





Basic information	
<p>1994/0065(SYN)</p> <p>SYN - Cooperation procedure (historic)</p> <p>Trans-European networks for transport, telecommunications, energy: granting of Community financial aid</p> <p>Repealed by 2009/0037(COD) Amended by 1998/0101(COD) Amended by 2001/0226(COD) Amended by 2003/0086(COD) Amended by 2003/0305(COD)</p> <p>Subject</p> <p>3.20.11 Trans-European transport networks 3.30.20 Trans-European communications networks 3.60.06 Trans-European energy networks</p>	Procedure completed

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	TRAN Transport and Tourism		SISÓ CRUELLAS Joaquín (PPE)	26/07/1994
Council of the European Union	Council configuration		Meetings	Date
	Economic and Financial Affairs ECOFIN		1867	1995-09-18
	Economic and Financial Affairs ECOFIN		1835	1995-03-20
	Education, Youth, Culture and Sport		1839	1995-03-31

Key events			
Date	Event	Reference	Summary
02/03/1994	Legislative proposal published	COM(1994)0062 	Summary
18/04/1994	Committee referral announced in Parliament		
15/11/1994	Vote in committee		Summary
15/11/1994	Committee report tabled for plenary, 1st reading/single reading	A4-0076/1994	
30/11/1994	Decision by Parliament	T4-0167/1994	Summary
30/11/1994	Debate in Parliament	CRE link	
16/03/1995	Modified legislative proposal published	COM(1995)0032 	Summary
31/03/1995	Council position published	05980/1995	Summary
05/04/1995	Committee referral announced in Parliament, 2nd reading		
12/06/1995	Vote in committee, 2nd reading		Summary
12/06/1995	Committee recommendation tabled for plenary, 2nd reading	A4-0145/1995	
27/06/1995	Debate in Parliament	CRE link	

12/07/1995	Decision by Parliament, 2nd reading	T4-0335/1995	Summary
08/09/1995	Modified legislative proposal published	COM(1995)0428 	
18/09/1995	Act adopted by Council after consultation of Parliament		
18/09/1995	End of procedure in Parliament		
23/09/1995	Final act published in Official Journal		

Technical information	
Procedure reference	1994/0065(SYN)
Procedure type	SYN - Cooperation procedure (historic)
Procedure subtype	Legislation
	Repealed by 2009/0037(COD) Amended by 1998/0101(COD) Amended by 2001/0226(COD) Amended by 2003/0086(COD) Amended by 2003/0305(COD)
Legal basis	Rules of Procedure EP 170 EC before Amsterdam E 129D-p3
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/4/06512

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0076/1994 OJ C 363 19.12.1994, p. 0002	15/11/1994	
Committee recommendation tabled for plenary, 2nd reading		A4-0145/1995 OJ C 183 17.07.1995, p. 0003	12/06/1995	
Council of the EU				
Document type	Reference	Date	Summary	
Council position	05980/1995 OJ C 130 29.05.1995, p. 0001	31/03/1995	Summary	
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(1994)0062  OJ C 089 26.03.1994, p. 0008	02/03/1994	Summary	
Modified legislative proposal	COM(1995)0032  OJ C 115 09.05.1995, p. 0005	16/03/1995	Summary	
Commission communication on Council's position	SEC(1995)0531 	03/04/1995		

Modified legislative proposal	COM(1995)0428 	08/09/1995	
Non-legislative basic document	COM(1999)0410 	15/09/1999	
Document attached to the procedure	SEC(2000)1113 	22/09/2000	
Non-legislative basic document	COM(2000)0591 	22/09/2000	Summary
Follow-up document	COM(2002)0344 	01/07/2002	Summary
Follow-up document	SEC(2002)0732 	01/07/2002	
Follow-up document	COM(2003)0442 	07/08/2003	Summary
Follow-up document	SEC(2003)0849 	07/08/2003	
Follow-up document	COM(2008)0770 	13/11/2008	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	CES0575/1994 OJ C 195 18.07.1994, p. 0074	28/04/1994	Summary
CofR	Committee of the Regions: opinion	CDR0049/1994 OJ C 217 06.08.1994, p. 0036	18/05/1994	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

