

JOINT DECLARATION
OF THE MINISTERS OF THE CZECH REPUBLIC, HUNGARY, THE REPUBLIC OF
POLAND and THE SLOVAK REPUBLIC
RESPONSIBLE FOR TRANSPORT, DEVELOPMENT AND EU FUNDS

CONCERNING THE FUTURE OF TRANSPORT FINANCING IN THE 2021 – 2027
FINANCIAL PERSPECTIVE

(14 October 2018)

WE, THE MINISTERS OF THE CZECH REPUBLIC, HUNGARY, THE REPUBLIC OF POLAND AND THE SLOVAK REPUBLIC, CONFIRM that the development of transport infrastructure plays a key role in the improvement of cohesion and competitiveness of Europe, and it also contributes to the proper functioning of the European Single Market. The experience gained during the implementation of cohesion and TEN-T policies in previous period with the support of European Structural and Investment Funds (ESIF) as well as Connecting Europe Facility (CEF) as the main funding instruments allow us to JOINTLY EXPRESS the following conclusions and recommendations for future actions.

WE DEEM NECESSARY that, even for the period after 2020, the EU Member States shall be entitled to utilize appropriate resources of the common EU budget for implementation of projects related to the TEN-T infrastructure as well as other important national connections and urban mobility. The development of transport infrastructure and the improvement of passenger and freight services bring real improvements for the EU citizens and directly contributes to increasing the competitiveness of the EU as well as proper functioning of the European Single Market. It is also area with high added value in public relations.

WE WELCOME the European Commission's (EC) efforts to bring forward a new set of Regulations for the post-2020 period. A timely agreement reached in a close cooperation with Member States on a future long-term budget and the new legislation will ensure a smooth transition from the current programming period to the new budgetary framework and secure the predictability and continuity of the financing of transport interventions.

WE WELCOME the proposed CEF financial facility to support investments in European transport, also in the next MFF. Better integration can help meeting the ambitious targets for completing the TEN-T core network by the end of 2030 and the TEN-T comprehensive network by 2050.

WE APPRECIATE the work of the European Coordinators appointed for the development of TEN-T, in particular their efforts to continuously monitor the preparation of projects and to ensure a coordinated implementation of the TEN-T Corridors and ERTMS.

WE APPRECIATE the EC's efforts to reduce excessive administrative burden for the beneficiaries and the managing authorities, to create a better platform for synergy and simplification in the programming period 2021-2027 and at the same time maintaining a high degree of assurance for EU citizens, regarding the common funds spending.

WE ACKNOWLEDGE that in many cases, in the area of implementation of transport infrastructure, we speak of challenging and investment-intensive projects that are characterized by a longer preparatory phase, multi-annual implementation, the implementation of which is usually complex and may involve different unforeseen issues with significant consequences.

On the basis of the above, and in order to promote the smooth and efficient implementation of transport investments, we jointly EXPRESS the following position on the legislative proposals for the next programming period:

1. WE EXPRESS OUR DISSAPOINTMENT with the significant reduction in the allocation for Cohesion Policy (CP) (by approximately 10%) and for the Cohesion Fund (approximately halved), which is one of the main sources of TEN-T investments, significantly contributing to strengthen the connectivity within Europe.
2. WE UPHOLD THE POSITION that the Cohesion Fund resources transferred to the CEF should be allocated in full amount under the respective envelopes of the Cohesion Member States (the so-called "national envelopes") during the whole MFF period and should realize the goal for reaching social, economic and territorial cohesion across Europe
3. WE EXPRESS OUR DISAGREEMENT with the reduction of the EU co-financing rate for Cohesion policy. A lower co-financing rate will increase demand on national budgets and beneficiaries.
4. WE EXPRESS OUR CONCERN regarding the introduction of the n+2 rule, as this approach could significantly impact the smoothness and effectiveness of the implementation of investment programmes, especially in the transport sector with potential impacts on economic growth and the labor market of the V4 countries. A uniform implementation of the two-year period for the absorption of annual budgetary commitments for operational programmes can cause significant problems, especially in the early years of implementation. Therefore, WE CALL ON the EC to keep the n+3 rule in place for the commitment both in the CP and the CEF. In this context, WE DRAW ATTENTION to the risk of accumulation of deadlines and obligations arising from the introduction of the n+2 rule for the Member States, the beneficiaries and the EC.
5. WE EXPRESS OUR CONCERN with the application of the two-phase programming process at the beginning of the period and mid-term based on the results achieved by the end of 2024. WE ADVOCATE a compromise that will lead to strengthening of the strategic planning and maintaining a stable environment for successful and effective intervention from EU funds and instruments throughout the 2021-2027 programming period. The current proposal represents a shorter timeframe for the implementation of major investment projects.
6. WE UPHOLD THE POSITION that the degree of flexibility in the proposed Cohesion Policy legislation does not take into account the specific needs of the individual EU regions. WE EXPRESS COMMON UNDERSTANDING with the call for concentration of resources and their directing on fewer targets and areas, however WE CALL FOR the increase of flexibility in this regard.

