


# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Trans-European networks: rules for granting financial aid Amending Regulation (EC) No 2236/95 <a href="#">1994/0065(SYN)</a>	
Subject 3.20.11 Trans-European transport networks 3.30.20 Trans-European communications networks 3.60.06 Trans-European energy networks	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		22/01/2002
		UEN <a href="#">TURCHI Franz</a>	
	Former committee responsible		
	<b>BUDG</b> Budgets		22/01/2002
		UEN <a href="#">TURCHI Franz</a>	
	Former committee for opinion		
	<b>CONT</b> Budgetary Control	The committee decided not to give an opinion.	
	<b>ITRE</b> Industry, External Trade, Research, Energy		19/03/2002
		PSE <a href="#">MANN Erika</a>	
	<b>RETT</b> Regional Policy, Transport and Tourism		19/12/2001
		PPE-DE <a href="#">BRADBOURN Philip</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Agriculture and Fisheries</a>	<a href="#">2564</a>	24/02/2004
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2546</a>	25/11/2003
European Commission	Commission DG	Commissioner	
	Energy and Transport		

Key events			
03/12/2001	Legislative proposal published	COM(2001)0545	Summary
10/12/2001	Committee referral announced in Parliament, 1st reading		

12/03/2002	Modified legislative proposal published	<a href="#">COM(2002)0134</a>	Summary
22/05/2002	Vote in committee, 1st reading		Summary
22/05/2002	Committee report tabled for plenary, 1st reading	<a href="#">A5-0188/2002</a>	
01/07/2002	Debate in Parliament		
02/07/2002	Decision by Parliament, 1st reading	<a href="#">T5-0344/2002</a>	Summary
24/01/2003	Modified legislative proposal published	<a href="#">COM(2003)0038</a>	Summary
01/10/2003	Modified legislative proposal published	<a href="#">COM(2003)0561</a>	Summary
24/02/2004	Council position published	<a href="#">05633/1/2004</a>	Summary
26/02/2004	Committee referral announced in Parliament, 2nd reading		
09/03/2004	Vote in committee, 2nd reading		Summary
09/03/2004	Committee recommendation tabled for plenary, 2nd reading	<a href="#">A5-0134/2004</a>	
30/03/2004	Decision by Parliament, 2nd reading	<a href="#">T5-0192/2004</a>	Summary
21/04/2004	Final act signed		
21/04/2004	End of procedure in Parliament		
30/04/2004	Final act published in Official Journal		

### Technical information

Procedure reference	2001/0226(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 2236/95 <a href="#">1994/0065(SYN)</a>
Legal basis	EC Treaty (after Amsterdam) EC 156
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/16437

### Documentation gateway

Legislative proposal		COM(2001)0545 OJ C 075 26.03.2002, p. 0316 E	03/12/2001	EC	Summary
Modified legislative proposal		<a href="#">COM(2002)0134</a> <a href="#">OJ C 151 25.06.2002, p. 0291 E</a>	12/03/2002	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0347/2002</a> <a href="#">OJ C 125 27.05.2002, p. 0013</a>	20/03/2002	ESC	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0188/2002</a>	22/05/2002	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0344/2002</a> <a href="#">OJ C 271 12.11.2003, p. 0030-0163 E</a>	02/07/2002	EP	Summary

Modified legislative proposal		<a href="#">COM(2003)0038</a>	24/01/2003	EC	Summary
Modified legislative proposal		<a href="#">COM(2003)0561</a>	01/10/2003	EC	Summary
Council statement on its position		<a href="#">05644/2004</a>	26/01/2004	CSL	
Council position		<a href="#">05633/1/2004</a> OJ C 095 20.04.2004, p. 0027-0030 E	24/02/2004	CSL	Summary
Commission communication on Council's position		<a href="#">COM(2004)0141</a>	25/02/2004	EC	Summary
Committee recommendation tabled for plenary, 2nd reading		<a href="#">A5-0134/2004</a>	09/03/2004	EP	
Text adopted by Parliament, 2nd reading		<a href="#">T5-0192/2004</a> <a href="#">OJ C 103 29.04.2004, p. 0028-0129 E</a>	30/03/2004	EP	Summary

#### Additional information

European Commission

[EUR-Lex](#)

#### Final act

[Regulation 2004/807](#)

