




Procedure file

| Basic information | | | |
|--|--|---------------------|--|
| COD - Ordinary legislative procedure (ex-codecision procedure) Regulation | | 1998/0101(COD) | |
| Agenda 2000: trans-European networks, rules for granting Community financial aid | | Procedure completed | |
| Amending Regulation (EC) No 2236/95 | | 1994/0065(SYN) | |
| Subject | | | |
| 3.20.11 Trans-European transport networks | | | |
| 3.30.20 Trans-European communications networks | | | |
| 3.60.06 Trans-European energy networks | | | |
| 8.20.16 Enlargement's transport point of view | | | |

| Key players | | | |
|---|---|------------------------------|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | BUDG Budgets | | 25/06/1998 |
| | | PPE KELLETT-BOWMAN Edward T. | |
| | Former committee responsible | | |
| | BUDG Budgets | | 25/06/1998 |
| | | PPE KELLETT-BOWMAN Edward T. | |
| | BUDG Budgets | | 25/06/1998 |
| | | PPE KELLETT-BOWMAN Edward T. | |
| | Former committee for opinion | | |
| | ECON Economic and Monetary Affairs, Industrial Policy | | 25/06/1998 |
| | PSE Ettl Harald | | |
| ENER Research, Technological Development and Energy | | 23/06/1998 | |
| | PSE DESAMA Claude J.-M.J. | | |
| REGI Regional Policy | | 25/06/1998 | |
| | PPE Rack Reinhard | | |
| TRAN Transport and Tourism | | 21/04/1998 | |
| | PPE SISÓ CRUELLAS Joaquín | | |
| CONT Budgetary Control | The committee decided not to give an opinion. | | |

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| Council of the European Union | Council configuration | Meeting | Date |
| | Education, Youth, Culture and Sport | 2187 | 07/06/1999 |

Key events

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|------------|--|---|---------|
| 18/03/1998 | Legislative proposal published | COM(1998)0172 | Summary |
| 15/06/1998 | Committee referral announced in Parliament, 1st reading | | |
| 26/10/1998 | Vote in committee, 1st reading | | Summary |
| 26/10/1998 | Committee report tabled for plenary, 1st reading | A4-0380/1998 | |
| 18/11/1998 | Debate in Parliament |  | |
| 19/11/1998 | Decision by Parliament, 1st reading | T4-0676/1998 | Summary |
| 04/12/1998 | Modified legislative proposal published | COM(1998)0723 | Summary |
| 21/12/1998 | Council position published | 12254/2/1998 | Summary |
| 14/01/1999 | Committee referral announced in Parliament, 2nd reading | | |
| 03/05/1999 | Vote in committee, 1st reading | | |
| 03/05/1999 | Committee report tabled for plenary confirming Parliament's position | A4-0260/1999 | |
| 03/05/1999 | Vote in committee, 2nd reading | | Summary |
| 03/05/1999 | Committee recommendation tabled for plenary, 2nd reading | A4-0265/1999 | |
| 04/05/1999 | Debate in Parliament |  | |
| 04/05/1999 | Decision by Parliament, 1st reading | T4-0354/1999 | Summary |
| 05/05/1999 | Debate in Parliament |  | |
| 06/05/1999 | Decision by Parliament, 2nd reading | T4-0430/1999 | Summary |
| 07/06/1999 | Act approved by Council, 2nd reading | | |
| 19/07/1999 | Final act signed | | |
| 19/07/1999 | End of procedure in Parliament | | |
| 29/07/1999 | Final act published in Official Journal | | |

Technical information

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|------------------------|--|
| Procedure reference | 1998/0101(COD) |
| Procedure type | COD - Ordinary legislative procedure (ex-codecision procedure) |
| Procedure subtype | Legislation |
| Legislative instrument | Regulation |
| | Amending Regulation (EC) No 2236/95 1994/0065(SYN) |
| Legal basis | EC Treaty (after Amsterdam) EC 156; Rules of Procedure EP 050 |

