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# POSITION PAPER

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## Connecting Europe Facility II

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The Port of Rotterdam aims to become an international frontrunner in the decarbonization of maritime transport and has the ambition to improve the efficiency of port services and stimulate sustainable maritime shipping through facilitating the most promising digital innovations. Therefore, we are committed to making transport flows more sustainable and efficient, alongside the removal of bottlenecks in infrastructure. The Port of Rotterdam welcomes the European Commission's proposal for the Connecting Europe Facility II (CEF II) (COD2018/0028) for the period 2021-2027.

The Port of Rotterdam welcomes the proposed budget of €42.3 billion. We strongly support synergy between transport, energy and digital infrastructure in order to accelerate the decarbonisation and digitalization of the EU's economy. We acknowledge the goal of CEF II to pursue the EU's climate targets, but we would like to stress this should not go at the expense of the primary objectives of the CEF II – i.e. promoting growth, jobs and competitiveness through targeted infrastructure investment – in the already modest budget. Ports are strategic assets for the stimulation of the primary objectives but received only 4% of the available EU funding in the period of 2014-2017. We would like to build on the study conducted by ESPO, "The infrastructure investment needs and financing challenge of European ports", by pointing out the following reservations with regards to the CEF II proposal.

- 1. Maintenance of 60-40 ratio in the proposed transport budget**
- 2. Clarity on dual-use of civilian and military transport projects**
- 3. Broader definition of cross-border dimension**
- 4. Simplified and clearer procedures on obtaining and extending the status of PCI**
- 5. Careful application of "use it or lose it" policy**

### **1. Maintenance of 60-40 ratio in the proposed transport budget – Part II of the annex to the proposal**

Within CEF II, with exception of the Cohesion envelope, €19.3 billion is reserved for the transport component, of which €6.5 billion is earmarked for military mobility. The remaining €12.8 billion (General envelope) consists of two pillars. The first pillar - containing 60% of the €12.8 billion – will be used for projects that aim to improve the connectivity between transport networks within the core network of the Trans-European Transport Network (TEN-T). This relates to investments in infrastructure bottlenecks in cities, ports and on railways. The second pillar – containing 40% of the €12.8 billion – will be used for projects that contribute to the transition towards connected, sustainable, inclusive and secure mobility. This relates to improving interoperability, enhancing technologies and innovation, and making transport infrastructure more resistant to climate challenges. Many physical infrastructure projects in North-Western Europe have been realized with a view of completing the TEN-T core network by 2030. In order to complete the final steps towards 2030 and to realize a more connected, sustainable and resilient transport network that is fit for the future, the Port of Rotterdam urges co-legislators to maintain the current 60-40 ratio of the proposed transport budget.

### **2. Clarity on dual-use of civilian and military transport projects – Article 3 and 9 of the proposal**

Within the proposed CEF II budget for transport, €6.5 billion is reserved for projects aiming to improve military mobility in the pursue of a fully-fledged EU Defence Union by 2025. The Port of Rotterdam welcomes the opportunities for dual-use

of transport projects, serving both civilian and military purposes. However, we stress the need for more clarity on the procedure for dual-use projects and investments, as it is now unclear how the dual-use projects can be translated to practice. Under the current proposal, it is ambiguous how funding applications procedures look like and to what extent classified information and intelligence can be shared with involved project parties.

### **3. Broader definition of cross-border dimension – Article 13 of the proposal**

Within the CEF II transport budget, the European Commission aims to finance projects that have a cross-border dimension to strengthen the TEN-T core network by 2030 and the comprehensive network by 2050. For projects concerning renewable energy, the CEF II Energy component asks for the involvement of at least two Member States. The Port of Rotterdam pledges for a broader definition of the “cross-border” dimension. The current definition detracts funding possibilities for projects that yield potential in contributing to the EU’s objectives concerning renewable energy. The cross-border dimension should not solely focus at the (physical) activity of projects crossing the borders of two or more Member States but should rather focus at the impact that projects might have in Member States across the EU. Consequently, potential projects with high EU and societal added value can benefit from CEF II funding possibilities and contribute to the EU’s climate targets. The Port of Rotterdam therefore urges for a broader definition of the cross-border dimension, focussing more on the *impact* of EU and societal added value of projects across Member States in the EU.

### **4. Simplified and clearer procedures on obtaining and extending the status of PCI – Article 7 of the proposal and Part IV of the annex to the proposal**

The Port of Rotterdam underlines the need for a CEF Energy budget, but also wants to point out the need for simplification of the application procedure concerning Projects of Common Interest (PCIs) and the renewal of the status. Many projects have a duration of multiple years with several phases. To behold a PCI status, the procedure for renewal must be repeated every two years. This procedure is a time-consuming administrative procedure. Therefore, we pledge for a more simplified application and clearer status extension procedure for existing and future PCIs.

### **5. Careful application of “use it or lose it” policy**

The European Commission pledges for a more competitive approach in the allocation of funding to projects under the current CEF program 2014-2020 – the “use it or lose it” policy. The Port of Rotterdam acknowledges the need for adequate assessment of project feasibility, but stresses for a careful application of this policy. Many projects encounter delays due to (unforeseeable) external factors. These factors don’t necessarily influence the EU added value of the project, but just introduce challenges which affect the project planning. The Port of Rotterdam stresses out that in case there is a sudden change of process in an ongoing project that still complies to CEF objectives, this should be sufficient to be reserved in applying the “use it or lose it” policy as these projects are still deemed credible.

### **EU Decision-making procedure**

The Port of Rotterdam urges the co-legislators to speed-up the decision-making procedure in order to guarantee that CEF II can continue seamlessly on the line of the current CEF programme 2014-2020. This enhances the continuity of funding programmes and is in favour of applying funds to the concrete realisation of potential projects that contribute to the goals of CEF II.

### **More information**

For more information regarding the position of the Port of Rotterdam or additional background information about the Port of Rotterdam, please contact:

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