



EU TRANSPORT POLICY AND THE MARITIME PERIPHERIES: FINDINGS AND SHORT- AND MEDIUM-TERM OPTIONS

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EXECUTIVE SUMMARY

Nearly all the budget for the transport sector of the Connecting Europe Facility (CEF) has been used up. 86% of the budget for the seven-year period has been committed in less than three years

In view of this, the CPMR calls for the available balance of CEF funding for 2014-2020 to be allocated as a priority to projects which improve the accessibility of the peripheries. Between now and mid-2017, CPMR will give thought to the type of instrument for transport infrastructure funding that we should be promoting for the post-2020 period.

The way the CEF has been implemented has resulted in an excessive concentration of financial support on the 9 priority corridors

The peripheral and island regions have benefited only marginally from CEF funding. CPMR therefore calls for a qualitative and quantitative analysis to be carried out into the results of the 2014 and 2015 calls for proposals so that we can visualise which territories and which types of projects have not received adequate support. This analysis – and the use of revised criteria – will enable future calls for proposals, both before and after 2020, to be better targeted. One possibility would be the creation of “targeted” calls focusing on the types of projects that are characteristic of the maritime peripheries. CPMR asks the European Parliament to support these demands.

The Motorways of the Sea (MoS) need to be adapted to specific regional situations

The Detailed Implementation Plan (DIP) for the MoS, published in June 2016, fails to adequately address the issue of territorial accessibility. During the twelve-month consultation on the DIP, this situation must be remedied and appropriate project selection criteria integrated and applied to any calls for proposals launched before 2020, as well as to the next programming period.

The EU lacks an instrument providing support for maritime transport services

The only EU programme which did provide support for maritime transport services, Marco Polo, was discontinued in 2013. The MoS, for example, only receive aid for equipment, even though they are sometimes “built” on links which are not easy to make financially viable.

The CPMR invites the European Commission to step up its work of preparing proposals for aid mechanisms for maritime transport, drawing on experiments under way such as the Ecobonus system. Malta’s presidency of the EU in the first six months of 2017 offers an opportunity to explore these avenues.

This policy position is presented two and a half years after the start of the seven-year programming period 2014-2020. It falls within the framework of the Accessibility Campaign launched by CPMR in 2014 with the aim of influencing the implementation of the EU instruments adopted at the end of 2013: the Trans-European Transport Network (TEN-T) and the Connecting Europe Facility (CEF) - the instrument which finances transport policy and in particular the TEN-T.

Essentially, it sets out the priorities adopted by the CPMR with regard to the EU's transport policy: to improve the way in which this policy helps make the peripheral territories more accessible, and to promote real EU support for the development of sustainable maritime transport thus helping to achieve the EU's climate change objectives.

It also addresses issues which are important for the Regions, and in which CPMR could invest its efforts in the future if its members so decide. Some of the CPMR Geographical Commissions are already working on some of these issues, which include rail transport networks, the development of the TEN-T in relation to the EU's neighbouring countries, and the taking into account of the specific situation of the peripheries in the European Aviation Strategy.

Although we have not yet reached even the halfway point in the current programming period, the recommendations in this document also relate – wherever possible – to the next period, which will start in 2021. There are two reasons for this:

- The funding allocated for the current period under the “transport” section of the CEF has almost all been committed.
- The Commission has to prepare its proposals for the next programming period before the end of 2017. Now is therefore a good time for CPMR to start planning for this deadline, even if we still have a year in which to clarify, detail or revise our recommendations.

1. Budgetary context: the CEF transport budget is running out

For the 2014-2020 programming period the TEN-T was allocated, via the CEF, a budget of €22.4 billion. This was less than the envelope initially decided in 2013, because €2.2 billion were siphoned off to fund the Juncker Plan. Of this €22.4 billion, an amount of €11.3 is earmarked for projects in countries eligible for Cohesion funding¹.

On 14 September 2016, under the mid-term review of the multi-annual framework, the Commission did however propose to reallocate €400 million to the CEF. This singularly modest “bonus” has still to be accepted by the co-legislators (Parliament and Council) and a decision made regarding its specific allocation within the CEF.

