Trans-European Transport Networks (TEN-T)

Standard Note: SN478
Last updated: 7 February 2012
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Section Business and Transport

Trans-European Networks (TENs) are infrastructure networks in transport, energy and telecommunications. This note is only concerned with the transport networks (TEN-T). It gives information on the background to the scheme, its financial aspects; the priority projects it supports; and the European Commission's plans for reform.

The original aim of TEN-T was to establish a series of interconnected and interoperable European transport networks that would remove bottlenecks and fill in missing links. Although TENs were outlined in the Treaty of Rome, the original TEN-T did not include any financial or other obligation for Member States to upgrade or complete existing infrastructure; this was included in the 1992 Maastricht Treaty.

Since the early 1990s, TEN-T has developed apace though delivery has been slow and there has been continued debate about both the overall size of the budget to achieve TEN-T schemes and the mix of funding from Member States, European sources and the private sector.

In 2011 the Commission put forward two proposals which would significantly overhaul the operation of TEN-T. The first would move the programme from a voluntary to a compulsory basis (i.e. Member States would be forced to introduce transport network changes specified in an EU Regulation). The UK Government estimates that this would cost between £64 and £137 billion. The second proposal is for a Connecting Europe Facility to put the budget for TEN-T on a multi-year footing and would see a significant increase to the budget. The UK Government is resisting both of these changes.

Further information, including maps of the rail and road networks, is available on the European Commission website. Further transport-related briefings are available on the Parliament website.

Contents

1 Development of TEN-T

1.1 Policy, 1950s-2001

The European Council of Ministers decided to introduce a consultation procedure for infrastructure investment as long ago as 1966. In 1979 the European Commission (EC) argued that the European transport policy would not achieve the objectives set out in the 1957 Treaty of Rome unless it related more to the infrastructure.[1] However the Commission's early attempts to promote a European approach to investment in transport infrastructure, increase accessibility and promote better balanced economic development met with only limited success. The financial assistance was inadequate and the arrangements to determine Europe-wide intervention were based solely on national plans.

The TENs early history is somewhat confusing as the Community first decided to take action on TENs under what was then Article 75 of the Treaty of Rome (now Part XVI, Articles 1760-172, TFEU). On 21 June 1990 the then twelve EC transport ministers agreed on the implementation, as part of the single market programme, of "an action programme in the area of infrastructures with a view to the completion of the 1992 integrated transport market". The objective was to grant EC finance to infrastructure projects of common interest for the three years from 1990-92. This was extended for another two years on 26 October 1992. The commitment to establish "trans-European networks in the areas of transport, telecommunications and energy structures" led to a series of networks being agreed by the Council of Ministers. In the case of transport, decisions covering combined transport, road and inland waterways were adopted on 29 October 1993.[2] The transport networks were indicative and did not place any financial or other obligation on Member States to upgrade or complete existing infrastructure.

Two of the central problems with taking action under the original Treaty were that it only referred to land transport, and no money was provided for the projects. The Directives were therefore little more than a set of maps showing the key transport links of importance to the Community and a short text specifying general objectives and priority projects or types of

[1] the Treaty of Rome was renamed the HTreaty on the Functioning of the European Union (TFEU)H in 2009 following the Lisbon Treaty

[2] Council decision 93/628-30/EEC of 29 October 1993

project. The proposals were deliberately time-limited and applied only up to 30 June 1995. The plan was that they would be superseded on 1 July 1995 by the larger, more ambitious proposal made at Maastricht and covering all types of transport.

The 1992 European White Paper on the future development of the Common Transport Policy stated that transport infrastructures were essential for the completion and operation of the internal market and for achieving economic and social cohesion in the community.[3] They would also be beneficial for economic growth and employment. It asserted that the EU's role was therefore to promote inter-connection and inter-operability of national networks. The idea was to create cohesive networks of motorways, high-speed rail links, inland waterways and combined transport systems, while improving port facilities to increase coastal shipping.

