

Joint Declaration of the European Coordinators

on the **future** of **TEN-T & CEF**

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Taking stock of their profound experience in guiding European transport policy, the European Coordinators wish to contribute to the discussion of the White Paper 2017 on the future of Europe, and more precisely on the contribution of the trans-European transport network (TEN-T) and its main financial instrument – the Connecting Europe Facility (CEF) – to a more efficient and integrated Europe.

In this context, this Report includes considerations and proposals for future reflection and potential development of the two instruments TEN-T and CEF. It represents the opinion of the authors and does not prejudice the official position of the European Commission. The Report has not been subject to any specific assessment by the European Commission and hence does not imply its support.

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on the future of TEN-T & CEF

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Connecting Europe

Connecting Europe: this is the very purpose of our commitment for the development of the Trans-European transport network (TEN-T). This is vital for the European integration process as it enables citizens of the Union and economic operators as well as Member States, regional and local communities to derive full benefit from a well-functioning internal market. The TEN-T network ensures economic, social and territorial cohesion and improves accessibility across the EU, with the overall objective of stimulating growth and jobs and tackling climate change, through decarbonisation and digitalisation. Better transport connections throughout Europe, and especially crossing the borders, should be made available. We thereby make sure that the benefits of a united Europe become visible to European citizens.

As European Coordinators, we are attracted by a **scenario of a more efficient and more integrated Europe**, building on the internal market, creating value for the economy, connecting Europe, connecting European citizens. Transport priorities can deliver quickly and efficiently with a high European added value that will last.

To continue on this successful path, more efforts are required in funding and financing to meet the TEN-T needs, with an investment package that is even more powerful on growth, jobs and sustainability. For the next financing period, we therefore call for a strong EU support with an **increased grant budget** for European added-value investments in transport, energy and telecom and to make a **greater use of blending and financial instruments at the same time**. This will ensure the implementation of many cross-border projects, set up truly interoperable systems and make digitalised and decarbonised transport infrastructure and services available across borders.

The Connecting Europe Facility (CEF) shall become the **main instrument for infrastructure financing** and thereby accelerate and simplify the EU investment framework, by tackling the overlap with other funds such as ESIF, by including its specific financial instruments and by further exploiting the blending of grants and private financing.

In addition, priority should be given to the removal of regulatory barriers, the provision of sound and tailored technical assistance and the promotion of investment opportunities to help mobilising investment projects for the real economy.

The lessons learned by implementing the TEN-T policy with the CEF as the main funding tool allow us to jointly express the following conclusions and recommendations for future action.

Connecting Europe means stimulating economic growth and creating jobs ✓

- We need to **develop the internal market** further by creating the arteries that are necessary for its good functioning in a sustainable way. Infrastructure and transport links allow people to travel and companies to trade and do business.
- The creation of value for the economy with the overall objective of **stimulating growth and creating jobs** is key to TEN-T and CEF. Jobs are created directly during the construction phase of infrastructure projects covering a whole spectrum of skills thus advancing social inclusion. Transport also creates indirectly induced jobs through new opportunities generated by improved connectivity and greater EU cohesion.
- Investing in **present and future assets** is essential for our economy in the long term. The TEN-T network cannot be geographically relocated; on the contrary, being ever-present, it will guarantee EU competitiveness and connectivity for decades.

Connecting Europe means modernising our “software” for greater efficiency ✓

- A **fully integrated mobility** policy is necessary to reap synergies with energy, IT, digitalisation and innovation. The way we implement our corridors is exemplary for such a cross-cutting approach and encourages “**breaking up silos**”.
- Connecting Europe leads the way to **innovation**, automation and more **digital solutions** for mobility. We link the main innovation hubs and technological labs to become even smarter.
- The timely implementation of infrastructure projects very much depends on the ability to **streamline and simplify regulatory procedures**, such as permitting and procurement, in particular in a cross-border context. We therefore call for an ambitious Commission initiative building on the recommendations made by the Christophersen-Bodewig-Secchi report and its successor report to foster an investment-friendly environment and facilitate the realisation of infrastructure projects.

Connecting Europe means accelerating the sustainable transition to low-emission mobility ✓

- Infrastructure development goes hand in hand with the effective application of the EU acquis and with the right accompanying measures in order to promote the smart use of these assets and a sustainable balance between different transport modes, with the overall objective of reaching a real modal shift from road to rail, inland waterways and short sea shipping thus ensuring **ecological and financial sustainability**.
- We need to accelerate the transition to **low emission mobility** by boosting a **synchronised deployment of alternative fuels and electro-mobility** in the framework of the TEN-T. The core network corridors are well-equipped to catalyse green and interoperable mobility solutions across national borders. They can equally be the testing beds for connected and automated mobility.
- We urge in particular the railway stakeholders to focus not only on long term infrastructure projects but also on implementing selected ‘quick wins’ to achieve **interoperability** e.g. through the implementation of the ERTMS European Deployment Plan and the **harmonisation of operational and authorisation rules**.

