



*Committee on Transport and Tourism
The Chair*

20.7.2023

Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on BUDG interim report on the Mid-term revision of the Multiannual Financial Framework 2021 – 2027 (2023/0201R(APP))

Dear Chair,

The Committee on Budgets requested authorisation to draw up an interim report pursuant to Rule 105(5) of the Rules of Procedures, as part of the preparatory work for the consent procedure on the Proposal for a Council Regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027. On 27 June 2023, Coordinators of the Committee on Transport and Tourism (TRAN) decided to contribute to this report with an opinion in the form of a letter. TRAN adopted its opinion at its meeting¹ of 19 July 2023.

TRAN calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Karima Delli

¹ The following were present for the final vote: Karima Delli (Chair), István Ujhelyi (Vice-Chair), Jens Gieseke (Vice Chair), Jan-Christoph Oetjen (Vice-Chair), Magdalena Adamowicz, Izaskun Bilbao Barandica, Karolin Braunsberger-Reinhold, Marco Campomenosi, Sara Cerdas, Patricia Chagnon, Ciarán Cuffe, Josianne Cutajar, Jakop G. Dalunde, Anna Deparnay-Grunenberg, Lena Düpont, Gheorghe Falcă, Carlo Fidanza, Mario Furore, Michael Gahler, Maria Grapini, Svenja Hahn, Elsi Katainen, Kateřina Konečná, Bogusław Liberadzki, Benoît Lutgen, Marian-Jean Marinescu, Georg Mayer, Tilly Metz, Cláudia Monteiro de Aguiar, Caroline Nagtegaal, Denis Nesci, Ljudmila Novak, Rovana Plumb, Bergur Løkke Rasmussen, Dominique Riquet, Thomas Rudner, Christine Schneider, Annalisa Tardino, Vera Tax, Barbara Thaler, Achille Variati, Petar Vitanov, Lucia Vuolo.

SUGGESTIONS

- A. whereas the transport and tourism sectors are a cornerstone of the EU single market, provide connectivity and cohesion; whereas they represent an important part of the EU's economy in terms of GDP and employment;
 - B. whereas the transport and tourism sectors are among those that have been hardest hit by successive crises such as the Covid-19 pandemic and Russia's unjustified and illegal war of aggression against Ukraine; whereas transport, in particular, has shown itself to be a vital lifeline for Ukraine;
 - C. whereas the transport sector must contribute significantly to efforts to reach Union-wide climate neutrality by 2050 and is facing structural challenges related to decarbonisation and digitalisation policies;
 - D. whereas, in the current economic context characterised by subdued economic growth, unprecedentedly high inflation levels and increasing interest rates, investments in transport infrastructure have become significantly more expensive;
 - E. whereas the multiannual financial framework (MFF) is strategically important for sectors relying on continuous long-term investments such as the transport sector; whereas the current MFF, which reflects the priorities of the Union at the time of adoption in 2020, should therefore be revised in a way that allows the EU to meet its legal obligations, reflect the current geopolitical and economic reality, as well as to address the new political priorities;
1. Welcomes the Commission's communication on the mid-term revision of the MFF 2021–2027; regrets, however, that the proposed allocation of EU funds fails to address the needs of the transport sector for achieving the policy objectives, which result from the European Green Deal and the Sustainable and Smart Mobility Strategy (SSMS) as well as from the new geopolitical context, and aim at providing interconnected, safe, efficient and affordable transport services for citizens;
 2. Reiterates the crucial role of the CEF in the completion of the trans-European transport network (TEN-T); recalls that the CEF has been used to enhance EU military mobility and support Ukraine, in providing the EU solidarity lanes, and is also key for achieving stronger connectivity with our strategic partners in non-EU countries, while the implementation of the transport projects has been negatively influenced by the current inflationary pressures and unfavourable financing conditions; highlights that the budget of CEF II has been mostly committed by now, which shows the utility and added value of the fund for completing projects of common interest along the TEN-T, and that the Commission is having to reject around 75% of projects applying for funding; urges, therefore, a substantial and rapid increase of the CEF envelope to meet all its existing and new policy objectives; reiterates its call on the Commission to plan an ambitious successor programme to CEF II for the MFF post-2027, with reinforced funding;
 3. Welcomes the CEF calls launched for military mobility in 2021-2022 for a total of EUR 955 million, which were fully subscribed; regrets, however, that in the future, it will be challenging to finance any additional initiative under Heading 5 and so welcomes the

Commission proposal to set up a Strategic Technologies for Europe Platform ('STEP') in order to top up funds under this heading; calls on the Commission to provide a clear commitment and sufficiently increase the military mobility envelope in order to scale up investments for adapting the TEN-T network for dual civil and defence use and other projects;

4. Therefore calls for mobilising new as well as unused funds under the Recovery and Resilience Facility (RRF) for CEF and to target investments in cross-border missing links, removing bottlenecks and in supporting the deployment of alternative fuels; highlights that any new European policy needs to come with a new allocated budget and not a reshuffling of funds within the current MFF;
5. Welcomes the Commission's initiative to establish the Ukraine Facility (the 'Facility') aimed at catering both for short-term recovery needs and medium-term reconstruction and modernisation of Ukraine; notes that one of the Facility's objectives is to rebuild and modernise infrastructure damaged by the war, such as internal and cross-border transport networks; points out that Ukraine and Moldova have been associated to the CEF; expects that synergies between the new Facility and the CEF are fully exploited to both support the rebuild of transport infrastructure in Ukraine and enhance cross-border connectivity between the EU and Ukraine and Moldova; insists that the budget for CEF II and the CEF post-2027 includes adequate additional funds to fully integrate these two countries;
6. Notes that the objective of STEP is to reinforce and leverage existing EU instruments to the benefit of investments in strategic areas and critical and emerging technologies relevant to the green and digital transitions; highlights, in this regard, the need to prioritise investments in strategic, interconnected, safe, efficient, sustainable and smart transport projects and in the production and deployment of alternative fuel infrastructure throughout the Union;
7. Reiterates that the funding for European transport agencies and joint undertakings match their level of responsibility and deliver on their tasks and new responsibilities; highlights that the SSMS has specific targets for modal shift towards rail;
8. Points out the important need to maintain Europe's standing as a leading destination and boost the tourism industry, especially in the aftermath of the pandemic, while also transitioning to greater sustainability; reiterates its request for a crisis management mechanism to make sure that the tourism sector is adequately prepared for future crises; calls for dedicated EU funding for tourism and significant reinforcement of the support for tourism SMEs, which dominate the sector; reiterates its call for the creation of a European agency for tourism responsible for providing support to microenterprises and SMEs and facilitate the access to EU funding and financial instruments;
9. Is convinced, on the basis of the above analysis, that a genuine review of the current MFF is indispensable if the Union is to effectively confront the current geopolitical and economic challenges while fulfilling its decarbonisation agenda; stresses the need for the MFF to be endowed with significantly increased resources to effectively ensure investments, achieve economic, social and territorial cohesion and promote solidarity.