To date² and after the first two CEF calls for proposals (2014 and 2015), there remains only about €3 billion available, of which €2.1 billion is earmarked for the Cohesion states. In other words, 86% of the budget for the seven-year period has already been committed in less than three years³. From 2017, and until 2021, the funding opportunities depend therefore on “the remainder” not used by the calls already carried out.

¹ Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

² The result of the reallocation proposed by the Commission on 14 September was not known at the time of writing.

³ This “efficiency” in the commitment of budget appropriations can be explained by the fact that the CEF is directly managed by the Commission. The Commission-Member States-Regions partnership principle does not apply to this policy.

Despite this very high level of commitment appropriations, a large number of eligible projects were not selected even though they fulfilled the criteria of the calls for proposals. In 2014 only 36.5% of applications⁴ were successful, and in 2015, 60.5%.

The CPMR is aware that there are other available sources of EU funding for transport infrastructure and services:

- the ERDF, but there are certain restrictions, and this is for projects with a limited budget;
- the Juncker Plan, but this does not provide support in the form of “pure grants” and also the scale of projects funded is often not adapted to the needs of stakeholders in the peripheral Regions (high minimum thresholds).

RECOMMENDATIONS

In this context, CPMR calls for the balance of CEF funding available for 2014-2020 to be used to fund projects which improve the accessibility of the peripheries. This demand is addressed to the Commission, which drafts and develops the CEF action plans, and to the Member States, which together with the Commission plan the sequencing, the priorities and the budgets for the calls for proposals.

Between now and mid-2017, the CPMR will consider and discuss internally the type of instrument we should be promoting for the post-2020 period to support transport infrastructure, combining:

- the experience acquired from the CEF;
- the partnership principles of the cohesion policy;
- the methodology acquired from the implementation of the Juncker Plan.

2. Results of the CEF 2014 and 2015 calls for proposals: evaluation is necessary – contributions from the Regions

2.1. Questionable selection criteria – excessive concentration on the nine priority corridors

The European Commission publishes the details of project applications received under the CEF calls for proposals. If projects are eligible but were not selected, the Commission also indicates the reason(s) why they were not selected.

Reasons why projects failed to be selected included the following:

- insufficient relevance, maturity, impact, quality;
- insufficient EU added value;
- non-compliance with the objectives and priorities of the CEF;
- budgetary constraints.

Some of these criteria appear to be subjective. The budgetary constraints criterion is clearly questionable when applied to small-size projects.

⁴ In terms of budget, not in terms of numbers of projects.

Following the completion of the selection process, it was clear from the data communicated by the Commission that more than 93% of the budget allocated after the first CEF call for proposals (2014) had gone to projects located on the nine CEF priority corridors⁵. The CPMR has on several occasions drawn attention to and regretted this concentration on the nine priority corridors, since it contravenes the provisions of Article 4 of the TEN-T guidelines⁶.

2.2. Qualitative analysis of projects which were not selected: an identified need and a request to the Parliament

In addition to the global data, it is important for CPMR to know the geographical location of the successful and the unsuccessful CEF applications and how they relate to the different territorial situations. It is not possible to carry out such an analysis on the basis of the Commission's documents, although these do provide some elements of data at the level of each Member State. It would be useful, with a view to the upcoming discussions with the EU institutions, to have the following information:

- the breakdown of selected projects and success rates between the different categories of regions, modes of transport, types of projects, etc.;
- the reasons why the projects were not selected, and whether there is any correlation between the unsuccessful projects and their geographical situation.

The CPMR has already been in contact with the main political groups in the European Parliament concerning this request for a territorial inventory of CEF projects, and has invited them to have this analysis carried out by the Parliament's "research" service. This initiative has to date not come to fruition and needs to be followed up.

2.3. Qualitative analysis of projects which were not selected: a decisive contribution from the Regions

In addition to the documents published by the Commission, and pending a territorial evaluation by the European Parliament's research service, the CPMR General Secretariat has asked the Geographical Commissions for their help. They have been asked to identify – in their respective geographical areas – emblematic projects which were not selected even though they would have clearly made a contribution to territorial cohesion.

The idea is not to carry out a comprehensive analysis of all the projects which were not selected in the peripheral areas, but to shed light on the types of projects which appear not to receive sufficient support, in order to draw conclusions about how the selection criteria could be revised.

This point will be developed once the CPMR has collected all the data, and a summary will be prepared for the CPMR Political Bureau to be held in March 2017 in Malta⁷.

