

**COUNCIL REGULATION (EC) No 2236/95
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laying down general rules for the granting of
Community financial
aid in the field of trans-European networks

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Definition and Scope

(Art1)

This Regulation defines the conditions and procedures for granting Community aid to projects of common interest in the field of trans-European networks for transport, telecommunications and energy infrastructures

Eligibility of Community Aid

(Art 2)

- n Only granted to projects of common interest identified within the framework of the guidelines referred to in Article 129c (1) of the Treaty.
- n Parts of projects within the meaning of the first subparagraph shall also be eligible in so far as they form technically and financially independent units

Form of Aid (1)

(Art 4)

- n (a) co-financing of studies related to projects, including preparatory, feasibility and evaluation studies, and other technical support measures for these studies. Community participation may in general not exceed 50 % of the total cost of a study.
- n (b) subsidies of the interest on loans granted by the European Investment Bank or other public or private financial bodies. As a general rule, the duration of subsidy shall not exceed five years;
- n (c) contributions towards fees for guarantees for loans from the European Investment Fund or other financial institutions;
- n (d) direct grants to investments in duly justified cases;

Form of Aid (2)

(Art 4)

- n (e) risk-capital participation for investment funds or comparable financial undertakings with a priority focus on providing risk capital for trans-European network projects and involving substantial private-sector investment; such risk-capital participation shall not exceed 1 % of the budgetary resources under Article 18.

Community assistance under points (a) to (e) shall be combined where appropriate, in order to maximise the stimulus provided by the budgetary resources deployed, which shall be used in the most economical way.

Conditions for Community aid

(Art5)

- n Community aid shall be granted, in principle, only if achievement of a project meets financial obstacles.
- n Community aid shall not exceed the minimum considered necessary for the launch of a project.

Conditions for Community aid

(Art 5)

The total amount of Community aid shall not exceed 10 % of the total investment cost.

Exceptionally reach 20 % of the total investment cost in the following cases:

- n (a) projects concerning satellite positioning and navigation systems;
- n (b) priority projects on the energy networks;
- n (c) sections of the projects of European interest, if such sections are cross border or cross natural barrier, and contribute to the integration of the internal market in an enlarged Community, promote safety, ensure the interoperability of the national networks and/or strongly contribute to the reduction of imbalances between modes of transport, in favour of the most environment-friendly modes.

Conditions for Community aid

(Art 5)

- n The financial resources provided for under this Regulation shall not, in principle, be assigned to projects or stages of projects which benefit from other sources of Community funding.
- n In the case of the projects referred to in paragraph 3, within the limits of this Regulation, the legal commitment shall be multiannual and the budgetary commitments shall be met in annual instalments.

Community indicative multiannual programme (Art 5a)

- n The programme shall exclusively be composed of projects of common interest and/or coherent groups of projects of common interest
- n For each project or group of projects the programme will establish the indicative amounts for the granting of financial aid subject to the annual decisions of the budgetary authority.
- n No more than 75 % of the budgetary resources shall be used for the purposes of indicative multiannual programmes.

Project selection criteria

(Art 6)

- n Projects shall be assisted according to their degree of contribution the objectives set out in Article 129b of the Treaty and to the other objectives and priorities defined in the guidelines referred to in Article 129c (1) of the Treaty.
- n Community aid shall be assigned to projects that are potentially economically viable and for which the financial profitability at the time of application is deemed insufficient.

Project selection criteria

(Art 6)

- n The decision to grant Community assistance should also take account of:
 - the maturity of the project,
 - the stimulative effect of community intervention on public and private finance,
 - the soundness of the financial package,
 - direct or indirect socio-economic effects, in particular on employment,
 - the environmental consequences.

- n Especially in the case of cross-border projects, coordination of the timing of different parts of the project shall also be taken into account.

Submission of applications for financial aid (Art 8)

Applications for financial aid shall be submitted to the Commission by the Member States concerned or, with the agreement of the Member State(s), by the public or private undertakings or bodies directly concerned.

