## Trans-European transport network: development

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The Council agreed on a **partial general approach** on a draft regulation establishing the <u>Connecting Europe Facility</u> (CEF), the future funding instrument for the trans-European networks (TEN) in the fields of transport, energy and telecommunications.

The draft regulation determines the conditions, methods and procedures for the Union's financial contribution to TEN projects, while the development strategies, priorities and implementation measures for each of the sectors are defined in sector-specific policy guidelines which will be adopted separately. The Council has already agreed on a **general approach on guidelines for the transport sector (TEN-T guidelines**: <u>8047/12</u>).

The overall objective of the CEF is to help create high-performing and environmentally-sustainable interconnected networks across Europe, thereby contributing to economic growth and social and territorial cohesion within the Union. In the field of transport, the CEF will support projects that pursue the following sector-specific objectives: (i) removing bottlenecks and bridging missing links; (ii) ensuring sustainable and efficient transport systems in the long term; (iii) improving the integration and interconnection of different transport modes and enhancing interoperability.

The main outstanding issue concerns requests by several delegations to **extend the possibilities of financing road projects by means of grants**.

While the transport part of the CEF regulation strongly focuses on the funding of railways and inland waterways, it also, under certain conditions, allows the financing of road projects through grants.

As a result of its discussions, the Council agreed to add member states with an isolated rail network without long-distance rail freight transport to the cases where grants can be given to road projects.

In addition, it was decided to provide for **co-financing of road works at cross-border sections** in all member states at a rate of up to 10 %. All those funding possibilities, however, are subject to the general conditions for grants for TEN-T projects.

Apart from road financing, in order to reach broad agreement on a final compromise, the Council increased the co-financing rate for the development of the Motorways of the Seas from 20 % to 30 % and added the interconnection of maritime ports to the indicators for achieving the objective of enhanced interconnection and interoperability.

In addition, to accommodate requests from delegations, some modifications concerning rail or road sections or ports have been introduced into the list of core network corridors set out in the annex to the regulation. Moreover, it will be clarified in a recital that the completion of the core transport network includes not only the creation of new infrastructure, but also the rehabilitation and upgrading of existing infrastructure.

The **budget** to be made available for the trans-European networks under the CEF will depend on the results of the negotiations on the next multiannual framework and is therefore not yet included in this partial general approach. The Commission has proposed EUR 50 billion for the years 2014 to 2020, with EUR 31.7 billion (including EUR 10 billion earmarked in the Cohesion Fund) allocated to the transport sector.