Connecting Europe means protecting people ✓

- We promote **high standards of safety and security** on the TEN-T network. A high quality infrastructure is fundamental to save peoples’ lives on European roads.
- Connecting Europe preserves social welfare, improves **accessibility** for people with reduced mobility, protects passengers’ rights and contributes to social inclusion.
- We believe that an efficient transport network helps to address major EU challenges such as the protection against **terrorism**, the management of **migration** flows and the organisation of **EU defense**.

Connecting Europe means creating common values with European citizens ✓

- Our corridor approach has proven to be a unifying force of all relevant stakeholders committed to the realisation of the core network corridors by 2030 is an excellent and unique way of EU policy making. By combining bottom-up and top-down approaches it constitutes an **innovative multi-level governance** system for bringing Europe closer to all stakeholders, primarily its citizens.
- The corridor logic clearly illustrates the **added value of European joint action**. We encourage using this instrument of communication, cooperation, collaboration and creativity as a methodological blueprint for other policy areas.

Connecting Europe means mobilising investment for the real economy ✓

- **EU money has been used in the most efficient way** in the framework of the Connecting Europe Facility. A strong asset of TEN-T is the existence of a **very strong pipeline of transport projects** with solid business cases, especially in Cohesion countries. The close project monitoring combined with an innovative way of optimising the use of available public and private resources is the key to success – a success demonstrated by **quick delivery and a high absorption rate** of the CEF, including the transferred cohesion budget part that has been fully allocated in the first three calls. We call for a continuous monitoring of our strategic project pipeline which relies on the TEN-T corridor logic. We are proud this is done with all Member States involved and the many stakeholders that are the essence of the innovative TEN-T governance, notably a strong centrally managed budget and the application of the use-it-or-lose-it principle.
- We believe that a coherent **mix of public funding and private financing** is the way forward. Funding and financing ought to be combined in synergy, leveraging on each other, to achieve the TEN-T vision. CEF grant support needs to be focused on the projects of highest European added value (cross-border sections, bottlenecks, horizontal priorities) whereas the use of financial instruments, e.g. under the European Fund for Strategic Investment, is to be promoted for revenue generating projects. In between, **blending EU grants with financial instruments** should be further promoted with a specific blending instrument for transport infrastructure, related to CEF 2.
- **Continuity of EU grant support** will be essential. The EU and the Member States have firmly engaged themselves to realise a truly European, cross-border network. This will require that projects that have been kicked off are fully implemented. Legitimate expectations based upon legal obligations have now to be respected.
- Each Euro invested in cross-border projects will add value and **multiply manifold national investments**. This finally will allow connecting the national patchworks.

Connecting Europe means connecting the World ✓

- We welcome that the development of the TEN-T network already includes the definition of the main transport links with our neighbouring countries to **promote connectivity** and joint opportunities for economic growth.
- Connecting Europe boosts the **competitiveness of EU industry** and offers improved conditions for market access. Well-connected ports and airports mean well-connected European companies to the rest of the world.
- We stress that the TEN-T has also the merit of **channeling foreign investments** to support an infrastructure that is of high European quality and procured **through democratic and transparent procedures**.

Introduction

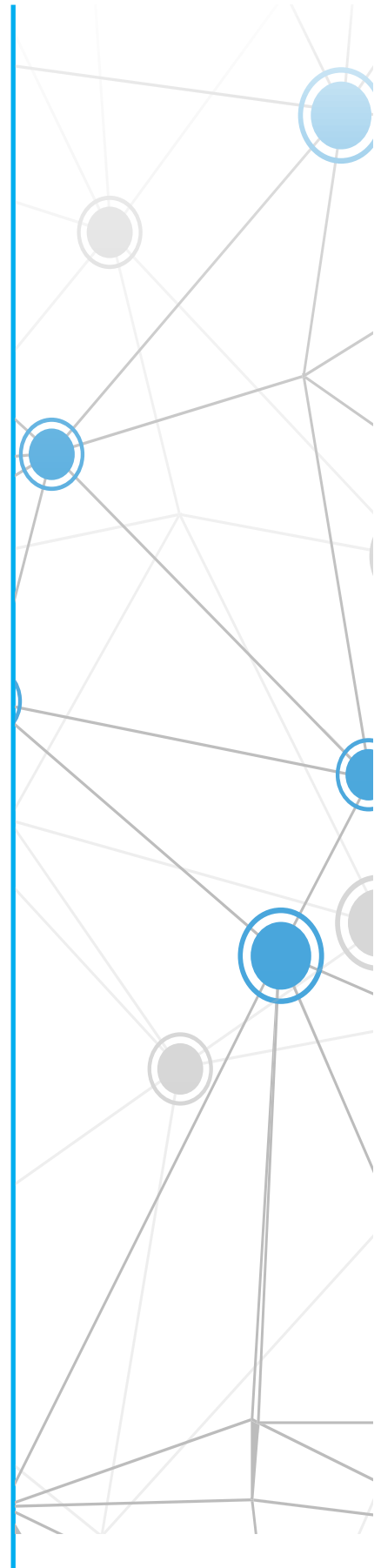
On 1 March 2017, President Juncker published a White Paper on the future of Europe. The purpose of this paper is to invite not only the European Union's Member States but also citizens and civil society at large for a lively and broad debate on how Europe shall develop by 2025. Different scenarios of how the European Union can be taken forward are proposed as a basis for discussion. In a time when the European Union faces unprecedented challenges, this process of reflection and looking forward comes at a crucial moment.