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|----------------------------|---------------------|
| Stage reached in procedure | Procedure completed |
| Committee dossier | BUDG/4/10669 |

| Documentation gateway | | | | | |
|---|--|---|------------|------|---------|
| Legislative proposal | | COM(1998)0172 OJ C 175 09.06.1998, p. 0007 | 18/03/1998 | EC | Summary |
| Document attached to the procedure | | COM(1998)0182 | 18/03/1998 | EC | |
| Economic and Social Committee: opinion, report | | CES1139/1998 OJ C 407 28.12.1998, p. 0120 | 09/09/1998 | ESC | |
| Committee report tabled for plenary, 1st reading/single reading | | A4-0380/1998 OJ C 359 23.11.1998, p. 0004 | 26/10/1998 | EP | |
| Text adopted by Parliament, 1st reading/single reading | | T4-0676/1998 OJ C 379 07.12.1998, p. 0123-0193 | 19/11/1998 | EP | Summary |
| Modified legislative proposal | | COM(1998)0723 OJ C 027 02.02.1999, p. 0018 | 04/12/1998 | EC | Summary |
| Council position | | 12254/2/1998 OJ C 049 22.02.1999, p. 0004 | 21/12/1998 | CSL | Summary |
| Commission communication on Council's position | | SEC(1998)2234 | 06/01/1999 | EC | Summary |
| Committee of the Regions: opinion | | CDR0217/1998 OJ C 093 06.04.1999, p. 0029 | 14/01/1999 | CofR | |
| Reconsultation | | SEC(1999)0581 | 28/04/1999 | EC | |
| Committee final report tabled for plenary, 1st reading/single reading | | A4-0260/1999 OJ C 279 01.10.1999, p. 0017 | 03/05/1999 | EP | |
| Committee recommendation tabled for plenary, 2nd reading | | A4-0265/1999 OJ C 279 01.10.1999, p. 0017 | 03/05/1999 | EP | |
| Text adopted by Parliament confirming position adopted at 1st reading | | T4-0354/1999 OJ C 279 01.10.1999, p. 0021-0054 | 04/05/1999 | EP | Summary |
| Text adopted by Parliament, 2nd reading | | T4-0430/1999 OJ C 279 01.10.1999, p. 0254-0296 | 06/05/1999 | EP | Summary |
| Commission opinion on Parliament's position at 2nd reading | | COM(1999)0265 | 02/06/1999 | EC | Summary |

| Additional information | |
|------------------------|-------------------------|
| European Commission | EUR-Lex |

| Final act |
|--|
| Regulation 1999/1655 OJ L 197 29.07.1999, p. 0001 Summary |

Agenda 2000: trans-European networks, rules for granting Community financial aid

OBJECTIVE: within the framework of Agenda 2000, amendment of Regulation 2236/95/EC laying down general rules for the granting of Community financial aid in the field of trans-European networks. SUBSTANCE: one of the main aims of this limited revision is to profit from the experience gained by the Commission, the Member States and those involved in the private sector to improve, simplify and adapt the way in

which the regulation is applied. The Commission proposes making certain changes to Regulation 2236/95/EC to facilitate a multiannual approach to financing decisions, while respecting annual budgetary procedures. It is proposed to include provisions for a 'multiannual indicative programme' the purpose of which would be to give a clear indication of planned spending on major projects and on other significant categories of projects (e.g. traffic management, global navigation systems etc.). This option would be complementary to the financing of individual projects. With regard to the form and amount of the financial assistance granted under the regulation, the Commission proposes changes seeking to: - allow the Commission to undertake studies of an overall strategic nature and therefore not connected with a specific project and to finance fully studies undertaken on its own initiative; - remove the five-year limitation with regard to interest rate subsidies; - allow Community support in the form of grants or risk-capital participation in investment funds or comparable financial undertakings with a priority focus on providing risk capital for TEN projects; - set out the principle that in a situation where public funding will be limited, it is necessary to increase the multiplier effect of the Community's financial instruments, in particular by recourse to public/private partnerships; - provide that projects with an important environmental dimension could benefit from Community aid of up to 20% of the total investment cost. It should be noted that if the Amsterdam Treaty enters into force before the adoption of this proposal the codecision procedure will apply. It would thus be possible to introduce into the regulation provisions concerning a privileged financial envelope that the Council and Parliament would have to endorse. ?