Article 129b of the 1992 Maastricht Treaty contained a Community commitment to establish "Trans-European networks in the areas of transport, telecommunications and energy infrastructures". The Commission argued that bottlenecks in these networks would act as potential barriers to the functioning of the internal market and the future development of the Community. Further, a set of separate national networks, shaped by national objectives, was generally less efficient than a European network. Maastricht called for the EU to identify projects of common interest and to assist in their financing, but the burden of the cost was to fall on national budgets.

The idea was developed in the 1993 White Paper on competition policy, *Growth, Competitiveness, Employment - The Challenges and the Ways Forward into the 21st Century.* Exploring ways to get the European economy out of the doldrums, the then Commission President, Jacques Delors, seized on the creation of trans-European transport networks (TEN-T). He claimed that the malfunction of the networks reflected lost opportunities to create new markets and hence job creation. Four important factors emerged from the Commission's analysis:

i. The state of the community's and member states' finances leaves virtually no margin to increase public financing beyond that already planned. The Commission's proposals take account of this fact and do not entail new public financing requirements.

ii. The massive investment required in some sectors, particularly in transport infrastructures, necessitates new types of partnerships between private and public financing, backed by financial engineering encompassing all the different sources and types of financing.

iii. The absence of open and competitive markets is hampering, to differing degrees, the optimum use of existing networks and their completion in the interests both of consumers and operators.

iv. The inherent sluggishness of the preparation, planning, authorisation and evaluation procedures creates major obstacles to the implementation of large projects.[4]

All Member States stressed the importance of networks to the efficiency and proper functioning of the internal market, the linking up of peripheral areas with the centre and the impact of economic cohesion throughout the Community. They broadly agreed on the need for a greater role for private finance and better financial engineering. They also agreed on the

3 HCOM(92) 494H, 11 December 1992
4 HCOM(93) 700H, 5 December 1993, section 3.3

need to promote the most efficient use possible of networks by ensuring interconnection and interoperability. Some Member States stressed the importance of creating or reinforcing market conditions, the need to respect the financial perspectives at community level and the principle of subsidiarity.

However, the more recent 2001 White Paper, *European transport policy for 2010: time to decide*, raised doubts about the scheme. In it, the Commission drew attention to the clear mismatch between the advertised objectives and the financial means available from the Union.[5] The Commission considered that the budget Member States put aside for developing such transport infrastructure and the funds made available by the EU were insufficient. This was due to some extent to the fact that Maastricht made the Community responsible for producing guidelines for the development of TEN-T without granting it the financial resources to carry it out (Article 129c).

The 2001 White Paper pointed to the delays in completing the projects planned for TEN-T as one of the chief sources of inefficiency and congestion on the main corridors which comprised the network. It also argued that the proposed enlargement (to 25 countries in May 2004), would inevitably generate significant growth in traffic volume on the road and rail infrastructure – some of which was obsolete or offered far less capacity than required – and that this would only add to the need to fill in the missing links in the network.

1.2 Finance, 1995-2007

Information on reforming how TEN-T is financed under the 'Connecting Europe Facility' is explained in section 5, below.

General rules for the granting of community financial aid in the field of TENs are set out in Regulation 2236/95/EC, agreed in September 1995. The UK Government had sought amendments to the draft Regulation to cover such issues as: satisfactory value for money and financial control provisions; wording to allow assistance to be available to projects likely to be financed by the private sector alone; assistance being limited to economically viable projects; and a type III committee procedure to decide applications.

The intention was that TENs would be financed from a mix of public and private sources. Any Member State or body within a Member State would be entitled to bid for TEN funds to support a project of common interest. The decision to grant aid to a project rests with the Commission, with assistance from a committee of representatives of Member States for each TEN sector.[6] TEN-T are co-financed by the following Community instruments:

- Grants from the Trans-European transport budget (Funding rules);
- Grants from the Cohesion Fund budget, in the countries eligible for its intervention;
- Grants from the European Regional Development Fund (ERDF), primarily for Convergence objective regions; and
- Loans and guarantees from the European Investment Bank (EIB).

TEN-T projects can also benefit from the results of the Community Framework Programme on Research and Technical Development (RTD).