[OJ L 143 30.04.2004, p. 0046-0048](#) Summary

## Trans-European networks: rules for granting financial aid

**PURPOSE:** To increase EU financial aid in the field of trans-European networks. **CONTENT:** General rules for the granting of Community financial aid in the field of trans-European networks were laid out in 1995 and amended in 1999 in line with a five yearly review. The Commission is now seeking a technical modification to these guidelines to reflect current policy priorities in the field of EU traffic growth. The 1999 revision of the guidelines allowed for the possibility of increasing the level of Community support from 10% to 20% for projects concerning satellite position and navigation systems from 1 January 2003. It did not, in spite of Commission recommendations, increase the financial contributions by the same amount for total investment costs for transport projects relating to more than one Member State. The increase in congested traffic on the TEN-T - in particular heavy lorry traffic - have rendered the current capacity of the road and rail infrastructure in the EU as well as the in-land waterways, far from complete. The Commission therefore feels it necessary to redefine the financial guidelines of the Regulation 1655/1999/EC to accommodate these short comings. The proposed changes would allow for an increase of Community support of up to 20% of the total investment costs for projects concerning cross-border bottlenecks and projects at borders with candidate countries which contribute strongly to the improvement of the Trans-European network. Specifically, those projects able to benefit from the increase would be: - projects which concern cross-border rail bottle necks and/or missing links located in areas where natural barriers represent obstacles to the free circulation of goods and passengers and which strongly contribute to the reduction of imbalance between modes of transport; and - other projects which concern bottlenecks at borders with candidate countries.?

## Trans-European networks: rules for granting financial aid

The Commission is seeking to modify the initial proposal relating to the granting of Community financial aid for the trans-European networks to take account of priority revisions to TEN-Energy. Original revisions to the financial perspective of the Regulation governing the trans-European network focused exclusively on the transport sector (please see text below). However, in December 2001, shortly after the publication of the initial proposal the Commission presented a Communication to the Council and European Parliament, accompanied by a proposal for the revision of the TEN-Energy guidelines. The proposed revision of the energy guidelines suggested making better use of the aid available under the Regulation accompanied by twelve priority projects deemed essential for the completion of the trans-European energy network. In particular, the Commission proposes: - to concentrate the financial resources on the priority projects identified and listed in Annex I to the revised guidelines for trans-European energy networks; - to increase from 10 to 20% the maximum rate of support for these 12 priority projects; - to focus the support on the project development phase from now on. The priority projects have been chosen on the basis that they are integral to the completion of the internal market as well as improving the security of supply. Further, whilst much of the initial financing went towards study projects, these studies have now neared conclusion so the second, more costly phase, of implementation is imminent. Hence the need to increase the financial perspective of TEN-Energy. By incorporating this proposal into the revision of Council Regulation 2236/95 the maximum increase in the rate of support for the energy projects identified will increase from 10 to 20%.?

## Trans-European networks: rules for granting financial aid

The committee adopted the report by Francesco TURCHI (UEN, I) amending the proposal under the codecision procedure (1st reading). The committee voiced concern at the backlog of delays in funding TENS and completing the crossborder rail projects, and agreed with the Commission that the emphasis should be on projects with a major 'social and economic added value' which also improve safety. It stressed that the Commission's proposed increase, for the period 2003-2006, of EUR 100 million for budget heading B5-700 which covers the TENS must comply with the current financial perspective. As to the reallocation of 50m within the overall budget for transport TENS, the report argued that the budgetary authority must be consulted to ensure that this decision is in line with Parliament's priorities. As regards energy networks, MEPs insisted that measures in support of RTE energy projects should be detailed in a separate report. Lastly, the committee wished to include RTE telecommunications projects in the proposal so that they could also receive co-funding of 20%. ?

## Trans-European networks: rules for granting financial aid

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The European Parliament adopted a resolution drafted by Francesco TURCHI (UEN, Italy) making some amendments to the amended proposal. (Please refer to the document dated 22/05/02.) Parliament expressed its concern that the accumulated backlog for the trans-European transport network amounts to 60% of overall project support. Major problems remain to be solved in the 14 priority projects approved at the Essen European Council, whereby an increase in the level of Community co-financing is considered necessary. The Commission should prepare an evaluation of Member States' responsibilities in the implementation of the projects. Based on this assessment, the Commission should present a proposal to improve cross-border co-operation between Member States. On the priority projects on the energy networks, Parliament stated that the development stage should be able to qualify for higher financial aid without this leading to any increase in the funds set aside for energy networks in the 2003-2006 financial perspectives. This aid is in respect of priority projects on the energy networks that are carried out in individual undertakings, which are necessary in the interests of the European economy but unprofitable in business terms and which do to distort competition between undertakings. Finally, an amendment was made to the effect that the financial framework would be subject to a mid-term review based on the implementation of the regulation. The allocation of funds will be linked to the qualitative and quantitative level of implementation, including contribution to the reduction of traffic growth and air pollution. Commitment appropriations will be cancelled after n+2 years if funds are not utilised.?

