

| Basic information | |
|-----------------------------------------------------------------------------------------------------------|---------------------|
| 2004/0154(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation | Procedure completed |
| Community financial aid in the field of the trans-European transport and energy networks, 2007- 2013 | |
| Repealed by 2011/0302(COD) Amended by 2011/0301(COD) | |
| Subject 3.20.11 Trans-European transport networks 3.60.06 Trans-European energy networks | |

| Key players | | | |
|---------------------|-------------------------------------------|--------------------------------------|------------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | BUDG Budgets | MAURO Mario Walter (PPE-DE) | 20/09/2004 |
| | Former committee responsible | Former rapporteur | Appointed |
| | BUDG Budgets | MAURO Mario Walter (PPE-DE) | 14/09/2004 |
| | Former committee for opinion | Former rapporteur for opinion | Appointed |
| | ITRE Industry, Research and Energy | GLANTE Norbert (PSE) | 26/10/2004 |
| | TRAN Transport and Tourism | Ó NEACHTAIN Seán (UEN) | 29/09/2004 |
| | Council configuration | Meetings | Date |
| | Transport, Telecommunications and Energy | 2791 | 2007-03-22 |
| European Commission | Commission DG | Commissioner | |
| | Energy and Transport | BARROT Jacques | |
| | | | |

| Key events | | | |
|------------|----------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------|
| Date | Event | Reference | Summary |
| 14/07/2004 | Legislative proposal published | COM(2004)0475  | Summary |
| 12/04/2005 | Committee referral announced in Parliament, 1st reading | | |
| 14/09/2005 | Vote in committee, 1st reading | | Summary |
| 05/10/2005 | Committee report tabled for plenary, 1st reading | A6-0283/2005 | |
| 25/10/2005 | Debate in Parliament |  | |
| 26/10/2005 | Decision by Parliament, 1st reading | T6-0403/2005 | Summary |
| 26/10/2005 | Results of vote in Parliament |  | |
| 24/05/2006 | Modified legislative proposal published | COM(2006)0245  | Summary |
| 22/03/2007 | Council position published | 17032/2/2006 | Summary |
| 29/03/2007 | Committee referral announced in Parliament, 2nd reading | | |
| 07/05/2007 | Vote in committee, 2nd reading | | Summary |
| 09/05/2007 | Committee recommendation tabled for plenary, 2nd reading | A6-0169/2007 | |
| 22/05/2007 | Debate in Parliament |  | |
| 23/05/2007 | Decision by Parliament, 2nd reading | T6-0198/2007 | Summary |
| 23/05/2007 | Results of vote in Parliament |  | |
| 20/06/2007 | Final act signed | | |
| 20/06/2007 | End of procedure in Parliament | | |
| 22/06/2007 | Final act published in Official Journal | | |

| Technical information | |
|----------------------------|-----------------------------------------------------------------------------------------|
| Procedure reference | 2004/0154(COD) |
| Procedure type | COD - Ordinary legislative procedure (ex-codecision procedure) |
| Procedure subtype | Legislation |
| Legislative instrument | Regulation |
| Amendments and repeals | Repealed by 2011/0302(COD) Amended by 2011/0301(COD) |
| Legal basis | EC Treaty (after Amsterdam) EC 156 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | BUDG/6/47899 |

| Documentation gateway | |
|-----------------------|--|
| | |

European Parliament

| Document type | Committee | Reference | Date | Summary |
|-----------------------------------------------------------------|-----------|-----------------------------------------------------|------------|-------------------------|
| Committee opinion | TRAN | PE355.763 | 03/06/2005 | |
| Committee opinion | ITRE | PE357.828 | 22/06/2005 | |
| Amendments tabled in committee | | PE362.470 | 31/08/2005 | |
| Committee report tabled for plenary, 1st reading/single reading | | A6-0283/2005 | 05/10/2005 | |
| Text adopted by Parliament, 1st reading/single reading | | T6-0403/2005 OJ C 272 09.11.2006, p. 0273-0404 E | 26/10/2005 | Summary |
| Committee draft report | | PE386.659 | 03/04/2007 | |
| Amendments tabled in committee | | PE388.469 | 20/04/2007 | |
| Committee recommendation tabled for plenary, 2nd reading | | A6-0169/2007 | 09/05/2007 | |
| Text adopted by Parliament, 2nd reading | | T6-0198/2007 | 23/05/2007 | Summary |

Council of the EU

| Document type | Reference | Date | Summary |
|-----------------------------------|--------------|------------|-------------------------|
| Council statement on its position | 07086/2007 | 16/03/2007 | |
| Council position | 17032/2/2006 | 22/03/2007 | Summary |
| Draft final act | 03625/2007 | 20/06/2007 | |