[Regulation 1995/2236](#)
[OJ L 228 23.09.1995, p. 0001](#)

[Summary](#)

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 22/09/2000

The Commission is submitting the "Trans-European Networks (TEN) 1999 Annual Report" to the European Parliament, the Council and the Economic and Social Committee and the Committee of the Regions pursuant to Article 16 of Regulation 2236/95 laying down general rules for the granting of Community financial aid in the field of Trans-European Networks. As far as TEN are concerned, 1999 was a pivotal year, marked above all by the modification by the European Parliament and the Council of the TEN financial regulation, by their own approval of a EUR 4 600 million financial framework for the period 2000-2006 and by setting up of ISPA with a budget of EUR 520 million per year for major transport infrastructure works in central and eastern Europe applicant countries for the period 2000-2006. But 1999 already saw steady progress across the whole sector of trans-European networks and the emergence of Galileo as one of the most significant TEN projects. Moreover, it should be added that most of the individual

projects of common interest continued to make satisfactory progress. Some projects were completed and others became operational. With regard to guidelines and other legal aspects, in 1999 the European Parliament and the Council: - adopted the second phase of the IDA programme - Interchange of Data between Administrations; - updated the list of TEN energy projects of common interest, adding 15 new projects and modifying four existing ones. The Council also came to a political agreement on a "rail infrastructure package", including a proposed trans-European Freight Network. In terms of reports and reviews, the Commission adopted a communication entitled "Galileo - involving Europe in the next generation of satellite navigation services"; received an independent external report evaluation of its financial support for transport projects; had carried out by independent experts a mid-term evaluation of the TEN energy programme and finally, published its first report on the implementation and impact of the high-speed train (HST) interoperability directive of 1996. Lastly, in relation to the enlargement process and external relations, the European Parliament and the Council established ISPA and enhanced it with EUR 7 000 million for the period 2000-2006. Approximately 50% of this money will help finance transport infrastructure in the candidate countries. The Memorandum of Understanding for the development of Corridor IV was signed by the Ministers of Transport of the participating countries in May 1999. Moreover, the Transport Infrastructure Needs Assessment (TINA) final report was published in October 1999, bringing to an end the Commission's fact-finding mission to identify the necessary components for the future Trans-European Network on the territory of 11 candidate countries.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 02/03/1994 - Legislative proposal

The proposal for a regulation sought to lay down general rules for the granting of Community financial aid to infrastructure projects in the fields of transport, telecommunications and energy, as identified under the Council guidelines for trans-European Networks. The proposal defined the different forms of aid, the rules of financial participation and the common and specific criteria for project selection and described the procedures for identifying, assessing and monitoring the applications for aid. The proposal laid down common provisions for the three sectors (transport, telecommunications and energy) together with a specific procedure for the implementation of the regulation (Management Committee), the only difference being in the project selection criteria. The regulation did not cover guidelines relating to trans-European data-communications networks between administrations (IDA). As regards forms of aid, the Commission made it possible for investment projects to be cofinanced under exceptional circumstances in which the other types of intervention available (feasibility studies, guarantees and interest rate subsidies) would be inappropriate. The rules on financial participation laid down a maximum amount of interest rate subsidy of 10 % of the total cost of the investment in equivalent net subsidy, which represented a subsidy of 2 to 3 points. As far as guarantees were concerned, Community aid would cover all or part of the fees for guarantees for loans granted by the European Investment Fund or other similar financial organizations. With a view to facilitating the implementation of the projects, the Commission would be able to organize round-table meetings of all the representatives and officials from the public and private financial sectors involved in the execution of the proposed projects.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 18/05/1994 - Committee of the Regions: opinion

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 16/03/1995 - Modified legislative proposal

