



Contribution of the European Sea Ports Organisation to the Commission's call for evidence for the *interim* evaluation of the Connecting Europe Facility 2021-2027

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The European Sea Ports Organisation highly appreciates the opportunity to contribute to the Commission's call for evidence for the *interim* evaluation of the Connecting Europe Facility 2021-2027 (CEF2).

Ports in Europe do more than before. From being multimodal hubs in the supply chain linking the sea with the hinterland, ports are developing into hubs and facilitators of sustainable energies, clusters of industry and circular economy, as well as important pillars of geo-political and geo-economic resilience. The new functions of parts are coming on top of their traditional roles. **The investment pipeline of Europe's ports reflects this changing and multidimensional role.**

In fact, a recent study commissioned by ESPO, "Port Investments Study 2024: The investment pipeline and challenges of European ports" ¹ (find [here](#)), reveals **that the investment needs of European port managing bodies amount to €80 billion² for the next 10 years** (up to 2034). The study also shows how investments in the sustainability and energy transition are becoming the second most important investment category for port authorities.

With the above in mind as well as in light of the Commission's preparatory work for the new funding instruments under the next MFF, ESPO would like to share with the Commission the following experiences, reflections and recommendations:

I. On restructuring, thematic approaches and dedicated budgets

- **ESPO recommends the Commission to restructure the next funding instrument according to sectors (such as ports, rail, maritime, road etc.) rather than by topic, as is currently the case. This thematic approach could provide for more targeted, coherent and effective support and responsive to sector-specific needs, enhancing the efficiency and relevance of the next financial instrument.** Currently, the complexity of the port ecosystem and the role of ports and port authorities in e.g. energy transition projects and infrastructure development is insufficiently known, as a result of which the evaluation criteria are formulated in such a way that it is not evident for a port to appeal/receive/make a claim to the necessary funding for the parts of the projects the port is responsible for. It is important to understand that the role of port authorities is changing and evolving, from not only landlords to also community developers, and as such

¹ [ESP-3217_InvestmentStudyReport2024_LR.pdf \(espo.be\)](#)

² Please note that this number excludes pure private investments in the ports as well as investments in maintenance, and hence the total investments of European ports including these categories go well beyond €80 billion.

future funding instruments and its criteria and objectives should be catered to this evolving role of port authorities.

- **More dedicated budget for Europe's ports under the future funding instrument is crucial, specifically in light of the strategic role of ports, including as critical energy hubs and facilitators of military mobility. The Commission should ensure a more fair and equal distribution of the available budget among the different transport modes and assume a geographical balance in the selection of the projects.** Europe's ports more than ever need access to sufficient public funding. Next to investments in developing basic port infrastructure and keeping it state-of-the-art, port managing bodies are more and more investing to take up strategic and societal responsibilities and achieving Europe's ambitions. This often implies projects with a high societal value, yet slow and risky returns on investments. Europe's ports are fully committed, but need European support to turn all goals and ambitions into a success, both under the Transport and Energy topics of the future instrument. The budgets currently awarded and/or at award are often insufficient during execution, due to changed economic conditions and technical challenges and given the speed of the developments in the energy transition and the evolving geopolitical tensions.
- **It is crucial to ensure that the future funding instrument recognises the cross-border *impact* of projects and does not assume the physical cross-border criterium as a sine que non condition for receiving funding.** The latter requirement excludes numerous significant projects with European interest, both under CEF Transport and CEF Energy, even when implemented at the national level. A pragmatic approach to cross-border is crucial, where the focus should be on the cross-border impact and not on the physical cross-border infrastructure itself.
- **To achieve the objectives of the AFIR and the FuelEU Maritime Regulation, it is crucial to maintain funding for onshore power supply (OPS) projects and other refuelling infrastructure within the scope of the next funding instrument.**
- **The blending obligation in certain CEF calls (e.g. under the AFIF) is problematic and counterproductive for projects where there is no positive business case and thereby undermines the accessibility of the funding instrument.** Certain projects, such as the deployment of onshore power supply (OPS) in ports, are of high EU added value and/or required by (EU) law, yet currently do not have a sufficient business case. For those project applicants, it is highly challenging and/or not possible to get a bank loan (or equivalent financing), given the fact that banks largely assess project applications from a financial soundness perspective. Hence, for these type of projects, it is advisable to not impose the blending obligation in the calls for proposals under the future instrument. **Moreover, deviating approaches and implementation frameworks in the Member States as regards the acquiring of private financing undermine the level playing field for applicants across Europe.** The fact that there has not been an acknowledged implementing partner in all the different Member States is highly problematic, as this will make it for project applicants in those Member States without an acknowledged implementing partner more difficult to get a bank loan and comply with the respective calls' blending obligation. Similarly, some Member States prohibit the conclusion of loan agreements with a foreign development bank, which again significantly limits the options of the applicant and makes it more difficult to comply with the blending obligation. Lastly, there is more alignment needed between the procedures at the implementing partners, among each other and also with the EIB and the specific instruments, in order to ensure that CINEA and the implementing partners are better aligned and the workload for the applicant can be reduced.
- **The future funding instrument should ensure a coherent and consistent availability of budgets throughout the entire duration of the programme period.** Currently, due to the practice of frontloading, which is often done at the beginning of a programme period, the budgets of the first