European Commission

| Document type | Reference | Date | Summary |
|------------------------------------------------|------------------------------------------------------------------------------------------------------|------------|-------------------------|
| Legislative proposal | COM(2004)0475  | 14/07/2004 | Summary |
| Document attached to the procedure | COM(2006)0239  | 24/05/2006 | Summary |
| Modified legislative proposal | COM(2006)0245  | 24/05/2006 | Summary |
| Commission communication on Council's position | COM(2007)0152  | 23/03/2007 | Summary |
| Follow-up document | COM(2010)0203  | 04/05/2010 | Summary |
| Follow-up document | SEC(2010)0505  | 04/05/2010 | Summary |
| Commission working document (SWD) | SWD(2014)0314  | 13/10/2014 | Summary |
| Follow-up document | COM(2014)0686  | 30/10/2014 | Summary |
| | SWD(2014)0335 | | |

National parliaments

| Document type | Parliament /Chamber | Reference | Date | Summary |
|---------------|---------------------|---------------|------------|---------|
| Contribution | PT_PARLIAMENT | COM(2010)0203 | 15/04/2011 | |

Other institutions and bodies

| Institution/body | Document type | Reference | Date | Summary |
|------------------|------------------------------------------------|---------------------------------------------------|------------|---------|
| EESC | Economic and Social Committee: opinion, report | CES0256/2005 OJ C 234 22.09.2005, p. 0069-0072 | 10/03/2005 | |
| EESC | Economic and Social Committee: opinion, report | CES0257/2005 | 10/03/2005 | |

Additional information

| Source | Document | Date |
|----------------------|----------|------|
| National parliaments | IPEX | |
| European Commission | EUR-Lex | |

Final act

Regulation 2007/0680
OJ L 162 22.06.2007, p. 0001

Summary

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

2004/0154(COD) - 20/06/2007 - Final act

PURPOSE: to define the conditions, methods and procedures for granting Community financial aid to projects of common interest in the field of the trans-European transport and energy networks.

LEGISLATIVE ACT: Regulation (EC) No 680/2007 of the European Parliament and of the Council laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks.

CONTENT: the Regulation defines the conditions, methods and procedures for granting Community financial aid to projects of common interest in the field of the trans-European transport and energy networks for the period 2007-2013.

Selection of projects:

(1) In the field of transport, special attention shall be given to the following projects: (a) priority projects; (b) projects to eliminate bottlenecks, in particular in the framework of priority projects; (c) projects submitted or supported jointly by at least two Member States, in particular those involving cross-border sections; (d) projects contributing to the continuity of the network and the optimisation of its capacity; (e) projects contributing to the improvement of the quality of service offered on TEN-T and which promote, inter alia through action relating to infrastructure, the safety and security of users and ensure interoperability between national networks; (f) projects relating to the development and deployment of traffic management systems in rail, road, air, maritime, inland waterway and coastal transport which ensure interoperability between national networks; (g) projects contributing to the

completion of the internal market; and (h) projects contributing to the re-balancing of transport modes in favour of the most environmentally-friendly ones, such as inland waterways.

(2) In the field of energy, particular attention shall be given to projects of European interest that contribute to: (a) the development of the network so as to strengthen economic and social cohesion by reducing the isolation of the less-favoured and island regions of the Community; (b) the optimisation of the capacity of the network and the completion of the internal energy market, in particular projects concerning cross-border sections; (c) the security of energy supply, diversification of sources of energy supplies and, in particular, interconnections with third countries; (d) the connection of renewable energy resources; and (e) the safety, reliability and interoperability of interconnected networks.

A decision to grant Community financial aid shall take into account, *inter alia*: (a) the maturity of the project; (b) the stimulating effect of Community intervention on public and private funding; (c) the soundness of the financial package; (d) socio-economic effects; (e) environmental consequences; (f) the need to overcome financial obstacles; and (g) the complexity of the project, for example that which arises from the need to cross a natural barrier.

Methods of financial aid: the amount of Community financial aid shall not exceed the following rates: (a) **studies**: 50% of the eligible cost, irrespective of the project of common interest concerned; (b) **works**: (i) priority projects in the field of transport: a maximum of 20% of the eligible cost; a maximum of 30% of the eligible cost for cross-border sections, provided that the Member States concerned have given the Commission all necessary guarantees regarding the financial viability of the project and the timetable for carrying it out; (ii) projects in the field of energy: a maximum of 10% of the eligible cost; (iii) projects in the field of transport other than priority projects: a maximum of 10% of the eligible cost; (c) **the European Rail Traffic Management System (ERTMS)**: (i) track-side equipment: a maximum of 50% of the eligible cost of studies and works; (ii) on-board equipment: a maximum of 50% of the eligible cost of developing and making prototypes for the installation of ERTMS on existing rolling stock, provided that the prototype is certified in at least two Member States; a maximum of 50% of the eligible cost of series equipment for the installation of ERTMS on rolling stock; (d) road, air, inland waterway, maritime traffic and coastal **traffic management systems**: a maximum of 20% of the eligible cost of works.

Moreover, the introduction of new financial instruments (loan and subsidy guarantee instrument for work within the framework of mechanisms of remuneration of provision) encourages more frequent recourse to the private-public partnerships.

