



**COUNCIL OF
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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary record of the joint meeting of the European Parliament **Committee on Industry, Research and Energy** and **Committee on Transport and Tourism**, held in Brussels on 27 March 2012

The meeting was chaired by Mr Simpson (S&D, UK), Chair of TRAN and Ms Sartori (EPP, IT), Chair of ITRE.

1. Connecting Europe Facility (CEF)

2011/0302(COD) COM(2011)0665

Rapporteur: ITRE: Adina-Ioana Vălean (ALDE, RO)
TRAN: Inés Ayala Sender (S&D, ES)
TRAN: Dominique Riquet (EPP, FR)

Responsible: ITRE, TRAN

Opinions: BUDG, REGI

Mr Färm (S&D, SE), the rapporteur for the opinion in the BUDG Committee, focused on the MFF negotiations as they were closely linked to the CEF. He informed Members that the Council would try to present a negotiating box covering all headings at the European Council meeting in June, but he was not certain whether the figures would be included.

The negotiations would start after the summer. Nevertheless, he said that a number of important Member States had already expressed their intention to cut the overall framework by EUR 100 billion, which would render the EP's objective to expand any policy rather difficult. Given those circumstances, he considered it crucial to reach an agreement on the main priorities and to ensure an appropriate budget for investment for growth, the main argument for defending the size of the budget.

The rapporteur, Ms Vălean, presented briefly the CEF and gave figures for each of the three priority axes. She focused on the synergies, competitiveness and EU added value. She reiterated that the financial needs could not be entirely covered by public funds and underlined the need to leverage these funds to attract private investment (e.g. project bonds).

The rapporteur, Mr Riquet, focused on coordination and consistency between projects and on protection of the EU interest. He highlighted areas which he considered problematic: financial aspects, deployment of funds, governance and the budget figures challenged by the Council.

The rapporteur, Ms Ayala Sender, recalled that in the past the programme had been underfunded and, consequently, it could not focus on the bottlenecks in order to create an added value. She stressed that to break the deadlock the funds needed to be available for the next programming period .

Members welcomed the CEF proposal. Regarding the budgetary issues, they called for sufficient funds to be made available for the major investments, with Mr Vidal-Quadras (EPP, ES) referring to the funding as the cornerstone of all EU infrastructure projects. Nevertheless, Mr Cancian (EPP, IT) thought that growth could not be generated with the budget funding alone and considered that incentives needed to be provided to encourage investors to set up the networks. Mr Pirillo (S&D, IT) agreed that most investments should come from markets and endorsed the need to create innovative financial instruments to achieve the leverage effect. Mr De Backer (ALDE, BE) added that such instruments would provide more stability for investors. In that context, Mr Turmes (Greens/EFA, LU) raised the issue of investor access to capital. Mr Bradbourn (ECR, UK) enquired about the liability of Member States as to the financial aspects and the project bonds.

Mr Koumoutsakos (EPP, EL) was keen to see the private sector's reaction to the new mechanisms. Members also welcomed the EUR 10 billion earmarked for transport infrastructure in the Cohesion Fund.

With regard to the programme priorities, Members highlighted the focus on interconnections (cross-border, between different regions, connecting energy islands, etc.) (Mr Zīle (ECR, LV), Mr Cramer (Greens/EFA, DE), Mr Grosch (EPP, BE), Mr Vidal-Quadras, Ms Bilbao Barandica (ALDE, ES), Ms Sehnalová (S&D, CZ), Ms Herranz García (EPP, ES)) and the security of energy supply and multiplicity of resources in the energy sector (Mr Marinescu (EPP, RO)). Regarding cross-border connections in particular, Mr Cramer thought that the big projects were not addressing this challenge as such connections mainly required local action. As to the related project selection, Members reiterated that EU added value should be the principal criterion. Mr Vidal-Quadras added that cost-benefit analysis and solidarity should also be taken into account.

Members also raised the issue of synergies between different areas (Mr Zīle), projects common to the three axes and their functioning (Mr Turmes); greater information on the project bonds pilot project (Ms Bilbao Barandica); annexed list of corridors in the transport axis and its establishment (Mr Marinescu); governance (Mr Bradbourn), control over the implementation of projects (Mr El Khadraoui (S&D, BE), and the need for a flexible structure (Mr Bradbourn, Mr Turmes). Ms Sehnalová was not convinced that better coordination would be achieved by greater centralisation.

The Commission representative reiterated that the main purpose of the CEF was to support the EU growth agenda and to ensure sustainable mobility and competitiveness. The instrument was based on efficiency and synergies between three axes, between public and private financing, as well as between EU co-financing and public/private funding. As regards the EUR 10 billion earmarked in the Cohesion Fund, he said it would be managed under the CEF. He concluded that various interactions of the CEF with other policies and institutions (e.g. MFF, Horizon 2020, EIB, etc.) were reflected in the CEF policy framework, list of projects and amounts of funding.

Mr Riquet summed up by saying that the majority of Members were in favour of the Commission proposal, but some difficulties needed to be overcome. Ms Ayala Sender called for those difficulties to be addressed as soon as possible. Mr Färm recalled that the Danish Presidency's intention to considerably reduce the CEF funding needed to be opposed and suggested putting pressure on Member States.

Dates of the next meetings

- 24 April 2012 - Hearing on CEF