7. WE PROPOSE to harmonize the VAT eligibility in new CEF regulation with the final wording of the CPR and rules on Cohesion Fund reflecting the decision of the European Council on the MFF as a whole package.
8. The draft legislation on the new CPR proposes enabling conditions for the 2021-27 period. WE CALL for simplification and a regulation which sets realistic deadlines for the fulfilment of conditions by Member States and, at the same time, ensures the continuous submission of payment claims.
9. WE REMIND that not only cross-border sections and missing links but also the existing bottlenecks on national sections (i.e. insufficient capacity on national railway lines) could affect a proper functioning of the individual TEN-T corridors and therefore, WE INVITE the EC to cooperate further on updating Annex I of the proposed regulation establishing the CEF in order to ensure that the CEF funding is available also for all type of projects on the TEN-T corridors.
10. One of the main objectives of the V4 countries in the upcoming financial period is the completion of the TEN-T core network, but also not neglecting the need to develop the TEN-T comprehensive network. In this context WE ACKNOWLEDGE the need to invest in all transport modes development. Considering the high socio-economic impact of road transport we INSIST ON securing appropriate financing also for the improvement of the road transport from the CEF and the ESIF. The V4 ADVOCATES a solution where, regardless of the transport mode, financing of missing sections of the TEN-T is ensured.
11. WE EXPRESS OUR RESERVATION to dedicating 40% of the CEF budget for horizontal priorities (actions relating to smart, sustainable, inclusive, safe and secure mobility). It is necessary to take into account the specific needs and conditions of the individual Member States, and the estimated investment needs of the V4 countries in the transport sector show that maximum of 10% of the available resources could be dedicated for the horizontal priorities. WE EMPHASISE that the priority orientation of the CEF should be directed towards the completion of the TEN-T core network.
12. At the same time, WE EXPRESS OUR CONCERN with dedicating exact percentage of the budget for measures contributing to climate change objectives, while these values are different for the CEF, the European Regional Development Fund (ERDF) and the CF. We are aware of the EU's climate change commitments, nevertheless we recognize the importance of completing the transport infrastructure in order to promote mobility, economic growth and job creation. Therefore, WE CALL ON the EC to reconsider the appropriate share of resources for the climate change objectives especially when it comes to the resources transferred to the CEF from the CF.
13. WE CONSIDER the need for strengthening the cooperation between the EC and the Member States in the CEF management and implementation. A clear definition of the Member States responsibilities is needed, both in the decision-making process and in the actual implementation of projects. WE UPHOLD THE POSITION that approval of project proposals submitted to the CEF calls is crucial for implementing the Member States competences in the area of strategic planning and transport policies and in terms of effective allocation of available funds.

14. WE ARE CONVINCED that the savings made by public procurement in the implementation of CEF projects should remain available for the concerned Member States and should enable flexible reflow within their national envelopes in order to secure realization of projects with costs overrunning due to public procurement. A system designed in this way will tackle the very problematic issue of constant adjustment of project costs as a result of public procurement, would motivate individual countries to increase the focus on quality public tenders and to implement successfully a higher number of projects.
15. WE EXPRESS OUR CONCERN when it comes to reinforcement of provisions of reduction and termination of grants in situation of delays in project implementation. Establishment of such restrictions would unnecessarily jeopardize the projects, which would also have a negative impact on the overall success of the CEF.
16. In the current programming period 2014-2020, expenditures for projects from the 2014 and 2015 CEF calls are eligible only until the end of 2020. WE ARE OF THE VIEW that this limit puts these projects in an unequal position compared to projects funded by the ESIF, which can be implemented until the end of 2023. Practice shows that the highest strain on project's costs occurs in the last year of its implementation. Failure to finalize relevant CEF funded projects by the end of 2020 could cause disproportionate burden on the cohesion countries' budgets and also jeopardize the overall success of the CEF's 2014-2020 period.
17. WE CONSIDER that a single and universal eligibility guide for project expenditures funded by the CEF needs to be developed. Such guide would be binding for all (Cohesion) Member States. The guide would clearly stipulate the rules for project implementation and, therefore, contribute to a more effective verification of the CEF resources, both at the EU (the EC/INEA) and the Member States' level.
18. WE UPHOLD THE POSITION that the funds earmarked for the CEF Technical Assistance should have clearly defined budget, goals and recipients, including the Cohesion Member States in terms of fulfilling their respective responsibilities, should be appropriately planned and not fragmented over multiple calls during the programming period as this causes only excessive administrative burden for both the Member States and the EC.
19. WE HIGHLIGHT that JASPERS has played a crucial role in improving the quality of the projects (within the CEF and the operational programmes as well) throughout the previous and current programming periods, THEREFORE, and taking into account the continuously increasing complexity of the future projects, WE WOULD HIGHLY APPRECIATE if the assistance that JASPERS can provide would be still available for the Member States beyond 2020 on a voluntary basis.
20. WE BELIEVE that reduced to 0% climate change coefficients for reconstructed or improved TEN-T railways in the draft Annex of Common Provisions Regulation (CPR)

endangers realization of the fully interoperable TEN-T core network by 2030. Therefore, we CALL ON the EC to reconsider increasing TEN-T climate change coefficient in the CPR to 100% as in the CEF proposal.

21. WE INVITE the Member States, the European Parliament and the EC to a constructive discussion on the future multiannual financial framework and transport infrastructure development aiming at reaching an agreement that will enable to use the opportunities and financial resources of a common EU budget in the most efficient way to the benefit of EU citizens.

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