calls of such a period are often very significant, leading to a situation that a very large part of the total available budget has already been used up after a few years and that the remaining period only leaves for residual budgets. The result is that large, important infrastructure projects that do not fit into that timing often have no chance for funding support. At the time of this call for evidence (i.e. September 2024), there are basically no budget available anymore for any large infrastructure projects and these may only receive support under the next programme period in 2028.

II. On scope and eligibility

- **A future funding instrument should recognize pipelines as one of the eligible transport modalities for receiving European support.** European financing support to projects concerning the realisation of transport pipelines will allow for more synergy between the transport and energy sectors and can significantly contribute to reducing transport via road. The recognition of transport pipelines as one of the eligible transport modalities under CEF1 has been requested previously, including under the CEF1 evaluation, however was never taken on board.
- **The Commission should include a dedicated budget for maintenance in the future funding instrument.** The maintenance of infrastructure often results in significant and recurring costs once projects are completed. A dedicated budget for maintenance would ensure the longevity and relevance of the infrastructure investments.
- **The focus on innovative projects and deployment of new technological solutions should be retained.** It is important to foster the global efficiency of the network and to build real projects capitalising on the results of other R&D&I EU programmes.

III. On simplification, clarification, predictability and transparency

- **It is crucial to ensure consistency of definitions between those used in the CEF calls for proposals and those of the basic Regulation on which they are based.** Under the current CEF2 calls for proposals, there have been instances where a definition used by CINEA in the evaluation process deviated from the definition in the basic legislation (e.g. Port Reception Facility Directive EU 2019/883) and was not specified as such in the call document. This has led to situations in which project applications are being prepared – which in itself is a lengthy, complex and multi-steps process – and had to be adapted later on in the process due to unclarity on the applicable definitions.
- **It is recommendable to enhance the clarity of proposal documents and ensure a simplification of the entire application and evaluation process.** The proposal sections must be reviewed in order to eliminate repetitions, to provide more detailed proposal guidelines for proposal structure, and to limit the number of characters/words per section. A simplification of the entire process is crucial, as the administrative burden under CEF is very high – both for the preparation and application (file and reporting) – and therefore creates an obstacle for possible applications. In fact, the costs of going through an application process is high, both in terms of own personnel costs, the costs of consultants and the alternative cost of not going through the application process. For many smaller ports, applying for EU funding is not an option due to the high barriers in terms of costs and resources. For many ports, EU funding is not an alternative unless it is a very costly project. An option could be to divide future calls under small, medium and large calls (similar to the Innovation Fund). An alternative could be a two-staged application, where the first is a description and argumentation for the project and the second stage concerns a detailed application as today. In order to have better possibility to match the internal project processes

with open calls, an option could be to launch several calls during a year (like AFIF) or to have an annual budget but with open application.