In this overall context, connectivity is a very important value and "Connecting Europe" strikes exactly the right note at the right time. Indeed, transport remains a cornerstone of the European integration process and is firmly linked to the key political priorities of the Juncker Commission: Jobs, Growth & Investment, Internal Market, Digital Union as well as Energy Union and Climate. Smart, sustainable and fully interconnected transport networks are a necessary condition for the completion and well-functioning of the European single market. Connectivity is also of paramount importance for accessing world markets and making Europe a stronger global actor. Even more importantly, better transport connections throughout Europe, and especially crossing the borders, ensure that the benefits of a united Europe become visible to the European citizens.

By Connecting Europe we will stand stronger, more united and thereby bringing Europe closer to citizens and business. We will also stand stronger to our neighbours and the world, connecting to them, but at the same time protecting our continent, at our external borders, in our ports, with an interoperable airspace, with clear interoperable systems and a strongly digitalised network that offers services and comfort. In this way, we will not fall behind in our economic development but create jobs and growth that will be inclusive of all citizens.

We therefore support, as European Coordinators, a strong scenario of further European integration, creating a true internal market, connecting Europe. This requires stepping up the EU funding and financing instruments like CEF, ESIF and EFSI and further streamlining them. This requires also strong European coordination, with more transparency, communication of the EU added value and streamlining of legislation. We deem this a scenario that is expected by our citizens and businesses.

We therefore call for a modernised EU budget and a continuation of the creation of a modern, forward looking EU, connecting across its internal borders, protecting its citizens with a sustainable, digital and innovative transport system, fully integrating with energy and telecom.



Where do we stand after three years of mandate?

The instruments of the trans-European transport network and the Connecting Europe Facility have proved to contribute to a large extent to a better connectivity of Europe – by removing bottlenecks, improving cross-border connections and bridging missing links. Nine geographical core network corridors push the implementation of the core network of the TEN-T; the two horizontal priorities – the European rail traffic management system (ERTMS) and Motorways of the Sea (MoS) – support network optimisation. The nine corridors and two horizontal priorities are now fully recognised by Member States and stakeholders as an instrument that acts as the centre of gravity around which the work of European Coordinators on modal integration, interoperability and coordinated development of infrastructure orbits.

Work plans setting political priorities and delivering on critical issues

The second generation of the corridor work plans – unanimously approved by all Member States concerned in December 2016 – marked an important step forward for the corridors. Being the main monitoring tool for the progress of the core network corridors as defined in Article 47 of the TEN-T Regulation, these work plans provide a detailed overview on the progress achieved in implementing the respective corridors. More precisely, they address the most relevant issues to achieve compliance with the technical standards set in the TEN-T Regulation as well as with the wider EU transport policy goals. They clearly define the critical issues and investment needs on each corridor. And they include relevant maps highlighting progress on the corridors and identifying critical issues from the corridor perspective, with a focus on the more sustainable modes. The work plans are supplemented by corridor project lists allowing for concentrating efforts and investments on the most important issues from a corridor perspective.

As for the horizontal priorities, a new European Deployment Plan for ERTMS has been agreed with Member States and recently been adopted by the European Commission. It sets targets until 2023 by which about 30-40% of the core network corridors shall be equipped with ERTMS. Regarding Motorways of the Sea, 2016 marked a first presentation of a Detailed Implementation Plan which outlines future priorities of the Motorways of the Sea policy by focusing on environment, integration of maritime policy into logistic chains (especially in the context of the core network corridors), safety, training and sea traffic management.

Reaching out with one voice – multi-level governance

The multi-level governance system set up for the management and monitoring of the core network corridors is innovative and unique in its kind. It is an instrument of communication, mobilisation, collaboration and creativity, by uniting forces of all relevant stakeholders for one common objective, i.e. the realisation of the core network corridors by 2030. It is also exemplary in “breaking up silos” by seeking synergies with all relevant policy areas such as energy, IT, digitalisation and innovation.

In the framework of their mandate, the European Coordinators have engaged in a very close cooperation with Member States, regions, infrastructure managers of all modes, users and stakeholders at local, regional, national and European level. They proved to be instrumental for the coordination of key actors – at political and operational level – to deliver the corridors as well as to animate a discussion on the investment needs with regard to EU transport policy. Their main assets remained their ability to be present on the spot, their availability to attend key operational meetings on a regular basis and to organise regular Corridor Fora gathering all corridor stakeholders. Throughout their activities, they built consensus and public acceptance of all relevant stakeholders and thereby enjoyed full political backing from the European Commission and from the European Parliament.

In particular, the European Coordinators concentrated their efforts on the implementation of cross-border projects. Such projects are critical for seamless transport flows across the continent. Due to the complex nature of cross-border projects, a close relationship has been established between project promoters, allowing for exchange of best practices and experiences. The European Coordinators are particularly instrumental for the functioning of the governing bodies of these major cross-border projects.

