



Basic information	
<p><b>2011/0302(COD)</b></p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p>	Procedure completed
<p>Connecting Europe Facility 2014-2020</p> <p>Repealing Regulation (EC) No 680/2007 <a href="#">2004/0154(COD)</a>            Repealing Regulation (EC) No 67/2010 <a href="#">2009/0037(COD)</a>            Amending Regulation (EU) No 913/2010 <a href="#">2008/0247(COD)</a>            Repealed by <a href="#">2018/0228(COD)</a>            Amended by <a href="#">2015/0009(COD)</a>            Amended by <a href="#">2016/0276(COD)</a>            Amended by <a href="#">2016/0282A(COD)</a>            Amended by <a href="#">2016/0287(COD)</a>            Amended by <a href="#">2018/0299(COD)</a>            See also <a href="#">2011/0299(COD)</a></p> <p><b>Subject</b></p> <p>3.20.11 Trans-European transport networks            3.30.20 Trans-European communications networks            3.60.06 Trans-European energy networks</p>	



Key players				
European Parliament	<b>Joint committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<a href="#">ITRE</a> Industry, Research and Energy		VLEAN Adina (ALDE)	10/11/2011
	<a href="#">TRAN</a> Transport and Tourism		RIQUET Dominique (PPE) AYALA SENDER Inés (S&D)	10/11/2011 10/11/2011
			Shadow rapporteur CANCIAN Antonio (PPE) PIRILLO Mario (S&D) DE BACKER Philippe (ALDE) TURMES Claude (Verts /ALE) CRAMER Michael (Verts /ALE) SZYMASKI Konrad (ECR)	
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<a href="#">BUDG</a> Budgets		FÄRM Göran (S&D)	06/02/2012
	<a href="#">REGI</a> Regional Development		PIEPER Markus (PPE)	23/11/2011

	<b>Committee for opinion on the legal basis</b>	<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">JURI</span> Legal Affairs	SPERONI Francesco Enrico (EFD)	18/01/2013
Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Transport, Telecommunications and Energy	3171	2012-06-07
	Transport, Telecommunications and Energy	3243	2013-06-06
	Transport, Telecommunications and Energy	3213	2012-12-20
	Transport, Telecommunications and Energy	3278	2013-12-05
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	Mobility and Transport	KALLAS Siim	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
Date	Event	Reference	Summary
19/10/2011	Legislative proposal published	COM(2011)0665 	Summary
17/11/2011	Committee referral announced in Parliament, 1st reading		
15/03/2012	Referral to joint committee announced in Parliament		
07/06/2012	Debate in Council		
18/12/2012	Vote in committee, 1st reading		
20/12/2012	Debate in Council		
29/01/2013	Committee report tabled for plenary, 1st reading	A7-0021/2013	Summary
06/06/2013	Debate in Council		
18/11/2013	Debate in Parliament	CRE link	
19/11/2013	Decision by Parliament, 1st reading	T7-0463/2013	Summary
19/11/2013	Results of vote in Parliament		
05/12/2013	Act adopted by Council after Parliament's 1st reading		
11/12/2013	Final act signed		
11/12/2013	End of procedure in Parliament		
20/12/2013	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	2011/0302(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)

<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
	<a href="#">Repealing Regulation (EC) No 680/2007 2004/0154(COD)</a> <a href="#">Repealing Regulation (EC) No 67/2010 2009/0037(COD)</a> <a href="#">Amending Regulation (EU) No 913/2010 2008/0247(COD)</a> <a href="#">Repealed by 2018/0228(COD)</a> <a href="#">Amended by 2015/0009(COD)</a> <a href="#">Amended by 2016/0276(COD)</a> <a href="#">Amended by 2016/0282A(COD)</a> <a href="#">Amended by 2016/0287(COD)</a> <a href="#">Amended by 2018/0299(COD)</a> See also <a href="#">2011/0299(COD)</a>
<b>Legal basis</b>	Rules of Procedure EP 59 Treaty on the Functioning of the EU TFEU 172
<b>Mandatory consultation of other institutions</b>	<a href="#">European Economic and Social Committee</a> <a href="#">European Committee of the Regions</a>
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	CJ05/7/09041

