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SGI Europe feedback to the European Commission's mid-term evaluation on the Connecting Europe Facility (CEF) in Transport, Energy and Digitalisation

SGI Europe is the European representation of employers of services of general interest in the energy, transport, water, waste management, telecommunication, education and health sector and welcomes the public consultation on the mid-term evaluation of the Connecting Europe Facility (CEF) Fund for the Transport, Energy and Digital sector.

One of the key public funding schemes has been serving as a **vital support instrument for Europe's critical infrastructures and will continue to play an important role in addressing to cover the budget of the three named sectors**. For SGI Europe, it will be an important priority to keep the CEF tools designated to the different sector as they have different yet important elements that will drive the planned Clean Industrial Plan of the new European Commission ahead. **We find it therefore as elementary to keep the CEF budget separate for the three sectors and dedicate the funding to the specific needs of the energy, transport and digital sector.**

With the aim to create a seamless and more sustainable mobility sector in Europe, SGI Europe deems it as important to ensure that first and foremost the **CEF fund for energy should focus on investing heavily in innovative technology with a more technology neutral lenses** to ensure that the clean technology approach can take up the goals that will be set in the new Commission Net Zero approach and the Clean Industrial Decarbonisation approach pioneered by the team of Commissioner Wopke Hoekstra. At the same time, the digitalisation sector will have a new dimension of challenges coming ahead and **Europe will need for its critical infrastructures a progressive and modern digitalisation programme** with a wise use of Artificial intelligence tools.

While the EU aims at cutting GHG emissions by 55% by 2030 and transport emissions by 90% by 2050, **it becomes more and more urgent to increase the modal share of the greenest transport modes** and support the modernisation of railways. Being the most sustainable transport mode, railways have the potential to deeply decarbonise the transport sector whose emissions continue to increase. A higher ambition is therefore needed when it comes to funding railways.

As a supporter of the CEF, SGI Europe regrets however that the current allocation of funds towards rail transport and urban public transport is still insufficient to meet the pressing needs of decarbonisation and sustainability in the transport sector and in urban mobility. As the Expert Group on urban mobility (EGUM) – **Public Transport and Shared Mobility Subgroup report highlights, only EUR 330 million—a mere 1% of the CEF-Transport budget—has been allocated to local public transport.**

Additionally, in line with the investment needs resulting from the requirements of the **TEN-T regulation, estimated by its impact assessment at €1,5 trillion** for the comprehensive network up to 2050 (€50 billion per year on average), the overall budget for the CEF-Transport, which has been allocated €25.8 billion for the entire period 2021-2027, should be significantly increased.

This significant funding gap impedes progress in decarbonising public transportation and hinders efforts to achieve the EU's climate goals.

By strengthening the CEF and its alignment with EU climate goals, Europe will be better positioned to accelerate the transition to greener, more efficient critical infrastructure systems.

For this reason, SGI Europe would like to point out the following evaluations of the CEF:

- **The CEF program should be maintained in the next programming period 2028-2034.** It is and will continue to be essential for the completion of the TEN-T network. The program proved to be key for fostering and accelerating the construction of new lines and cross-border projects.
- **The centralised management of the CEF has demonstrated its significant leverage effect** and should be maintained.
- **Considering investment requirements, SGI Europe believes that the current CEF budget should be increased fivefold.** The upgraded ambitions of the revised TEN-T regulation, the upcoming digitalisation programmes also under the Digital Service Act, the increase in new innovative technologies for the energy sector to lower energy prices will make it necessary to increase the program's budget for the next MFF period.
- **To meet the revised TEN-T requirements, the next CEF's core priorities should be infrastructure modernisation, ERTMS deployment, the construction of new lines / TEN-T missing links and ensuring climate resilience of the railway system.** In addition to the funding requirements for infrastructure, CEF should also support ERTMS on-board equipment of freight and passenger rolling stock, help modernise and develop stations and contribute to the expansion and construction of rolling stock maintenance facilities.
- Both application and monitoring procedures should be streamlined.
- SGI Europe commends the **exemplary work of the EGUM – Public Transport and Shared Mobility Subgroup**, particularly their insights into lessons learned from cities, regions, and Member States on financing public transport and shared mobility. Their exploration of best practices, funding instruments, and legal frameworks provides a comprehensive roadmap for delivering the EU Urban Mobility Framework, ensuring that public transport remains the backbone of urban mobility and achieves long-term sustainability.
- SGI Europe believes that **Urban Nodes should be granted direct access to funding from CEF** and other European programmes for TEN-T Urban Nodes projects, without the need for Member State approval. It is crucial to ensure that not only public authorities but **also municipal companies, such as Public Transport Operators (PTOs) responsible for infrastructure investments, are eligible for funding.**
- **The CEF and the Alternative Fuels Infrastructure Facility (AFIF) must play a more central role in supporting holistic systems**, not just fragmented projects. For instance, funding should consider the complete ecosystem of clean transport, including vehicles, charging infrastructure, depots, and energy sources. For instance, funding should consider the complete ecosystem of clean transport, including vehicles, charging infrastructure, depots, and energy sources.

- **Restructure CEF to better support urban public transport** and include direct funding for urban public transport projects, such as urban rail and multimodal hubs, which are currently excluded. Establishing a dedicated Urban Mobility CEF would enable cities and regions to integrate their local transport systems more effectively with broader European networks.
- **Ensure Long-Term Funding for Urban Transport.** The phasing out of the current CEF programme jeopardises the development of essential infrastructure, particularly in alternative fuels. SGI Europe supports the call for establishing a long-term, stable financial instrument that guarantees public transport operators the necessary resources to meet decarbonisation targets, including funding for both infrastructure and vehicle procurement.