**Connecting Europe Facility: Transport**

***Latvian non-paper***

Latvia generally welcomes the approach that the Commission has put forward in order to establish the Connecting Europe Facility (hereinafter – CEF) as the central instrument in advancing pan-European objectives in the areas of transport, energy and communications. This non-paper gives an overview on Latvia’s interests regarding the transport sub-section of the CEF instrument.

With regards to financing of CEF, we believe that CEF financing has to be **additional to the national Cohesion policy envelope. Taking into account that the proposed 2.5% of GDP capping of Cohesion allocations means a considerable reduction of Latvia’s national envelope,** the proposed transfer of EUR 10 billion from the Cohesion fund to CEF is seen as an even further reduction of our national envelope.

Furthermore, we have major concerns regarding the **accessibility** to the dedicated transport allocation of CEF (EUR 21.7 billion) **for all Member States**. Right conditions have to be set to ensure that everyone can have access to and benefit from this funding.

Our priority is the **Rail Baltica II** project, which is included in the ***Baltic –Adriatic*** transport corridor and is listed as one of the projects of EU importance. We view the Rail Baltica project as a means for Latvia’s full integration with Europe’s rail transport infrastructure. Latvian Government’s support for the project is enshrined in its Declaration of Intent (October 25, 2011). Referring to the declaration of the Prime Ministers and the December 7 declaration of the Transport Ministers of three Baltic States, several elements have to be taken into account when further discussing support from CEF:

* + EU **co-financing rate of around 85%** for the Rail Baltica project has to be ensured;
	+ **a flexible approach towards national routing solutions** of the Rail Baltica line is essential. The construction of the Rail Baltica main line will be launched towards the end of the 2014-2020 Multiannual Financial Framework. Meanwhile, sections of the project in the territory of Latvia have been identified. These can be implemented before the construction of the main line and would aim at:
1. leveraging Latvia’s existing transport and logistics infrastructure, not least the Riga International Airport and the Riga Port,
2. implementing infrastructure solutions to divert freight flows away from Riga city center.

Additionally we would like to suggest amendments to the proposed map of Core Network Corridors. The TEN-T Core Network corridor **Ventspils – Riga – Russian border/ Belarusian border** has to be included and marked as a part of the ***Corridor No. 5 Helsinki-Valletta*** with port and Motorways-of-the-Sea connections to Stockholm and Hamburg along this corridor. This would:

* reflect and further consolidate the **growing trends of economic integration within the Baltic Sea region, in line with the philosophy of the Baltic Sea Region Strategy (EUSBSR)**. The potential synergies stemming from combining the north-south and west-east cargo corridors must also be duly noted in this context;
* acknowledge the existing trends of long-distance cargo. Latvia is the largest transshipment gateway for cargo in the EU along the west-east corridor. Therefore, the inclusion of the above corridor in the core networks corridor map would further **emphasize the strategic importance of** this transport corridor for Europe and **emphasize the strategic importance of allocating CEF support for railway network electrification and modernization** along this transport corridor in Latvia;
* **promote intermodality and environmental friendliness of transport systems**. The vast majority of cargo traffic along this corridor is carried by sea and rail transport, fully in line with the EU-wide ambition of promoting cleaner transport solutions, as emphasized, among other, in above mentioned EUSBSR.