1) CONTENT: 1. This regulation defines conditions and procedures for granting Community aid to projects of common interest in the field of trans-European transport, energy and telecommunications infrastructure networks. It has no effect on the specific rules set out in the proposal for a Council decision on trans-European telematics networks between administrations (IDA). 2. Eligibility criteria: * projects of common interest funded by the Member States and identified under the guidelines referred to in Article 129 C of the Treaty; * projects funded by bodies similar, from an administrative or legal point of view, to public bodies; * other infrastructure projects which will help to achieve the objectives of Article 129 B of the Treaty, where the Council has not yet laid down the aforementioned guidelines. The concept of "project" includes technically and financially independent project stages which form a separate entity designed to fulfil an economic and technical purpose. 3. Type(s) of Community aid: * cofinancing of feasibility studies (this requires substantial involvement of public authorities), preparatory and evaluation studies and other technical support measures (if necessary up to 100% of the total cost, if undertaken at the Commission's initiative); * contribution towards loan guarantee fees (full or partial); * interest rate subsidies (maximum of 10% of the total cost of the investment in equivalent net subsidy); * cofinancing for investment projects (exceptional). 4. The budgetary authority will decide on the sum in appropriations for each financial year and each field. 5. Common project selection criteria: priority will be granted when awarding Community aid on the basis of the extent to which projects help to: * implement the trans-European networks; * harmonise technical standards; * ensure the interconnection and interoperability of national networks; * improve access to networks; * integrate the various networks; * ensure the reliability and safety of the networks. Other common project selection criteria concern their contribution to the proper working of the internal market, cohesion policy and environmental protection and their potential economic viability. 6. Selection criteria relating more specifically to transport. Community financial aid will be granted to projects evaluated on the basis of the extent to which they help implement the multimodal and transnational dimensions of the networks and develop smooth, environmentally-friendly traffic at European level. 7. Applications for aid must be submitted to the Commission by the Member State concerned or by the body concerned, with the agreement of the Member State. The regulation specifies the information to be included in every application for the purpose of assessment and identification (e.g. name of body responsible, type of intervention planned, description of project in question etc.). 8. Financial arrangements: eligible expenditure and means of payment. 9. Financial control will be exercised by the Member States, although the Commission may send in officials or agents to control projects financed in situ, without prejudice to national controls. The Commission may reduce, suspend or withdraw aid in the event of irregularity or if one of conditions in the decision to grant aid is not met. 10. Cooperation on systematic evaluation of state of progress of projects: every two years, the Commission will present a report on the activities carried out under this regulation. 11. In the transport sector, the Commission will be assisted in implementing this regulation by the transport infrastructure committee set up under Council decision 78/174/EEC (management committee). 2) OBJECTIVE: to lay down general rules for granting Community financial aid to transport, telecommunications and energy infrastructure projects identified under Council guidelines on trans-European networks. Source: European Commission - Info92 08/95

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 12/07/1995 - Text adopted by Parliament, 2nd reading

The European Parliament adopted the recommendation for second reading by Mr SISO CRUELLAS. The European Parliament considered it unacceptable for the Council to introduce financial provisions for the 1995-1999 period, given that such decisions should be taken by the budgetary authority (mainly the European Parliament). Consequently, the article referring to the sum of 2,345 million ecus for this period has been deleted. Apart from the financial aspects, Parliament adopted several amendments to: - allow Community funding in excess of the 10% ceiling in the case of small-scale projects and/or projects involving minor investment (up to a maximum ceiling of 30%); - take account of the environmental impact of projects; - develop partnership between the public and private sectors; - safeguard both the financial and the economic and social return on projects, including their impact on employment; - take account of the cross-border nature of projects and their ability to fill in gaps in the network; - ensure that projects are compatible with Community policies (transport, energy, telecommunications, environment, competition, public procurement); - strengthen provisions relating to coordination, management and financial control.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 01/07/2002 - Follow-up document