Evaluation: every two years the Commission shall submit a report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the activities undertaken under this Regulation. Before the end of 2010, the Commission shall submit to the European Parliament and to the Council a general report on the experience gained with the mechanisms provided for by this Regulation for the granting of Community financial aid.

The financial envelope for the implementation of this Regulation for the period 2007 to 2013 shall be EUR 8 168 000 000, of which EUR 8 013 000 000 shall be for TEN-T and EUR 155 000 000 shall be for TEN-E.

ENTRY INTO FORCE: 12/07/2007

APPLICATION: from 01/01/2007.

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.

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

2004/0154(COD) - 24/05/2006

Package of legislative proposals following the Interinstitutional Agreement on budgetary discipline and sound financial management

The conclusion on 17 May 2006 by the Commission, the Council and the European Parliament of the agreement on the 2007-2013 financial framework (Interinstitutional Agreement on budgetary discipline and sound financial management – please refer to procedure ACI/2004/2099) marks a real success for Europe, providing a stable financial framework for the political priorities of the enlarged Union for the next seven years. It is now up to the institutions and Member States to ensure that the financial resources available are used and implemented as well as possible. Action at European level must contribute true added value to that taken at national, regional or local level and must have an optimum impact on each European player. The Commission is ready to play a full role in all these areas.

The agreement marks a decisive step forward towards the ultimate objective of providing the Union with operational programmes by the beginning of 2007. Work must now be continued on each legislative act. To this end, the Commission intends to continue to provide momentum and act as a facilitator, as it has been doing since the start of the negotiations.

As part of the negotiations on the 2007-2013 financial framework, in October 2005 the European Parliament, the Council and the Commission adopted a joint declaration in which they undertook to continue work on the legislative proposals currently being discussed and then, once the interinstitutional agreement had been adopted and on the basis of amended proposals by the Commission, to reach agreement on each of these proposals. Thus, in accordance with Article 250(2) of the EC Treaty and in order to facilitate this phase for each legislative act, the Commission has adopted a total of 30 proposals, 26 of which are amended and 4 new.

The **proposals amended as a result of the IIA** are as follows:

Programmes concerning the external policy of the Union and development cooperation:

- Ø **COD/2004/0219 (European Neighbourhood and Partnership Instrument)**
- Ø **COD/2004/0220 (development co-operation and economic co-operation instrument)**

Solidarity and Management of Migration Flows Programme (JHA):

- Ø **COD/2005/0046 (European Refugee Fund)**
- Ø **COD/2005/0047 (External borders fund, 2007-2013)**
- Ø **COD/2005/0049 (European Return Fund)**

Fundamental Rights and Justice Programme (JHA):

- Ø **COD/2005/0037/A(DAPHNE)**
- Ø **COD/2005/0037/B (drugs prevention and information)**

RDT Framework Programme and specific programmes :

- Ø COD/2005/0043 (RDT Framework Programme)
- Ø CNS/2005/0044(Nuclear Research Programme)
- Ø CNS/2005/0184 (Joint Research Centre - JRC)
- Ø CNS/2005/0185 (Transnational cooperation specific programme)
- Ø CNS/2005/0186 (Specific programme Ideas, frontier research)
- Ø CNS/2005/0187(Specific programme supporting researchers)
- Ø CNS/2005/0188(RDTCapacities specific programme)
- Ø CNS/2005/0189 (specific programme direct actions by the Joint Research Centre JRC)
- Ø CNS/2005/0190 (fusion energy, nuclear fission and radiation protection specific programme)

Employment and social cohesion Programme: COD/2004/0158

- Programmes in the fields of youth and education:
 - Ø COD/2004/0152 (Youth)
 - Ø COD/2004/0153 (Education – lifelong learning)
- Consumer Protection and Public Health Framework programme:
 - Ø COD/2005/0042/A (Public health)
 - Ø COD/2005/0042/B (Consumers)
- Programme in the fields of energy, environment and transport :
 - Ø COD/2004/0218 (LIFE+)
 - Ø COD/2004/0154 (TransEuropean networks in the areas of energy and transport)
 - Ø CNS/2004/0221 (Decommissioning of the Bohunice nuclear plant)
- GALILEO (radio-navigation by satellite): COD/2004/0156

In terms of **new proposals**, the Commission has already submitted three in the area of agriculture and rural development policy and fisheries and aquaculture policy:

- Ø CNS/2006/0081 (fisheries and aquaculture)
- Ø CNS/2006/0082 (rural development)
- Ø CNS/2006/0083 (common agricultural policy).

Certain legislative acts do not form part of this package of measures, in particular those on which political agreement has been reached since 17 May. For these measures, the Commission has played a full part in helping to bring about agreement between the arms of the legislative authority. The same applies to the acts for which conclusion of the interinstitutional agreement does not modify the Commission's original proposal. For all the others, which are included in the package presented, the changes proposed by the Commission take account of the content of the interinstitutional agreement adopted, either in a simplified form, where the financial resources allocated to each programme must be adapted, or in a more detailed form where the structure or even the content of the act must be revised. It should also be noted that four of the amended proposals contain amendments already voted on by the European Parliament at first reading and that one proposal has been divided into two amended proposals in response to a request by the Council and the European Parliament, although Parliament has not yet proceeded to a first reading of this proposal.