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[5] HCOM(2001) 370H, 12 September 2001
[6] HHC Deb 2 December 1999, c279W

The 1995 Regulation provided for €2.3 billion to fund transport and other capital projects in the period 1995-99. Funding decisions took place on an annual basis. About two thirds of the funds were allocated to the 14 priority projects identified by the Essen Council, including four of interest to the UK. The remaining money was allocated to over 50 other priority projects, mostly involving traffic management studies, including one in the UK. Grants from the TENs budget were used primarily for pilot projects and start-up schemes. They were significantly smaller than other sources of Community assistance, which included loans from the EIB, European Investment Fund (EIF) guarantees and the Cohesion Fund.[7]

The Commission reported on the operation of the financial regulation in June 1998 and published a staff working paper and draft Regulation that would put the programme on a multi-annual funding basis and increase the amount of available funds. These changes were implemented by Regulation 1655/99/EC.

By 2003 there were real financial and funding difficulties with TEN-T, as explained by the Commission in an April 2003 communication to Member States:

> The difficulty facing trans-European network projects is funding. The estimated cost of the trans-European transport network alone is around €350 billion for all the projects to be completed by 2010, plus over €100 billion more for projects involving the future Member States. Although the objectives set by the EU for development of the networks are, rightly, ambitious, the results are failing to live up to expectations, with spending on the priority transport projects by the end of 2001 still no more than 25% of the total estimated cost. Only three of the 14 priority projects endorsed by the Heads of State and Government in Essen in December 1994 have been completed and some of the other 11 are still at the preliminary studies stage. The longest delays are on the cross-border sections of these projects, which are less profitable and have lower priority than the national sections. This is particularly true of the projects in the Alps and the Pyrenees.
>
> The Member States, which used to invest, on average, 1.5% of their GDP on building transport infrastructure in the 1980s, now invest less than 1%. Consequently, the Member States put €15 to €20 billion a year into the various trans-European transport network projects. This funding is clearly inadequate to complete all the planned projects by 2010 and, strictly speaking, takes no account of the new needs which will emerge with enlargement. This lack of commitment to funding transport infrastructure could be regarded as surprising, considering the very sharp parallel increase observed in demand for mobility and the importance of transport to the functioning of the economy.
>
> As well as funding from the Member States, the trans-European transport network also receives Community financing [...] The total Community contribution in the European Union (all instruments combined excluding European Investment Bank loans) for the entire period from 2000 to 2006 adds up to around €20 billion.10 Clearly, the Community support therefore covers only a (very) small fraction of the funding requirements and is far from sufficient to make a contribution to developing the networks.
>
> It is clear from these figures that the budget the Member States are allocating to investment in the trans-European network and the funds made available by the EU

[7] DTI explanatory memorandum to 8453/99, 25 June 1999

itself are insufficient. To put it plainly, at the current rate of investment it would take almost 20 years to implement the schemes scheduled for completion by 2010. [8]

In 2003 the Commission proposed further amendments to raise the maximum level of Community support from 10 per cent to 20 per cent for cross-border rail projects in areas with ‘natural barriers’ and projects aimed at eliminating bottlenecks in the candidate countries. It also proposed a further increase to the budget.[9] It also suggested more effective financial and managerial instruments for developing TEN-T.[10] The UK Government opposed the increase to 20 per cent of project costs.[11]

In July 2004 the Commission put forward proposals for an increase in Community funding to TEN-T for the next Financial Perspective 2007-2013. The intention was to increase the maximum intervention rate for TENs in a number of circumstances with effect from 1 January 2007 and widen the forms of intervention available under the TENs Regulation to include loan guarantees to cover risk after the construction phase of projects. The UK Government reiterated its long-held view that current problems are mainly due to poor planning, design and management of projects and not a lack of funding and opposed the plans.[12] The UK raised similar concerns in connection with the Commission’s March 2005 proposal on the form of an EU loan guarantee instrument, stating that it would wait and make a further decision based on the outcome of the negotiations on the Financial Perspective for 2007-2013.[13]

