

FIEC is the European Construction Industry Federation, representing via its 31 National Member Federations in 27 countries (24 EU & EFTA and Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities.
Recognised "Sectoral Social Partner" (employers)



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FIEC position paper

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Proposal for a Regulation establishing the Connecting Europe Facility COM(2018)0438 of 06/06/2018

Strengthening transport, energy and digital infrastructure investment and objectives within the EU

■ Background

Transport, energy and the digital sectors are central to the EU's future. They enable the effective operation of the internal market. These sectors represent the keystone of the EU economy. To foster growth and employment, a wide approach to infrastructure must be adopted to achieve the well-functioning European networks, which play a fundamental role in trade both inside and outside EU borders.

Investment needs for the TEN-T core network by 2030 have been estimated at about 350 billion by the European Commission. Cutting investment in infrastructure jeopardises long-term growth. **Hence, the European Union is the crucial driving force behind assuring focused investment in viable infrastructure projects to foster sustainable growth, even in a period of budgetary discipline such as the current one.**

Therefore, a coherent policy and financing framework for infrastructure must be implemented in Europe. The CEF is so far one of the most successful EU programmes of the 2014-2020 programming period and it is important to maintain it for the period post-2020

■ Keeping the TENs funding programmes in the next MFF

First, FIEC approves maintaining a common funding framework for infrastructure in the future MFF 2021-2027, to boost both public and private investment.

Moreover, FIEC welcomes the emphasis on the convergence of the transport, energy and digital sectors through the synergy between these sectors. This emphasis is particularly important for the construction sector as it helps to achieve the decarbonisation and digitalisation goals.

However, **FIEC is concerned about the lack of ambition in the budgetary allocation.** At €42.3 billion, it represents only around 2% of the EU budget (even without considering the need for mobility of military transport and equipment). A stronger budget for the Connecting Europe Facility post-2020 is needed with grants remaining the major component. FIEC calls for ambitious investment in transport infrastructure, despite constraints on public and private financial sources, in order to ensure long-term economic growth.

FIEC supports the proposed transformation of the infrastructure network to civilian-military dual-use, to facilitate the mobility of military transport and equipment.

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■ Favouring priority projects of EU interest

To maximise the leverage effect, FIEC supports increases in **co-financing rates** from 40% to 50%, for the development of projects of common interest in the transport sector. Furthermore, for the case of the cross-border links In FIEC advocates the maximum financing rates. The completion of the TEN-T core network will generate 7.5 million between 2017 and 2030 with an additional GDP increase of 1,6% in 2030. It is crucial to support connectivity projects through the cross-border links, the missing links and the urban nodes.

FIEC also welcomes the targeted actions proposed by the European Commission, such as improvements in infrastructure safety, new technologies and innovation, to tackle the challenges of connected mobility and decarbonisation.

FIEC appreciates maintaining the link between the Cohesion Fund and the Connecting Europe Facility with the €11,3 billion ring-fenced in the Cohesion Fund for transport projects in the cohesion countries, especially those targeted to missing cross-border links and transport chains.

Nevertheless, **it is important for the CEF to have an earmarked budget for transport infrastructure**, with a proportionate contribution from the Cohesion Fund.

■ Some elements to clarify

FIEC calls for a **better link between the Cohesion policy with the Connecting Europe Facility**. Indeed, it is crucial to clarify the coherence between these policies, especially in terms of the accessibility of the entire network. Better connectivity in all the regions of the European Union is important and the CEF should play a bigger role to ensure this goal. This implies also better take up of the CEF by the local authorities.

Regarding **military mobility**, it is fundamental to ensure the dual use of identified projects in the TEN-T network, including the possibility to **upgrade existing infrastructure**.

Finally, FIEC calls for clarification over the use of **blending operations** in the transport sector. Blending operations can play an important role, but they should be evaluated on a case by case basis, as a complementary option to ambitious direct co-financing of projects.