⁵ This first call had mobilised 53% of the CEF budget for 2014-2020. It is not possible, from the information provided by the Commission following the second CEF call (2015), to give the percentage relating to the 2015 call.

⁶ The TEN-T must ensure "*the accessibility and the connectivity of all regions of the Union, including remote, outermost, insular, peripheral, and mountainous regions*".

⁷ The 22 project notes already received by the CPMR are available on request from the CPMR Secretariat.

RECOMMENDATIONS

The CPMR calls on the European Commission to carry out an in-depth evaluation of how the peripheral areas were taken into account in the CEF 2014 and 2015 calls for proposals.

Between now and 2020, on the basis of this qualitative and quantitative territorial analysis, the Commission is invited to prepare calls for proposals whose selection criteria will offset the results of the first calls for proposals which essentially benefited the CEF priority corridors. One possibility would be the drafting of “targeted” calls for proposals, aiming to prioritise the types of projects characteristic of the islands and the outermost regions.

The CPMR invites the Parliament to encourage the Commission to implement the TEN-T / CEF policy in such a way as to ensure a geographical and budgetary balance. It makes the following two concrete proposals in this regard:

- adoption of a [written declaration](#): “The Trans-European Transport Network (TEN-T) needs to support regional accessibility”, based on a text proposed by CPMR. This procedure is under way.
- Preparation of an objective qualitative evaluation, to be carried out by the research service of the European Parliament.

3. How can the Motorways of the Sea (MoS) be adapted to specific regional situations?

3.1. A key issue for the CPMR

The CPMR is the only organisation lobbying on the territorial aspects of the MoS. The MoS are one of the components of the TEN-T, and as such must also contribute to the territorial cohesion requirements of this policy.

Following an internal survey conducted in October 2015, the CPMR adopted its position on this issue, and has had a number of opportunities to present its position to the Commission and to the European Coordinator for the MoS, Brian Simpson.

The CPMR Islands Commission also adopted a position at its annual General Meeting⁸ and the issues were further discussed and debated at the seminar in Palma de Majorca on 17 October 2016.

Lastly, this topic was also debated on 22 September 2016 in Madeira at the Conference of Presidents of the Outermost Regions. This policy is of course vitally important for these island and outermost Regions, since they benefit only very marginally (most of them not at all) from CEF funding allocated to the CEF corridors.

The MoS – like the other strands of the TEN-T – have benefited from the CEF calls for proposals in 2014 and 2015. However, we do not have an objective evaluation of the geographical breakdown of selected projects.

⁸ [MoS: Islands and Outermost Regions](#) and the [Final Declaration of the Annual General Meeting in Rhodes](#)

3.2. What can we expect from the Detailed Implementation Plan (DIP) for the MoS?

At the request of the European Parliament and with a view to clarifying the concept of the MoS, the Commission published a Detailed Implementation Plan (DIP) in June 2016⁹. In it, the Commission indicates that the MoS “have the ambition to re-balance the EU transport system”. A consultation has been opened and a consolidated version of the document is due to be published in June 2017.

The DIP provides very detailed information on the MoS projects that have received funding since 2004, and on the maritime traffic situation in the different European sea basins. It proposes three development pillars or priorities for the MoS: the environment, integration of maritime transport in the logistics chain, and safety, human element and traffic management. It further indicates that MoS should:

- foster maritime transport within the internal market;
- develop port interfaces;
- contribute positively to Europe’s external trade, exploiting the potentials of the Atlantic, North Sea and Baltic, Mediterranean and Black Sea, and Suez Canal;
- exploit the new opportunities offered in the Arctic region.

The question of the peripheral regions is dealt with in passing, notably in the form of references to the outermost regions and their potential role as LNG refuelling stations. The proposal made by the CPMR and its Islands Commission to allow the islands and outermost regions to benefit from a preferential co-funding rate for CEF projects (higher than the standard rate of 30%) is mentioned as a possibility.

However, the link between MoS and territorial cohesion is not addressed in sufficient depth or detail. Neither does the DIP give any indication as to how the priorities it sets out will be reflected in the criteria which will apply to future calls for proposals. Lastly, there is nothing to indicate that when the “consolidated” DIP is published in June 2017, there will be any budgetary resources left to finance any projects before 2020.

