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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: AOB for the meeting of the Transport, Telecommunications and Energy
Council on 5 December 2024
Joint non-paper on the Connecting Europe Facility (CEF) III
- Information from Estonia, Latvia and Lithuania

Estonia, Latvia and Lithuania will inform the delegations about a joint non-paper which was signed by the Ministers of Infrastructure/Transport of Estonia, Latvia and Lithuania at a joint meeting on the 6th September in Palanga.

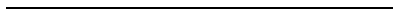
In light of the upcoming discussions about the next Multiannual Financial Framework (MFF), the Ministers signed a non-paper titled “CEF III – a focused approach to bring the EU closer together”. This non-paper highlights the key importance that the Connecting Europe Facility (CEF) has played in the funding of large-scale cross-border infrastructure projects, not only in the field of transport but also in energy and telecommunications.

The Ministers emphasised that CEF or a similar instrument with appropriate financing must continue in the next MFF to advance the EU’s overarching goals related to mobility and climate initiatives. It was further underlined that a centrally coordinated funding programme is instrumental to complete cross-border missing links and that focus should be set on projects with the highest value added on the EU level.

The non-paper also stressed that the completion of these projects has become even more important with the changed geopolitical reality after the Russian full-scale war against Ukraine.

With this in mind, the Ministers also called for additional focus and funding for Military Mobility.

Finally, the improvement of connections to neighbouring EU candidate countries was accentuated.



CEF III – a focused approach to bring the EU closer together

Joint non-paper by Estonia, Latvia and Lithuania

For the seamless functioning and competitiveness of the European single internal market, cross-border transport, energy, and electronic communication connectivity is indispensable. Thus, the trans-European core transport network needs to be completed on time, in order to connect all Member States, eliminate missing links and bottlenecks. In energy, implementation of key cross-border projects is necessary for providing a wider EU and regional dimension of energy security, functioning of energy markets and security of supply. In the electronic communication sector, it is extremely important to ensure the sufficiency and resilience of cross-border data connections. Pan-European deployment of uninterrupted 5G connectivity on transport corridors will support the advanced digital rail operations and connected and automated mobility. This will contribute to road safety and green deal objectives. **The new geopolitical reality the EU has found itself in after the Russian war against Ukraine has made these questions more urgent than ever before.** This needs to be addressed by proper financial resources under the next Multiannual Financial Framework as most large-scale sustainable cross-border infrastructure projects (e.g. high-speed railway connections and grids for onshore/offshore energy in sea areas) are financed through EU funding and cannot be developed without it. The total investment needs to complete the core and extended core TEN-T amount to EUR 845 bn during the next fifteen years;¹ the total investment needs for electricity grids amount to 584 bn this decade according to the European Commission.²

EU wide strategic management of large-scale cross-border projects

Development and construction of large-scale cross-border infrastructure projects requires EU wide strategic management. Such projects are more complex by nature, involve two or more Member States, and need coordinated and synchronised actions in a unified time schedule at both/all sides of borders. As such projects are costly, they also need predictability and stability of the available financial support throughout the MFF period as well as coordinated financial plan for contributions from the Member States. **The Connecting Europe Facility (CEF) has been a major success** on supporting the development of cross-border infrastructure projects between Member States, based on the Projects of Common Interest approach. **In the next MFF, CEF has to remain one of the key instruments of the EU budget with appropriate financing in order to meet the growing needs of the EU and its Member States in transport, energy and electronic communications sectors and inter alia to help to achieve the ambitious EU climate and energy targets.** Special attention and emphasis must be put on **large-scale cross-border projects with the highest added value at the EU level, including, completing the trans-European networks and adequately respond to the growing investment needs in electricity grid projects taking into account renewable energy development.** A central EU support programme has proven to be most efficient to ensure the cooperation, alignment and keeping the long-term priorities of involved Member States simultaneously. We support continuing with this approach.

¹ TEN-T Coordinators' Position Paper – "Connecting Europe: A transport funding and financing that is adapted to the challenges ahead"

² Grids, the missing links - An EU Action Plan for Grids (28.11.2023)

Military Mobility

Furthermore, CEF has pioneered by supporting the development of the transport infrastructure needed for the **military mobility**. **In the changed geopolitical situation, taking into account Russia's war of aggression in Ukraine, improving the transport infrastructure suitable for large-scale cross-border military movements by developing dual-use infrastructure solutions is even more important.** Also in this regard, enhanced cross-border cooperation between the Member States is needed. **In this context, on top of traditional CEF budget for transport, energy and digital infrastructure – additional funding for military mobility has to be increased significantly (in comparison with the 2021-2027 MFF).**

Enlargement

Improving connections to neighbouring EU candidate countries Ukraine, Moldova and Western Balkan countries must be taken into account when considering the legislative framework for EU funding instruments. With reconstruction and solidarity lanes in mind, enhanced connections increase opportunities for Ukraine and Moldova to integrate with the EU Internal Market.

Minister of Infrastructure
the Republic of Estonia



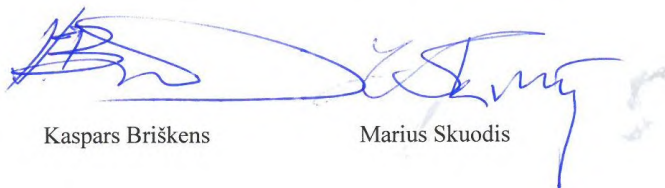
Vladimir Svet

Minister of Transport
of the Republic of Latvia



Kaspars Briškens

Minister of Transport of
and Communications of the
Republic of Lithuania



Marius Skuodis