## Trans-European networks: rules for granting financial aid

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The Commission accepted some thirteen amendments made by the European parliament, seven of these being amendments to the recitals. Those amendments accepted include: - a reference to the priority to be given to funding TEN energy; - the reference on the compatibility of financing with the objectives of sustainable mobility; - a reference to the need to increase the transport TEN budget appropriations to cope with the challenges of enlargement; - a more explicit reference to the elimination of bottlenecks; - an advisory committee will be set up instead of a management committee. The Commission did not accept those amendments modifying the scope of the proposal or prejudging its right of initiative: - the request to assess the planning procedure in force in Member States as well as the nature of TEN-T projects cannot be accepted; - the amendment relating to the eligibility conditions for energy projects proceeds from a wrong interpretation of the Regulation in force, as the development phase (before the construction phase) can already benefit from a maximum of 50% support, and is therefore not directly concerned by the proposal; - the reference to support monitoring on TENS-transport is unacceptable. The transport TEN budget will be revised in 2003, when the Parliament will be consulted as usual prior to the adoption of the Commission Decision; - the inclusion of TEN-Telecoms is not accepted; - the setting of inflexible rules leading to the cancellation of TEN-T support if funds are not used within a certain number of years is not always compatible with the life cycle of infrastructure projects.?

## Trans-European networks: rules for granting financial aid

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After noting long delays in building the trans-European transport network, particularly the cross-border sections of railway schemes, the Commission proposed amendments to Council Regulation 2236/95/EC (the "TEN Regulation") with the objective of raising the rate for co-funding by the Community from 10 to 20% for cross-border rail projects crossing natural barriers and cross-border connections with the candidate countries. Since the proposal was submitted, however, new factors have added force to the arguments for revision of the TEN Regulation, particularly for the introduction of a higher aid rate for certain projects. This amended proposal is based on the report by the High-Level Group chaired by Mr. Karel Van Miert, leading to the parallel proposal to amend Decision 1692/96/EC on the guidelines for the trans-European transport network. The creation and smooth operation of the trans-European transport network, which became official Community policy 10 years ago, is a key condition for the success of the internal market. However, traffic on the network is continuing to grow apace but unevenly, while at the same time there is growing insistence on sustainable development and an imminent need to incorporate the networks of the future Member States. Transport infrastructure is still poorly used and under-financed, for lack of transparency in the costs paid by users, lack of adequate funds and the absence of a framework conducive to investment. There is a clear mismatch between the stated objectives and the financial resources available to the Community. Implementation of major projects of this kind with the aid of PPP-type mechanisms demands a substantial financial commitment from all parties concerned and, first and foremost, from institutional investors. In this context, the limit of 10% of the total cost set for co-funding by the Community is not sufficient incentive to act as a catalyst during the start-up phase for such major cross-border projects, where the rates of return and even benefit for the Member States remain lower than those offered by other projects on the network. To make it possible to complete the priority projects identified in the new proposal by the set dates, two measures are proposed: - financing based on a multiannual legal commitment giving project promoters a guarantee that they will receive funding from the Community throughout the implementation phase; - an increase in the maximum aid rate for the cross-border sections of certain priority projects to 30% of the total cost. Cross-border connections are essential for exchanges between Member States and for the connectivity along the major trans-European routes. However, national authorities are generally reluctant to finance cross-border sections and budgetary decisions often fall in favour of infrastructure matching the national priorities. There is a parallel proposal to add new projects to Annex III to Decision 1692/96/EC identifying the priority projects. Financial implications: the Commission estimates the total cost of the projects in the new annex III of the Decision, EUR 220 billion, of which EUR 15 billion, over the period 2007 - 2013, would be for the cross-border sections (without, however, counting the aid for the motorways of the sea, since this amount is not known in advance). Consequently, the budgetary impact of raising the funding rate to 30% for these sections (capital for project development) will still be modest. It would cost the TEN-T budget, year by year, the following amounts if all the cross-border projects identified in the new annex III were granted the maximum rate envisaged: - maximum aid rate 10% - budget impact EUR 220 million - maximum aid rate 20% - budget impact EUR 440 million -

maximum aid rate 30% - budget impact EUR 660 million Over the period 2000-2006, the amendment proposed would have no impact on the total budget allocated to the TENs.?

