



*Position  
of the European Sea Ports Organisation (ESPO)  
on the Mid-term Evaluation of the Connecting Europe Facility*

14 February 2017

In November 2016, the Commission invited stakeholders to contribute their views to the current Mid-term evaluation of the Connecting Europe Facility (CEF) Programme. The European Sea Ports Organisation welcomes the opportunity to participate in the Mid-term Evaluation and would like to share some ideas that could help improve CEF.

The Trans-European Network for Transport (TEN-T)<sup>1</sup> is an ambitious and growth-enhancing policy. It is an essential policy instrument to maintain Europe's leading position in transport infrastructure, setting the right priorities in terms of sustainability and cohesion, and bearing in mind the current transport challenges. The Connecting Europe Facility (CEF)<sup>2</sup> is its financial lifeline.

CEF has been effective in delivering European transport priorities thus far. Last year, €12.8 billion of grants were allocated to 263 projects, after a massive oversubscription of three times the amount proposed. However, **in all CEF calls, high-quality projects were rejected due to insufficient EU budget**. Moreover, economic pressures have put a significant strain on Member states' capital investment budgets, leading to an historic low level of public investment in essential infrastructure such as ports. This underinvestment, unless corrected, will lead to non-completion of the TEN-T network with negative consequences for current and future growth and jobs.

Today, ports are facing several challenges that have a major impact on infrastructure investments' needs:

- New trends of the maritime industry: Increasing market power (alliances of shipping lines and vertical integration); increasing vessel size and the cost of subsequent adaptation of port infrastructure and services
- National austerity: National budget constraints imply less public funding is available for essential port infrastructure

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<sup>1</sup> Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network

<sup>2</sup> Regulation of the European Parliament and the Council establishing the Connecting Europe Facility (EU) No 1316/2013 of 11 December 2013

- Energy: Volatility in energy prices, the new energy landscape and the transition to alternative fuels
- Environmental challenges: Need to adapt to new environmental obligations and conversion to alternative fuels (LNG, shore side electricity, etc. ); entry into force of stricter sulphur limits; infrastructure to make ports more resilient for climate change
- Digitalisation challenges: in the context of a globalized world, ports need to improve to boost innovation in order to further enhance performance enabling them to be sustainable and competitive
- Market evolutions: Growing volumes in ports; potential changes in shipping routes following key infrastructure developments outside the EU (Panama, Suez, Nicaragua, etc.)
- Security and geopolitical challenges: infrastructure investments as a consequence of geopolitical developments (migrant flows, Brexit, new trade agreements)

For all these reasons, ESPO would like to share the following ideas that could help improve CEF:

### **1) More CEF Budget for Transport**

The 2013 TEN-T policy gives European ports a crucial role as primary nodes in of the network and starting points of the TEN-T corridors. The current TEN-T framework obliges all TEN-T core ports to have adequate rail, road and, where possible, inland waterways links. Moreover, according to the TEN-T regulation, ports should have adequate port reception facilities and implement VTMS and e-Maritime services, including, in particular, maritime single-window services.

An adequate TEN-T budget is essential to realise these objectives. The leftovers from the CEF-budgets 2014-2020 are not sufficient to finance essential and high-quality port projects. For this reason, ESPO has been leading the campaign [“More EU budget for transport – the best Investment Plan for Europe”](#) supported by 30 transport organisations, encouraging European institutions to strengthen the Connecting Europe Facility in the current review of the Multi-Annual Financial Framework (MFF).

### **2) No Juncker Plan without CEF grants**

The port sector is making its best efforts to take advantage of the financial instruments offered by the Juncker Plan (EFSI) and will continue to do so. European ports realise that public private partnerships can help to make some essential port projects possible.

But, there are essential basic port infrastructure projects with a high added value and wider economic returns for the port community, which cannot attract private finance because of their inevitably low financial returns. Such projects include the construction of breakwaters, deepening of public fairways, public railways, construction of sea locks and flood protection infrastructure.<sup>3</sup>

This kind of projects is not “bankable” but need to be carried out for the interest of the general public. Often, these projects are the direct consequence of legal obligations coming from EU, national or local legislation (e.g. for the needs of environmental protections, safety and security). In these cases, private investment is not an option because no private investors would be interested. **For these projects, CEF grants are and must remain a critical component of the funding mix.**

Moreover, TEN-T funding is often used to comply with or anticipate EU legislation such as in the development of alternative fuel infrastructure, the upgrading of ICT systems for reporting formalities or TAF-TSI. In most cases, such legislation applies to all ports of the TEN-T network, both core and comprehensive. Comprehensive ports, that already have limited resources, would face enormous challenges in complying with this legislation, if deprived of this funding.