In February 2006, under the European Council agreement of the Financial Perspective, a total budget of €72.12 billion was allocated for the budgetary sub-heading which includes TENs, considerably less than the Commission proposal of €122 billion.[14] The final allocation for TENs over the period 2007-2013 is €7.2 billion, a 68 per cent increase on the 2000-2006 budget. In May 2007 it was reported that the European Parliament Budget Committee had accepted the common position agreed in Council to allocate €8.168 billion for TEN projects in 2007-13. It also sets out the new rates for EU co-financing of 10 per cent of total cost for priority energy projects; 20 to 50 per cent for priority transport projects depending on type, and 10 per cent for non-priority energy and transport projects.[15]

Regulation 680/2007/EC, agreed in June 2007, amended the 1995 Regulation by increasing the maximum level of Community support for specific projects, providing a greater incentive for project implementation, including the setting up Public-Private Partnerships. The new rules also allow multi-annual commitments, providing greater flexibility to promoters of TEN-T projects.

Further information about TEN-T funding is available on the EC website.

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8 HCOM (2003) 132 finalH, 23 April 2003
9 HCOM (2003) 561 finalH, 1 October 2003
10 op cit., HCOM (2003) 132 final
11 European Scrutiny Committee, H*Twentieth Report of session 2001-02*H, HC 152-xx, 18 March 2001, section 16
12 Explanatory memorandum to COM(2004) 475 final, 1 September 2004
13 Explanatory memorandum to EC docs 7280/05, 7281/05 and 7282/05, 23 May 2005
14 European Scrutiny Committee, H*Eighteenth report of session 2005-06*H, HC 34-xviii, 17 February 2006, section 9
15 “Financial Regulation clears hurdles to adoption”, *Europolitics*, 9 May 2007

2 Guidelines

The first set of Community guidelines for the development of the TEN-T were published in 1996. They were revised in 2001 and 2004 and recast in 2010. There are proposals to repeal the Guidelines and replace them with a Regulation. In effect this would make development of TEN-T mandatory on Member States (see section 4, below).

The purpose of the network guidelines is to indicate the routes of Community importance that may be considered for EC financial support. The UK Government supported the development of the network guidelines but final agreement was difficult to achieve. Both Member States and the European Parliament proposed amendments, particularly concerning the individual projects listed in the annex. The UK, for example, consulted with local authorities and the rail companies and submitted various amendments in October 1994.[16] Decision 1692/96/EC was finally adopted in July 1996; and was subsequently modified by Decision 1346/2001/EC with respect to seaports, inland ports and intermodal terminals; and Decision 884/2004/EC intended to take account of EU enlargement and consequent expected changes in traffic flows. The guidelines were revised in 2009-10 and are now set out in Decision 661/2010/EU.

The scope of the TEN-T network is defined in terms of the individual transport modes. There is a network for roads, another for rail and so on. They are summarised as follows:

> **Characteristics of the various transport networks**
>
> The **road network** comprises motorways and high-quality roads, as well as infrastructure for traffic management, user information, dealing with incidents and electronic fee collection. This network should guarantee its users a high, uniform and continuous level of services, comfort and safety, not least through active cooperation between traffic management systems at European, national and regional level and providers of travel and traffic information and value added services.
>
> The **rail network** comprises both high-speed and conventional rail networks, as well as facilities that enable the integration of rail and road and, where appropriate, maritime services and air transport services. Technical harmonisation and the gradual implementation of the European Rail Traffic Management System (ERTMS) harmonised command and control system ensures the interoperability of national networks. The users should benefit from a high level of quality and safety, thanks to continuity and interoperability.
>
> The **inland waterway network** comprises rivers, canals, and inland ports. The network also includes traffic management infrastructure, and in particular an interoperable, intelligent traffic and transport system (River Information Services), intended to optimise the existing capacity and safety of the inland waterway network as well as improve its interoperability with other modes of transport.
>
> The **motorways of the sea network** concentrates flows of freight on sea-based logistical routes so as to improve existing maritime links and establishes new viable, regular and frequent links for the transport of goods between EU countries.
>
> The **airport network** comprises airports situated within the EU which are open to commercial air traffic and which comply with certain criteria as set out in Annex II of this decision. They should permit the development of air links, both within the EU and

[16] DoT press notice, "MacGregor proposes streamlined TERN routes after public consultation", 30 June 1994

between the EU and the rest of the world, as well as the interconnection with other modes of transport.

