European Federation of Inland Ports

Position of the European Federation of Inland Ports (EFIP) on the Connecting Europe Facility (CEF)

16 March 2018

As the unique representative of inland ports in Europe since 1994, EFIP welcomes the opportunity to give a contribution of its own network - constituted of nearly 200 inland ports located in 17 Member States of the EU and Switzerland, Serbia and Ukraine - about the Connecting Europe Facility (CEF) programme. This position paper serves as input for the on-going discussions on CEF II and the next Multi-annual Financial Framework (MFF 2021-2027).

In line with the **2011 Commission's White Paper on transport,** which stipulates to shift 30% of road freight over 300 km to "environmentally friendly modes of transport" by 2030 and 50% by 2050, EFIP is convinced that CEF Transport is crucial to realise these objectives in the inland port sector. Besides, CEF is the backbone of the **2013 TEN-T policy objectives**, considering that the completion of the TEN-T network by 2030 constitutes a legal obligation for the Member States.

The **Rotterdam Declaration** during the **TEN-T Days 2016**, the **Strasbourg IWT & Ports declaration** (15 November 2017) and the on-going **2018 "European year of the Multimodality"** position the inland port sector at the heart of the EU transport agenda. These are crucial milestones in reinforcing the position of the inland port sector in the *internal market*. Also, in the light of the recent EU policy developments, EFIP fully supports the new strategy to put the financial emphasis to the reinforcement of the seaports' multimodal hinterland connections. EFIP believes that inland ports must play an increasing role as extended gates of the major seaports and in urban nodes, which can only be realised with dedicated funds. Indeed, CEF has been effective in delivering European transport priorities so far. In March 2018, 641 projects were selected for a co-funding rate of €22.3 billion (almost 95% of the total budget).

But the objective of CEF has not been fully accomplished:

- **In all the CEF calls, high-quality projects were rejected due to insufficient EU budget**. Since the CEF launching in 2014, there was a massive oversubscription rate of 2.5 times the available resources. End of 2017, 3 years before its term, the CEF Transport budget was already almost completely exhausted.

- **Number of projects co-financed and total financial contribution given to inland waterways and the inland port sector are rather low compared to the other transport modes**. In March 2018, only 52 IWT-related projects received a total amount of €1.65 billion. It is the mode which received the lowest number of co-financed projects from the EU, and the total budget envelope is still extremely low compared to the rail sector for example (€16.36 billion).

EFIP would like to share the following remarks:

1) **There is a need for more CEF Budget for transport and inland ports, with a more equal division of the budget over the entire budgetary period**: adequate TEN-T budget is essential to realise the TEN-T objectives. From 2017, the leftovers of the CEF budgets 2014-2020 (less than 10%) are not sufficient to finance essential and high-quality projects. For this reason, EFIP is a proactive member of the campaign "More EU budget for transport – the best Investment Plan for Europe" supported by more than 40 transport organisations, authorities, cities, industries aiming to create clean and efficient transport systems. The so-called "Transport coalition" is also looking for more EU funds for transport by encouraging European institutions to strengthen the CEF under the current (2014-2020) and next (2021-2027) Multi-Annual Financial Framework (MFF). That is also why EFIP is a member of the Industry Alliance for Multimodal (IAM) Connectivity and Logistics, composed by 21 Brussels-based industry associations representing different modes of transport, which have decided to join forces to strengthen their voice in the scope of boosting the CEF funding. More than ever, it is a crucial moment for the transport sector, due to expected post-Brexit cuts in the overall EU budget.

2) Besides the constant need for investment in hard infrastructure, **ports face multiple (new) societal challenges**: Digitisation / Logistics 4.0, Decarbonisation / Energy transition and Intermodality. Therefore, these policy challenges need to be properly addressed and supported with the increase of dedicated CEF grants.

3) **EIB Financial instruments are not a replacement for CEF grants:** The available CEF resources have been exhausted, leaving the sector with the only option to implement multi-fund approaches, gather private resources based on leveraging effects and PPP's replacing EU's conventional funding. The inland port sector is doing its best to take advantage of the financial instruments offered by the Juncker Plan (EFSI). For public inland ports, financial instruments (EFSI) are definitely interesting as it could provide a 'gateway' to grants (CEF). However, the main problem for inland ports intending to make use of EFSI is not the set-up of PPP's constructions, but the procedural requirements for developing business cases, which is not part of their principal tasks. There are also basic port infrastructure projects with a high social added value but which cannot attract private finance. These projects need to be carried out for the general public's interest and are often the direct consequence of legal obligations from the EU, national or local level (e.g. for the needs of environmental protections, safety and security). Therefore, CEF grants must remain a critical component of the EU funding, especially for inland ports projects located in the **TEN-T Core network**.

4) **The inland port sector asks for a "one-stop-shop" related to infrastructure projects in order to provide direct advice, clarity on administrative procedures and facilitate supporting mechanisms during the whole application process.** This should be

complementary to the technical support role of the European Investment Advisory Hub (EIAH) especially for a smarter use of the increasing use of the "blending approach". CEF blending facilities can be funded from the envelopes of both grants and financial instruments, but they also promote a wider combination of EU programmes/budgets and contributions from national budgets and/or private investors.

Therefore, EFIP suggests that the EIAH:

- Provides better advice on the blending of CEF with other EU funding sources (EFSI, ESIF, and Horizon 2020) and complementarities with other EU programmes in order to achieve synergies and complementarities between the different sources of EU support.
- Provides best practice examples / annual reports with explanatory guidelines for PPPs.
- Contributes actively to the objectives of sectorial and geographical diversification.

5) Despite the **relevance for cross-sectoral synergies and financial blending approach, there is a need to preserve the scope and identity of each specific fund and programme.** Especially concerning the distinction between CEF funding and financial instruments (EFSI), as well as between programmes dealing with pure R&D projects (Horizon 2020, future FP9) and regular infrastructure projects deployment (CEF).

6) **There is a need for a stable financial framework based on an increased and dedicated CEF budget and dedicated call for proposals for inland ports.** This will allow long-term projects linked to e.g. multimodal interconnectivity, sustainable (alternative fuel infrastructure, short-side-electricity) and digital infrastructures (e-infrastructures) to be realised. **In addition, there is a need to lower down financial thresholds, especially for small-scale projects which are environmentally friendly (e.g.: IWT projects).**

7) **There is a need for a better alignment between Member States' national infrastructure investment plans and TEN-T objectives**.

8) **There is a need for improving the CEF calls selection process,** by reducing the **administrative burden**, improving the **communication** around the application criteria and **transparency** of the process (better constructive feedback about the refused projects), given the fact that the preparation of project proposals costs time and money for applicants. Too often the allocation / selection process at the EU level takes a long time and it can put private / national investment in danger.

9) **There is a need to ensure continuous attention in governance and legislation for the inland port sector**, especially in the scope of the current EU policy and programme reviews and planning of future budgets.