In parallel, the Coordinator for ERTMS has carried out – in the process leading to the adoption of the ERTMS European Deployment Plan – a wide and comprehensive consultation of Member States and other stakeholders, such as infrastructure managers, railway undertakings and rail supplier industry over the last two years. Equally, the Coordinator for Motorways of the Sea organised, in 2016, three forum meetings both with Member States and industry stakeholders to gather their views with regard to future directions and priorities of the Motorways of the Sea policy. Such meetings enabled to gather ideas and rally all stakeholders resulting in the first Detailed Implementation Plan (DIP).

Finally, the European Coordinators undertook additional comprehensive work to analyse the integration of corridor development with transport policy issues, such as innovation/clean fuels, ITS, freight logistics or urban mobility. This resulted in a series of Issue Papers aiming at stimulating relevant flagship projects and boosting transport policy objectives, such as the spreading of clean fuel solutions, digitalisation or the promotion of smart cities.

CEF budget almost fully committed after three years of implementation

The Connecting Europe Facility (CEF) is a ground-breaking EU co-funding instrument in many respects. For the 2014-2020 funding period, an unprecedented budget of EUR 24.05 billion has been allocated for the transport sector, whereof EUR 11.3 billion had been transferred from the Cohesion Fund to the CEF for implementation.

By mid-2017, only three and a half years after the adoption of the CEF, the total amount granted to transport projects already reaches EUR 21.3 billion, including a full allocation of the cohesion envelope. Indeed, the first three series of calls for proposals in 2014, 2015 and 2016 proved to be extremely successful with very high quality applications submitted and a considerable oversubscription of funds of around three times the available budget per call on average. This resulted in grant support for over 600 projects, carried out by almost 2000 beneficiaries, and accounting for a total investment (EU and other public and private support) of EUR 41.6 billion.

The CEF selection entirely focused on projects where financial markets have no or little interest to invest but which have high EU added value as they contribute to the EU economic, social and territorial cohesion. Indeed, the selected projects mainly focus on building cross-border infrastructure / large bottlenecks on the core network and its nine corridors (EUR 18.3 billion). In addition, strong focus on environmentally friendly transport modes is made with 81% of the funding awarded or granted to the green modes of transport such as the railways and inland navigation sector. Looking at the projects' effects, the selected projects are expected to remove more than 240 bottlenecks (30% on cross-border connections) by 2020.

The remaining period of the current multi-annual financial framework will be devoted to ensuring the implementation of ongoing CEF projects, to mobilising resources through blending and/or the use of innovative financial instruments and to making the full use of remaining funding. Out of the remaining budget available, EUR 1 billion is expected to be committed under the current CEF blending call which was published in February 2017 with two cut-off dates, the first in July and the second in November 2017. The purpose of this "pilot" call is to maximise the leverage of private involvement and capital in the delivery of CEF Transport projects, while at the same time pursuing the ultimate objective of the CEF programme, i.e. completing the TEN-T core network and its corridors by 2030 and the comprehensive network by 2050.

Already at the first cut-off date in July 2017, this first ever transport blending call has shown a strong interest with 68 submitted proposals from over 110 applicants from 22 EU Member States. The requested CEF funding under this blending call was more than twice the budget available. With the blending call being evaluated, the total allocation of the budget will soon rise to 96% and the small remainder of the CEF budget that is left is expected to be fully committed in the second blending call and a last call for proposals in 2018. The use-it-or-lose-it principle – applied for the first time in 2009 – will allow optimising the use of the entire budget throughout the full lifetime of the CEF.

In parallel, the CEF Debt Instrument and its legacy financial instruments (Project Bonds Initiative (PBI) and Loan Guarantee Instrument for TEN-T (LGTT)) mobilised more than EUR 13 billion of additional investment in TEN-T, out of which around EUR 4.5 billion since 2014.

Finally, the EFSI benefitted from EUR 2.2 billion of CEF budget to constitute the EU guarantee. From its launch in 2015 until July 2017, EFSI approved 47 operations contributing to transport objectives, triggering a total of EUR 21.4 billion in related investments. This represents around 15% of the overall investment from the Infrastructure and Innovation Window (IIW) of the EFSI. In addition, four programmes have been pre-approved, including the two green shipping programmes with potential to mobilise additional EUR 3.5 billion of investment.

CEF backed by a very strong project pipeline

The various figures above demonstrate that the CEF is backed by a very strong pipeline of transport projects in Europe, especially in Cohesion countries, which needs to be taken into account in the preparation of the next financial perspectives. The cooperation with the European Structural and Investment Funds (ESIF), providing another EUR 34 billion of EU co-funding for TEN-T infrastructure and EUR 36 billion for projects which connect or complement the TEN-T, has been very fruitful in this respect. On the one hand, the ex-ante conditionalities applied to Cohesion countries, notably the existence of a comprehensive plan for transport investment, have contributed to a clear identification of a project pipeline in a coordinated and strategic manner. The direct management of part of the Cohesion Fund under the CEF has on the other hand accelerated the delivery of that pipeline, which was further supported by the analytical and political work on the corridors. The open and competitive process for selecting projects under the CEF according to the use-it-or-lose-it principle has delivered beyond expectations. There is therefore a clear potential for further streamlining the EU instruments, in particular through a transfer of infrastructure related budgets to the CEF.

