

BUILDING INFRASTRUCTURE TO STRENGTHEN EUROPE'S ECONOMY

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BUILDING INFRASTRUCTURE TO STRENGTHEN EUROPE'S ECONOMY

I. Introduction

Smart, sustainable and fully interconnected transport, energy and digital networks are a necessary condition for the completion and well-functioning of the European single market and for linking Europe with the world market ("TEN-T to Connect"). They are genuine arteries of Europe's economy and its citizens' well-being. Moreover, in a difficult economic context, marked by minimal growth and tight public budgets, investments in key infrastructures with strong EU added value can boost Europe's competitiveness ("Connect to Compete"). Building infrastructure offers opportunities for European companies and boosts employment while infrastructure investment generates long-term benefits through improved connectivity thereby catalysing smart, sustainable and inclusive growth ("Compete to Grow").

This, nonetheless, requires long-term commitment from Member States and other investors. The much needed investments in large-scale infrastructure projects with strong European added value (notably to strengthen cohesion and stimulate economic growth), risk to be postponed since Member States are making efforts to improve their public finances. Moreover, maintenance of infrastructure assets has been increasingly neglected to the point that, in certain Member States, the situation has become critical and entire replacement investments are required. Finally, public opinion has become difficult to convince of the merits of new projects (the "not-in-my-backyard" phenomenon). At the same time, there have been calls to significantly upgrade existing infrastructure to be able to use available capacities most efficiently and to equip it for intelligent and future-oriented solutions.

This presents the transport infrastructure sector with considerable challenges. Europe has for the first time got a policy of a truly European infrastructure network – as opposed to the prior approach of supporting disconnected projects. This represents a step change in terms of potential policy impact and return on investments. The new network approach streamlines the identification of investment needs, with a view to displaying the highest European added value. Such investment will trigger growth, generate - directly and indirectly - employment and induce jobs in a wide range of economic areas. It is a plain choice for future-oriented spending, strengthening Europe as the best place to invest.

Making the necessary investments in the core network until 2020 could generate up to 4 million direct, indirect and induced jobs for the European economy. A better integrated and efficient transport system which further facilitates the free movement of people and goods within the EU and

with its neighbours, and which integrates innovative technologies and traffic management systems, does not only improve the economic conditions for business but provides further impetus for the generation of new jobs.

The marked change in Europe's transport infrastructure policy has created a unique momentum – for EU Institutions, Member States, neighbouring countries, regions and cities, industry, economic operators and users. Expectations are well-founded and commitments are high. Implementation of this landmark process must start now. To be successful, it needs strong political steering. Only this way, Europe will be in a position to seize the wealth of opportunities – economic, technological and social. Investment backlogs must be overcome and all actions must be aligned along the "common project" of a forward-looking transport network.

II. Scene setter

A marked change of Europe's TEN-T policy

The new TEN-T policy – with its comprehensive and core networks - stands for better accessibility of all regions to European and global markets on the one hand, and for a strong focus on infrastructure of topmost strategic importance (including connections to other key economic areas of the world) on the other. The network displays an effective multi-modal dimension, so as to enable sustainable, safe and high-quality transport services across the modes. All TEN-T infrastructure shall comply with the relevant EU acquis, notably in terms of interoperability, safety and quality standards. Moreover, it shall pave the way for a future-oriented transport system, notably through facilities that stimulate low-carbon solutions, new-generation service concepts and other fields of technological innovation.

To make sure this all-encompassing infrastructure plan is fully implemented within the set time horizon, two strong EU instruments were introduced as integral policy parts: the Connecting Europe Facility (resourced with €26 billion for the period 2014 - 2020) and the core network corridors as a coordination tool, helping to identify project pipelines and ensuring full core network completion by 2030.

The Connecting Europe Facility

The main innovation introduced at EU level is the creation of an integrated infrastructure instrument, the Connecting Europe Facility (CEF), common to transport, energy and Information and Communication Technologies, with a strong emphasis on innovative financing and the systematic exploitation of synergies.

It has a strong potential to leverage long-term competitiveness through targeted investments in high EU added value projects, in sectors where EU companies remain world leaders. Stimulating the establishment of potentially large financial instruments, such as Project Bonds, it may allow channelling institutional investors' liquidities into infrastructure projects. By enhancing financial instruments and increasing their use, the leverage effect of the grant component of the CEF may at the same time be optimised.