<a href="#">Documentation gateway</a>				
<b>European Parliament</b>				
<b>Document type</b>	<b>Committee</b>	<b>Reference</b>	<b>Date</b>	<b>Summary</b>
Committee draft report		<a href="#">PE491.110</a>	20/07/2012	
Amendments tabled in committee		<a href="#">PE494.792</a>	03/09/2012	
Committee opinion	<a href="#">BUDG</a>	<a href="#">PE492.829</a>	20/09/2012	
Amendments tabled in committee		<a href="#">PE496.462</a>	20/09/2012	
Amendments tabled in committee		<a href="#">PE496.338</a>	10/10/2012	
Amendments tabled in committee		<a href="#">PE496.337</a>	10/10/2012	
Amendments tabled in committee		<a href="#">PE497.891</a>	17/10/2012	
Committee opinion	<a href="#">REGI</a>	<a href="#">PE491.329</a>	29/11/2012	
Specific opinion	<a href="#">JURI</a>	<a href="#">PE504.159</a>	28/01/2013	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A7-0021/2013</a>	29/01/2013	<a href="#">Summary</a>
Text adopted by Parliament, 1st reading/single reading		<a href="#">T7-0463/2013</a>	19/11/2013	<a href="#">Summary</a>
<b>Council of the EU</b>				
<b>Document type</b>	<b>Reference</b>	<b>Date</b>	<b>Summary</b>	
Draft final act	<a href="#">00076/2013/LEX</a>	11/12/2013		
<b>European Commission</b>				
<b>Document type</b>	<b>Reference</b>	<b>Date</b>	<b>Summary</b>	
Document attached to the procedure	<a href="#">SEC(2011)1262</a> 	19/10/2011		
Document attached to the procedure	<a href="#">SEC(2011)1263</a> 	19/10/2011		
	<a href="#">COM(2011)0665</a>			

Legislative proposal		19/10/2011	<a href="#">Summary</a>
Commission response to text adopted in plenary	SP(2014)87	30/01/2014	
Follow-up document	COM(2018)0066 	13/02/2018	<a href="#">Summary</a>
Follow-up document	SWD(2018)0044 	13/02/2018	
For information	COM(2018)0612 	06/09/2018	
For information	SWD(2018)0398 	06/09/2018	

#### National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	<a href="#">PT_PARLIAMENT</a>	COM(2011)0665	01/02/2012	
Contribution	<a href="#">IT_SENATE</a>	COM(2011)0665	02/03/2012	
Contribution	<a href="#">CZ_SENATE</a>	COM(2011)0665	08/03/2012	
Contribution	<a href="#">RO_CHAMBER</a>	COM(2011)0665	15/03/2012	

#### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	CES0489/2012	22/02/2012	
CofR	Committee of the Regions: opinion	CDR0648/2012	19/07/2012	

#### Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

#### Final act

<a href="#">Regulation 2013/1316</a> <a href="#">OJ L 348 20.12.2013, p. 0129</a>	<a href="#">Summary</a>
--	-------------------------

#### Delegated acts

Reference	Subject
<a href="#">2014/2509(DEA)</a>	Examination of delegated act

## Connecting Europe Facility 2014-2020

2011/0302(COD) - 29/01/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy and the Committee on Transport and Tourism (acting as joint committees) adopted the report by Inés AYALA SENDER (S&D, ES), Adina-Ioana VLEAN (ADLE, RO) and Dominique RIQUET (EPP, FR) on the proposal for a regulation of the European Parliament and of the Council establishing the Connecting Europe Facility.

The committee recommends that the position of the European Parliament adopted in first reading, following the ordinary legislative procedure, should amend the Commission proposal as follows:

**Subject-matter and scope:** Members clarify that this Regulation shall establish the resources to be made available under the Multiannual Financial Framework 2014-2020 and their governing instruments, in order to **support projects of common interest** in the field of transport, energy and telecommunications infrastructures and to exploit **synergies** between those sectors.

**General objectives:** the Connecting Europe Facility shall **give priority to missing infrastructure** and :

- contribute to smart, sustainable and inclusive growth, in line with the Europe 2020 Strategy, by developing modern and high-performing trans-European networks which take into account **future traffic flows** and creating an environment more conducive to private, public or public-private investment;
- enable the Union to achieve its sustainable development targets;
- **increase the efficiency** of the resources deployed under this Regulation;
- contribute to supporting projects with a **European added value** and significant societal benefits which do not receive adequate financing from the market.

**(1) In the transport sector,** EU support should be directed to the **core network** (especially the core network corridors) and **projects of common interest** in the field of traffic management systems. The objectives are mainly: (i) removing bottlenecks and creating missing links; (ii) ensuring sustainable and efficient transport in the long term; (iii) strengthen the accessibility and multimodal transport services; (iv) improve interoperability and safety of transport modes; (v) enable the decarbonisation of all transport modes.