It is therefore in a context of considerable uncertainty that CPMR has to try to promote the way in which it would like to see MoS policy develop.

In addition to this, the “support for maritime transport services” strand has disappeared from the MoS following the closure of the Marco Polo programme. The only projects funded are those concerned with investment, equipment and studies. *This point is dealt with in part 4 of this document.*

⁹ [Motorways of the Sea - Detailed Implementation Plan - June 2016](#)

RECOMMENDATIONS

The CPMR cannot be satisfied with the continuation of a status quo in which territorial cohesion is not considered to be one of the key elements of the MoS policy.

It calls on the European Commission:

- to carry out a more detailed analysis than that of the DIP into the MoS projects already funded by the EU, with the aim of identifying the maritime areas which have been left out;
- to clarify, in the consolidated DIP in June 2017, how the MoS policy guidelines could be reflected:
 1. in the next CEF calls for proposals published before 2020;
 2. in the next programming period, by developing the “MoS toolbox”, to allow a modulation of aid intensities according to the type of regional situation;
- to implement a formal governance structure for MoS, as is the case of the CEF corridor. This structure would organise the coordination and the Regions would be involved.
- to re-introduce a “support for maritime transport service” strand, as part of a revamped maritime transport policy.

It invites its member Regions and its Geographical Commissions to lobby in favour of these issues during the twelve-month consultation process on the DIP.

4. Support for maritime transport services

The only EU programme which provided support for maritime transport services, Marco Polo, was discontinued in 2013. The European Commission (and the Court of Auditors) considered that the programme had not achieved its objectives to bring about a modal shift (transfer of traffic flows from road to other, more environmentally-friendly, modes). It was also considered to be a source of market distortion, leading to unfair competition between the services which were subsidised (by Marco Polo) and other services.

Since then, the share of maritime transport in intra-European traffic flows has fallen, while – paradoxically – the EU has been taking action to reduce greenhouse gas emissions.

The CPMR has frequently spoken out (in particular at meetings of the ESSF Forum¹⁰) calling for the possibility of a “replacement” for the Marco Polo programme to be examined, in line with the following conditions and objectives:

- take account of the specific situation of the peripheral regions, which have a lower density of population and of businesses, and are therefore less attractive to maritime service operators which, quite legitimately, seek a return on investment;
- be integrated into the MoS toolbox, which no longer – since 2013 – has this facility (funding under the MoS programme is directed towards investment and equipment rather than operations);

¹⁰ European Sustainable Shipping Forum, a consultation body set up by DG Move.

- help shipowners to take up the challenge of reducing sulphur emissions imposed by the IMO and the EU;
- limit market distortion by:
 - using the possibilities offered by the Ecobonus system, which provide aid to *transport users* (the shippers) and not directly to the *shipowners*. The MedAtlantic Ecobonus project, led by Italy and co-funded by the CEF, Spain, France and Portugal, is currently working on this topic. Its conclusions, which should be available in 2017, should make it possible to put into practice this form of aid to maritime services;
 - implementing the relevant elements of the Eurovignette Directive, following the review of this Directive, due to start in 2017, by using the taxation of road transport to generate revenue which is then made available to sustainable transport modes.

The CPMR is expecting progress to be made on all these questions under Malta's presidency of the EU, during the first six months of 2017.

RECOMMENDATIONS

The CPMR invites the European Commission to step up its work on preparing proposals for support mechanisms for maritime transport services, drawing on the deliberations of the ESSF Forum and the results of the MedAtlantic Ecobonus project.

The CPMR's Geographical Commissions are also invited to study innovative support mechanisms, "by seaboard" or "by sea basin", exploiting the co-funding possibilities offered by programmes such as the CEF or Interreg.

5. Other issues of interest to the Regions and the CPMR

5.1. TEN-T review – looking ahead to 2023

"By 31 December 2023, the Commission [...] with the assistance of European Coordinators, shall carry out a review of the implementation of the core network." (Extract from Article 54 of the TEN-T guidelines).

RECOMMENDATIONS

The CPMR Member Regions and Geographical Commissions are invited to integrate this medium-term perspective into their transport infrastructure priorities.

The CEF priority corridor forums, in which CPMR has managed to secure the participation of the Regions, are the key bodies in terms of this review. It is therefore worth pursuing and developing the active participation of the Regions in these forums.