Synergies created with the energy and telecommunication sector

For the first time, funding at EU level for the development of transport, energy and telecommunications infrastructure is combined under the same instrument. In 2017, EUR 21 million were awarded for innovative studies within the first ever transport and energy synergy call. Lessons can be drawn from this first experience: far more synergies between the three sectors – energy, transport and telecoms – should be grasped in future, in particular as regards the deployment of alternative fuels in the fields of transport and energy. New grids needed for e-charging, 5G deployment for future automation of transport, new storage in fuel cells and hydrogen for security of supply and storage of alternative energy generated can be made available to transport, just to mention a few examples here. Already, CEF is supporting more than 100 projects aimed at digitalising all transport modes and developing smart solutions for transport based on information and communication technologies (SESAR, ITS, ERTMS, RIS, etc.).

The above examples show that TEN-T and CEF are delivering on the ground: many projects are contributing to the improvement of the use of infrastructure, thus enhancing the efficiency of the internal market, reducing the environmental impact of transport, enhancing transport's energy efficiency and safety. Remarkable results can already be presented only three and a half years after adoption of the TEN-T and CEF Regulations.

The corridor concept and the priorities of ERTMS and MoS are fully functioning. The core network corridors have reached maturity and have become an instrument to facilitate coordinated implementation of the core network. The critical issues and the bottlenecks along the corridors as well as for ERTMS and MoS have been clearly identified. Sound project pipelines have been developed which form a reliable basis also for future funding periods. Member States – through their involvement in the corridors – are encouraged to pursue a coordinated and synchronised approach with regard to investments in infrastructure. Finally, the CEF grants had a significant multiplier and leverage effect and managed to mobilise EUR 41.6 billion of additional investment.

What needs still to be done in our current mandate?

Towards the third generation of corridor work plans

Regardless of these outstanding achievements, there is no room for complacency. There is a need to continue on this successful path and to optimise remaining available resources, since investment needs are extremely high. Indeed, estimates suggest that around EUR 750 billion are needed to realise the whole TEN-T core network by 2030.

In addition, political changes and regional particularities may lead to increased risk of slowing down the process of project implementation in some Member States. Close monitoring and continuous cooperation with a view to timely project implementation along core network corridors is needed. In this regard the role of the European Coordinators remains essential.

Coordinators can provide additional steer in synergy with the use-it-or-lose-it principle enshrined by the CEF, and can contribute to the planning of a sound project pipeline in Member States to be supported by CEF and the other European and national instruments, based on their thorough knowledge of the corridors and the situation of each of the Member States involved.

The third and final iteration of the corridors' work plans at the end of their first mandate will provide an outlook for the future programming in terms of delivery of particular key cross-border projects, with the greatest European dimension. In particular, they should identify the (existing) projects which will not be fully implemented by 2020 / 2030 respectively and which will thus require particular attention and financial support in the next MFF.

During the period 2017-2018, the corridor analysis will also be further extended in order to strengthen the interrelation of TEN-T development with relevant transport policy objectives such as the deployment of alternative fuels and innovative technologies, ITS and digitalisation. This will decisively contribute to measure the impact on climate change and to assess the expected outputs in terms of economic growth and job creation.

In view of this deepened evaluation, a first full set of data has been provided in June 2017, including refined project lists with estimates on growth and job impacts (at corridor level and for selected projects). This also led to an improved communication by means of « story telling exercises » per corridor, for major projects and key innovation projects. The first results of this refined analysis show that more than EUR 600 billion would be necessary to develop the nine core network corridors until 2030 (EUR 750 billion for the entire core network), which would generate some EUR 4,500 billion of cumulated GDP over that period. The number of job-years created by the implementation of the nine corridors would reach around 13 million job-years.

As regards ERTMS, the stabilisation of the technical specifications of ERTMS and the adoption of the 4th Railway Package are two major achievements for rail interoperability. Efforts need to be concentrated now on the timely and coordinated implementation of the European Deployment Plan (EDP) for ERTMS. The third work plan should therefore focus on the still outstanding problems that hinder smooth ERTMS implementation and allow presenting a list of prioritised sections and projects to be implemented beyond 2023 and to determine relatively precisely what volumes of investments are necessary and in which timeframe. In addition, the effective implementation of the European Deployment Plan relies very much on Member States' commitment and on rail infrastructure managers which must place the main focus on finding concrete technical and operational solutions to complex cross-border situations. The supply industry of rail equipment must also be fully on-board and fulfil its commitment on industrial capacity, the improvement of product quality and the cost competitiveness of ERTMS systems. The European Union Agency for Railways (ERA) needs to fully play its role as the system authorising authority as from 2019. But, things can be accelerated and this is the sense of the recently signed Memorandum of Understanding.

The Detailed Implementation Plan for Motorways of the Sea will also be further developed. The objective is to have in place a document that is narrowed down and provide clear guidance on how the 329 ports of the core and comprehensive network can be better embedded and linked to the corridors.

