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## REPORT

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 1)
No. prev. doc.:	10674/5/17 REV 5
Subject:	Draft Council conclusions on the progress of the Trans-European Transport Network (TEN-T) implementation and the Connecting Europe Facility (CEF) for transport – Adoption

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### I. INTRODUCTION

1. In June 2017, the Commission published its "Reflection paper on the future of EU finances"<sup>1</sup> which launched a reflection process on the funding priorities of the EU in view of the next financial perspective.
2. In this context and given the multiple importance of a well-functioning, high-quality transport infrastructure for the EU, the Estonian Presidency made it one of its horizontal priorities to contribute to this reflection process by developing Council conclusions that take stock of the implementation of the TEN-T network and CEF-transport this far and examine the future investment needs of the EU transport infrastructure as well as its priorities.

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<sup>1</sup> Doc. 11006/17 + ADD 1

## **II. WORK WITHIN THE COUNCIL**

3. At the meeting of the Working Party on Transport, Intermodal Questions and Networks of 3 July 2017, the Presidency presented the first draft of the Council conclusions<sup>2</sup> which were discussed at a number of subsequent meetings in September and October.
4. During the informal meeting of transport Ministers held in Tallinn, Ministers had an exchange of views on 21 September 2017, in which they took stock of the results of the use of the different investment instruments available for TEN-T projects and discussed the future investment needs for the implementation of the TEN-T network beyond 2020. The contributions provided an important input to some of the key aspects of the present draft Council conclusions.
5. Following the meeting of the Working Party of 27 October 2017, the final Presidency compromise text<sup>3</sup> was circulated to the delegations and was scrutinised during an informal silence procedure.
6. The outcome of the this consultation revealed that all delegations can support the draft Council conclusions as set out in the annex to this report.

## **III. CONCLUSION**

7. In the light of the above, the Permanent Representatives Committee is invited to confirm the agreement on the draft Council conclusions set out in the annex with a view to their adoption by the Transport, Telecommunications and Energy Council on 5 December 2017.

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<sup>2</sup> Doc. 10674/17.

<sup>3</sup> Doc. 10674/5/17 REV 5.

**DRAFT**

**COUNCIL CONCLUSIONS**

**on the progress of the Trans-European Transport Network (TEN-T) implementation and the Connecting Europe Facility for transport**

HAVING REGARD TO:

- 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 Facility<sup>1</sup>;
- The Council conclusions on Transport infrastructure and the Trans-European Network of 3 December 2014<sup>2</sup>;
- The Council conclusions on "Priorities for the EU's maritime transport policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, an efficient internal market and a world-class maritime cluster" of 8 June 2017<sup>3</sup>;
- The Rotterdam Ministerial Declaration on Implementing the Trans-European Transport Network (TEN-T) adopted on 20 June 2016<sup>4</sup>;
- The Rotterdam Ministerial Declaration on the Rail Freight Corridors to boost international rail freight of 21 June 2016<sup>5</sup>;

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<sup>1</sup> OJ L 348, 20.12.2013, p.1.

<sup>2</sup> Doc. 16363/14.

<sup>3</sup> Doc. 9976/17.

<sup>4</sup> Doc. 10308/1/16 REV 1.

<sup>5</sup> Doc. 10306/16.

- The White Paper 2017 on the future of Europe of 1 March 2017<sup>6</sup> and the Reflection paper on the future of EU finances of 28 June 2017<sup>7</sup>;
- Joint Declaration of the European Coordinators on the future of TEN-T and CEF.

THE COUNCIL OF THE EUROPEAN UNION:

1. REITERATES the commitment of the Member States to implement the Trans-European Network for Transport to ensure the good functioning of the EU internal market, strengthen the territorial cohesion, accessibility and connectivity of all regions of the Union, including the outermost regions, to stimulate investments for growth and jobs in the EU, to ensure the transition to low emission mobility and the fulfilment of the new EU international commitments concerning climate policy objectives (COP21); in this regard RECOGNIZES the importance of the transport infrastructure and services in delivering on the Single European Transport Area, the Energy Union and Digital Single Market.

*Reporting on implementation of the Trans-European Network for Transport*

2. WELCOMES the first progress report on the implementation of the TEN-T submitted by the Commission and ACKNOWLEDGES that the report provides an overview on the state of play in terms of the implementation of the TEN-T as well as highlights the investments made with the contribution of CEF, ESIF and EIB, including through EFSI;
3. NOTES that this first report does not include information on the national investments made on the TEN-T and therefore INVITES the Commission and the Member States to use for the next report a simpler and clearer reporting process to include this information;
4. RECALLS that by 31 December 2023 at the latest, the Commission is obliged to carry out a review of the implementation of the TEN-T core network, evaluating notably the need for modifications to the core network to take into account national investment planning and developments in transport flows.

