

# Community financial aid in the field of the trans-European transport and energy networks, 2007-2013

2004/0154(COD) - 24/05/2006 - Modified legislative proposal

Following the Interinstitutional Agreement of 17 May 2006 on the financial framework 2007-2013, this proposal revises the Commission's initial proposal laying down general rules for the granting of Community financial aid in the field of trans-European networks (TENs) for transport and energy and amending Council Regulation 2236/95/EC.

The resources established in the financial framework represent only 40% of the amount initially proposed for the transport sector, and 45% of that proposed for the energy sector. This also makes it necessary to adapt the procedures for the granting of aid (in particular, the procedures for project selection and rates of support). In addition to this, comments made by the European Parliament in the first reading have been taken into account in the revised proposal.

The proposal, revising the Commission's initial proposal of July 2004, lays down the general rules for the granting of Community financial aid in the field of trans-European networks for transport and energy during the period 2007-2013.

It sets out the procedures for the granting of Community financial aid, taking account of the available budgetary resources, the policy priorities for TEN development and its financing, as well as of the legal /administrative framework for the management of the Community budget.

In this respect, the proposal establishes in particular:

- the procedures for the selection of projects, the forms of Community aid (including two new forms - participation in a guarantee instrument and contribution to the activities of joint undertakings, based on Article 171 of the Treaty establishing the European Community);
- the maximum rates of Community aid (increased rates for specific categories of projects with a high priority, in order to increase the leverage in mobilising investment from various public and private sources).

It enhances the clarity of the provisions for the granting of aid and for the implementation of corresponding Commission decisions (including the measures to be taken in case of irregularities) as well as the role of the Member States concerned. It better defines the types of potential beneficiaries of Community aid in the field of TENs, as well as other key terms subject to the proposed regulation. Overall, the proposed procedures and provisions support the objective of strengthening the concentration of Community aid on the highest priorities for network development.

Only the full provision of the budgetary resources set out in the initial proposal (EUR 20.350 million for the transport sector and EUR 0.34 million for the energy sector) would have enabled the Community to effectively stimulate the investments needed to achieve the completion target, especially of the transport TENs.

The drastic reduction (to EUR 8.013 million for transport and to EUR 0.155 million for energy) reinforces Member States' responsibility for due investment efforts in order to nevertheless ensure full achievement

of the completion targets set out in the respective network development "Guidelines" adopted by the European Parliament and the Council.

At the same time, the reduction in resources intensifies the call upon private investors to take a more active part in TEN financing, in return for expected benefits from improved accessibility of economic areas and consumer centres, as well as of remote regions.

In implementing the reduced budget, the Commission will apply the most appropriate evaluation methods, making sure limited Community funds generate the highest possible value for the Community's trans-European network.

**For further information concerning the financial implications of this measure, please refer to the financial statement.**