Members would like to stick, at this stage and as a starting point, to the ten pre-identified corridors and other sections presented by the Commission and only propose a slight modification of the horizontal priorities by adding '**Motorways of the seas**' so that this concept continues to be a priority for the TEN-T, as well as maritime Intelligent Transport Services.

**(2) In the field of energy:** In the energy sector, financial aid should focus on completing the internal energy market, ensuring security of supply, ensuring the transmission of renewable electricity from generation to centres of demand and storage, and attracting private investment. **A significant part of the budget envisaged should be allocated in the form of financial instruments.** Grants can and should be used as a last resort for priority projects where there is no commercial viability, but important positive externalities, without distorting the still developing energy market and without creating artificial competition with private resources.

For the first two work programmes, priority consideration shall be given to projects and actions aiming at ending energy isolation and eliminating energy bottlenecks, while at least **75%** of the total financial allocation envisaged for the energy sector under this Regulation shall be assigned to electricity infrastructure projects.

**(3) In the field of telecommunications,** special emphasis will be given to actions which support cloud and **ultra-fast wireless networks** deployment objectives. Members state that it is essential to stimulate Union-wide deployment of fast and ultra-fast broadband networks and to facilitate the development and deployment of trans-European digital services.

Generic services, core service platforms and programme support actions shall be financed through grants and/or procurement. Actions in the field of broadband networks may also be financed through grants, for projects which reduce the digital divide by connecting rural, mountainous, remote or sparsely populated regions or islands.

**Budget:** pending agreement on the **Multiannual Financial Framework** for the period 2014-2020, Members have left open the exact amount of the financial envelope. The estimated investment requirement for trans-European networks in the transport, energy and telecommunications sectors for the period up to **2020 is EUR 970 000 000 000.**

The financial envelope of the Connecting Europe Facility shall cover expenses pertaining to: (a) actions in support of projects of common interest; (b) programme support actions up to 1.5%. The annual commitments shall be subject to the approval of the European Parliament and the Council, within the limits of the Multiannual Financial Framework.

**Procurement:** in order to ensure broad and fair competition for projects benefitting from CEF funds, **tenders must be based on fair and transparent contract conditions** and the form of contract used must be appropriate to the project's objectives and circumstances. Participation in Union-financed projects by undertakings established in **third countries** must be matched by a requirement for reciprocity in trade relations.

**Synergies:** in order to give more incentives to projects promoters to come forward with actions with potential synergies between the three sectors, Members propose to introduce a more specific wording on synergies and in particular on the eligibility criteria, cofinancing rates, governing and financial rules. A new tentative list of pre-identified projects with potential synergies is presented in part IIIa of the Annex.

**Report:** no later than 31 December 2017, an evaluation report shall be presented by the Commission on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and its European added value, with a view to a decision on the renewal, modification or suspension of the measures.

## Connecting Europe Facility 2014-2020

The European Parliament adopted by 583 votes to 91 with 17 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing the Connecting Europe Facility.

The Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise agreement between Parliament and Council. They amend the Commission proposal as follows:

**Purpose and scope:** Parliament clarified that the CEF should **better enable synergies** between the transport, telecommunications and energy sectors to be harnessed to the full, thus enhancing the effectiveness of Union action and enabling implementing costs to be optimised.

The creation of the Connecting Europe Facility (CEF) aimed to **accelerate investment** in the field of trans-European networks and to leverage funding from **both the public and the private sectors**, while increasing legal certainty and respecting the principle of technological neutrality.

**General objectives:** the CEF will:

- support the implementation of projects of common interest which aim at the development and construction of new infrastructures and services, or at the upgrading of existing infrastructures and services, in the transport, telecommunications and energy sectors ;
- give priority to missing links in the transport sector ;
- contribute to supporting projects with a **European added value** and significant societal benefits which do not receive adequate financing from the market ;
- contribute to the Europe 2020 Strategy, by developing trans-European networks which take into account expected future traffic flows, and creating an environment more conducive to private, public or public-private investment;
- enable the Union to achieve its sustainable development targets, thus contributing to the Union's mid-term and long-term objectives in terms of decarbonisation.

**1) In the transport sector,** Union support would go to projects of common interest, that pursue the following objectives: (i) removing bottlenecks, bridging missing links and, in particular, improving cross-border sections; (ii) ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows, as well as enabling all modes of transport to be decarbonised ; (iii) optimising the integration and interconnection of transport modes and enhancing the interoperability of transport services, while ensuring the accessibility of transport infrastructures

**2) In the energy sector,** financial support was aimed to: (i): increase competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders; (ii) enhancing Union security of energy supply; (iii) contributing to sustainable development by the integration of energy from renewable sources into the transmission network, and by the development of smart energy networks and carbon dioxide networks.