The future contribution of structural funds to infrastructure projects benefits from a refocusing on thematic priorities, based on the Europe 2020 Strategy, and from an improved alignment between

the funding objectives of the European Structural & Innovation Funds (ESIF) and the other policy areas.

The CEF and Horizon 2020 (the EU Instrument for Research & Innovation for 2014 – 2020) have also been better integrated, with the aim of ensuring continuity between research and market take-up.

TEN-T corridors

Core network corridors are the key instrument to coordinate cooperation across borders, sectors and organisations towards the timely completion of the core network. This coordination is put into practice through an innovative governance structure, headed by European Coordinators.

Core network corridors constitute a powerful tool to streamline investment: at European, national and – where appropriate - regional/local levels; by public and private investors; in traditional and innovative ways. They provide for a thorough identification of projects, backed by the agreed European TEN-T implementation by 2030, as well as for a phasing of implementation in accordance with evolving project maturity and transport demand. Investing along corridors promises value which is safeguarded by a strong European policy agreement.

Core network corridors are, at the same time, most suited to promote a broad range of measures which help advancing longer term transport policy objectives: clean power facilities, innovative service concepts, traffic management for enhanced user standards and optimised infrastructure management etc. Not least, these corridors are a strong means in support of the external dimension of transport. Europe's gateway ports and airports as integral parts thereof benefit from the corridors just as much as the achievement of mutual objectives on standards (e.g. on interoperability or safety). Corridors can play an important role to strengthen the integration of candidate and neighbouring countries. The interest of the corridors also extends beyond the transport sector, for example with regard to objectives of territorial cooperation, environmental & climate protection or research & innovation.

The core network corridors are amongst the primary focus of funding through the Connecting Europe Facility. The synergies they generate between infrastructure, transport and other policy action, however, makes them also an ideal case for combining the CEF with complementary funding from other EU sources, in particular the aforementioned ESIF, Horizon 2020, the Instrument for Pre-Accession (IPA) or the European Neighbourhood Instrument (ENI).

All this makes the core network corridors frontrunners of the Union's new infrastructure policy: they will become the backbone of the economy, allowing guiding investment for the prosperity of the EU economy and society.

III. Issues for discussion

1. Setting clear targets for implementation and strengthening governance

The new TEN-T Guidelines, adopted in 2013, sets out clear deadlines for the completion of the TEN-T core (year 2030) and comprehensive (year 2050) networks. Concentrating on the highest EU added value has been the clear philosophy underlying this approach.

In order to convince the European citizens and decision makers of the effectiveness of TEN-T policy, the set deadlines need to be met and intermediary results need to be measured and reported. This in particular requires guaranteeing the stability of the project portfolio and the related investments. The EU Institutions will be steadily informed by the European Coordinators and the Innovation and Networks Executive Agency (INEA) will have an instrumental role in this respect.

A fundamental basis for such an approach is the thorough analysis of the nine core network corridors which is currently undertaken under the lead of the European Coordinator and planned to be completed in December 2014. Its results will be reflected in corridor Work Plans which will be submitted to the Member States concerned for their approval (aimed at for the beginning of 2015). Based on these work plans, the Commission will then adopt implementing decisions which will underpin during 2014 and 2020 the implementation of major cross-border and bottleneck projects along the corridors. A solid monitoring system, to be set up at European and national levels, shall allow problem identification and progress reporting.

This corridor analysis is done in close cooperation with the Member States, with infrastructure managers and regional authorities. It shall provide a shared and transparent analysis and result – for the first time ever – in a project pipeline established from a genuinely European perspective. The "pre-identified" projects included in Annex I of the CEF Regulation constitute the fundamental basis for the analyses of the core network corridors. They have been subject to a broader assessment based on different criteria including their potential socio-economic effects within the overall context of the multi-modal core network. This has reconfirmed their strong EU added value for this network as a whole.

Each project pipeline will feed into the aforementioned Work Plan for the respective Corridor and represent its development strategy until 2030. These Work Plans – to be periodically reviewed, and updated as necessary - will be the basis for the Member States and other investors to ensure relevant financing. EU funding will be available to support these investments. Different sources – in particular the ESIF and CEF – should be combined with each other to generate synergies. Different forms – grants and financial instruments – enable tailored solutions so as to achieve the highest possible leverage effects.