The Commission shall establish the agreement of the Member States concerned.

Information required for the assessment and identification of applications (Art 9)

if the application concerns a project:

- the body responsible for carrying out the project,
- a description of the project concerned and the type of Community aid envisaged,
- the results of the cost/benefit analyses, including the results of the potential economic viability analysis and of the financial profitability analysis,
- the position of the project, according to the guidelines, in the field of transport, on the axes and nodes,
- consistency with regional planning,
- a summary description of the environmental impact, based on the assessments carried out in accordance with Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment
- a statement that alternative possibilities of public and private financing, including the European Investment Fund and the European Investment Bank, have been examined,
- a financial plan listing, in euro or in national currency, all the components of the financial package,

Information required for the assessment and identification of applications (Art 9)

if the application relates to a study

- the study's objective and purpose and the methods and techniques envisaged;
- a provisional timetable of work;
- a description of the control measures to be operated by the Member State concerned over the use of the funds requested.

Grant of financial aid

(Art 10)

In accordance with Article 274 of the Treaty, the Commission shall decide to grant financial aid under this Regulation according to its assessment of the application in accordance with the selection criteria. In the case of projects identified in the relevant indicative multiannual programme established pursuant to Article 5a, the Commission shall take the annual decisions to grant aid within the indicative financial amounts provided for in that programme. In the case of other projects, measures shall be adopted in accordance with the procedure specified in Article 17. The Commission shall notify its decision directly to the beneficiaries and to the Member States.

Financial provisions

(Art 11)

1. Community aid may cover only project-related expenditure incurred by the beneficiaries or by third parties responsible for the implementation of a project.
2. Expenditure incurred before the date on which the Commission received the application for financial aid shall not be covered.
3. Decisions to grant financial aid taken by the Commission under Article 10 shall be binding as commitments to incur expenditure authorized by the Budget.
4. As a general rule, payments shall be made in the form of advances, intermediate payments and a final payment. The advance, which shall not normally exceed 50 % of the first annual tranche, shall be paid once the application for aid has been approved. Intermediate payments shall be made on the basis of requests for payment, taking account of the progress made in implementing the project or study and, if necessary taking account of revised financial plans in a rigorous and transparent manner.

Financial provisions

(Art 11)

- n 5. The payments must take account of the fact the infrastructure projects will be implemented over a period of years and that provision must therefore be made for multiannual financing.
- n 6. The Commission shall make the final payment after approval of the final report on the project or study, submitted by the beneficiary and itemizing all the expenditure actually incurred.
- n 7. Following the procedure set out in Article 17, the Commission shall establish a framework for the procedures, timetable and amounts for payments of interest-rate subsidies, guarantee premium subsidies and support in the form of risk capital participation, for investment funds or comparable financial undertakings with a priority focus on providing risk capital for trans-European network projects.

Coordination

(Art 14)

The Commission shall be responsible for coordination and coherence between the projects and the programmes undertaken under this Regulation and projects undertaken with the help of contributions from the Community budget, the European Investment Bank, the European Investment Fund and other Community financial instruments.

Committee procedure

(Art 17)

- n The Commission shall be assisted by a committee. The European Investment Bank shall appoint a representative to the Committee who shall not vote.
- n The Committee shall adopt its Rules of Procedure.

Funding

(Art 18)

- n The financial framework for the implementation of this Regulation for the period 2000 to 2006 shall be EUR 4 874,88 million.
- n The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.
- n The allocation of funds shall be linked to the qualitative and quantitative level of implementation.

Revision clause

(Art 19)

Before the end of 2006 the Commission shall submit to the European Parliament and the Council a comprehensive report on the experience gained with the mechanisms under this Regulation for granting Community aid, in particular the mechanisms and provisions laid down in Article 4. The European Parliament and the Council, acting in accordance with the procedure laid down in the first paragraph of Article 156 of the Treaty, shall examine whether and under which conditions the measures provided for in this Regulation will be continued or amended after the end of the period 200-2006.



THANK YOU