Finally, there is a need to strengthen cooperation and speed up the implementation of certain cross-border projects, which are critical to the functioning of corridors. Therefore, the European Coordinators propose to the Commission to pursue the adoption of implementing acts in accordance with Article 47.2 of the TEN-T Regulation. Such work has already been undertaken with regard to ERTMS. It could also be relevant for some of the major cross-border infrastructure projects. As a first pilot exercise, an implementing decision is currently being developed for the cross-border high speed rail connection between Evora (PT) and Merida (ES) and the Rail Baltica project from Tallinn (EE) to Warsaw (PL).

Optimising the remaining available resources

In view of the huge funding gap between the investment needs and available resources, the European Coordinators will continue to be actively involved in mobilising the use of innovative financial instruments and the blending of funding and financing options.

A close cooperation has been established with the European Investment Bank since the beginning of the Coordinators' mandate. Various joint meetings of the Coordinators with the EIB have led to a joint strategy on how to make the best use of the European Fund for Strategic Investment (EFSI) for the transport sector.

In addition, close cooperation has been established between DG MOVE and DG REGIO, key partners in the Corridor Fora, with a view to enabling swifter implementation of the TEN-T core and comprehensive networks by ensuring complementarity of CEF and ESIF. This complementarity can be enhanced beyond the grant components in the context of innovative financial instruments, EFSI or the possibility of blending grants with those instruments.

The launch of the first ever blending call under CEF in 2017 contributes to the efficient use of the remaining limited grant resources and may serve as an innovative example of how to maximise the use of scarce public funding resources. At the same time, the use of the remaining CEF budget for blending possibilities – in line with a close cooperation between European Coordinators, DG MOVE and EIB on improving the project pipeline – is a prerequisite to ensure that transport features even higher in the framework of EFSI than is the case today.

Improving the (regulatory) framework conditions for European investments

In parallel, the European Coordinators continue to focus on accompanying measures and (regulatory) framework conditions that need to be developed so as to turn transport projects into bankable operations and to accelerate their implementation. Indeed, experience with the implementation of the TEN-T projects shows that their effective implementation might be impacted by complex regulatory and administrative arrangements. This, in certain cases, may contribute to increased costs, delays and uncertainty.

In this context, the European Coordinators are closely following up on the twelve recommendations of the Christophersen-Bodewig-Secchi (CBS) report on how to make the best use of new financial schemes for European transport infrastructure projects. An analysis of the state-of-play ("progress report") of the CBS report is planned by end 2017, reviewing the measures that have been taken so far to meet the twelve recommendations and highlighting the steps still to be taken.

Indeed, since the publication of the CBS report in June 2015, important progress has been made. For instance, the European Commission set up a one-stop-shop for important EU projects, improved the system of technical assistance via JASPERS and more generally via the EFSI Advisory Hub. At the same time, state aid rules are being revised to make them simpler and more predictable ex ante. Moreover, the scope for financing has been widened with several pooling facilities, and via the current CEF blending call that will act as learning exercise for future deployment.

Important achievements have also been made with regard to financial markets revising Solvency II and Basel III (on-going), to incentivise financial support for infrastructure, and a clearer framework for public-private partnerships has been defined through the recently published Eurostat guidelines.

Last but not least, DG MOVE recently carried out a study on “permitting and facilitating the preparation of TEN-T core network projects to identify barriers in the regulatory and administrative procedures”. This initiative directly followed the recommendations of the CBS 1 report. The European Coordinators very much welcome the Commission’s initiative to further examine possible ways to streamline permitting and procurement processes, including through a legislative proposal. To this end, the Commission is conducting an impact assessment and has launched a public consultation to gather the input of the general public and stakeholders. This consultation process will run until 9 November 2017.

What are we reaching at in our next Mandate?

Monitoring the project implementation as to realise the core network corridors by 2030

With the adoption of the third generation of work plans – expected at the beginning of 2018 – the European Coordinators will have fulfilled their formal obligations with respect to Article 47 of the TEN-T Regulation. However, the delivery of the work plans with their underlying analysis of the corridor infrastructure is only the start of the process. Indeed, 13 years are left to reach the objective of a realised TEN-T core network by 2030. This is a very short time period for the implementation of transport projects. It is therefore all the more important to continue monitoring very closely the implementation of the core network. This monitoring is ensured for the core network corridors by the European Coordinators, in close cooperation with Member States, infrastructure managers and all other corridor stakeholders. It is especially important for all cross-border projects, missing links and major bottlenecks.

The European Coordinators want to ensure that the core network corridors and the horizontal priorities are fully fledged multimodal but also take into account all policy aspects put forward by the TEN-T policy, including Innovation, ITS, alternative fuels, safe and secure parking. Only in this integrated and cross-cutting way will the corridors be fully responding to the needs of citizens and business.

Increasing the budgetary support for transport infrastructure at European level

The third generation of the work plans will be the technical and financial basis for defining the investment needs and pre-identified projects of common interest underpinning a possible next CEF generation in the next multi-annual financial framework. This will provide a sound input for the future financial and regulatory framework and for determining their contribution to investments, jobs and growth.