Based on these amended proposals, the Commission calls on the European Parliament and the Council to continue their discussions of these proposals and conclude them as soon as possible in order to ensure that all the legal instruments are available in time for the effective launch of the programmes in January 2007.

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

2004/0154(COD) - 04/05/2010 - Follow-up document

The Commission presents a report on the Trans-European Energy Networks in the period 2007-2009, pursuant to Regulation (EC) 680/2007 and Decision 1364/2006/EC. The report summarises the progress which TEN-E has achieved in 2007-2009 in helping Europe's energy industry devise and implement strategic network projects. It also sets out to assess where TEN-E has had a positive impact as well as analysing its weaknesses. Detailed

information on the projects of European interest and the priority projects can be found in the Annex, which includes a summary description of the projects, describes progress of their implementation and presents the sources of financing during the period 2007-2009.

This report highlights the importance of energy infrastructure to the overall energy policy aims of the EU and the delivery of its 20-20-20 objectives. It provides input into the preparation of a proposal for a new EU Energy Security and Infrastructure Instrument, as requested by the European Council in March 2009 and anticipated in the [Communication](#) on the Second Strategic Energy Review (2008) and on the [Green Paper](#) on energy networks.

The report states that the TEN-E has made a **positive contribution to selected projects by giving them political visibility and helping leverage funds from the financial market**. The "TEN-E label" given to projects with the highest European interest and the creation of European Coordinators have been conducive in delivering these results. However, the European energy policy framework has undergone a dramatic change in the recent years, calling for a **thorough review of both the concept and rationale of the TEN-E framework**. Already in 2008, the Green Paper on energy networks examined the suitability of TEN-E for the delivery of the 20-20-20 targets and security of goals. The Green Paper suggested that a new instrument was required to tackle the growing challenges of energy security and network investment in the EU. The European Council endorsed these conclusions in March 2009. The report further substantiates these arguments and stresses the need to develop a new Energy Security and Infrastructure Instrument.

- The agreement on an [EU Energy Policy](#) in 2007 set binding targets on both greenhouse gas emissions and energy from renewable sources. An appropriate energy infrastructure development is needed particularly regarding the integration of renewable energy sources into the grid, the mitigation of the higher technological risks of low-carbon technologies, the integration of the European energy markets and to ensure security of supply.
- The regulatory framework related to gas and electricity infrastructure has considerably evolved: the **3rd internal energy market package** provides new instruments for better cooperation between Transmission System Operators and Regulators. The Agency for the Cooperation of Energy Regulators (ACER) will start operations in 2011, with the objective of ensuring coordination of rules on network access and investment across borders. The European Network of Transmission System operators for gas (ENTSO-G) and electricity (ENTSO-E) are tasked with putting market integration into practice by providing a European view on network access and network investments. One of their key tasks is the elaboration of Ten-Year Network Development Plans. A first draft for gas was published in December 2009 and for electricity in March 2010.
- In July 2009, following calls from Council and Parliament amplified by the January 2009 gas crisis, the Commission proposed a [new regulation concerning the measures to safeguard security of gas supply](#). Whilst the regulation places the main emphasis on the internal market as best guarantee for security of supply, it provides for common standards for security of supply - the infrastructure standard (n-1) and supply standards for protected customers. It also requires reverse flows to be established on all interconnection within 2 years from its entry into force.
- To stimulate economic recovery, the [European Energy Recovery Programme](#) allocated almost EUR 4 billion to leverage private funding in gas and electricity infrastructure, off-shore wind and carbon capture and storage projects. It provides useful lessons on the benefits of greater Member State collaboration and strategic involvement at a high level.

Against this background, the weaknesses of TEN-E have come to the fore in 2007- 2009. The programme has responded too slowly to the major challenges which have emerged in recent years, and is poorly equipped to deal with the growing challenges which will arise from the 2020 and 2050 ambitions.

The new policy environment creates a challenge for TEN-E, which has neither the resources nor the flexibility to make a full contribution to the delivery of the ambitious energy and climate goals. In the course of 2010, the Commission will examine the need for a new instrument which fully reflects the importance of infrastructure to the delivery of policy targets.

