizens have recently learned the existence of Reunion Island ; in our opinion, they also have right to know that their money is about to be sunk there.

Geoffroy Géraud Legros
Editor in chief

[1] « [Plus de 1,6 milliard d'euros pour la route la plus chère de France](#) »

[2] « [La Chambre régionale des comptes estime que la région minimise le coût des travaux](#) »

[3] « [La guerre des carrières est déclarée](#) »

[4] « [Les gendarmes de nouveau à la Région](#) »

[5] « [Dominique Fournel : "je n'ai pas de maison au Maroc ni de millions au Venezuela"](#) »

[6] « [Baleines : dites-leur "bye bye..."](#) »

[7] « [MH370 search : Reunion debris "very likely" part of plane](#) »