Agenda 2000: trans-European networks, rules for granting Community financial aid

The importance and potential of the transeuropean networks (TENs) for economic growth, competitiveness and jobs is now beyond dispute. As the first programming period for the TENs (1995-99) draws to a close, the Commission is presenting a proposal to amend Regulation 2236/95. This will cover the period the period 2000-2006, i.e. the period of the next Financial Perspective and enlargement. The TENs come under Agenda 2000 in connection with their funding, which is drawn from various sources: budget headings B5-700, 710-720 and 721, the European Regional Development Fund (ERDF), the Cohesion Fund, the European Investment Fund (EIF) and the EIB. The report by Edward KELLETT-BOWMAN (EPP, UK) was adopted under the cooperation procedure. (N.B. If the Amsterdam Treaty enters into force before the procedure is completed, the codecision procedure will apply to this report.) While judging the Commission's proposal favourably, the committee puts forward a number of amendments to improve the initial text. -Several amendments are designed to obtain more information: * With regard to the various sources of funding for TENs projects, the committee believes it is not enough simply to know the overall cost of a project. Information is needed on all components of the funding provided and the origin of the resources (whether from the EU or other sources: national, regional or local government bodies or the private sector). The Commission is asked to provide such information for projects in the three areas of the TENs: transport, energy and telecommunications. MEPs also want any application for financial assistance to include the results of a cost/benefit analysis, including an assessment of the potential economic viability and financial profitability of the project. Applicants are to be required to provide the Commission with any relevant additional information it requests. In addition, in order to obtain a good and full understanding of a project, information on its consistency with regional planning and its foreseeable socio-economic effects should be included. A further selection criterion will be the impact of projects on national, regional and local planning. * Another improvement with regard to information: the Commission is requested to report annually to Parliament on the content and implementation of the programmes. In order to raise the profile of EU funding, plaques with the EU emblem, showing that the Community has provided financial assistance for a project, should be placed on sites visible to the public. - As regards the overall reference budget proposed by the Commission for 2000-2006, the amount of 5.5bn (as compared to the 2.345bn allocated for 1993-99) is not challenged by the committee. However, it does point out that the level of appropriations will be set each year by the budgetary authority subject to the ceiling laid down in the new Financial Perspective. Regarding the areas on which funds are to be spent under the heading of transport networks, the committee proposes that 55% at least should go on rail projects, 25% at most on road projects and 15% on traffic and telematics projects. The remaining funds should be allocated to waterways, seaports, airports and inland waterway ports. The committee also says that EU funding for these areas should be shared equally (50-50) between priority projects (the Essen list of priority projects) and other projects. With a view to enlargement, MEPs stressed the need to ensure coordination between the TENs, the Phare programme and the pre-accession structural policy instrument (ISPA). Lastly, the committee proposes introducing a review clause in case the regulation is extended beyond 2006. ?

Agenda 2000: trans-European networks, rules for granting Community financial aid

In adopting the report by Mr Edward KELLETT-BOWMAN (EPP, UK) Parliament called for the financial reference amount for the implementation of the regulation for the period 2000 to 2006 to be set at EUR 5 500 million. It hoped that the funding for transport infrastructure projects would be used in such a way that at least 55% would be used for railway projects (including combined transport), a maximum of 25% for roads and a maximum of 15% for transport management and telematics. The variable amounts remaining should be used for waterways, seaports, airports and inland ports. Parliament called on the Commission to: - ensure coordination and coherence between the projects receiving contributions from the Community budget, the EIB, the European Investment Fund, the Cohesion Fund, the ERDF and other Community financial instruments; - ensure coordination with the objectives of the trans-European transport policy and the financial measures taken under the Phare programme and the Instrument for Structural Policies for Pre-accession (ISPA); - promote specifically recourse to private sources of financing for the financial resources provided for by this Regulation where the multiplier effect of Community financial instruments can be maximised in public-private partnerships. Parliament also hoped that: - the application for financial support for a specific project would give a detailed breakdown of estimates in terms of aid requested from the Community and local, regional or national government bodies as well as from private sources; - that the effects in terms of regional planning at regional, national and European level of the projects eligible for Community subsidies would be included as a criterion for the selection of the projects. For each major project partly financed with Community aid the Commission should draw up an environmental impact statement. ?

Agenda 2000: trans-European networks, rules for granting Community financial aid

The Commission accepts, in full or in principle, those 18 of the European Parliament's 27 amendments which : - stress the importance of increased aid to the applicant countries and the need for coordination with PHARE and ISPA and provide for higher levels of funding for projects involving links with third countries; - require the support applications to detail financial sources of finance; - take account of the effects at regional, national and European level of an eligible project; - reinforce and detail the scope for the Community to use part of the TEN-budget for risk-capital participation to encourage public-private partnerships; - relate to publicising the Community contribution; - specify that only in

exceptional cases may Community participation exceed 50%; - provide that, as a general rule, the duration of subsidies of loan interest shall not exceed 7 years; - provide for the submission of certain economic analyses and other relevant additional information to the Commission; - aim to ensure applications' consistency with regional development plans; - make provisions for evaluation of projects including the environmental impact and possible side-effects; - require an annual report to be made by the Commission to the European Parliament; - include a reference amount of 5.500 million ECU for the implementation of the regulation from 2000 to 2006. The Commission rejects those amendments which: - require coordination of TEN infrastructure with the other main Community financial instruments; - specify breakdown of funds by modes or otherwise place restrictions on the way the budget is to be used; - propose including a new committee procedure in the regulation; - propose that the Council shall examine whether the regulation may be extended beyond 2006; - propose that the Commission shall draw up an environmental impact statement on each major Community-financed project; - develop the same idea on private financing as in the Commission's proposal; - impose a systematic evaluation of individual projects by both Member States and the Commission.?

