



# Cooperation with third countries under the revised trans- European transport policy

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## Before & after

### **Decision 661/2010 EU (current TEN-T Guidelines)**

- Art. 2.2.(h) – *TEN-T network must be able to connect to the network of third countries & promote interoperability and access to these networks when in the EU interest*

### **Regulation 680/2007 EU (current Financial regulation)**

### **COM (2011)650 (proposal for revised TEN-T Guidelines)**

- Art. 8 "*Cooperation with third countries*"

### **COM (2011)665 (proposal for a regulation establishing Connecting Europe Facility/CEF)**

- Art. 7.2.(b)&(c), Art. 9.4 and Art. 16

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## Need for more focused efforts to connect the TEN-T externally

### High traffic volumes on many land connections & through ports

- often hampered by physical and operational bottlenecks

### Little emphasis on external connectivity in current TEN-T policy

- 3 out of 30 TEN-T Priority Projects include links to the neighbouring countries
- most of the major EU seaports are not part of the Priority Projects
- no mention among priorities or financial support provisions

### No formal policy link between the TEN-T policy priorities and external cooperation

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## New TEN-T Guidelines proposal (COM (2011) 650)

### Art. 8 "Cooperation with third countries"

#### 2 types of projects:

##### Projects of common interest

- CEF financial support will be made available
- CEF support could be pooled together with funding under other EU instruments (CEF Regulation, art. 9.4)

##### Projects of mutual interest/other projects

- no CEF financial support, rather framework for orientation for external cooperation

*EU cooperation with international and regional organisations and bodies to achieve any objective pursued by this Article*

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## Art. 8 "Cooperation with third countries" Projects of common interest

8.1. The Union may **support** projects of common interest which seek to:

- (a) connect the core network at border crossing points;
- (b) ensure the connection between the core network and the transport networks of the third countries;
- (c) complete the transport infrastructure in third countries which serve as links between parts of the core network in the Union;
- (d) implement traffic management systems in those countries.
- (e) promote motorways of the sea with third countries without providing financial support to third country ports

**!Link to Art. 7.2 (b & c) in CEF Regulation**

**Def:** project of common interest = any piece of planned/existing/modifications of existing transport infrastructure on the comprehensive TEN-T as identified in Annex 1

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## Art. 8 "Cooperation with third countries" Projects of mutual interest

8.2. The Union may **cooperate** with third countries to promote projects of mutual interest, seeking to:

- (a) promote the interoperability between the TEN-T and networks of neighbouring countries;
- (b) promote the TEN-T policy into third countries;
- (c) facilitate air transport with third countries, in particular by extending the Single European Sky and air traffic management cooperation;
- (d) facilitate maritime transport and promote motorways of the sea with third countries.

**! Link to art. 8.5 – possible support via existing or new cooperation and financial instruments with neighbouring countries**

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## Connecting Europe Facility (CEF) proposal (COM (2011) 665)

### **Art. 7 "Eligibility and conditions for financial assistance" (grants)**

7.2. In the form of **grants**, the following shall be eligible to receive EU financial aid under CEF Regulation:

- (b) **studies** for projects of common interest as defined in Art. 8.1(b) and (c) of TEN-T Guidelines Regulation
- (c) **actions** supporting projects of common interest as defined in Article 8.1.(a) and (d) of TEN-T Guidelines Regulation
- (g) Actions involving a cross-border section (or a part of), only **if there is a written agreement between the Member States and third countries concerned** relating to the completion of the cross-border section. No agreement needed if project does not cross the border.

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## Connecting Europe Facility (CEF) proposal (COM (2011) 650)

### **Art. 2 "Definitions"**

- (4) **'studies'** - activities needed to prepare a project implementation: preparatory, feasibility, evaluation, testing and validation studies, including in the form of software
  - any other technical support measure, including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package
- (6) **'action'** - any activity necessary to implement a project of common interest and is independent financially, technically or over time (includes studies)

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## Connecting Europe Facility (CEF) proposal (COM (2011) 650)

### **Art. 9 "Conditions for participation"**

1. *Proposals : EU **Member States**, international organisations, joint undertakings, or public or private undertakings or bodies established in Member States.*
4. ***Third countries** and entities established in third countries may participate where it is needed to achieve the objectives of a given project of common interest*

*They **may not receive funding under CEF, except where it is indispensable to achieve the objectives of a given project of common interest.***

*Funding under CEF could be pooled together with funding covered by other relevant Union regulations. Commission may decide, through an implementing act, on a single set of rules that should apply for implementation.*

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## Connecting Europe Facility (CEF) proposal (COM (2011) 650)

### **Ch. V Financial instruments. Art. 16 "Actions in third countries"**

*Actions in third countries may be supported by the financial instruments if it is necessary for the implementation of a project of common interest.*

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## Connecting Europe Facility (CEF) proposal (COM (2011) 650)

### **Art. 10 "Funding rates"**

#### **Studies:**

- up to 50% of eligible costs;

#### **Actions:**

up to 40% for cross-border sections on rail and inner waterways (no road!);

up to 50% for European Rail Traffic Management System (ERTMS) implementation;

up to 20% for other traffic management systems (air/SESAR, road/ITS, inner water ways/RIS, maritime/VTMS).

+10% for projects contributing to climate change impact mitigation

! on Cohesion MS territory, from earmarked €10 bn, up to 85%

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### CEF funding and potential leverage

## €31.7 billion for TEN-T implementation through

(a) Grant component : **€19.7bn** (estimate)  
+ **€10bn** earmarked in the Cohesion fund

(b) Innovative financial instruments: estimate  
of market take-up: **€2bn**

! Council had proposed a cap of 0,5% of CEF  
budget (€21.7 bn) for project financing in third  
countries

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## Financial instruments

### **Risk-sharing instruments to provide loans and/or guarantees (including project bonds)**

*Implementation by financial partners, such as EIB, in accordance with Financial Regulation*

*Combination of innovative financial instruments (e.g. Project bonds) and EU direct support to optimise the impact of financing*

*Project bonds to be an integral part of the CEF 2014-2020 (a pilot phase could be launched in June/July 2012)*

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## Caveats

*- The above are provisions of the two Regulations as proposed by the Commission*

*- These provisions may be subject to modifications during the process of consideration of the proposals by the EU Council and the European Parliament and the negotiations between the two institutions in the process of co-decision for the adoption of the two new EU pieces of legislation*

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## Next steps

**March 2012** - Transport Council adopted a "general approach" on TEN-T Guidelines

**June 2012** - Transport Council adopted a "progress report" on CEF Regulation

**Oct/Nov 2012** - *TRAN Committee of the European Parliament to adopt reports on the TEN-T Guidelines and CEF Regulation*

**January 2013** - *"1st reading" by the European Parliament*  
*Meantime: Multiannual Financial Framework negotiations*

**2013** - *Expected adoption*

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## Thank you for your kind attention!

[http://ec.europa.eu/transport/infrastructure/revision-t\\_en.htm](http://ec.europa.eu/transport/infrastructure/revision-t_en.htm)

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