A **combined transport network** comprises railways and inland waterways that permit long-distance combined transport of goods between all EU countries. It also comprises intermodal terminals equipped with installations allowing transhipment between the different transport networks.

The **shipping management and information network** will comprise coastal and port shipping management systems, vessel positioning systems, reporting systems for vessels transporting dangerous goods and communication systems for distress and safety at sea.

The **air traffic management network** comprises the air space reserved for general aviation, airways, air navigation aids, the traffic planning and management systems and the air traffic control systems, necessary to ensure safe and efficient aviation in European airspace.

The **positioning and navigation network** comprises the satellite positioning and navigation systems and the systems that will be defined in the future European Radio Navigation Plan. These systems are intended to provide a reliable and efficient positioning and navigation service which could be used by all modes of transport.[17]

The priority projects are projects of common European interest. These are set out in Annex III to the 2010 Guidelines. For more information, see section 3, below.

3 Priority projects

Separately from the work on guidelines, and perhaps to hasten progress, the Christophersen Group was set up in December 1993 at the request of the Council to identify priority projects in transport and energy. In its interim report to the Corfu European Council in June 1994, the Group identified a first list of 11 priority projects in the transport sector. At that time there were two projects of interest to the UK - the Channel Tunnel Rail Link (now HS1) and a rail link from Larne via Belfast to the Republic of Ireland. A final report was presented to the Council meeting in Essen in December 1994 and included three additional projects, of which two were of interest to the UK - the West Coast Main Line (WCML) modernisation and the up-grading of the road link between Holyhead and the East Anglian ports.

In addition to the list of the top 14 projects, the Group produced a list of traffic management projects and a list of other projects which were important but which were not yet ready for work to begin. The report was not a proposal for legislation and had no legal significance as such, but the Council later adopted the list of priority projects. The Commission proposed in 2001 to add six further schemes, including the global navigation and positioning satellite system, Galileo. The High Level Group, chaired by Karel Van Miert, recommended a further 16 priority projects. These were added to TEN-T in 2003.

As stated above, the current list of priority projects are set out in Annex III to the 2010 Guidelines. Those of particular interest to the UK are as follows:

2. High-speed railway axis Paris-Brussels-Cologne-Amsterdam-London

— Channel tunnel-London (2007)

— Brussels-Liège-Cologne (2007)

[17] Europa, H*EU guidelines for the development of the trans-European transport network*H, 31 January 2011

— Brussels-Rotterdam-Amsterdam

[...]

9. Railway axis Cork-Dublin-Belfast-Stranraer (2001)

[...]

13. UK/Ireland/Benelux road axis (2010)

14. West coast main line (2007)

15. Galileo (2008)

[...]

21. Motorways of the Sea (MoS)

Projects of common interest identified in accordance with Article 13 and concerning the following motorways of the sea:

— motorway of the Baltic Sea (linking the Baltic Sea Member States with Member States in central and western Europe, including the route through the North Sea/Baltic Sea Canal (Kiel Canal) (2010)),

— motorway of the sea of western Europe (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea) (2010),

— motorway of the sea of south-east Europe (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean to include Cyprus) (2010),

— motorway of the sea of south-west Europe (western Mediterranean), connecting Spain, France, Italy and including Malta, and linking with the motorway of the sea of south-east Europe (2010)

[...]

26. Railway/road axis Ireland/United Kingdom/continental Europe

— Road/railway axis linking Dublin with the North (Belfast-Larne) and South (Cork) (2010)

— Road/railway axis Hull-Liverpool (2015)

— Railway Felixstowe-Nuneaton (2011)

— Railway Crewe-Holyhead (2008)[18]

More information on priority projects, including the progress on their implementation, can be found on the EC website.