A qualitative assessment of the project pipeline is currently ongoing and first results have been presented in June 2017, estimating the financial needs for the implementation of the core network in its entirety by 2030 in the range of EUR 750 billion (for 2016 until 2030). Assuming that investments are spread equally over the period, the needs for 2021-2030 to realise the core network would thus amount to roughly EUR 500 billion.

In this overall context of high investment needs, the European Coordinators call for a strong CEF 2 with an increased budget. The future funding priorities of the CEF grant component need to be clearly defined by allocating the available financial means over time to projects of highest EU added value (cross-border, large bottlenecks, digitalisation, interoperability, innovation and decarbonisation) and thus where markets have no or little interest to invest. The project selection should also take into consideration which projects deliver good and quick economic and ecological contributions, clearly distinguishing between short term and long term objectives and benefits.

It is particularly important to secure grant funding as many of the high EU added value cross-border projects – selected in the previous CEF calls – are often huge ventures whose implementation period goes much beyond the current MFF. These projects are not particularly suitable for financial instruments as they are cross-border and very capital-intensive with a long-term payback period. They need stability of EU support and a long-term vision of EU network creation.

The combination of the new TEN-T legal framework, the instruments for coordination put in place and the funding currently made available through grants will lead to many of these cross-border projects being completed by 2027. Results of long years of coordinated efforts and investment will become visible and tangible very soon. The Coordinators will present these results to the European Institutions, clearly highlighting the many cross-border projects, bottlenecks and horizontal priorities that are of interest to all Member States for completion in these oncoming years and during the next MFF. These very tangible results are within reach if the right decisions are taken now.

Considering innovative financial instruments next to grants

Considering the high investment needs on the corridors and TEN-T in general, they cannot be met by grant financing only – even if a future CEF 2 budget is increased. Next to grants, budget guarantees (such as EFSI), EU financial instruments and blending have therefore also their “raison d’être”. Indeed, funding, financing and blending will have to be combined in synergy, leveraging on each other, to achieve the TEN-T vision, gathering a critical mass of resources to deliver network effects within a short timeframe.

It is crucial to take advantage of financial instruments for the corridor implementation, to maximise the leveraging effect to mobilise as much resources to support projects and to do the utmost to capture the expected growth impulses for the corridors. Innovative financial instruments shall be used instead of grants for bankable projects where promoters are ready to invest (such as for the increase of capacity at ports and airports, roads, maintenance, the deployment of certain of the more readily available alternative fuels etc.) but cannot access appropriate financing on the market. If they are well targeted on projects that generate revenues and attract investors, they can represent an important additional resource next to grants channeled through corridor implementation.

In between, the instrument of blending should be further promoted and designed through lessons drawn from the first ever CEF blending call. Blending is expected to be an innovative way of making use of the CEF instrument, developing further its potential, with notable effects in particular for all areas related to innovation, alternative fuels, digitalisation, multimodal nodes and vehicle fleets in the various transport modes.

A balanced future funding and financing framework

In a nutshell, the future funding and financing framework will need to be composed of a carefully set up framework of grants, financial instruments and blending facilities. The European Coordinators strongly believe that this complex mix of public and private funding is the way forward.

Grants should be the main foundation of such a competitive and balanced funding and financing framework. Given limited resources, they should be concentrated on the projects of the highest EU added value such as cross-border projects and bottlenecks with an EU wide effect, as well as horizontal priorities such as ERTMS, MoS, SESAR, ITS and alternative fuels. that can only be realised with a strong grant instrument such as CEF.

It should be complemented by well-designed EU financial instruments in which revenue generating TEN-T projects are supported without relying on grant finance. Moreover, the support of small projects should be achieved by pooling mechanisms, notably through an enhanced use of investment platforms for which EFSI and EU financial instruments can play a complementary role.

And finally, some parts of the TEN-T policy can be realised with a mix of funding and financing, the so called blending of instruments and should be made available as an integral part of the future mix of instruments. Here areas in transition could find their place, such as the initial roll-out of certain alternative fuels and certain components of innovation like greening the shipping fleet of inland waterways.

In addition, the full project life cycle (including aspects such as maintenance, safety etc.) needs to be addressed when setting up a sustainable funding and financing strategy for the future. This is to ensure that projects focus not only on the technical side but also on the financing alike as a pre-requisite for their implementation.

Solutions are also to be found for the complexity making available grant support beyond the limits of a financial period or beyond national envelopes, as projects, especially for cross-border projects, and especially in Cohesion countries, need a guarantee that the project, once works started, will be carried through. This could be achieved through a combination of a legal act like an Implementing Decision, engaging all partners in the project and a funding decision that can be replicated on that basis.