Agenda 2000: trans-European networks, rules for granting Community financial aid

The Council common position accepts, fully or in principle, 6 of the 12 amendments proposed by the European Parliament and incorporated by the Commission into its amended proposal. The amendments accepted by the Council relate, notably, to: - requiring that the application for support include a detailed breakdown of the sources of finance (regional, local and private); - detailing the scope of the Community to use part of the TEN budget for risk-capital participation; - specifying that, if part of the TEN-budget is used for risk-capital participation, there needs to be a substantial private sector investment following the Community's participation; - requiring the applicant for Community support to supply the Commission with any other relevant additional information which the Commission requires, such as financial support from other sources and cost/benefit analyses; - requiring the Commission, once a year, to submit a report to the European Parliament on the substance and implementation of the current multi-annual programme; - introducing a revision clause which stipulates that the Commission must present a detailed report. The Council did not accept the amendment including a reference amount of EUR 5,500 million for the period 2000-2006. The Council introduced such an article but with a symbolic reference amount of EUR 1 and a declaration in the minutes stating that the financial figure will be included before the final adoption of the regulation. It should be noted that the Council introduced several new provisions concerning the possibility for the Commission to use part of the TEN budget to engage in risk-capital funding. The Council also introduced several new provisions concerning multi-annual programming. ?

Agenda 2000: trans-European networks, rules for granting Community financial aid

The Commission can accept the Council's common position concerning additions introduced by the Council relative to multi-annual programming and risk-capital participation. However, the Commission maintains its modified proposal, in particular with regard to the following: - increase in the maximum support level from 10% to 20% for projects with a strong trans-European interest networking advantage or environmental dimension; - the possibility of multi-annual budgetary commitments to supplement the multi-annual programming, thereby providing legal security to promoters on the total size of Community support and allowing the Commission to play a more active role in putting together financial packages for public-private partnership projects; - the reference amount of EUR 5,500 million for the period 2000-2006; - the Commission sees no need to include a limit on the amount available to risk-capital participation but considers that, if restrictions are to be imposed, an amount of at least EUR 50 million should be available. In the opinion of the Commission, it may be appropriate to introduce an upward revise clause. ?

Agenda 2000: trans-European networks, rules for granting Community financial aid

The Committee adopted the report by Edward KELLETT-BOWMAN (EPP, UK), thereby retabling to Parliament's plenary the amendments not accepted by the Council in its common position last December. The committee is pushing for the regulation to include a reference amount for Community funding of -5.5bn for 2000-2006, although it notes that the annual level of funding will be set by the budgetary authority within the limits of the new Financial Perspective. As regards the distribution of funds within the transport sector, the committee has restated Parliament's position at first reading: 55% at least should go to rail projects, 25% maximum to road projects and 15% to traffic management and telematics projects. The remainder should go to inland waterway, seaport, airport and inland port projects. The committee also wants a maximum of 50% of the Community's funds to go on the Essen priority projects and the remaining 50% on other projects. The report adds that, for projects involving more than one Member State or links with non-EU countries, or projects which are important for environmental protection, the Community share may be up to 20% of the total cost. Via other amendments the committee opposes setting up an indicative multiannual programme as envisaged by the Council and restates the principle that risk capital involving Community funds must also include substantial private-sector investment. It says that it should be possible for funding applications to be submitted directly to the Commission by public or private enterprises, with the agreement, obviously, of the Member State or Member States concerned. It also reaffirms Parliament's position on the commitment aspects.

Agenda 2000: trans-European networks, rules for granting Community financial aid

Following the entry into force of the Treaty of Amsterdam on 01/05/99, the European Parliament confirmed (without debate) as its first reading under codecision procedure its vote of 19/11/98 on the proposal for a European Parliament and Council regulation amending regulation 2236/95/EC laying down general rules for the granting of Community financial aid in the field of trans-European networks. The Parliament's rapporteur is Edward T. Kellett-Bowman (UK,PPE).?