The first phase of EU funding – with a focus on the projects pre-identified in the CEF – will be launched with the call for project proposals. Between September 2014 and February 2015, Member States and other project promoters will be invited to submit their corresponding applications to the Commission. The Commission and the European Coordinators will take a pro-active approach to ensure coherence between the funding needs identified in the corridor Work Plans and the formal CEF process. In addition, when evaluating the submitted project proposals, the Commission will take account of the Work Plans. In the ongoing ESIF programming (to be completed by the end of 2014), too, coherence with the corridor approach has been a point of focus. Besides the Work Plans for the nine corridors connecting Member States, there will be Implementation Plans for ERTMS and Motorways of the Sea for which specific coordination efforts are foreseen.

The role of the European Coordinators has been significantly strengthened with the new corridor approach. This is vital for the stimulation and coordination of investment. Furthermore, it is key to bringing together the wide range of actors at different governmental levels while striving for efficient procedures and processes across national borders.

In order for these projects to reach the necessary maturity status as quickly as possible and to be implemented as smoothly as possible, relevant administrative and legal procedures could be streamlined where necessary. An exchange of best practices (including between the different TEN sectors) could help multiplying successful approaches, and European Coordinators or other bodies might facilitate in specific situations. In the face of particular coordination challenges across national borders, the creation of single structures under European Union legislation may also be discussed.

Questions:

- How to guarantee a successful governance and cooperation between Member States and, in this framework, how to benefit most from European Coordinators?
- How to ensure fast project preparation, selection and implementation? Where necessary, how to help streamlining planning and permitting procedures?
- Could the setting-up of single structures under EU law facilitate the preparation and / or implementation of particularly challenging TEN-T projects (notably cross-border)?
- How to stimulate converging infrastructure across the three sectors of the CEF?
- How to guarantee cohesion throughout the EU when implementing the TEN-T? Could the European Structural Funds implementation rules (N+2, incentives/penalties schemes, monitoring systems, ..) be reinforced?

2. Boosting financing

The development of appropriate financing options is of key importance if it is to overcome the current dearth of funding available at public or private levels.

The project pipeline, especially for projects along the core network corridors, will allow focusing on the projects of the highest EU added value and orienting the financial resources available. For the entire core network investment needs until 2020 have been estimated at €250 billion. The resources available from the CEF (€26 billion) through grants and innovative financial instruments for the TEN-T will cover only a limited share of the overall needs.

Therefore, ensuring complementarity with other EU funds will be decisive in order to really boost financing of key core network projects, especially along the corridors. This applies notably to all European Structural and Investment Funds (ESIF), and more specifically to the Cohesion Fund and the European Regional Development Fund (ERDF). The strategies, set out in the national transport programmes for ERDF funding stand for such synergies with the CEF, and they are reflected in the corresponding EU-Member State partnership agreements. Once the transport share of the ERDF programming is set, its implementation should be integrated with that of the CEF. Synergies shall in particular be promoted in the framework of the core network corridors.

Furthermore, the integration between CEF and Horizon 2020 (the EU Instrument for Research & Innovation) facilitates the deployment of relevant R&I results on core network corridors.

Due to limited budget available under the CEF, grant support must be focused. The projects that are most difficult to implement, notably because of their cross-border nature, are to be taken forward with the support of grants and strong governance. Other projects will be taken on by national public

funding, where possibly with ESIF support, or through private funding. The latter may benefit from innovative financial instruments of the CEF and include all possible scenarios of mixed or so-called blended funding, for example under public-private partnership (PPP) or project finance structures.

Despite other EU contributions, notably from the ESIF, the main financing challenge rests upon Member States' budgets. Major infrastructure projects are strong catalysts for generating economic growth and jobs. Such projects (co-funded by the EU), generate positive, direct and verifiable long-term budgetary effects. This makes them a strong case for using the Stability and Growth Pact (SGP) to the fullest of its extent and might also suggest a common reflection on the implementing principles of Article 126 of the Treaty on the Functioning of the European Union. The discussions, which have started on an "investment clause" of the SGP, must be deepened in order to simplify its implementation and maximise its impact.

2.1 Innovative Financing Instruments

A strong way of enhancing the leverage effect of EU contributions on other sources of financing are innovative financing instruments (IFI). They may mobilize investment volumes which range between the six fold (for equity investment) and the fifteen fold (for risk sharing instruments such as project bonds) of the relevant contribution. Experience has shown that a combination of different actions appears necessary to stimulate the broader use of IFIs. These include in particular:

- advancing the emergence of the project pipeline;
- removing regulatory and administrative obstacles, which may persist at national level;
- providing the necessary assistance to potential project promoters.