Based on the findings of this report, the following **priorities** emerge which will be further elaborated and analysed in the forthcoming revision of the TEN-E and its accompanying impact assessment:

(1) EU energy infrastructure strategic priorities need to be better defined: the energy networks must be modernised to allow Europe to meet its energy policy goals, including the 20/20/20 targets. Networks need to become more Europe-wide, to enable the development and proper functioning of the internal energy market, to strengthen security of supply but also to allow new technologies to be applied. The networks must also become flexible, to allow a variety of renewable sources, more decentralised power generation, incorporating smart energy demand technologies, including the concept of an EU-wide "super grid" for electricity and gas as well as the networks for carbon capture and storage (CCS). The external dimension of infrastructure and the diversification of supply routes and sources will also need to be looked at, especially in the gas sector but possibly also for oil;

(2) a new approach is needed to project definition: the current categorisation is confusing and fails to give a clear overview of the objectives. The approach adopted in the Commission's second Strategic Energy Review, whereby multiple projects are brought together into a regional initiative, such as the Southern Corridor for gas imports from the Caspian, or the Baltic Interconnection Plan, may be pursued. A thorough political debate is needed to decide what the future priorities of European infrastructure should be;

(3) the potential for cooperation between Member States involved in individual projects must be better exploited. This applies at the level of planning and at the level of political coordination. Situations where projects of European interest are not given national priority status, or where these projects are not equally supported by all Member State involved are untenable. The possibility should be explored of setting up of one (central) authorising body within a Member State, at least for the cross-border projects to speed up implementation;

(4) a stronger EU infrastructure strategy needs to attract investment at a level commensurate with the challenges. The funding of network investments from tariffs paid by network users is the established approach in Europe. This will remain the main feature also in the future. There may, however, be few instances where public funding can be motivated due to widespread European benefits and clearly demonstrated market failures, which prevent the investment to be undertaken. Existing funding available under other EU instruments must be better used and coordinated with energy policy actions.

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

2004/0154(COD) - 26/10/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Mario **MAURO** (EPP-ED, IT) and made several amendments to the Commission's proposal:

-The text does not refer to projects crossing natural borders (please see the preceding summary). Parliament stated instead that for priority projects in the field of transport, a maximum of 30% of the total eligible costs of the works; exceptionally, cross-border sections of projects included in the TEN-T programme as well as the deployment of European interoperable rail signalling systems may benefit from a maximum grant rate of 50% of total eligible costs, provided that the process of their implementation has begun before 2010 and that the Member States concerned have presented a plan to the Commission giving all the guarantees necessary regarding the financial support from the Member State and the timetable for the implementation of the project.

- The criteria for eligibility should include compliance with Community policies and laws on health protection, sustainable development and multimodal linkage of networks including inland, coastal and maritime navigation, inland waterways and short sea shipping;

-The Community should recognise cross-financing of TEN projects by way of toll supplements as a further means of speeding up the completion of other TEN projects and should be careful to comply with the detailed arrangements laid down by the European Parliament and the Council.

-Projects to be given priority should include those which "contribute to the elimination of bottlenecks and to an increase in long-distance transport connections, particularly in cross-border railway transport". Also to be given priority are the Programmes for the deployment of traffic management systems for rail, in particular European rail signalling systems (ERTMS/ETCS), and its components as well as traffic management systems in the field of air, maritime, inland waterway and coastal transport that provide for interoperability.

-Parliament deleted Article 8(3) of the proposal which would not have allowed cofinancing for sections of projects which already receive other Community financing.

-The financial reference amount for 2007-2013 should be EUR 20 490 million, (as opposed to the Commission's proposal of EUR 20 690 million), of which EUR 140 million should be earmarked for energy rather than EUR 340 million. The original allocation of EUR 20 350 million to transport was therefore left unchanged;

-The multi-annual programme should be adopted under the codecision procedure, rather than under the comitology procedure as proposed. The annual programmes (which will be adopted under comitology procedure) should be submitted to Parliament in good time before their adoption so that Parliament could deliver its opinion where appropriate;

-The Commission should retain a right of initiative as regards inspections of project sites, given its budgetary responsibility.

-Parliament as well as the EIB will be represented on the committee.

-Transport projects which are, or are part of, a cross-border segment may be the subject of a Commission grant decision subject to the existence of a bilateral agreement between the Member States concerned on completing the cross-border project within their respective national territories.

-Every year the Commission shall present to the European Parliament, together with the preliminary draft budget, a report on the financial implications arising from the existence and the activities of the European Coordinators introduced by Article 1(10) of Decision 884/2004/EC.

Parliament added that the European Union should seek to encourage public-private forms of financing, whether institutional or contractual, which have proved to be effective, by means of legal guarantees which are compatible with competition law and the internal market, and by endeavouring to spread good practice among the Member States.

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

2004/0154(COD) - 04/05/2010 - Follow-up document

This Commission Staff Working Document is the Annex to the report on the implementation of the trans-European energy networks in the period 2007-2009 (see summary of [COM \(2010\) 0203](#)). It provides detailed information on the progress made in the implementation of TEN-E projects in the period 2007-2009, focusing in particular on the implementation of projects of European interest as well as some priority projects as specified in the TEN-E

Guidelines. It includes an assessment of the main results achieved with regard to the objectives of the TEN-E policy and summarises the main problems encountered during the implementation of the projects.

In addition, the report provides comprehensive information on the main EU financial instruments relevant for the implementation of TEN-E projects such as loans of the European Investment Bank, the TEN-E funding programme and the European Energy Programme for Recovery, as well as on

other EU financing sources, including Structural Funds, the Instrument for Pre-Accession Assistance and the Instrument for Structural Policies for Pre-Accession, and external policy funding instruments (such as the European Neighbourhood Policy, the Neighbourhood Investment Facility and the Facility for Euro-Mediterranean Investment and Partnership (FEMIP)).