In light of the above developments, it is also of common EU interest to channel foreign investments to support the development of the TEN-T. The TEN-T framework offers high quality assets based on harmonised standards and open and transparent procurement procedures to ensure best value for money. For instance, value for money can be clearly illustrated by the implementation of the European Deployment Plan for ERTMS. The ERTMS business case analysis that has been conducted corridor by corridor evaluated the financial needs at EUR 20 billion to reach the full deployment of ERTMS in the European Union, including additional operational measures. The ecological and economic benefits and “quick wins” generated by this rather limited investment compared to the overall investment needs of approximately EUR 750 billion are significant. This is a clear and important message to be passed also in dialogue with investors from outside the EU, such as Japan, the Middle East or China that have an interest in infrastructure investment in Europe. This of course needs to be properly coordinated and to fulfil applicable EU standards and legislation.

Setting up of a competitive planning framework

The timely and successful implementation of the core network corridors can only be ensured if the right accompanying measures and planning instruments are set up. Uncoordinated procedures – especially in a cross-border context – can lead to significant delays and trigger additional costs. This phenomenon creates inefficiencies in the management of public resources and contributes to deterring private investors from certain complex ventures.

Indeed, even in case the financial means for the realisation of the corridor projects are at hand, local, regional and national authorities face problems in implementing transport infrastructure projects – notably very large and cross-border projects. This is especially true for projects that are planned in environmentally sensitive areas, which can generate opposition. Such concerns have to be seriously addressed in a timely, participative and clear manner in order to minimise and mitigate against avoidable delays.

In light of these challenges, streamlining, adapting and simplifying procurement and permitting procedures should be promoted in order to accelerate the implementation of infrastructure projects. Among the relevant measures, a one-stop-shop for project promoters could be envisaged, as well as setting effective time limits for permitting procedures for key projects, alongside additional measures such as technical assistance, guidance and clarification of rules (incl. helpdesks and “comfort letters”). In parallel, the Commission should also consider ways to simplify its own procedures and improve their coordination.

Besides investments in hard infrastructure, attention needs also to be given to the various questions of interoperability, like harmonisation of operational and authorisation rules through close cooperation between the core network corridors with other relevant policy areas. Cooperation between core network corridors and the Rail Freight Corridors is a good example. The Rail Freight Corridors are an important part of the core network corridors and play a leading role in the achievement of interoperability in the European Union. For instance, following the ERTMS European Deployment Plan, the Rhine-Alpine Freight Corridor and an important section of the North Sea-Mediterranean Rail Freight Corridor (Antwerp-Basel) should already be fully interoperable by 2022. By realising the link between Rotterdam and Antwerp in the same period, three Rail Freight Corridors will be connected. This clearly illustrates the strong ties that have already been built between the two policy instruments and which should be further strengthened in future. In this respect, the implementation

of the cross-border projects are of utmost importance as they are the basis for further deployment of interoperable systems in the EU and with neighboring countries. Closely linked, problems such as lengthy procedures at the borders, e.g. for customs clearance, need to be addressed. Furthermore – beside large infrastructure projects – ‘quick wins’ could be defined for corridors that show tangible results to stakeholders in the short term and give more certainty, credibility and support to railways.

A strong TEN-T to Connect Europe with a new CEF and EFSI

Securing funding and financing resources together with the right support framework remains a critical issue. We need another – stronger – CEF instrument – a truly single fund for European infrastructure investments – which supports the full implementation of the core network by 2030. We need to make this instrument available for exploiting more easily the synergies with energy and telecoms but also with other policies. It needs to be an ambitious, versatile and policy-driven investment toolbox, providing on one side visibility and stability to market actors (both as regards the priorities, the resources available and the form of support) and allowing at the same time flexibility to accommodate new priorities more easily during its implementation period.

The reward for projects that achieve such synergies should be more than a mere additional 10% of grant top-up and the regulatory framework for such projects should be facilitated. The same applies to the priority that we would like to give to cross-border projects of high European added value: we would like to see them supported with higher co-funding rates. One should have a critical look that the delivery of the TENs in all their key components – transport, energy and ICT – can be improved by concentrating on reaping synergies amongst the three sectors, on enhancing the cross-border connections and on delivering the highest EU added value. For sure, we want to build on the success and efficiency of the management of the CEF programme, including on the Cohesion envelope, that has demonstrated such a quick delivery and high absorption rate of the funds available and was so largely oversubscribed with very high quality and mature projects submitted to the calls.

More widely, we need to ensure that the policy is fully innovative, fully contributing to low carbon and to enhanced mobility in an environmentally friendly, thus multimodal and digital manner. We need to guarantee that the projects that have been engaged now and that we have been seeking for so long to achieve are finally reaching their completion in the next financial period. There should be no gap between aspiration and delivery of our project pipeline – the momentum to deliver and implement is now.

In continuing what has been started, the Union of the next decade can see the opening of important projects such as Rail Baltica, Fehmarn Belt, Brenner Base Tunnel, Lyon-Turin, Seine-Escaut etc. and the realisation of a fully modernised, interoperable and digital infrastructure, using low and zero carbon technologies and fuels. This is not a dream or long away scenario of some positive script writer but our firm belief of what we are experiencing in Europe in our mandates every day.

As European Coordinators, we wish to promote the way the TEN-T and CEF are implemented as a unique and innovative approach for a more efficient Europe (scenario 4 of the White Paper) which equally stands up for a more integrated Europe by connecting European regions (scenario 5).



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