The Department of Transport has a complete list of the UK schemes which have successfully bid for TEN-T funds since 1996 and 2008. This totals €787.3 million.

18 HDecision 661/2010/EUH, Annex III; the date, agreed in advance, for completing the work is shown in brackets

4 Reform and the future of TEN-T

4.1 2009 Green Paper

In February 2009 the Commission adopted a green paper on 'a better integrated trans-European transport network at the service of the Common Transport Policy'. It summarised the Commission's assessment of the TEN-T policy implementation to date and set out options for its future development in the light of new challenges. It focused on the infrastructure needs of the Common Transport Policy, such as better interconnection and integration of all transport modes; optimising infrastructure use (e.g. deployment of intelligent transport systems, pricing and taxation); new technologies and improving Europe's infrastructure connections with its neighbours.[19] The main legislative proposal to come out of the green paper process was a revision of the Community Guidelines (see section 2, above).

In early 2009 the Commission consulted on the proposals in the green paper.[20] The Transport Minister reported on the European Transport Council of 11 June in a statement to the House on 18 June 2009; he said:

> The Council adopted conclusions, which the UK supported, on transport trans-European networks (TEN-T). The conclusions follow a Commission Green Paper, which took stock of TEN-T policy in the light of recent EU enlargement and the need to address the challenges posed by climate change.[21]

A July 2009 report by the European Scrutiny Committee did not at that point flag up any particular concerns from the UK Government about the TEN proposals in the green paper.[22]

4.2 From Guidelines to Regulation

In October 2011 the Commission published a draft Regulation on TEN-T, which would involve the repeal of the Guidelines (see section 2, above).[23] The material effect of this change would be to move from guidelines which promote the development of the network to a Regulation which would define a long-term strategy up to 2050 and mandate action by Member States. In particular, it would require Member States to complete a 'Core Network' by the end of 2030 and a 'Comprehensive Network' by 2050.[24] The Commission hopes that this draft Regulation will be in place by 2013.

This marks a significant change in the TEN-T programme by introducing an element of compulsion. In other words, Member States would be compelled to build and upgrade transport infrastructure on the core and comprehensive networks by the date indicated. There would also be duties to upgrade infrastructure to certain standards.

A December 2011 European Scrutiny Committee report gave the views of the Transport Minister, Theresa Villiers. She stated that there are a number of "very significant problems with the proposal as drafted", particularly:

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19 EC, H*TEN-T policy review: Towards a better integrated trans-European transport network at the service of the common transport policy*H, 4 February 2009

20 EC, H*Green Paper on Future TEN-T Networks*H, February 2009; summary of responses also available via the same link

21 HHC Deb 18 June 2009, c36WS

22 European Scrutiny Committee, H*Twenty-sixth report of session 2008-09*H, HC 19-xxiv, 23 July 2009, section 3

23 HCOM(2011) 650 finalH, 19 October 2011

24 the Comprehensive Network by country map is available to view HhereH; and a list of pre-approved projects on the Core Network is available Hhere

- the proposed requirements to meet standards and implement state of the art technology across the whole TEN-T network would impose major financial burdens on the Government, local authorities and private sector infrastructure managers;

- the general public could also be disadvantaged if limited available budgets were taken up with improvements mandated by the EU for the TEN-T network, rather than being focused on the areas where the need to improve transport links is strongest and would yield the best value for money;

- the proposed reporting requirements would place information obligations on the same bodies which would also have a cost;

- it would place a large financial burden on Member States in terms of capital expenditure to bring the different modal elements of the transport networks up to the required standards;

- there would also be costs on private sector infrastructure owners and managers to comply with standards and provide real-time information to passengers; and

- the draft Regulation would also place obligations to provide information on the TEN-T to the Commission and the Corridor Coordinator.[25]

The Department for Transport has estimated that if the Regulation were adopted in its current form the cost to UK taxpayers would be somewhere in the region of £14 billion for the rail network and between £50 and £123 billion for the road network.[26]

