

**SEVENTH FRAMEWORK PROGRAMME**  
**SST-2007-TREN-1 SST.2007.2.2.4 Maritime and logistics co-ordination platform**  
**SKEMA Coordination Action**  
**“Sustainable Knowledge Platform for the European Maritime and Logistics Industry”**



**SKEMA Policy Study**

**EU Funding for Transport Projects  
2014-2020**

This short study aims to update the information provided in the principal study under the section “EU Financing of Transport Resources”, add new knowledge and financial schemes that were announced in 2011 and early 2012. Its main sources of information are the newly proposed financial framework “Connecting Europe Package” and the recently announced TEN-T guidelines for the future development of the infrastructure projects in Europe.

## Document Summary Information

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## EU Funding for Transport Projects 2014-2020

In line with all policy developments in the transport sector, the financial schemes adopted proposals to accommodate recent policy priorities and ambitious plans for the next decade. These changes emphasize the role of transportation in mitigating climate change and boosting the economic growth of Europe.

The new financial framework is delineated by “Connecting Europe Package” and the newly announced TEN-T guidelines that set out the foundations of TEN-T policy development until 2050. In 2011, the Commission adopted a proposal for the next Multi-Annual financial framework 2014 – 2020: A budget for Europe 2020. This facility scheme aims to simplify the existing funding scheme by drawing on sectoral synergies. A single EU infrastructure fund will provide a coherent and transparent approach to EU funding that would offer a certain level of security and attract more private funding. The Commission’s proposal for the next financial framework 2014 – 2020 is €50 billion of which €10 billion embarked in the cohesion fund for transport infrastructure. €21.7 billion will be allocated to the transport network for infrastructure projects.

The Connecting Europe Package aims to implement the commitments made by the Commission in the Multi-Annual Financial Framework proposals from June 2011. The package of proposals consists of the following measures:

- A communication on a growth package for integrated European infrastructures
- A communication on a pilot for the Europe 2020 Project Bond Initiative (from 2012)
- A communication on a framework for the next generation of innovative financial instruments – the EU equity and debt platforms
- Proposal for a regulation establishing the Connecting Europe Facility
- Proposal for a regulation on guidelines for the TEN-T network
- Proposal for a regulation on guidelines for the TEN-E network
- Proposal for a regulation on guidelines for the TEN-telecommunications networks

The Cohesion and Structural Funds will be closely coordinated with the policy frameworks in transport, energy and telecommunication sectors. The Connecting Europe Facility will be a centrally managed scheme, benefiting from ring-fenced amounts for transport in the cohesion fund. Priority will be given to projects that respect the national allocations under the cohesion fund.

**Table 1: Summary of Funds, 2014-2020**

1. Connecting Europe Facility	€40 billion
-> Transport	€21.7 billion
-> Energy	€ 9.1 billion
-> Telecommunications/Digital	€ 9.2 billion
2. Amounts ring fenced in the Cohesion Fund for transport infrastructure	€10 billion
<b>TOTAL</b>	<b>€50 billion</b>

Source: COM (2011) 665/3

The other initiative as part of this package is Europe 2020 Project Bond Initiative that will be used as a means of securing investment resources for infrastructure projects of key strategic European interest. Its objective is to help the private project companies to attract capital markets' investors such as pension funds and insurance companies to invest in infrastructure projects. It is believed that this initiative will:

- 1) Increase the leverage of EU funds – by defining the rules of financing that can ensure maximal leverage in attracting public and private investment for projects with a European and Single Market dimension;
- 2) Facilitate the timely delivery of EU co-funded projects – by defining assessment mechanisms that reward performance and penalize non-effective use of EU funds.

The pilot phase is expected to start in 2012 in cooperation with the European Investment Bank. The scope of this pilot action is to test the project bond concept during the remaining period of the current multi-annual framework 2007-2013.

In terms of Research and Development, the new framework has been announced. "Horizon 2020" is the next research and innovation scheme (€80 billion). This is a successor of FP7 Research programme and will allocate €7.7 billion to transport research and innovation. These projects will be managed by DG MOVE, DG RTD and European Institute of Technology.

### **Recent Developments**

Selected projects from TEN-T received funding of €170 million in 2011 to build and upgrade vital transport infrastructure. These include projects in the field of Motorways of the Sea (€84.9 million); River Information Services (€7.1 million); Air traffic management systems and functional airspace blocks (€20.5 million). This funding aimed to make the transport greener, to link the east with the west and to support public-private partnerships. Ports infrastructure is also funded under the TEN-T and Motorways of the Sea Priority Project 21.

The 2010 annual work programme (€78.2 million in total funding) implemented in 2011 and supported the efforts developed under the multi-annual work programme, particularly the better utilization of scarce EU funds and maximization of the impact in the three priority areas:

Priority (1): Promoting the development of an integrated and environmentally friendly transport system; studies for the preparation of deployment projects that address climate change's issues – 13 projects selected, €32.1 million.

Priority (2): Accelerating/facilitating the implementation of TEN-T projects (studies for all modes, works for mature project in the rail and inland waterways sectors); projects supporting the Single European Sky policy – 18 projects selected, €41.1 million.

Priority (3): Studies to support Public-Private Partnerships - three projects selected, €4.9 million.

In early 2012, the Annual Call 2011 was launched with a budget of €200 million under five specific priorities:

Priority (1): Promote the development of an integrated and multi-modal transport system;

Priority (2): Promote infrastructure development contributing to mitigation and

adaptation to climate change and reducing the impact of transport on the environment;  
 Priority (3): Accelerate the implementation of TEN-T projects;  
 Priority (4): Support to Public Private Partnerships and innovative financial instruments;  
 Priority (5): Support to the long-term implementation of the TEN-T network, in particular development of corridors that shall enable a coordinated implementation of the network.

The other financial scheme with annual calls is the Marco Polo programme, under which a company with a project to transfer freight from road to rail/short-sea shipping routes/inland waterways will be able to apply for a grant. Companies aiming to avoid or reduce road transport, or offering support services like management systems, cargo control and common IT platforms or special training programmes are eligible to apply too. The programme budget for 2007-2013 is €450 million. The themes of the projects are fixed under five categories.

**Table 2: Diversity of Marco Polo funded projects, 2010**

<i>Theme</i>	<i>Percentage of total</i>
Modal Shift Actions	81.5%
Common Learning Actions	12.5%
Traffic Avoidance Actions	3.0%
Motorway of the Sea Actions plus Short Sea Shipping	3.0%
Catalyst Actions	0.0%

Source: EACI

The new financial framework for funding EU transport projects emphasizes the policy priorities in strengthening the competitiveness of the Single Market, improving sustainability and making the transport modes more integrated and environmentally friendly. The recently announced initiatives will provide more guarantees to the private sector companies and will increase the coherence between all existing EU funding schemes.

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