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

2004/0154(COD) - 22/03/2007 - Council position

The Council adopted its common position by a qualified majority. The text of the common position not only represents the Council's position but also reflects the compromise agreed upon by the three institutions following the trilogue negotiations held from September to November 2006. The Chairman of the European Parliament's Budget Committee and the rapporteur for this proposal have informed the Council Presidency by letter that if the compromise text is adopted by the Council as it stands, they would be recommending the Budget Committee and the plenary to approve the common position without amendments in the Parliament's second reading.

The common position introduced a number of changes in the Commission proposal; the main

ones are listed below:

- Article 2, article 6 and the annex introduce two new forms of granting Community aid for public-private-partnership projects in the field of transport. They have been elaborated in close cooperation with and are supported by the Commission and the EIB;
- Article 5, concerning the selection of projects, was modified in order to make these rules as coherent as possible with the existing transport and energy guidelines and taking into account views expressed by the Council and Parliament;
- the proposed support rates for inland waterway priority projects and energy priority projects were not accepted;
- the Article concerning the non-cumulation of Community financial aid, was deleted. Although the Commission would have preferred that this paragraph had been maintained, it considers that the principle of non-cumulation is not affected;
- it was made clear in the text that the work programmes only apply the criteria laid down in the guidelines decisions and the TEN-Regulation and do not add, amend or reduce non-essential elements of the basic act;
- Article 9 was changed in order to ensure consultation of the regulatory committee for the Commission decision on the amount of financial aid to be granted to the projects or part of projects selected;
- Article 15, concerning the committee that is to be consulted for certain Commission decisions – for example concerning the work programme – was changed in order to have a regulatory instead of a consultation committee

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

2004/0154(COD) - 23/03/2007 - Commission communication on Council's position

The Commission considers that the Council's common position alters neither the main aim nor the spirit of its proposal and is therefore able to support it. It welcomes the fact that the common position reflects the state of the interinstitutional negotiations, paving the way for the adoption of this proposal in second reading.

The Commission recalls that the Article concerning the non-cumulation of Community financial aid was deleted. Although the Commission would have preferred that this paragraph had been maintained, it considers that the principle of non-cumulation is not affected. The Commission has produced a declaration on this issue. It discusses the issue of cumulation of funds and states that, when granting TEN-subsidies, the Commission will check whether the projects have not received funding from the Structural Funds or the Cohesion Fund. After consultation of the Court of Auditors, the Commission will also issue guidelines to Member States on how the different funding instruments can be combined.

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

2004/0154(COD) - 23/05/2007 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a resolution drafted by Mario MAURO (EPP-ED, IT) and approved the Council's common position for a regulation of the European Parliament and of the Council laying down general rules for the granting of Community financial aid in the field of the transEuropean transport and energy networks.

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

2004/0154(COD) - 14/07/2004 - Legislative proposal

PURPOSE : to revise the general rules for the granting of Community financial aid for trans-European transport and energy networks.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

CONTENT : in a bid to speed up the completion of the trans-European transport and energy networks the European Commission is proposing a dramatic overhaul of the way in which the TEN projects are financed. Finalisation of the TEN projects is deemed vital for the completion of the internal market and for securing the EU's future energy supplies. Successive EU Councils have recognised the importance of implementing, as soon as possible, the trans-European energy and transport networks and have frequently called for more to be done to speed up the process. To give an example of the kind of delays encountered, in 1994 the Essen Council agreed that the TEN priority projects should be completed by the end of 2010. Yet, by the end of 2003 only three of these projects have been completed. Further, less than a quarter of the funding for the essential cross-border projects has been found. In the absence of greater public financial commitment many private operators and national governments are unwilling to commit themselves to geographically challenging cross-border projects. In order to redress this imbalance the Commission is presenting this proposed financial Regulation as an instrument to stimulate the completion of the TEN projects. The Regulation is being proposed within the context of the EU's financial perspective, which covers the period 2007-2013.

The proposed Regulation seeks to award the Commission the same kind of financial responsibility and leverage over the TEN projects that it currently enjoys for planning and management. It proposes doing so by increasing the budget and allowing the Community to authorise aid by up to 50% of the costs of cross-border projects – compared to the 10% of costs it is currently allowed to offer would be investors and governments. In the transport sectors the proposed Regulation provides for a budget of EUR 20.35 billion, whilst the proposed budget for the energy sector would be EUR 340 million. For the energy sector this money would be set aside to co-finance feasibility studies for gas pipelines and electricity interconnections.

