New EU Transport Infrastructure Policy

Background

In what it terms "the most radical overhaul of EU infrastructure policy since its inception in the 1980s", the European Commission has published earlier this month new maps showing the nine major corridors which will act as a backbone for transportation in Europe’s single market and revolutionise East–West connections. To match this ambition, the Commission has announced that EU financing for transport infrastructure is to triple for the period 2014–2020 to EUR 26 billion. Taken as a whole, the Commission says the new EU infrastructure policy will "transform the existing patchwork of European roads, railways, airports and canals into a unified trans-European transport network (TEN-T)".

The purpose of this briefing document is to provide members with a detailed overview of the new EU transport infrastructure policy, since a lot was said and published on this following the recent selection by the European Commission of projects that will benefit from co-financing from the trans-European transport network (TEN-T) and the recent 2013 TEN-T Days, held between 16 and 18 October in Tallinn (Estonia).

The new EU infrastructure policy triples EU financing to €26 billion for transport for the period 2014–2020. At the same time it refocuses transport financing on a tightly defined new core network. The core network will form the backbone for transportation in Europe’s single market and include 9 Core Network Corridors (CNCs):

- Baltic Adriatic Corridor
- North Sea-Baltic Corridor
- Mediterranean Corridor
- Orient/East-Med Corridor
- Scandinavian-Mediterranean Corridor
- Rhine-Alpine Corridor
- Atlantic Corridor
- North Sea-Mediterranean Corridor
- Rhine-Danube Corridor

The core network, partially based upon the current TEN-T Priority Projects, the ERTMS corridors and the Rail Freight Corridors, aims to remove bottlenecks, upgrade infrastructure and streamline cross-border transport operations for passengers and businesses throughout the European Union.
The new EU infrastructure policy will put in place a transport network across 28 Member States to promote growth and competitiveness. It will connect East with West and replace today's transport patchwork with a network that is genuinely European. The plan is to upgrade the current network, which currently presents as below, to a fully developed trans-national network. Of interest is also the below table which indicates Member States affected by the different CNC.

### Member States affected by the different CNC

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Source

Financing mechanism

It is estimated that the level of investment needed on the core network for 2014–2020 amounts to €250 billion. The overall finance for TEN-T is €26 billion in current prices, including the €11.3 billion from the Cohesion Fund (with the caveat that the European Union budget must first be agreed by the Parliament).
Therefore the Commission will publish regular calls for proposals to make sure that only the best projects with highest EU added value receive EU funding (priority projects). The budget allocated to the Connecting Europe Facility, which manages the TEN-T programme, will effectively act as "seed capital" to stimulate further investment by Member States.

The financing of the priority projects will be done mainly by the TEN-T programme, the Cohesion Fund, the European Regional Development Fund and European Investment Bank financial instruments. The projects can be co-financed up to 40% from the Connecting Europe Facility for the works, max 50% for ERTMS, RIS and VTMIS and also up to 50% for studies.

Please find in the attached a presentation from DG MOVE on the co-funding rates (annex CI144a - slide 6).

The exact details for the priority projects for the corridors are not yet fully known. In July 2013, the Commission started a Call of Tender, issued for elaborating the 9 corridor studies and for gaining the technical support necessary for the completion of the corridor work plans. The results are expected to be delivered in autumn 2014.

The selection mechanism

The main features for the Annual Work Programme 2014 are: a Multi-Annual Programme (no Annual Programme) for the € 11.3 billion from the Cohesion Fund only for the Cohesion Member States, a Multi-Annual Programme and an Annual Programme for the EU 28 Member States, all which will provide additional specific rules on submissions of proposals.

The Call for Proposals was launched in February and March 2013. The selected projects and funding were released on 16 October 2013 (the results were presented in the CLECATE Newsletter Issue 33/22 October 2013). For easy reference, please find them also attached (annexes CI144b and CI144c).

Timing

The Connecting Europe Facility, the financing umbrella instrument for TEN-T (and energy and telecom), was published by the Commission in October 2011, as part of the new 2014-2020 budget. After several debates, the Council and the Parliament expressed their support in July 2013. The Transport and industry Committees of the European Parliament also agreed on a compromised text on 8 October. The legislation now will have to be voted in the Parliament on 19 November and immediately after by the Council. The new Regulation will then enter into force after its publication in the EU Official Journal and it will apply from 1 January 2014.

After the Regulation will enter into force, the Commission plans the adoption of the Delegated Act, which is scheduled for early December. The Parliament and the Council have two months to reject the Act, which leaves February 2014 the earliest date for the adoption. Without the Delegated Act, the Annual Work Programme 2014 cannot be adopted. The Annual Work Programme 2014 provides the framework for the Call of Proposals. Therefore, the expected date for the Call of Proposals is February-March 2014.
The negotiations between EP/Council and the Commission have been difficult.

Split of the available budget per objective:

- EP added various constraints on the implementation
- EP and Council added an annex IV setting percentages for the 3 transport specific objectives of the CEF
  
  (i) removing bottlenecks, enhancing rail interoperability, bridging missing links, and, in particular, improving cross-border sections - 80%;

  (ii) ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows as well as enabling the decarbonisation of all modes of transport through transition to innovative low-carbon and energy efficient transport technologies, while optimising safety - 5%;

  (iii) optimising the integration and interconnection of transport modes and enhancing interoperability of transport services, while ensuring the accessibility of transport infrastructures, and taking into account the ceiling for on-board components of SESAR, RIS, VTMIS and of ITS for the road sector referred to in article 10(2)c(iv) - 15 %.

The European Parliament wanted MAP to be adopted as delegated acts for funding, with € allocated to each of the priorities during 2014 -2020. In order words, the European Parliament wanted to have the possibility to scrutinise the funding for projects. This will delay the process of the adoption of the Work Programme for 2014 as the Working Programme cannot be adopted before the Delegated Act is adopted.

CLECAT assessment

CLECAT supports the new TEN-T policy and sees it as a good basis for further developing Europe’s transport infrastructure into multimodal, efficient and sustainable network.

However, road transport should not be neglected as it is the case now. Improving road access remains an important element in enhancing multimodality in some areas. As noted above, the European Parliament has insisted that all TEN-T projects have to undergo a rigorous environmental impact before qualifying for EU money. For the transport sector, including roads as the only means to ensure “door-to-door connections”, it is difficult to estimate what is eligible for funding under the CEF due to the limited financial framework, especially in regions without possible financing by the €10 billion earmarked from the Cohesion Fund.