Agenda 2000: trans-European networks, rules for granting Community financial aid

Under codecision procedure, the European Parliament adopted the recommendation by Edward Kellett-Bowman (PPE,UK) for second reading

of the proposal for a European Parliament and Council regulation amending regulation 2236/95/EC laying down general rules for the granting of Community financial aid in the field of trans-European networks. The Parliament approves the Council's common position, subject to amendments. In particular, the Parliament proposes that the financial framework for the implementation of the proposed regulation for the period 2000-2006 shall be EURO 4,600 million, on the understanding that the annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective. Railways (including combined transport) should receive at least 55% of the funding for transport infrastructure projects, while roads should receive a maximum of 25%. Exceptionally, in the case of projects concerning satellite positioning and navigation systems, the total amount of Community aid may reach 20% of the total investment cost as from 01/01/2003. The Commission is required to specifically promote recourse to private sources of financing for projects funded under the regulation where the multiplier effect of Community financial instruments can be maximised in public-private partnerships. The Parliament allows for applications for financial aid to be submitted to the Commission by the public or private undertakings or bodies directly concerned, with the agreement of the Member State(s) concerned. It also maintains its position with regard to comitology.?

Agenda 2000: trans-European networks, rules for granting Community financial aid

The Commission accepts all 21 of the amendments proposed by the European Parliament in its second reading. The amendments reflect a compromise between the Council and the European Parliament, which emerged during several trilogue meetings. The amendments of the European Parliament's second reading embrace most of the new initiatives the Commission has introduced in its initial proposal, and in particular : - the figure of EUR 4,6 billion, which represents a considerable rise in the financial reference amount compared with EUR 2,3 billion for the period of 1995-1999; - the launching of a Multi-annual indicative programming which is a very important instrument for providing long-term financing for big long-term projects; - the possibility to use a modest share of the TEN-budget (1-2%) in risk-capital funds, with the aim of catalysing the development of such funds and consequently gaining access to the potential large resources of long-term funding from pension funds and insurance companies for the financing of TEN infrastructure projects. This will be especially interesting for public-private partnership projects; - the possibility of increasing the level of Community support from 10% to 20% for projects concerning Satellite Navigation Systems, including the EUR 500 million necessary for the Galileo project, from the TENs budget.?

Agenda 2000: trans-European networks, rules for granting Community financial aid

PURPOSE : to amend Regulation 2236/95/EC laying down general rules for granting of Community financial aid in the field of trans-European networks (TENs). COMMUNITY MEASURE : Regulation 1655/1999/EC of the European Parliament and the Council. CONTENTS : the objective of this limited revision is to build upon the experience gained by the Commission, the Member States and the actors in the private sector in order to improve, simplify and adapt to the way in which the regulation is applied. Some amendments are introduced in Regulation 2236/95/EC, so as to allow a multiannual approach of finance decisions, in respect of annual budget procedures: the Regulation introduces measures relating to an "indicative multiannual programme", of which its objective is to give a clear indication of planned expenditure, in particular for the major projects. All requests for financial aid for a project must give in detail a breakdown of financial sources coming from the Community, national, regional or local authorities, as well as from the private sector. In addition, the amendments aim to specify the forms and amounts of financial aid granted in the Regulation : - co-financing of studies relating to projects, including preparatory, feasibility and evaluation studies; - subsidies of the interest of loans granted by the European Investment Bank or other public or private financial bodies; - contributions towards fees for guarantees for loans from the European Investment Fund or other financial institutions; - direct grants to investments in duly justified cases; - risk-capital participation for investment funds or comparable financial undertakings with a priority focus on providing risk capital for trans-European network projects and involving substantial private sector investment. The Regulation clearly specifies the principle according to which, in case of limited public finance, it will be necessary to increase the multiplier effect of Community financial instruments, notably by maximising them in public-private partnerships. The funding for transport infrastructure projects, including combined transport, should be used in such a way that at least 55% is devoted to railways and a maximum of 25% to roads. Projects with a significant environmental dimension could benefit from a Community competition able to reach 20% of the total cost of investments. The financial framework for the implementation of the Regulation for the period 2000-2006 shall be EUR 4 600 million. Before the end of 2006 the Commission shall submit to the European Parliament and the Council a comprehensive report on the experience gained with the mechanisms under this Regulation for granting Community aid. ENTRY INTO FORCE : 18/08/1999.?