In addition to proposing the new budget the Regulation clarifies the general principles for granting aid. Future aid would be dependant on four principles, namely:

- **Simplification:** Decisions on the financial perspective will be based on the Comitology, as opposed to, co-decision procedure, which is currently used. Such a step, it is argued would allow for a more rapid implementation of the files.
- **Conditionality:** Any aid granted would be conditional upon compliance with principles of the common transport and energy policy. Environmentally friendly modes of transport, such as rail freight, would be given precedence.
- **Selection and concentration:** Selection of projects will become more concentrated and the aid granted will focus on a reduced number of projects, which can demonstrate a strong value for the community.
- **Proportionality:** Under this principle the proposed Regulation, in the transport domain, envisages a change in the co-financing rate to a maximum of 30% for certain sections of the priority projects and in exceptional cases for cross-border sections, the rate would be increased to a maximum of 50%. It is stressed, however, that these are maximum rates – and it is expected that the average intervention rate will be significantly lower.

Studies indicate that by 2020 traffic across the EU is expected to double. Inter-connecting the EU with viable links, in both the transport and energy sector, offers a number of huge advantages. Not only is it expected to increase the growth of GDP by up to 0.3% the current focus on environmental solutions could reduce CO2 emission by 4%. Allowing the EU greater financial leverage for the stimulation of private and national involvement, it is hoped, will facilitate the completion of the TEN project sooner, rather than, later.

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

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

2004/0154(COD) - 13/10/2014 - Follow-up document

This Commission Staff Working Document gives an overview of the progress made under the main EU programmes that have been providing financial aid or a range of regulatory benefits to energy infrastructure projects: the Trans-European Energy Networks (TEN-E), the European Energy Programme for Recovery (EEPR), the Projects of Common Interest (PCI) exercise.

It covers the period 2010-2014 until the repeal of the TEN-E Guidelines and TEN Financial Regulation.

Overall progress:

TEN-E: at the end of this reporting period, around 85 **TEN-E actions** were still **ongoing** and 3 new Award Decisions were to be potentially adopted for different actions. Out of these actions, around 65 were granted financial aid during the time interval 2010-2014 while. In the time-interval 2010-2014, 42 actions were **finalised** and had received their final payments under the TEN-E, 34 of them having the EU contribution granted before 2010 (EUR 55 805 987) and 8 of them having the EU contribution granted in 2010 and 2011 respectively, amounting to a total of EUR 12 485730.

Between 2010 and 2014, 73 actions (41 in electricity and 32 in gas) were granted **Community financial aid** under the TEN-E guidelines.

The main common obstacles reported in implementing these projects are related to: the legal and regulatory framework; problems related to the initially chosen route; financial and technical constraints.

Continuity between TEN-E, EEPR and the PCI process: the report describes how many projects adopted under the first TEN-E Regulation and under the European Energy Programme for Recovery have acquired Project of Common Interest status in the first Union-wide list established under the new TEN-E Regulation 347/2013.

- **In electricity**, 11 projects that had been included in the priority axis of the "old" TEN-E have subsequently acquired PCI status (partially or in their integrity) under the new TEN-E Regulation. From EEPR, for 2 projects the transfer was made to the PCI list of 2013. **This continuity proves that they are still in line with the main objectives of the energy policy.**

- **In gas**, 9 TEN-E projects have also become part of the first PCI list.

EEPR has demonstrated the leverage effect of EU financial assistance in obtaining private funding for projects of European significance addressing in particular the security of supply concerns in Central and Eastern Europe by providing for the possibility to reverse the gas flows. It has been decided that under the new Regulation, PCIs may also benefit from grants for works and innovative financial instruments under the Connecting Europe Facility (CEF).

Implementation of PCIs: in 2013 the first list of PCIs was established by delegated Regulation C(2013)6766. It contains 248 projects, of which 132 in electricity and 107 in gas, 7 in oil and 2 in smart grids.

Under the 'old' TEN-E exercise, the list of projects of common interest was fixed in an Annex, becoming out dated over time and modifiable only through ordinary legislative procedure. The new TEN-E Guidelines established a revolutionarily new approach. PCIs are part of EU law – their monitoring will ensure that the projects are implemented in a timely manner and that no delays will occur that could jeopardize the achievement of the EU energy policy objectives.

- **In electricity:** at the moment of reporting, out of the 132 PCI in electricity, one project has already been completely finished and has entered the commissioning phase. Seven projects have entered the construction phase, 51 were in permitting procedures and 5 have started the procedure in view of having the Final Investment Decision awarded.

Regarding the expected date of commissioning for the projects in the electricity sector, 18 of them are to be finalised and commissioned by 2017, 77 between 2017 and 2020 and 33 after 2020. In the case of 4 of them, project promoters indicated that the commissioning date is still to be determined.

- **In gas:** out of the total number of 107 PCI, one was finished and has entered commissioning and 4 were in the construction phase. For 33 gas projects the permitting procedures have started and for 9 others the Final Investment Decision (FID) is to be awarded. Out of the 107 projects, 28 are expected to be commissioned by 2017, 50 between 2017 and 2020 and 23 within the time horizon after 2020. The commissioning dates for 4 projects are still to be determined.

Lastly, the document concludes that next to **challenges related to ensuring an adequate duration of permit granting procedures and providing adequate financing instruments**, the design of a **stable and incentivising regulatory framework** is one of the crucial elements in delivering the necessary investments in energy infrastructure.