The 2000 annual report on TEN shows in detail the development of the trans-European networks - as well as the related financial support from different Community sources. Behind a rather positive picture of the situation, in budgetary terms, the Commission has identified a series of weaknesses and gaps, in particular in the TEN-transport implementation, that require tackling with care in the coming years. As far as TEN-transport is concerned, one of the most critical aspects that has characterised transport in past years is the significant increase of road freight transport and the dramatic reduction of the share of the other modes - in particular rail - leading to an increased imbalance between modes. Despite a significant level of investment on the rail network through Member state financing often combined with European funds, long delays in implementation have been identified in particular where major cross-border projects are concerned. Based on the current execution rate, some of the major projects which appear in the 1996 TEN-T guidelines would not meet the 2010 deadline. It is likely to take at least 15 years before all the specific projects identified in the Annex III of these guidelines are completed. Among these projects, the Alpine crossings (Lyon -Torino and the Brenner) are those facing major delays. Delays which are due to the larger difficulties in terms of planning, co-ordination and financing in implementing trans-European cross-border infrastructure, as well as to the limited political interest for these projects as compared to purely national ones. To tackle these problems and to cope with the challenges of transport for the next decade, the Commission has clearly identified the development of rail, and in particular the financing of rail infrastructure, as one of its main priorities. TEN roads are also congested but the construction of additional high capacity trans-European roads (apart from the need to connect remote, landlocked peripheral areas) will not drastically improve the situation. This option only represents the last resort which could soon lead to additional congestion. The real challenge is the transfer of the growth of long distance traffic from the road to other, more environmentally friendly modes, such as rail, inland waterway navigation or short sea shipping. This re-balancing of modal shift appears to be the only viable long term solution. It will require a better use of the existing capacities (which are large, as regards inland waterways and maritime transport) and the completion of missing links, as well as more efficient intermodality. A more co-ordinated planning - though this remains the responsibility of each single Member State - and financing approach is therefore needed in the future, focusing the Community support on the more environmentally friendly modes on the main TEN corridors (bearing in mind the forthcoming enlargement) and concentrating the support to a more restricted number of projects, in particular those with low financial profitability but high trans-European added value. Community funds (grants or loans) are nevertheless far from sufficient to finance all the necessary TEN infrastructure. The cost of this infrastructure amounts to 400-450 billion EUR, only for the Community, to which 100 billion should be added for the connections with and within the candidate countries. Fully public financing (including Community funds) of major infrastructure is becoming increasingly difficult, whereas fully private investment has demonstrated limits and does not attract potential investors. Alternative solutions that combine public and private funds, where risks are shared but where, at the same time, a certain level of "safeguard" for the private investors is also ensured, should be developed. The development of a Community framework for the gradual implementation of infrastructure charging appears a promising way to overcome the shortage of public financing and better attract private investors. Such a framework, combined with an innovative way of financing transport project, is therefore needed and new proposals from the Commission will be put forward in the near future. Lastly, the report mentions GALILEO, a project destined to have a heavy impact to the transport sector. In technological terms, GALILEO will allow the European industry to achieve its independence in the field concerned.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 18/09/1995 - Final act