- **There is often a contradiction between maturity and catalytic effect.** In order to get EU funding for a project, the applicant needs to show that the project cannot be carried out without EU funding. At the same time, the applicant needs to show very high maturity. In many cases, a large infrastructure project cannot reach enough maturity (to get funded) without a long (several year) process of permits, environmental court decisions and studies. A lot of money has already been put into the project at that stage. By then it is too late to close the project if EU funding is not approved (no catalytical effect).
- **There is insufficient flexibility built in to accommodate changes between application and effective implementation of the study without the related significant increase of the administrative burden** (such as new staff to be included in the project, changes of staff, scope changed based on market development and/or technical innovation). Particularly for projects in new markets (especially emerging markets, e.g. CCUS) this is not the exception but rather the rule and the administrative burden of reporting these changes is very delaying. Moreover, projects such as those related to the energy transition involve more risks in technology and demand innovative solutions. A technology must for instance be decided in the process before the contracts are tendered. There is more flexibility needed to successfully manage the implementation of the grant agreements.
- **The project selection process under the current CEF2 instrument lacks clarity regarding the actual role of Member States in the process.** A greater transparency is needed on this matter, as it would ensure a more equitable and efficient allocation of funding. Moreover, as regards the preparation of the proposals, there should be a better coordination among the Member States (i.e. the same deadlines for national procedures for obtaining the Letters of Support), as this will help facilitate the development of a European-wide partnership.
- **More predictability is crucial and topics in the calls should be communicated more in advance.** Under CEF2, there has been three general calls, while in reality some project topics have been favoured over others, in particular in the 2023 call which largely funded OPS and IWW projects and works before studies. It would be a lot easier for applicants (incl ports) if the budgets and the priorities of what CINEA wants to sponsor were communicated much more in advance, enabling the applicants to anticipate better and prepare projects better to increase the chance of a successful application, and avoiding that applicants spend time and money on project applications that won't receive funding due to it not being the right topic. The need for more beforehand predictability is all the more relevant as many companies and stakeholders are often involved (several departments inside port authorities, port community companies or value chain companies in letters of support, workshops, meetings etc.). As such, more information prior to the application process will allow the involved network to better anticipate, cooperate and prepare the application.
- **Evaluations of applications should be more transparent. The list of the selected projects should also include the scoring of the projects under the different call criteria.** Embarking on an application process means putting in many hours and a lot of money. An applicant often submits an application more than one time, due to previous rejections. It is very important to be able to do "lessons learned" on your applications, in order to be able to make improvements. It is also a tool to evaluate your consultants. However, it is not crystal clear that the evaluation result (scores and text) solely is based on the quality of your application, it could also mirror the fact that the application is not in the topic that CINEA wants to sponsor in this call. It is difficult to analyse if the application failed due to the wrong topic or simply because it was a bad application. Better to have a transparent grading process and a possibility to be rejected due to off topic.

- **The administrative burden as regards the PCI application procedure in the framework of CEF Energy should be reduced.** The administrative burden of the formal PCI application procedure is significantly high. In fact, a recognition of the status is valid for two years, while the recognition process itself often takes almost the same amount of time. Moreover, reporting must be done annually, even outside of any funding applications. There is a need to simplify this process, in order to be able to focus the attention on the CEF application. One way to reduce the administrative burden is to ensure that projects that receive CEF Energy support could automatically or more easily receive PCI status.
- CEF2 (compared to CEF1) switched to the Funding and Tenders system, which was already used for e.g. Horizon projects. The integration into one digital system is positive, however there are certain things ‘taken over’ in CEF that are not always logical (e.g. lists of milestones, deliverables etc. that are logical for Horizon, but not necessarily for CEF). Furthermore, the portal is not always tailor-made for large projects and therefore also not for large documents.
- **The allocation of resources to CINEA should be maintained.** In order to ensure a continuation of the quality of CINEA and its policy officers, the Commission should allocate sufficient resources to CINEA for managing the future funding instrument.