Institutional investors dispose of considerable liquidities. To facilitate their entry into infrastructure assets, the European Institutions, including the European Investment Bank (EIB), would need to be more active in providing Member States with the necessary assistance. The European Commission should systematically explore the scope for creating partnerships with private actors to enlarge the pallet of possible options.

Project bonds

The Project Bonds Initiative (PBI) has already proven its worth, but only a handful of projects have benefited from it. To advance the initiative: 1) the EIB must prioritise it and devote more resources in order to make it possible to do more projects; 2) other financial partners, such as national development banks, must join in; 3) project pipeline preparation must be enhanced by a joint initiative at European level.

Beyond this and to further enhance the instruments, two possibilities might be envisaged:

- Besides issuing bonds on a single project basis, bonds might also be considered, for clusters of projects. This could mutualise their risks and enhance credit worthiness. This could in particular be possible for projects which are functionally interdependent like those located

along a core network corridor ("Corridor Bonds"¹). In order to make it work, however, the risk should be diversified by including a sufficient number and different types of projects.

- allowing the European Union to raise directly funds on capital markets (in the form of bonds) to finance high EU added value pan-European infrastructure projects (for example SESAR). From a financial point of view, the subscription of the EU and the backing of the MS should ensure access to the best possible conditions. From an operational point of view, in order to have a successful deployment of pan-European infrastructure projects and systems, a clear and irreversible plan to roll them out with the strong backing of all Member States is needed.

Member States' governments could also support the financing of infrastructure through project bonds by issuing guarantees through the creation of a national revolving fund, also powered by the ESIF. ESIF could also contribute directly to the Project Bond or new Loan Guarantee Instrument for the TEN-T (LGTT), providing for example "First Loss Piece" (as applied under the Italian Risk Sharing Initiative) under specific eligibility conditions.

In addition, the parameters of the Project Bond instrument could be adapted, notably as regards the increase of the maximum level of the guarantee from 20% up to 30% of the total senior debt issued, as foreseen in the CEF Regulation.

In order to achieve successful role out of the Corridors (in the new context of well identified projects), there is a clear opportunity now to examine whether a sovereign guarantee could be provided, either collectively, or among interested Member States, with the help of the relevant financial institutions. Such an instrument could be particularly beneficial to the most complex projects.

A new Loan Guarantee Instrument for the TEN-T (LGTT)

Past experience with the Loan Guarantee Instrument under the TEN-T Programme has proved that it can work, but only a reduced number of projects has been carried out: in particular the Tours-Bordeaux High-Speed Rail project. To overcome the shortcomings, several improvements could be envisaged:

- extending the risk coverage beyond traffic risks, in line with the risks covered by the Project Bond instrument;
- increasing the maximum level of the guarantee from 20% up to 30% of the total senior debt issued;
- reducing the expected cost for the use of the instrument from 10% to 5% to be paid up-front or, alternatively, up-front payment of a rate of 5% and the remainder in equal instalments throughout the year duration of the warranty.

¹ Such as a rail access to a new port terminal or a road access to a new cross-border bridge

2.2 Blending grants and financial instruments

Blended funding means: combining private financing (possibly attracted with innovative financial instruments of the CEF) with grants from European and national sources. Such funding builds on public-private partnerships (PPPs) structures. PPPs – forms of long-term cooperation between public authorities and the private sector - aim at delivering infrastructure and strategic public service. In the transport sector, PPPs typically involve the financing, design, construction, renovation, management or maintenance of an infrastructure asset.

They can be a cost-efficient option for delivering an infrastructure project or a public service. The PPPs "whole life" approach to asset management, which includes maintenance costs for example, is likely to bring cost savings to the procuring authority in the long term. Other known advantages of PPPs, such as professional project management and implementation, on time and on budget delivery, improved asset and service quality as well as other "value for money" aspects, should not be secondary considerations for procuring authorities in assessing whether to blend EU grants within a PPP or to follow the traditional procurement route.

Private finance can help raise the necessary co-financing in EU and national grant funded projects. The reverse is also true: EU funding programmes (CEF, ESIF) may be used to improve the risk profiles and strengthen the contractual arrangements of PPPs, thereby increasing their marketability.