OBJECTIVE: to lay down general rules for granting Community financial aid to projects of common interest in the field of trans-European networks in the transport, telecommunications and energy sectors. **COMMUNITY MEASURE:** Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks. **CONTENT:** - only projects of common interests in the field of trans-European networks identified within the framework of Council guidelines are eligible; - projects are eligible if they are financed by the Member States, by regional or local authorities or by public- or private-sector enterprises running public services; - Community aid may take the following forms: . co-financing of studies related to projects, including preparatory, feasibility and evaluation studies (maximum of 50 % of the total cost of a study, except in exceptional cases); . interest-rate subsidies on loans granted by the EIB or other public or private financial bodies (duration 5 years); . contributions towards fees for guarantees for loans from the EIF or other financial institutions; . direct grants to investments in duly justified cases; - Community aid must not cause distortions of competition between undertakings in the sector; - Community aid will only be granted if achievement of a project meets financial obstacles. It cannot exceed the minimum sum considered necessary for the launch of a project. The total amount of Community aid cannot exceed 10% of the total investment cost; - Community aid is intended for projects that are potentially economically viable and which are deemed to have sufficient financial profitability. Account will be taken of the following factors: the maturity of the project, the stimulative effect on public and private finance, the soundness of the financial package, direct or indirect socio-economic effects, in particular on employment, environmental consequences; - the projects financed must be compatible with Community policies (environment, competition, public procurement); - applications for financial aid shall be submitted to the Commission by the Member State concerned or by the body concerned, with the agreement of the Member State; - applications for aid must include all the information needed to assess them (e.g. name of body responsible, description of the project, results of cost/benefit analyses, consistency with regional planning, environmental impact, financial plan etc.); - payments are generally made in the form of advances (maximum of 50% of the first annual tranche), intermediate payments and a final payment after approval of the final report on the project or study; - Member States

must take measures to verify on a regular basis that projects and studies financed have been properly carried out, prevent irregularities and take action against them, recover any amounts lost as a result of irregularity; - coordination and coherence of projects with projects undertaken with the help of contributions from the Community budget, the EIB or other Community financial instruments; - creation of an advisory committee for each sector; - the financial reference amount for the implementation of the regulation has been set at 2,345 million ecus for the 1995-1999 period; - before the end of 1999, the Council shall examine under what conditions measures will be continued. DATE OF ENTRY INTO FORCE OF THE REGULATION: 24 September 1995.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 07/08/2003 - Follow-up document

The European Commission has presented its 2001 Annual Report on the Trans-European Networks (TEN) to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. 2001 was the first year of implementation of the 2001-2006 Multiannual Indicative Programme (MIP) for Transport TEN set up under the TEN Financial Regulation (Council Regulation 2236/95/EC). The MIP was established to streamline and improve the management of the transeuropean transport network: it encompasses the on-going "Essen" priority projects plus the new policy priorities, namely the Galileo project, the removal of bottlenecks on the TEN-T rail network, cross-border projects and intelligent transport systems for the road and air systems. Concrete progress was made in the following areas: - Energy: by the end of 2001, the state of play with the Essen priority projects was as follows: six priority projects were completed (the five gas projects and the Portugal-Spain electricity link), one priority project was being implemented (the Italy-Greece electricity link) and three priority projects were in the redefinition/authorisation phases (the France-Spain, France-Italy and East-West Denmark electricity links). In fact, the Italy-Greece electricity link entered the final construction and test phases during 2001, and went into operation in July 2002. - Telecommunications: increased attention was paid to business plans by means of the support project BPS (Business Planning Service), which gave expert advice to the project participants to help them redress this deficit. - Transport : 2001 can be described as a successful year for the implementation of the 14 projects identified by the Essen European Council. Two of these projects were completed, most of the others progressed well in line with the foreseen schedule, and only a few encountered constraining problems or delays. - Intelligent Transport Systems : in 2001, various phases of projects funded before the MIP was adopted were completed, and the six projects begun within the MIP framework produced their first results. The six euro-regional projects now covering 14 Member States have led to the deployment on the trans-European road network (TERN) of inter alia traffic and weather monitoring systems, data exchange, and traffic control and information applications (e.g. variable message signs). Particular achievements have been made in the field of information systems and services, with a focus on the development of Internet-based information services provided to users by motorway operators. The results achieved in 2001 also indicate the substantial development of and potential for using new sources for data collection and provision of services: for example, pilot studies have focused on the use of mobile phones to calculate and provide travel times services on motorways. The appropriations allocated under the TEN 2001 budget amount to: - Transport: EUR 563 million; - Energy: EUR 19 million; - Telecommunications: EUR 30.4 million. As regards transport, the Commission received 439 requests for financial assistance in 2001 (242 for MIP and 197 non-MIP, see point 4 for further details), a few of them for relatively minor sums. The measure to limit financial assistance for transport projects to a minimum of EUR 1 million was broadly applied in 2001 and helped successfully to reduce the number of decisions (only 18 actions received support of less than EUR 1 million). The total requested support was EUR 2 270 million (EUR 1 016 million for MIP actions and EUR 1 254 million for non MIP). The TEN-T financial assistance Committee met three times in 2001. Two favourable opinions were delivered covering 137 projects and studies (53 non-MIP and 84 MIP), for which the Commission proposed financial assistance totalling EUR 563 million. As can be seen from Table 3, the Commission has continued to concentrate a large part of its available resources (44%) on the 14 specific "Essen" projects. While priority projects (three of which have been completed: Malpensa airport, Cork-Dublin-Belfast-Larne railway line and Oresund Fixed Link) and other projects absorbed a smaller share of commitment appropriations than in previous years, the share going to ITS (intelligent transport systems) actions increased. Concerning energy, the financial assistance Committee approved 13 feasibility and other studies for which the Commission proposed financial assistance of EUR 18.9 million. On the issue of telecommunications, the Committee delivered a favourable opinion on the Commission proposal to grant Community aid to 35 projects of common interest selected from among the responses to the 2000/02 call. The total support proposed was EUR 29.5 million. A number of actions in TEN were financed by the Structural Funds and Cohesion Fund, and by the European Investment Bank (EIB) loans. Lastly, the PHARE, CARDS, TACIS, MEDA, ISPA instruments ensured financing of actions in candidate and third countries.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 31/03/1995 - Council position

