


Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2004/0154(COD) Procedure completed
Community financial aid in the field of the trans-European transport and energy networks, 2007- 2013	
Amended by 2011/0301(COD) Repealed by 2011/0302(COD)	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		20/09/2004
		PPE-DE MAURO Mario	
	Former committee responsible		14/09/2004
	BUDG Budgets	PPE-DE MAURO Mario	
	Former committee for opinion		26/10/2004
	ITRE Industry, Research and Energy	PSE GLANTE Norbert	
	TRAN Transport and Tourism		29/09/2004
		UEN Ó NEACHTAIN Seán	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	2791	22/03/2007
	Transport, Telecommunications and Energy	2772	11/12/2006
European Commission	Commission DG	Commissioner	
	Energy and Transport	BARROT Jacques	

Key events			
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
29/03/2007	Committee referral announced in Parliament, 2nd reading		
07/05/2007	Vote in committee, 2nd reading		Summary

22/05/2007	Debate in Parliament		
23/05/2007	Results of vote in Parliament		
23/05/2007	Decision by Parliament, 2nd reading	T6-0198/2007	Summary
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
	Amended by 2011/0301(COD) Repealed by 2011/0302(COD)
Legal basis	EC Treaty (after Amsterdam) EC 156
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/47899

Documentation gateway

Legislative proposal		COM(2004)0475	14/07/2004	EC	Summary
Economic and Social Committee: opinion, report		CES0256/2005 OJ C 234 22.09.2005, p. 0069-0072	10/03/2005	ESC	
Economic and Social Committee: opinion, report		CES0257/2005	10/03/2005	ESC	
Committee opinion	TRAN	PE355.763	03/06/2005	EP	
Committee opinion	ITRE	PE357.828	22/06/2005	EP	
Committee draft report		PE360.047	30/06/2005	EP	
Amendments tabled in committee		PE362.470	31/08/2005	EP	
Committee report tabled for plenary, 1st reading/single reading		A6-0283/2005	05/10/2005	EP	
Text adopted by Parliament, 1st reading/single reading		T6-0403/2005 OJ C 272 09.11.2006, p. 0273-0404 E	26/10/2005	EP	Summary
Document attached to the procedure		COM(2006)0239	24/05/2006	EC	Summary
Modified legislative proposal		COM(2006)0245	24/05/2006	EC	Summary
Council statement on its position		07086/2007	16/03/2007	CSL	
Council position		17032/2/2006	22/03/2007	CSL	Summary
Commission communication on Council's		COM(2007)0152	23/03/2007	EC	Summary

position					
Committee draft report		PE386.659	03/04/2007	EP	
Amendments tabled in committee		PE388.469	20/04/2007	EP	
Committee recommendation tabled for plenary, 2nd reading		A6-0169/2007	09/05/2007	EP	
Text adopted by Parliament, 2nd reading		T6-0198/2007	23/05/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)3179	14/06/2007	EC	
Draft final act		03625/2007	20/06/2007	CSL	
Follow-up document		COM(2010)0203	04/05/2010	EC	Summary
Follow-up document		SEC(2010)0505	04/05/2010	EC	Summary
Follow-up document		SWD(2014)0314	13/10/2014	EC	Summary
Follow-up document		COM(2014)0686	30/10/2014	EC	Summary
Follow-up document		SWD(2014)0335	30/10/2014	EC	Summary

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

[Regulation 2007/680](#)
[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

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

The committee adopted the report by Mario MAURO (EPP-ED, IT) amending the proposal under the 1st reading of the codecision procedure:

- 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;
- Member States should ensure that the regions concerned have adequate access to the network;
- 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";
- "projects crossing natural barriers" should be included among the priority projects eligible for the maximum grant rate of 50%, "provided that the process of their implementation has begun" before 2010;
- the committee deleted Article 8(3) of the proposal which would not have allowed cofinancing for sections of projects which already receive other Community financing. MEPs argued that this provision could hinder the completion of projects which are eligible for both the TENS and the Structural Funds;
- in line with Parliament's resolution of 8 June 2005, the committee said that 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.
- lastly, the committee adopted a number of amendments seeking to ensure greater democratic accountability and transparency.

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

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

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

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

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

The Budgets Committee adopted the report drafted by Mr Mario MAURO (EPP-ED, IT) approving without amendment ? in second reading of the codecision procedure ? 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 trans-European transport and energy networks.

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

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 trans-European transport and energy networks.

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

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.