However, the number of projects that so far has taken the opportunity of use PPP structures through the blending of EU grants and private funding, is rather limited. The limited public sector capacity to deliver complex structures was (and it still is) the most important barrier. The 2014 -2020 framework for the European Structural and Investment Fund has taken into account some of the critical issues in order to facilitate the blending of ESIF funds within PPPs. In addition, more guidance should be provided to procuring authorities and project promoters in order to increase the capacity of the public sector in using PPPs, but also at the level of project to advise on the financial engineering of the projects. In particular, the processes of grant application under CEF or ESIF and of PPP tendering and structuring should be able to go in parallel in order to limit the financial risks for both private and public partners.

Questions:

- How to make better use of EU funds and how to better align contributions from CEF and ESIF?
- How to make best use of the existing Stability and Growth Pact and how to provide additional investments for long-term projects of genuinely European nature?
- How can the experience of national instruments, gained so far, be further developed to implement more efficiently more projects at lower cost for the public sector?
- How to make best use of Project Bonds and LGTT to accelerate projects?
- Can a joint Commission / EIB / national development banks initiative help bring better PPPs to the market?

3. Internalising external costs / extending user charging

Another avenue to explore would be a more wide-spread pricing of infrastructure use, with the internalisation of external costs and charging the users for it. This can provide significant benefits towards a less congested, more sustainable and financially viable transport system. It can optimise the provision and management of the infrastructure and bring efficiencies to the logistics chain. Moreover if earmarked for infrastructure investments, the revenues generated could support the maintenance and the operating costs of the assets, while raising the social acceptability of pricing (construction, maintenance and operating cost are typically reflected in the actual charges, as requested under Directive 1999/62/EC "Eurovignette"). Today, revenues from costs internalisation mainly stem from the fuel excise duties. They are not related to the use of infrastructure but to the consumption of fuel. The current discussions in numerous Member States indicate that the perspective of a more wide-spread pricing of the use of infrastructure may be getting closer.

Reviewing the charging policy in Europe in order to provide for dedicated funding of projects (and a wider window to calibrate markets for the financing of important projects) might move on the agenda. A more developed European framework would help to reduce and ultimately do away with the present fragmentation of the internal market.

The Commission could propose a new EU-wide infrastructure charge to be raised at national level in a coherent manner to avoid distortion in the internal market. The product of the charge would remain at national level, but it would be earmarked in the first place to cover the maintenance, the upgrading (including deployment of intelligent transport systems) and the construction of TEN-T infrastructure of EU added value. A small charge, such as the establishment of a unified EU ticket applied to some modes of transport, could generate the needed resources to ensure both the growth of the transport sectors and high-quality and well-maintained infrastructure.

The proposal of a new EU-wide infrastructure charge, in lieu of the fiscal budget, to finance maintenance of the existing infrastructure as well as new projects and intelligent infrastructure solutions on trans-European networks, has to overcome some drawbacks:

- According to the provisions of the 'Eurovignette' Directive in its current shape, congestion must be tackled in a revenue-neutral way, i.e. if tolls are increased during peak times to reflect the costs of congestion, they must be reduced (below the level needed to recover infrastructure costs) during off-peak hours.
- Experience shows that users oppose the use of road charging revenues outside the road sector. In particular, cross-financing of rail by road is not widely accepted.
- In some Member States, the economic crisis led to decreases in traffic volumes on tolled infrastructure, in particular where un-tolled roads of good quality run in parallel. Further increases in tolls could further worsen the situation, unless road charging is extended to the parallel network.

Questions

- Can wider deployment of infrastructure charging schemes be a way to finance and maintain infrastructure assets?
- Can a European framework for infrastructure charging go beyond guaranteeing a level

4. Using the core network as the frontrunner of an efficient and sustainable European mobility system

The new TEN-T has been designed in such a way as to enable the achievement of the transport policy objectives, as set out in the Road Map towards a Single European Transport Area (the 2011 "White Paper"). These may be summarized as follows: Achieving more and better mobility for economic operators and citizens with significantly less carbon and other harmful emissions. The standards set for the TEN-T take up existing transport policy acquis – such as those on railway policy or telematics applications within and across sectors. Forward-looking infrastructure requirements have been introduced for the TEN-T to lead the way towards other sustainable mobility objectives, notably in the field of innovation. This stimulates, for example, the expansion of alternative fuels² solutions in all transport modes. A real and genuine European infrastructure network cannot do without the smooth integration of the urban dimension of transport policy³. The majority of TEN-T journeys start and end in Europe's cities, and TEN-T policy therefore also deals with connections to the "last mile" of passenger trips and freight transport. TEN-T connections in urban nodes are critical to sustainable mobility.