Moreover, a study on regulatory issues and associated risks in developing the Northern Seas off-shore grid is planned to be carried out and finalised in 2015.

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

2004/0154(COD) - 30/10/2014

This report from the Commission concerns financial instruments supported by the general budget according to Article 140(8) of the Financial Regulation as at 31 December 2013.

The report focuses on all centrally-managed Financial Instruments for internal and external Union policies supported by the general budget according to Article 140(8) of the **Financial Regulation** as of 31 December 2013.

To recall, financial instruments, including loans or guarantees with greater risk capacity, represent a smart way to finance the real economy, and boost growth and employment. They can achieve financial leverage (multiplying scarce budgetary resources by attracting private and public funds to support EU policy objectives), policy leverage (incentivising entrusted entities and financial intermediaries to pursue EU policy objectives through alignment of interest), and institutional leverage (benefiting from the expertise of the actors involved in the implementation chain).

This report is the **first to be prepared under the new requirements of the Financial Regulation**. It is intended to **provide an informative overview of how the taxpayer's money has been used** and of the progress made in the implementation of the Financial Instruments as of 31 December 2013.

The report is complemented by a Commission Staff Working Document which provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

The report highlights that **important outcomes have been achieved through the use of Financial Instruments in the years 2007-2013**, and they will play an even more significant role in the 2014-2020 Multi-annual Financial Framework (MFF). The budgetary authorities have expressed their **political commitment and increased the necessary resources**. Furthermore, the Financial Regulation has been extended with a dedicated chapter, setting up the appropriate regulatory framework for Financial Instruments' design, management and reporting.

The main conclusions of the report are:

(1) **The implementation of the 2007-2013** centrally-managed financial instruments has been instrumental in helping to **alleviate financial market failures and leverage the positive effects of EU-wide actions**. For example, in the 2007-2013 period, the main EU-level financial instruments dedicated to SME support (CIP-GIF, CIP-SMEG 07 and RSI) and micro-SME support (EPMF) with an overall contribution (EU commitments) of more than EUR 1.6 billion, mobilised lending of nearly EUR 17.9 billion and also supported equity investments of about EUR 2.8 billion, thus enhancing access to finance for more than 336 000 SMEs.

(2) **The achieved leverage** is equal to 5 for Equity Instruments, and ranges from 4.8 to 31 for Guarantee instruments, from 10 to 259 for Risk-sharing instruments, from 1.54 to 158 for Dedicated Investment Vehicles, from 5 to 7 for Financial Instruments in the Enlargement Countries, from 5 to 27.6 for Financial Instruments in Neighbourhood Countries and Countries covered by the Development Cooperation Instrument.

With the experience gained in the course of implementation during the 2007-2013 period, and in the context of programme evaluations and audits, several lessons have been learned on how to further improve the design and management of financial instruments:

- best practices have been capitalised on the design and the management of the new generation of financial instruments;
- further, Financial Instruments will now cover **all main types of final recipients over the full funding cycle** and will include offer of both pro- and counter-cyclical instruments to respond flexibly to market needs, based on demand-driven implementation;
- effectiveness and efficiency have been enhanced through fewer instruments with larger volumes, ensuring critical mass in full consistency with State aid rules;
- alignment of interest with entrusted entities and financial intermediaries will be further achieved through fees and incentives, and risk sharing.

Since 2013 is the last year of commitment for the 2007-2013 programming period for a number of instruments, a final evaluation assessing the extent to which objectives have been achieved has not been finalised. More qualitative and in-depth feedback on the attainment of objectives will be available within one year and will be duly reported upon.

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

2004/0154(COD) - 30/10/2014

This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

TEN-T infrastructure projects – Loan Guarantee Instrument (LGTT)

The LGTT is a debt instrument for project finance in transport infrastructure jointly established by the Union and the EIB in 2008 prior to the global financial crisis. Risk-sharing in this context means that both partners share financial risk, to accelerate and implement TEN-T infrastructure projects.

The "LGTT facilities" are guarantee facilities provided by the EIB under LGTT to the project companies involved in traffic-risk TEN-T transport projects.

The actual approval of guarantees by the EIB board is to be finalised by end of 2014. Guarantees can be called for the first 5 to 7 years operation, the latest draw down date of a project in the current portfolio is end of 2021. Therefore the instrument will be wound down at the latest by the end of 2028. LGTT is available for transactions approved by the EIB of Directors by end of 2014 with financial close until 2016.

To date, six projects have been signed using almost EUR 500 million of guarantees and attracting EUR 4 billion of public and private financing.

Due to changing market conditions and the financial crisis, demand-based revenue projects have declined in Europe since 2009. Based on the forecast of projects provided by the Bank and the discussions with the Member States, the LGTT can be still adapted to some traffic based projects in Europe.

The Commission is currently assessing the possibility of merging the portfolios of existing risk-sharing financial instruments (LGTT and the [Project Bond Initiative](#)) with the [Connecting Europe Facility](#) (CEF) financial instruments, which would maximize the number of projects that can be supported by the EU funds.