4.3 Connecting Europe Facility

Following long-term problems with financing for TEN-T (see section 1.2, above), the Commission proposed in June 2011 that there should be a new integrated instrument for investing in EU infrastructure priorities such as transport. This would be called the 'Connecting Europe Facility' (CEF). The detailed proposal was published in October 2011 alongside a draft Regulation.[27]

The proposed CEF for 2014-20 would provide an overall budget for transport of €32 billion (£27.9 billion), including ring-fenced finance from the Cohesion Fund. As stated in section 1.2, traditionally spending on TEN-T has come from Member States' own budgets, allocated according to their discretion and national transport priorities, and from the private sector. The Commission is proposing the CEF to address the fact that very few of the TEN-T targets have been met and that there has, overall, been a decline in infrastructure spending in Europe since the turn of the millennium.[28] The December 2011 report by the European Scrutiny Committee highlights the CEF priorities for transport:

> For transport the Commission estimates the transport network needs Member States to invest €500 billion in the period 2014-2020 and the facility would:

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[25] ESC, H*Documents considered on 7 December 2011*H (forty-eighth report of session 2010-12), HC 428-xliii, 15 December 2011, paras 2.37-2.38

[26] DfT, H*Proposal for a Regulation ... on Union Guidelines for the development of the Trans-European Transport Network + Commission Staff Working Documents accompanying the proposal: Impact Assessment; and Executive Summary of the Impact Assessment*H, 9 November 2011

[27] HCOM(2011) 665 finalH, 19 October 2011

[28] ibid., p1

- co-finance projects that help to deliver the missing elements of the TEN-T core network (defined using the methodology explained below in relation to document (a));

- concentrate on completing missing cross border links, removing bottlenecks and promoting intermodal transport to support growth in the EU single market;

- allow for financial support for cross-border projects involving third countries;

- fund works focused mainly on rail and projects that promote intermodality;

- define in the Annex, Part 1, the horizontal priorities for the programme — the corridors which the Commission hopes will be an instrument to assist implementation and pre-identified projects that may be funded by the programme; and

- include milestones, targets, indicators and monitoring arrangements for TEN-T in the legislative financial statement section of the Annex.[29]

The UK Government's view is generally that:

> ...at a time of ongoing economic fragility in the EU and tight constraints on domestic public spending, the Commission's proposal for the MFF is unrealistic — it is too large, it is not the restrained budget the Commission claims and it is incompatible with the tough decisions being taken in countries across the EU.[30]

The Government does not, therefore, support the huge increase in infrastructure funding represented by the CEF. In a January 2012 debate on the CEF in the House, the Financial Secretary to the Treasury, Mark Hoban, said:

> Instead of finding ways to cut spending or to drive better value for money, the Commission, through the connecting Europe facility, proposes to increase spending on transport, energy infrastructure and telecommunications by 400% as part of a multi-annual financial framework that increases payments by more than €100 billion over its duration.
>
> Just as at home, where we have prioritised spending on growth while tackling the deficit, the Government would like a higher proportion of a restrained EU budget spent to promote sustainable growth. The proposal does not achieve that objective. We are arguing that spending should be lower, and that what spending remains should be focused on areas that offer genuine added value across the EU.[31]

The House agreed a Government motion that:

> ... at a time of ongoing economic fragility in Europe and tight constraints on domestic public spending, the Commission's proposal for substantial increases in EU spending in this area compared with current spend is unacceptable and incompatible with the tough decisions being taken to bring deficits under control in both the UK and countries across Europe; considers that spending in this area should focus on identifying and providing genuine EU-added value, and not on spending where domestic governments and the market are better placed to act; and further supports the Government's ongoing efforts to reduce both the Commission's proposed budget for the Connecting

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29 op cit., H*Documents considered on 7 December 2011*H, para 2.11

30 ibid., para 2.29

31 HHC Deb 19 January 2012, cc909-910

Europe Facility and the overall level of spending in the next Multiannual Financial Framework 2014-20.[32]

[32] ibid., c938