These are the reasons why ESPO would like to ask the Commission to strengthen the grant support for ports and provide sufficient guarantees to the EIB for ports projects located in the TEN-T network.

### **3) Better definition and implementation of the “EU added value”**

Improving port infrastructure, on its own, is not enough. Optimising connections between ports and the TEN-T network is also essential. EU money should be focused on ports that have potentially sufficient hinterland connections and on projects that have the highest economic impact for the hinterland and society as a whole. Any funding of a project through the TEN-T budget should result in a proven effect that leads to EU added value, in terms of transport efficiency, sustainability and/or territorial cohesion

For this reason, ESPO believes that a **well-defined and transparent methodology to define EU added value should be further elaborated by the Commission**, in order to ensure an objective comparison between projects.

Furthermore, national agendas often prevail over a truly European vision of projects with added value. In several cases, Member States refused at the last moment to sign ports’ CEF projects applications because of other national priorities. **The Commission should improve the communication with the Member States on EU transport priorities**, especially considering that the completion of the TEN-T network by 2030 constitutes a legal obligation under the TEN-T guidelines.

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<sup>3</sup> The GBER for ports which is currently under development and the related analytical grid for ports clearly acknowledges that certain infrastructure is not meant to be commercially exploited and that some access infrastructures to ports are to be considered as a general measure and benefit the society at large.

#### 4) Improving the CEF budget's long-term vision

European ports increasingly plan their developments based on long-term master plans. However, the timing of projects coming from such plans is often incompatible with EU financing programmes. This can lead to ports rushing to bring projects forward in order to comply with EU timescales. Alternatively, sometimes essential projects can miss an EU call for proposals altogether. In either case, the outcome is sub-optimal.

The focus of the budget in calls at the beginning of the programming period does not necessarily guarantee the selection of projects with most added value towards the CEF objectives. ESPO believes that **a more equal division of the budget over the entire budgetary period** would help avoid these problems and would give Europe's ports a more certain and structured environment in which to prepare projects and bring them forward at the correct time.

**Ports need a stable financial framework that allows long-term planning of infrastructure projects.** ESPO strongly believes that a stable long-term vision on the priorities for financing, on the available budgets and on the budgets and calls to be released in the future will help ports to take long-term decisions on financing priorities for projects and will thus enhance the quality of the projects submitted.

Finally, ESPO recognizes the priority that is given to "core" ports in the development of the multimodal corridors and the financing of projects. However, the added value of being a comprehensive port in the TEN-T network is often not clear. This should be further defined since one of the main objectives of the TEN-T network is to ensure the accessibility and the connectivity of all territories of the Union. Comprehensive ports are essential to achieve this. For these reasons, ESPO believes that the CEF Annual Work Programme should be guaranteed with an adequate budget in the next financial years.

#### 5) Improving the selection process

The preparation of project proposals costs time and money for applicants. This is especially true for CEF calls that are complex by nature (e.g. Synergy, Blending, etc.). For this reason, the selection process should be improved by:

- Reducing the administrative burden: a shortlist mechanism could be introduced in order to divide the call process in two or three phases. Applicants would be requested to send more detailed information only in the last phase. This would save time to applicants and could allow re-adjustment of the proposals according to the feedback of the evaluators in each phase. It would also help the corridor fora to get a better overview regarding the range of planned projects in the respective TEN-T corridors.
- Improving the communication: an earlier and clearer communication of call rules and criteria is needed. For example, in past calls evaluation criteria changed

underway because of political reasons (EFSI adoption). Moreover, prolonging call deadlines at the last minute may result in unfair competition. Improved process also entails clearer and detailed evaluation remarks. Finally, CEF Info Days are often too chaotic and their organisation should be rationalised (e.g. earlier “Save the date”, draft agendas).

The **European Sea Ports Organisation (ESPO)** was founded in 1993. It represents the port authorities, port associations and port administrations of the seaports of the 23 maritime Member States of the European Union and Norway. ESPO has also observer members in neighbouring countries to the EU. ESPO ensures that seaports have a clear voice in the European Union. The organisation promotes the common interests of its members throughout Europe and is also engaged in dialogue with European stakeholders in the Port and Maritime sector.

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