5.2. For an alignment between the CEF corridors and the rail freight corridors

Today, the multi-modal priority corridors of the CEF are distinct from the rail freight corridors which were defined under the 2010 Regulation on a European rail network for competitive freight¹¹. Although they each have their own system of operation, these two types of corridor share the same paths, which creates confusion between two of the EU's transport policy tools. This results in a lack of coordination between investments in infrastructure (CEF corridors) and investments in the service strand (rail freight corridors), including in relation to international train paths.

RECOMMENDATION

The rail freight corridors and the CEF corridors need to be aligned. They should come under the responsibility of a single European Coordinator, have the same network and share one implementation plan, so that a global and consistent vision can be developed and unnecessary doubling-up of structures avoided. All the elements of the European transport network – passengers and freight, infrastructure and services – should be taken into account.

5.3. Third and non-EU countries and the TEN-T

In its 2012 policy position on the TEN-T review, the CPMR was already calling on the EU to aim to connect the TEN-T to the networks of its close neighbours, candidate countries or neighbourhood policy countries.

The European Commission has gradually been building up a vision and a set of tools to achieve this objective, as demonstrated in the paper on “Extending cooperation with third countries”, one of the Issue papers published by the Commission in June 2016¹². This is a key aspect of the development of the TEN-T, and is also to be considered in the light of recent proposals made by the European Commission to extend the geographical coverage of the Juncker Plan.

The CPMR's Geographical Commissions have already integrated this aspect into their thinking on the transport networks and their links with the macro-regional strategies: Euro-Mediterranean Partnership, Baltic Sea Strategy, Adriatic-Ionian Strategy, Black Sea synergy, etc.

The outermost regions, for their part, are concerned with the “wider neighbourhood” dimension and are keen to exploit and develop the assets that stem from their geo-strategic position as interfaces with other continents: North and South America, West and East Africa.

At present, the outermost regions do not come within the scope of the guidelines on state aid for maritime transport, which only apply “between European ports”. Neither do they have access to the Motorways of the Sea, or the possibility of granting state aid for the opening of new services to third countries. They therefore cannot achieve an objective of integration in their respective sea basins. By virtue of Article 349 of the Treaty, they should however be able to benefit from operational instruments to improve their accessibility. They therefore ask to be partners in and beneficiaries of this exercise of extension of the TEN-T, especially with regard to the Motorways of the Sea.

Furthermore, this “wider neighbourhood” cooperation must include the harmonisation of the needed documentation for fluent goods flows.

¹¹ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight.

¹² [Issue papers](#) published by the Commission in June 2016, p.43.

The CPMR Political Bureau debated these questions at its meeting on 17 June in Kotka, and agreed that this aspect of the “transport” area of CPMR’s work should be developed in the future.

RECOMMENDATION

The CPMR should further analyse and bring forward proposals on this topic during 2017.

5.4. The peripheral regions and air transport

Accessibility by air transport is obviously a priority for the peripheral Regions, and all the more so for those which are distant from the continent of Europe and which are scarcely, if at all, included in the nine priority corridors of the CEF. The CPMR Islands Commission discussed air transport at its Annual General Meeting under the heading of the review of state aid for airports¹³. It also organised a discussion on this topic at the seminar held on 17 October 2016 in Palma de Majorca (ES), the conclusions of which will be presented to the CPMR General Assembly.

Other CPMR Geographical Commissions are also working on these questions. The Annual Conference of the Presidents of the Outermost Regions also discussed them at their annual meeting on 23 September in Madeira.

In December 2015, the European Commission adopted an Aviation Strategy for Europe. The Commission also supports the introduction, in 2021, of a global mechanism aiming to control CO₂ emissions generated by international aviation. This point was raised at the Outermost Regions’ conference in Madeira as being an issue to be addressed with a great deal of caution in view of the possible consequences for regions which are heavily dependant on air transport.

RECOMMENDATION

The CPMR’s priorities in the policy area of transport, as adopted by its executive bodies, concern the TEN-T and maritime transport. Without calling these priorities into question, the CPMR could draw on the work and expertise of its Geographical Commissions to gradually build up its own “doctrine” on air transport.

¹³ [Rhodes Final Declaration](#)



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The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

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