The Council common position incorporates many of the amendments adopted by the European Parliament and included in the Commission's amended proposal, the most important being: - the reference to priority for links between island, landlocked and peripheral regions and central regions in the Community; - the fact that projects funded by regional and local authorities are eligible on the same terms as projects funded by the Member States; - the eligibility of projects funded by companies running public services (agencies) or public interest services; - the need to strengthen the involvement of private capital in funding trans-European networks; - the extended cover provided by loan guarantee fees to financial institutions other than the European Investment Fund; - the idea of involving the EIB in evaluating and monitoring projects; - the coordination between the Structural Funds, the Cohesion Fund and the EIB; - the inclusion of environmental impact in the project selection criteria; - the definition of "study" as including preparatory, feasibility and evaluation studies as other technical support measures; - the stronger provisions on coordination, management and financial control; - the introduction of a transitional clause to allow certain projects to be funded in the absence of the guidelines referred to in Article 129C. The application of this clause is limited solely to specific projects of common interest which come under the guidelines pending before the Council and the European Parliament and which warrant immediate financial intervention by the Community

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 30/11/1994 - Text adopted by Parliament, 1st reading/single reading

The European Parliament approved the Commission proposal subject to 31 amendments. These amendments seek mainly to: - strengthen the contribution of private capital and the involvement of the regional authorities, - extend Community aid, - strengthen financial control, - establish selection criteria for projects which should be funded and rules for the payment of expenditure, - ensure that the committees applying the regulation are advisory, not management committees. The Commission did not accept amendments 15, 22, 30, 31 or 32.

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 28/04/1994 - Economic and Social Committee: opinion, report

Trans-European networks for transport, telecommunications, energy: granting of Community financial aid

1994/0065(SYN) - 13/11/2008 - Follow-up document

Pursuant to Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks, the Commission presents a report on the implementation of the trans-European energy networks programme (TEN-E) in the period 2002-2006. This report addresses the TEN-E projects co-financed under the TEN-E budget in the period 2002-2006 (studies and works). The concrete progress achieved in the implementation of TEN-E priority projects in the survey period is also examined.

The first European Community guidelines for trans-European energy networks were adopted in 1996. In 2003, the TEN-E guidelines were revised in the context of a package of Commission proposals on Energy Infrastructure. Of key importance was the completion of a selection of projects on the priority axes which are of cross-border nature or which have significant impact on cross-border transmission capacity.

