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REPORT

From: General Secretariat of the Council
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Subject: Europe 2020 strategy review: Draft Council conclusions on Transport infrastructure and the Trans European Network
- *Adoption of Council conclusions*

I. INTRODUCTION

1. On 16 and 17 September 2014, the Presidency organised an informal meeting of the ministers responsible for transport, which was the forum to trigger the reflection on how infrastructure, Trans-European Transport Network (TEN-T) and mobility can, in the medium and long term, contribute significantly to help the EU to resume the path to growth, in particular in the context of the Europe 2020 Strategy Review.

2. At the same informal meeting, former Vice President Christophersen and Corridor Coordinators Bodewig and Secchi have been asked to prepare a report, in consultation with the European Investment Bank (EIB), identifying examples of TEN-T projects which may be particularly suited for new financial schemes. An interim report will be presented to the Ministers at the TTE Council on 3 December 2014, prior to its finalization in spring 2015.
3. On the basis of the discussion held at the informal meeting in Milan and of an information point presented at the TTE Council on 8 October 2014, the Presidency prepared draft Council conclusions on transport infrastructure and the trans-European network.

II. WORK WITHIN THE COUNCIL

4. The draft conclusions were examined by the Working Party on Transport Intermodal Questions and Networks at several meetings in October and November 2014. Delegations largely welcomed that a key message ought to be delivered to the European Council, in the context of the Europe 2020 Strategy Review, addressing the relevant role of building and operating transport infrastructure and efficient networks in order to contribute to growth and jobs.
5. The Committee of Permanent Representatives examined the draft conclusions at its meeting on 21 November 2014, settled the outstanding issues and agreed on the text of the draft conclusions, as it appears in the Annex to this Report.

III. CONCLUSION

5. The Council is hereby invited to examine and adopt the conclusions annexed to this report at its meeting on 3 December 2014.

Draft Council conclusions on Transport infrastructure and the Trans European Network

HAVING REGARD TO:

1. Regulation (EU) No 1315/2013 on Union guidelines for the development of the trans-European transport network and Regulation (EU) No 1316/2013 establishing the Connecting Europe Facility¹;
2. the conclusions of the European Council of 20/21 March 2014 which highlight that, in order to have a strong and competitive industrial base, Europe should fully exploit the potential of the internal market and contribute to this purpose by developing infrastructure networks, while making better use of the existing ones, and updating them with intelligent and innovative technologies; make the best possible use of relevant EU instruments - including the Connecting Europe Facility - to enhance industrial competitiveness;
3. the Commission communications of 3 March 2010 on "Europe 2020 A strategy for smart, sustainable and inclusive growth" and of 5 March 2014 "Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth"²;

¹ OJ L 348, 20.12.2013, p.1 and OJ L 248, 20.12.2013, p. 129.

² COM(2010) 2020 final and COM(2014) 130 final/2.

4. **the Conclusions of the European Council 26/27 June 2014, in all its elements, and in particular the "Strategic agenda for the Union in times of change", which calls for a Union of jobs, growth and competitiveness to be achieved through a set of priorities for the Union for the following five years; the priorities for the next five years set out in the Strategic Agenda adopted by the European Council of 26/27 June 2014 which include a call to invest and prepare the economies of the Union for the future by addressing overdue investments in transport infrastructure, energy and telecommunication, fostering growth, creating more and better jobs and by encouraging reforms for competitiveness, also using the possibilities offered by implementing the EU's existing fiscal framework to ensure fiscal discipline and the need to support growth;**
5. the conclusions of the Council of 14 October 2014 which underline that improving the conditions for both public and private investment is at the centre of the EU level response to promote growth potential and sustain demand, stress that the composition of public expenditures should be better orientated towards growth, notably in supporting of investment and emphasise that all options and initiatives to scale up resources for investments should be considered, including mobilising European Investment Bank (EIB) resources, private capital, and ~~using to the full the possibilities offered by~~ **tapping existing lines of** the EU budget; recognise, in line with the Stability and Growth Pact, that sustainable public finances play an important role in providing a positive climate for investment.

THE COUNCIL OF THE EUROPEAN UNION,

6. **REAFFIRMS** the importance of the Europe 2020 Strategy and, in the context of its upcoming review, **INVITES** the Commission to acknowledge the role of building and operating transport infrastructure and efficient networks as a key driver for growth and jobs;

7. STRESSES that investments in the real economy - to upgrade, maintain and develop transport infrastructure and complete the trans-European transport network - will create jobs, facilitate mobility and improve the efficiency of logistics chains, thereby preserving and strengthening strategic assets for the competitiveness of the Union and increasing its growth and jobs potential;
8. RECALLS that measures to boost competitiveness and European growth potential are key to strengthen future economic prospects; UNDERLINES the need to focus on key sectors with EU added value, such as transport infrastructure, taking into account the potential of intelligent transport systems; RECOGNISES that considerable investment needs have been identified to complete the TEN-T network and that the TEN-T projects may have a direct, verifiable and long term effect on growth and jobs and benefit the EU competitiveness as a whole;
9. WELCOMES the announcement by the President of the European Commission to present an investment initiative within the first three months of his mandate and ACKNOWLEDGES that the report of the Special Task Force on developing an investment project pipeline in the European Union jointly chaired by the European Investment Bank (EIB) and the Commission and including the Member States, to be presented to the Council in December, may give a constructive input for the work on concrete measures to boost investment;
10. WELCOMES the successful informal meeting of the Transport Ministers, held in Milan on 16/17 September 2014, who underlined the important contribution of transport to growth as well as discussed potential ways to facilitate the implementation of the trans-European transport network and its core network corridors, and exploring innovative ways to generate the necessary funding and financing of TEN-T projects;