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<sup>6</sup> Docs. 6952/17 + ADD 1 + ADD 2.

<sup>7</sup> Docs.11006/17 + ADD 1.

### *Governing the Core Network Corridors*

5. REAFFIRMS the important role of the European Coordinators in facilitating timely and effective implementation of the multimodal Core Network Corridors and RECOGNIZES the Corridor Work Plans as an appropriate monitoring tool for the progress on developing the Core Network Corridors; in this regard WELCOMES the second generation of corridor work plans approved in December 2016 and CALLS on the European Coordinators to present the updated work plans by early 2018;
6. ACKNOWLEDGES that there is a continuous need to facilitate the timely implementation of projects on the Core Network Corridors; in this regard INVITES the Commission to appoint European Coordinators for the new mandate as of March 2018; CALLS on the Coordinators to focus their activities on the implementation of the Core Network corridors to strengthen cooperation and exchange between Core Network Corridors and to ensure appropriate synergies with relevant transport, energy and telecommunications policy objectives;
7. WELCOMES the adoption of the new European Deployment Plan for ERTMS and TAKES NOTE of the presentation of the first Detailed Implementation Plan for Motorways of the Seas; INVITES the respective European Coordinators to maintain their efforts in ensuring coordinated implementation of ERTMS and of Motorways of the Sea;
8. RECOGNISES the potential of rail freight corridors to develop cost-efficient measures for optimizing the use of the TEN-T network and WELCOMES efforts of the European Coordinators to exploit synergies with rail freight corridors.

### *Providing a solid pipeline of projects*

9. WELCOMES the first assessment of the investment needs on the Core Network Corridor, presented by the Commission on the basis of the information collected in the indicative project lists of the Corridors; CALLS as the next step on the Commission in consultation with the Member States to further enhance the quality of the indicative project lists attached to the Work Plans, with a view to identifying the relevant projects to ensure the timely completion of the core network corridors;

10. NOTES that this first assessment shows that the total planned investment for the period 2016 until 2030 amounts to €607 billion for the Core Network Corridors and to approximately € 750 billion for the core network; NOTES furthermore that over the period 2021-2030 the investment needs would amount to about €500 billion for the core network and to about €1.5 trillion including the comprehensive network and other transport investments; UNDERLINES that investments on Core Network Corridors would stimulate estimated additional GDP of €4.5 trillion or 1.8% estimated additional GDP across the EU over that period, mobilise an estimated number of 13 million job-year and generate an overall reduction of CO2 emissions of about 7 million tons <sup>8</sup>;
11. CALLS on the Commission to come up with more robust analysis of the impact of TEN-T related investment on jobs and growth, by the mid-2018.

*Improving environment for investment and streamlining administrative procedures*

12. LOOKS FORWARD to a progress report on the Christophersen-Bodewig-Secchi report that should highlight the advancement made with regard to their twelve recommendations and outline the steps and additional measures that are relevant to improve the framework for investments in Europe; WELCOMES that some measures called for have already been implemented – such as revision of the financial market regulations and the statistical criteria for Public-Private-Partnerships;
13. TAKES NOTE of the Commission's study to identify barriers in the regulatory and administrative processes that impact the effective and efficient planning as well as implementation of TEN-T core network projects; ENCOURAGES the Commission to carefully assess the recommendations of this study which may lead to further measures.

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<sup>8</sup> Figures based on the Core Network Corridor studies.

*Connecting to the neighbouring countries of Europe*

14. RECOGNIZES the importance of connecting the TEN-T network with the infrastructure of the neighbouring countries, in order to enhance the connectivity, economic growth and competitiveness of both the EU and the countries concerned;
15. To this end, UNDERLINES the need of ensuring that no discriminatory or restrictive measures are imposed on EU transport operators providing transport services in neighbouring countries.