## Trans-European networks: rules for granting financial aid

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The Council adopted its common position on the Regulation of the European Parliament and of the Council amending Council Regulation 2236/95/EC laying down general rules for the granting of Community financial aid in the field of trans-European networks. According to it, an increased rate up to a 20% maximum for Community support for the following priority TENs projects will be allowed: - Satellite positioning and navigation systems as provided for in Article 17 of Decision 1692/96/EC (Galileo type projects); - priority projects on the energy networks and cross-border or cross-natural barrier sections of selected TENs transport projects as identified in Annex III to Decision No 1692/96/EC, provided in particular that the projects are started before 2010. The main part of Community support under the Common Position will be aimed, as proposed by the Commission and supported by the European Parliament, at contributing decisively to the implementation of the outstanding priority TENs transport projects. At the same time, but with a much lesser budgetary impact, Community support will be targeted at TEN's priority energy projects and Galileo type projects. The Common Position does not concern the e-TENs priority projects (TELECOM) for which the Commission has made a separate proposal, which remains on the table. In addition, the Council introduced the possibility of financing TENs based on a multiannual legal commitment (whereas the budgetary one remains annual) giving projects promoters a strong guarantee that they will receive funding from the Community throughout the implementation phase. It should also be added that the introduction of stricter rules in financing projects to comply with sound and efficient management, introduced by the EP is kept with a slightly different formulation, based on the one proposed by the Commission in its proposal. On the other hand, the common position does not follow the Commission's proposal - shared by the EP - that plans to set up an advisory procedure for the committee. It maintains the regulatory procedure as it is presently used, but agrees on the presence of an EIB representative (as observer) in the Committee. Although the Common Position does not follow the amendment on the increase of the financial framework for the period 2001-2006, it keeps the second alinea relating to a stricter assessment of the use of funds.?

## Trans-European networks: rules for granting financial aid

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The European Commission accepts the Council's common position given that it follows (despite some changes) the lines of the amended proposal. The main changes relate to the maximum rate of support. The Council wishes to maintain the maximum rate of co-financing at 20% whereas the Commission proposed a 30% rate of co-financing. The 20% rate, however, is acceptable to the European Parliament. The Commission and the Council confirm that over the period 2000-2006 the Regulation has no impact on the total allocated to TENs projects.?

## Trans-European networks: rules for granting financial aid

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The committee adopted the report by Franz TURCHI (UEN, I) approving the Council's common position without amendment under the 2nd reading of the codecision procedure.

## Trans-European networks: rules for granting financial aid

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The European Parliament adopted a resolution drafted by Franz TURCHI (UEN, I) approving the Council's common position.?

## Trans-European networks: rules for granting financial aid

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**PURPOSE :** to establish a higher rate of Community aid to promote completion of the cross-border connections for the priority projects in the field of trans-European networks. **LEGISLATIVE ACT :** Regulation 807/2004/EC of the European Parliament and of the Council amending Council Regulation 2236/95/EC laying down general rules for the granting of Community financial aid in the field of trans-European networks **CONTENT :** This Regulation comes about as a result of concern that the delays in the cross-border sections of the priority projects on the trans-European transport network (TEN) were having an adverse effect on the profitability of the investments made by the Member States in the sections in their own country. Therefore, this Regulation establishes that the rate of Community financing shall be differentiated, according to the benefits to other countries, in particular the neighbouring countries. Such modulation will benefit the cross-border projects used by long-distance transport services. Moreover, the Community financing rate will be differentiated according to the extent to which the project's economic benefits exceed its financial profitability. The establishment of public-private partnerships (or of other forms of cooperation between the public and private sectors) demands a firm financial commitment from institutional investors which is sufficiently attractive to raise private capital. Granting Community financial aid on a multiannual basis will remove the uncertainties which are slowing down project development. Measures will therefore be taken to grant financial support to the projects selected on the basis of a multiannual legal commitment. The Regulation provides that, regardless of the form of intervention chosen, the total amount of Community aid under this Regulation will not exceed 10 % of the total investment cost. However, the total amount of Community aid may exceptionally reach 20 % of the total investment cost in the following cases: - projects concerning satellite positioning and navigation systems, as provided for in Decision 1692/96/EC; - priority projects on the energy networks; - sections of the projects of European interest, provided that the projects are started before 2010, identified in Annex III to Decision No 1692/96/EC with the aim of eliminating bottlenecks and/or filling in missing sections, if such sections are cross border or cross natural barrier, and contribute to the integration of the internal market in an enlarged Community, promote safety, ensure the interoperability of the national networks and/or strongly contribute to the reduction of imbalances between modes of transport, in favour of the most environment-friendly modes. This rate shall be differentiated according to the benefits to other countries, in particular neighbouring Member States. The legal commitment will be multiannual and the budgetary commitments will be met in annual instalments. If, 10 years after the financial aid was awarded, the operation in question has not been completed, the Commission may demand reimbursement of the aid paid. **ENTRY INTO FORCE :** 20/05/04.?