The revision of the guidelines has therefore modified and completed the list of projects of common interest previously defined in the Annex of the 1996 guidelines and identifies 12 axes for priority projects. These axes take account of the connections that are required for the efficient functioning of the internal market and to reach a high level of security of energy supply. The challenges for electricity and gas networks are different.

The main observations of the report are as follows:

Progress with specific projects: in the period 2002-2006, 57 electricity projects of common interest and 23 gas projects of common interest were completed. Out of these 80 projects, 68 were located on a priority axis as defined in the guidelines adopted in 2003. Out of the 80 projects completed in the survey period, 17 were co-financed under the TEN-E budget (between 1995 and 2006).

Financing the TEN-E: Transmission System Operators' (TSOs) own resources are the main financing sources of the implemented projects. Exact or meaningful figures for TSOs' total investments on trans-European energy networks projects are difficult to obtain, especially for projects for which no TEN-E funding has been requested.

Member States in most cases do not participate directly in financing projects of trans-European energy networks since these projects are mostly implemented by TSOs.

TEN-E funding of trans-European energy networks represents in most cases a rather limited share of the total cost. From 2002 to 2006, the Commission received 132 applications for TEN-E funding, 72 of which have benefited from financial support: 42 concerned electricity projects and 30 gas projects.

In the period 2002-2006, support under the TEN-E budget line of a total amount of about **€93 726 000** was awarded. This amount was spent on the gas sector (57%) and on the electricity sector (43%). 94% of this amount was spent on the co-financing of studies (up to 50%) and 6% on the co-financing of works (up to 10%).

The **EIB loans** signed in the period 2002-2006 amount to €831 million for the electricity sector and €2.185 million for the gas sector. Some 36% of the total amount was awarded to priority projects, nearly 50% was awarded to projects of common interest and about 14% to other TEN projects not listed in the Annex III of the TEN-E guidelines but located on a priority axis.

The financing of infrastructure in third countries was provided under the PHARE programme in the Countries of Central and Eastern Europe, the CARDS regional strategy and the MEDA programme (the creation of the Euro-Arab Mashreq Gas Market).

Evaluation: in 2004, a mid-term evaluation of the TEN-Energy programme for the period 2000-2006 was carried out for the Commission by independent experts. The evaluation concluded on a positive impact of carrying out the projects already identified in the TEN-E Guidelines adopted in June 2003 and highlighted key topics for the new Guidelines. Based on the recommendations made in the evaluation report, the following actions were taken: (i) reinforcement of the relations with the Member States in order to better understand their needs and policies on energy networks; (ii) further concentration of Commission funding on the projects with the highest importance (projects of European interest and priority projects); (iii) strengthening the cooperation with other related instruments (Structural funds and EIB). The ex-post evaluation of projects co-financed by the TEN-Energy programme for the period 2000-2006 will be performed for the Commission by independent experts in 2008.

External relations: the revisions of the TEN-E guidelines which took place in 2003 and 2006 reinforced the external dimension of the trans-European energy networks by increasing the connections to acceding and neighbouring countries. The TEN-E Guidelines therefore give high priority to new pipelines from the gas fields in Russia, Algeria and the Caspian Sea to the EU, complemented by LNG terminals and underground gas storage. They also focus on electricity links between the Mediterranean Member States and the Southern Mediterranean Countries.

Other Union policies with a TEN-E dimension: a special effort should be undertaken to achieve the objective of making greater use of renewable energy sources as a contribution to a sustainable development policy. In the allocation of the TEN-E budget, special attention is paid to the conformity of co-financed actions with Community environmental legislation.

The European Union also supports energy research and development under different funding programmes, such as the Framework Programmes (FP) and the "Intelligent Energy – Europe" Programme. Lastly, when awarding TEN-E funding, special attention is paid to the compliance of selected gas pipelines projects with the Third Party Access regime, as defined in the gas Directive 2003/55/EC.