The core network corridors provide a fruitful ground for stimulating integrated infrastructure - mobility measures, thereby becoming frontrunners of an efficient pan-European transport system. The Connecting Europe Facility provides a range of possibilities for projects in this area to benefit from EU funding. There is a broad range of measures to be potentially encouraged in the years to come, involving for example:

- Advancing the integration of all transport modes for the sake of more efficient, sustainable and high-quality multi-modal transport solutions for passengers and freight;
- Extending telematics applications (including infrastructure – vehicle communication) for all modes of transport and across them to optimise infrastructure use and to support transport solutions throughout the corridors until the last mile;
- Facilitating a holistic approach to logistics which improves efficiency and supply chains and enables door-to-door services for freight;
- Enabling seamless door-to door services for passengers;
- Boosting the development of new technologies and innovation, for instance in the field of clean fuels for transport or "connected mobility" solutions; boosting corresponding pilot action along corridors (including nodes);

² The proposed Directive of the European Parliament and of the Council on the deployment of alternative fuels infrastructure – approved by the EP Plenary on 15 April 2014 and expected to enter into force before the end of the year.

³ The Commission's Communication "Together towards competitive and resource-efficient urban mobility" COM(2013) 913 final

- Promotion safety and security objectives – notably safe and secure parkings, tunnel safety and others.
- Enhancing the integration of urban nodes into the core network corridors, improving TEN-T connections in these nodes as well as connections between long-distance and urban traffic; promoting synergies between TEN-T and urban mobility action.

Question

- How can the new TEN-T setting, notably in terms of multi-modality and telematics applications, contribute to further advancing transport policy objectives?
- To what extent can a core network corridor be used as frontrunner to deploy innovative solutions for seamless mobility?

5. Making the best use of competition policy

Infrastructure has been increasingly subjected to state aid court inquiries and decisions, with a risk to hamper or delay investments, especially of the private sector. In this context there has been a consistent and growing demand from Member States and stakeholders for improved consistency within the Commission services between the TEN-T policy (including CEF project approval procedures) and state aid issues.

The Commission has recently adopted a communication on important projects of common European interest (OJ C 188 of 20/6/2014). This Communication contains favourable compatibility criteria for projects which have a high level of positive externalities on several Member States, such as the possibility for the project to be fully financed through public funds. TEN-T projects are clearly one of the main targets of this Communication. As an exception to the general rule of this Communication, TEN-T projects are eligible even in the case when they are promoted by one single Member State, provided that they are integrated into wider transnational networks. This will also contribute to facilitating core network corridor development.

Member States are and will remain responsible to carry out the assessment of their TEN-T projects and, if they consider that they might imply state aid, to notify them to the Commission. However, the Commission also intends to take a more active role in the future in order to accelerate the state aid assessment of TEN-T projects. The intention is to put in place a preliminary screening system at the level of the Commission services during the selection process of a TEN-T project, and to signal to the Member States concerned the projects which may involve state aid. In this way, the project promoters can be warned at an early stage about the possible need to (pre-) notify their projects to the Commission under the state aid rules.

The Commission intends also to re-assess whether certain categories of infrastructure projects should be included in the "Group Block Exemption Regulation". Projects covered by the block exemption regulation shall not be notified to the Commission for State aid assessment and shall be presumed compatible with the Treaty.

Questions

- How to improve the certainty of investors in providing more predictability on state aid issues?
- Do Member States support the inclusion of infrastructure projects in a future revision of the block exemption regulation? What could be the criteria for "block-exempting" TEN-T projects?

6. Enhancing coordination and creating synergies between sectors

In the three sectors of transport, energy, and telecommunications, Europe continues to possess world leaders in manufacturing and services, which represents a significant comparative advantage for the European economy as a whole. As these sectors modernise and integrate more and more innovative content and especially automation, this favourable EU position could be quickly eroded, hence the need to maintain a strong support framework to both investment and innovation, and provide the necessary support, also by creating the necessary synergies between these sectors. This common basis calls upon relevant actors to explore and exploit synergies between them.

Coordination should lead to more efficient mobility, to greater energy security and efficiency and promotion of information technology where ICT has not been able to penetrate enough.

Furthermore, there is also a significant potential to generate further synergies with other policy areas – in particular regional policy and research as well environmental and climate policies.

Questions

- How to generate integrated projects?
- How to improve the complementarity between instruments, notably the financing schemes under regional and social cohesion, innovation and infrastructure development?