

Position Paper on Commission's Integration of Ukraine to Connecting Europe Facility for Infrastructure Funding

The European Enterprise Alliance presents its position on the integration of Ukraine into the EU Single Market through the Connecting Europe Facility (CEF) for infrastructure funding. The recent agreement signed between the European Commission and Ukraine in Lviv (in June 2023 between the Commissioner for Transport Adina Vălean and Deputy Prime Minister for Restoration of Ukraine and Minister for Communities, Territories and Infrastructure Development Oleksandr Kubrakov,) marks **a significant step towards further improving Ukraine's connectivity with its EU neighbours.** This association with the CEF program enables Ukrainian project promoters to seek EU funding for projects of common interest in transport, energy, and digital realms. We firmly believe this collaboration will foster growth, create job opportunities, and enhance competitiveness while anchoring Ukraine within interconnected trans-European networks.

Background

The Connecting Europe Facility (CEF) supports the European Green Deal and Digital Decade 2030 objectives, promoting sustainable transport, energy networks, and digitalisation. With substantial financial allocations, CEF invests in greener projects, including €25.8 billion for EU transport, €5.8 billion for energy projects, and €2 billion for digital connectivity, driving progress and sustainability across Europe.

Transport Connectivity

The inclusion of Ukraine in the CEF program allows Ukrainian authorities and companies to apply for funding under future CEF transport calls during the current programming period (2021-2027). By aligning with the trans-European transport (TEN-T) Regulation, priority is given to actions that strengthen connectivity between the core network of EU Member States and the network in third countries. This emphasis on improving transport infrastructure will play a crucial role in **promoting seamless movement of goods and people between Ukraine and the EU, bolstering economic ties and supporting regional development.**

Energy Infrastructure Development

Ukrainian infrastructure projects linked with EU Member States can already apply for the status of Projects of Mutual Interest (PMI) under the revised EU rules for energy infrastructure. We firmly believe that the PMI status allows projects connecting third countries with the EU to benefit from streamlined permitting procedures and improved access to finance. This achievement becomes a prerequisite for project developers in Ukraine to become eligible for CEF-Energy funding. By gaining access to CEF-Energy support, Ukrainian energy projects will receive **much-needed financial backing** for their development, encouraging the **integration of renewable energy sources and contributing to the EU's energy transition objectives.**

For more detailed information about the conditions that projects need to fulfil to become Projects of Common Interest (PCIs), stakeholders can refer to the relevant regulations and lists provided by the European Commission. The Trans-European Networks for Energy (TEN-E) policy identifies priority corridors and outlines the criteria for project selection. The Commission publishes a new list of PCIs every two years, with the latest list adopted on 19th November 2021. This list includes various energy-related projects, such as electricity transmission and storage, smart grid deployment, gas, and cross-border carbon dioxide network projects. Additionally, during the implementation of PCIs, comprehensive impact assessments and public consultation processes are carried out to involve a wide range of stakeholders, including citizens and NGOs. The outcomes of these consultations are made available online, providing further insights into the PCI selection and implementation process.

Digital Connectivity and Sustainable Infrastructure

Through the CEF Digital, Ukraine will have the opportunity to participate in projects aimed at improving digital connectivity with the EU. Co-financing for projects focused on increasing digital capacity, security, and resilience will pave the way for a robust digital infrastructure in Ukraine. This will support the exchange of information and enhance digital collaboration between Ukraine and its EU neighbors, fostering innovation and digital growth in the region.

Promoting Technological Neutrality

While supporting Ukraine's integration into the EU Single Market, we emphasize the principle of technological neutrality within the framework of the CEF program. Ukraine's diverse energy landscape and evolving technological advancements call for a balanced approach that considers all viable options. By promoting technological

neutrality, the CEF program ensures that the most effective and cost-efficient technologies are utilized to achieve climate neutrality across Europe, while supporting Ukraine's economic growth and energy security. Therefore, We support the initiative of the CEF programs.

The European Enterprise Alliance applauds the agreement associating Ukraine with the Connecting Europe Facility (CEF) program. This integration will facilitate crucial infrastructure funding in transport, energy, and digital domains, strengthening Ukraine's connectivity with the EU Single Market. By supporting growth, job creation, and competitiveness, this collaboration further cements Ukraine's position within interconnected trans-European networks. We commend the EU's solidarity with Ukraine in the face of ongoing challenges, and we firmly believe that this partnership will play a pivotal role in the mutual prosperity of both Ukraine and the European Union.

BIBLIOGRAPHY

European Commission. "The Commission further integrates Ukraine into the EU Single Market through the Connecting Europe Facility for infrastructure funding." Press Release, June 6, 2023. Brussels. Accessed from: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3061.