11. NOTES that, for the period 2014-2020, based on an analysis of the transport infrastructure plans of Member States, the Commission estimated investment needs of €500 billion for the entire TEN-T network, of which €250 billion for the core network alone, with the funding and financing coming from public sources at European, national, regional or local levels and potentially private sources;
12. RECOGNISES the role of the European Coordinators and LOOKS FORWARD to the work plan for each of the corridors to be submitted by 22 December 2014 for approval to the Member States concerned; RECALLS that such work plans include, inter alia, an analysis of a plan for the removal of physical, technical, operational and administrative barriers between and within transport modes as well as measures to contribute to sustainable transport, and that they aim at guiding the progressive development of these corridors until 2030;
13. STRESSES the importance of identifying the sources envisaged for funding and financing the projects included in the work plans in cooperation with the Member States concerned; UNDERLINES that these projects should reflect both national investment or infrastructure planning and the need for improving the functioning of the corridors as a whole;
14. RECALLS that, in line with the relevant provisions of the TEN-T and CEF Regulations, adaptations of Annexes can be undertaken;
15. RECALLS that core network urban nodes, ports and airports, as well as freight terminals, should be integrated thereby enhancing connections between transport modes and enabling more effective multi-modal transport; UNDERLINES the importance of an interoperable, sustainable and efficient corridor development including through innovation and the needs for technological upgrade; UNDERLINES the role of interoperable intelligent transport systems, which allow for a more efficient infrastructure capacity use, may enable mobility as a service and stimulate more sustainable travel behaviour; STRESSES the use of alternative fuel solutions for all modes of transport; UNDERLINES the importance of associated on-board equipment and new technologies for the modernisation of fleets;

16. UNDERLINES the importance of a closer cooperation amongst Member States, European Coordinators and the Commission especially for the completion of the cross-border projects and RECOMMENDS the exchange of best practices concerning these projects;
17. RECALLS that, after approval of the corridor work plans by the Member States concerned according to the TEN-T Regulation, the Commission may adopt implementing acts in order to facilitate the implementation of cross-border projects as well as projects relating to the horizontal dimensions of those plans;
18. STRESSES that European funding to transport infrastructure, through the Connecting Europe Facility (CEF), should be concentrated on the core network and combined, where relevant, with the European Structural and Investment Funds (ESIF); ACKNOWLEDGES that the ESIF funds available to transport infrastructure should contribute to the implementation of the work plans, while considering the specificities of individual Member States and the need to ensure connectivity and accessibility of all the regions of the Union; UNDERLINES also that further synergies can be achieved by combining these funds, where appropriate, with Horizon 2020, the Instrument for Pre-Accession or the European Neighbourhood Instrument, thereby enhancing the leverage effect of EU funding;
19. STRESSES that steps should be considered by the Union on the basis of the implementation of financial instruments to attract the liquidities available on capital markets and to increase the leverage of the EU funding, thereby promoting the use of long-term viable innovative financial instruments, at European level;
20. UNDERLINES the importance of the principle of blending, which allows for combining EU and/or national grants with innovative financial instruments, thus facilitating the use of these instruments and without creating unnecessary burdens and conditionalities on Member States;

21. ENCOURAGES the Commission, in cooperation with the European Investment Bank (EIB) and other possible entrusted entities, to set up appropriate initiatives to provide the necessary technical assistance to Member States to make projects attractive to potential investors as well as to consolidate and improve the implementation of the institutional and legal framework facilitating the use of EU financial instruments.
22. TAKES NOTE WITH INTEREST of the interim report prepared by the Commission's former Vice-President Christophersen with the European Coordinators Bodewig and Secchi, in consultation with the European Investment Bank, which identifies TEN-T projects, in particular along corridors, which may be particularly suited for public-private partnerships and could benefit in the next three years from the use of innovative financial instruments, notably the EU financial instruments;
23. INVITES the Commission, with the support of the European Investment Bank and other possible entrusted entities, and in consultation with the Member States, to consider the extension of the existing financial instruments (such as Loan Guarantee Instrument for the TEN-T, Project Bond Initiative, Risk Sharing Finance Facility), while looking into the possibility of new innovative financial instruments;
24. INVITES the Member States to exchange the relevant information on initiatives taken at national level to develop, in any transport mode, the pricing policy of infrastructure which has a significant impact across borders;

25. EMPHASISES that simple, fast, well coordinated and predictable authorisation procedures, including on state aid, are of crucial importance to facilitate and accelerate the implementation of the trans-European network projects; INVITES in this context the Commission to ensure that the State aid procedures do not lead to undue delays in project preparation and enhance the investors' certainty and comfort, where necessary by clarifying and simplifying their application; CONSIDERS that the State aid acquis should not be an obstacle to the public financing of general infrastructure, such as road and rail connections that form an integral part of the public transport network in Member States, without prejudice to the Commission prerogative on state aid rules;
26. CONSIDERS that permitting procedures are an essential part of the planning of projects, that an early consultation and coordination of parties is crucial to streamline these procedures, accelerate projects and avoid additional costs, thereby increasing investors' confidence; INVITES the Commission to take stock of good practices, in particular those promoting ways to simplify the EU framework for projects of common interest of the core network;
27. RECOGNISES the need to employ public funds for infrastructure efficiently by advanced cost and risk estimates, cost control systems and long-term national infrastructure planning;
28. RECALLS the importance of the internal market in strategic transport areas and of a transport policy that should promote an optimal and efficient use of the infrastructure of the trans-European transport network; STRESSES, in this context, the opportunities for more efficiency with a view to attracting investors and facilitating the recovery of costs for maintaining the infrastructure;
29. STRESSES that actions to build, maintain, upgrade, rehabilitate, develop the transport infrastructure of the trans-European network and optimise their use, will be of high importance for the competitiveness of the European economy.
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