*Taking stock of the interim results of the Connecting Europe Facility in the transport sector*

16. LOOKS FORWARD to the results of the CEF mid-term evaluation and the assessment of the CEF programme in terms of coherence with other EU instruments and its execution, in accordance with the EU priorities, effectiveness in mobilising additional investments into improving EU transport infrastructure and ability to generate EU added value;
17. WELCOMES the multiplier effect of EU funding and financing schemes, which so far allowed the CEF to trigger approximately €45 billion<sup>9</sup> of investment in developing the transport sector;
18. ACKNOWLEDGES that by December this year 92.2% of the CEF-Transport budget for grants of €23.2 billion has been allocated in the three first calls and that the cohesion envelope has been fully allocated; NOTES that the demand for CEF funding considerably exceeded the available resources;
19. RECALLS that the competitive process for selecting projects and the efficient management of the CEF budget, including the current application of the "use it or lose it" principle as embedded in Article 12 of the CEF Regulation, are critical to the success of the CEF; and in this regard CALLS for the timely implementation of projects by all the beneficiaries;

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<sup>9</sup> Figure based on the Commission's estimates.

20. NOTES that since its establishment CEF, has also demonstrated certain potential for cross-sectorial synergies in transport, energy and broadband projects and related priorities (i.e. decarbonisation, digitalisation and innovation), which require further enhancement.

*Mobilising innovative financial instruments for transport*

21. NOTES that so far only 9% of all investments mobilized through EFSI have benefitted the transport sector, despite the fact that CEF-transport made the largest contribution to the creation of the EFSI guarantee. EMPHASISES however that until [November] 2017, EFSI has supported [52] operations contributing to transport objectives triggering a total of €[22.2] billion in related investment;
22. TAKES NOTE that further [12] transport operations have been financed through the EU financial instruments, such as CEF Debt Instrument, leveraging more than €[13.6] billion; INVITES the Commission to continue assessing the use of the innovative financial instruments, blended with grants where appropriate, to facilitate access to financing of transport projects across Member States and modes of transport;
23. WELCOMES the launch by the Commission of a €1.35 billion blending call to provide grants for transport projects aiming at attracting additional private financing and TAKES NOTE of the Commission proposal to include within the CEF Regulation the option to set up CEF blending facilities aiming at attracting private and public financing to increase the effectiveness of EU funding for projects of common interest in the TEN-T; CALLS on the Commission to provide comprehensive information presenting the results and analysing the lessons learnt following the first CEF blending call.

*Addressing future investment needs with a smart new investment framework*

24. WELCOMES the Joint Declaration of the European Coordinators and SHARES their vision of a more efficient and more integrated Europe and TAKES NOTE of their call for a stronger EU support with an increased grant budget for European added value investments in transport;



25. CALLS on the Commission to further mobilise public and private finance towards the objectives of the EU transport policy, and in particular the completion of the TEN-T core network by 2030 and comprehensive network by 2050 as well as, the implementation of the low-emission mobility strategy, the connected, automated and cooperative cross-border mobility and the promotion of safe and secure solutions; CALLS for better synergies between transport, energy and telecom projects through an improved framework to address the remaining shortcomings; UNDERLINES the importance of ensuring better strategic planning, promoting multimodal and sustainable development and taking into account transport infrastructure maintenance needs;
26. CALLS for reinforcing the Connecting Europe Facility as the strategic EU investment instrument for the realisation of the trans-European networks; UNDERLINES that this Facility should continue to include the general and the cohesion envelopes and to be implemented mainly through grants, alongside financial instruments and budgetary guarantees, and the blending of grants with private and public financing; RECOGNISES the importance of, and potential synergies with ESIF and other EU funds and instruments in contributing to the objectives of the TEN-T policy;
27. UNDERLINES the European added-value of projects across all modes, covering cross-border sections, bridging missing links, removing major bottlenecks and improving “last-mile” connections on the TEN-T network, strengthening territorial cohesion through accessibility and connectivity of all regions, as well as contributing to low-emission and connected mobility, and ensuring interoperability; REAFFIRMS the crucial role of the grant component in ensuring timely implementation of such projects through this Facility;
28. ACKNOWLEDGES that a number of ongoing major TEN-T cross-border projects with a foreseen completion date before 2030 are being implemented and; RECOGNIZES that the implementation of such projects depends to a large extent on political commitment and the availability of financial resources both at European and national level;

29. RECOGNIZES that revenue-generating projects in transport are often better suited to make use of innovative financial instruments and blending; whereas UNDERLINES that the grant component is necessary for projects having less potential to generate revenues, but which demonstrate the EU added value;
30. REAFFIRMS that to achieve a credible and long-term impact on the market, an EU infrastructure investment instrument needs to provide stability to all stakeholders, both as regards the priorities and the form of support; CALLS for ensuring the continuity of the investment framework for projects with European added-value.
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