In the first two annual work programmes, priority consideration would be given to projects of common interest and related actions aimed at ending energy isolation and eliminating energy bottlenecks, and at the completion of the internal energy market.

To enhance the multiplier effect of Union financial assistance, the Commission should, subject to market take-up, endeavour to give priority to the use of financial instruments whenever appropriate.

**3) In the telecommunications sector,** the CEF shall support actions that pursue the objectives specified in a Regulation on guidelines for trans-European networks in the area of telecommunications infrastructure.

Union financial assistance should be granted, as follows:

- generic services, core service platforms and programme support actions to be financed through grants and/or procurement;
- actions in the field of broadband networks to be financed through financial instruments.

**Budget:** the financial envelope for the implementation of the CEF for the period 2014 to 2020 was set at **EUR 33 242 259 000** in current prices. That amount was to be distributed as follows:

- **transport sector:** EUR 26 250 582 000, of which EUR 11 305 500 000 would be transferred from the Cohesion Fund to be spent in line with this Regulation exclusively in Member States eligible for funding from the Cohesion Fund;
- **telecommunications sector:** **EUR 1 141 602 000**;
- **energy sector:** EUR 5 850 075 000.

Following the mid-term evaluation, the European Parliament and the Council may, upon a proposal by the Commission, transfer appropriations between the transport, telecommunications and energy sectors of the allocations, with the exception of the amount of EUR 11 305 500 000 transferred from the Cohesion Fund to finance transport sector projects in the Cohesion Fund-eligible Member States.

**Conditions of participation:** according to the amended text, proposals must be submitted by **one or more Member States** or, with the agreement of the Member States concerned, by international organisations, joint undertakings, or public or private undertakings or bodies established in Member States.

**Financial instruments:** these must be used to address specific market needs, for actions that have a clear European added value and **should not crowd out private financing**. They must improve the leverage effect of the Union budget spending and achieve a higher multiplier effect in terms of attracting private-sector financing.

The overall contribution from the Union budget to the financial instruments shall not exceed 10 % of the overall financial envelope of the CEF.

**Report:** no later than 31 December 2017, the Commission must prepare an evaluation report to be presented to the European Parliament and the Council on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and the European added value of the CEF, with a view to deciding on the renewal, modification or suspension of the measures. The evaluation report must include an assessment of the economies of scale made by the Commission at a financial, technical and human level when managing the CEF and, where applicable, of the total number of projects harnessing the synergies between the sectors.

## Connecting Europe Facility 2014-2020

**PURPOSE:** to establish the Connecting Europe Facility ("CEF") for the coordination, development and financing of the trans-European networks.

**LEGISLATIVE ACT:** Regulation (EU) n° 1316/2013 of the European Parliament and of the Council establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010.

**CONTENT:** this Regulation establishes the **Connecting Europe Facility** ("CEF"), which determines the conditions, methods and procedures for providing Union financial assistance to trans-European networks. The aim is to support projects of common interest in the **sectors of transport, telecommunications and energy infrastructures** and to exploit potential synergies between those sectors.

The aim of the creation of the Connecting Europe Facility (CEF) is to **accelerate investment** in the field of trans-European networks and to **leverage funding** from both the public and the private sectors, while increasing legal certainty and respecting the principle of technological neutrality.

**Support for projects of common interest:**

**1) Transport sector:** the CEF shall support projects of common interest, as identified in [Regulation \(EU\) No 1315/2013](#), that pursue the following objectives:

- removing bottlenecks, enhancing rail interoperability, bridging missing links and, in particular, improving cross-border sections;
- ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows, as well as enabling all modes of transport to be decarbonised through transition to innovative low-carbon and energy-efficient transport technologies, while optimising safety;
- optimising the integration and interconnection of transport modes and enhancing the interoperability of transport services, while ensuring the accessibility of transport infrastructures.

Horizontal priorities concern particularly innovative management and services in the following sectors: (i) Single European Sky – SESAR system; (ii) telematic applications systems for road, rail, inland waterways and vessels (ITS, ERTMS, RIS and VTMS); (iii) motorways of the sea.

**2) Energy sector:** support will be given for projects of common interest pursuing the following objectives:

- increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders;
- enhancing Union security of energy supply;
- contributing to sustainable development and protection of the environment, inter alia by the integration of energy from renewable sources into the transmission network, and by the development of smart energy networks and carbon dioxide networks.

The first two annual work programmes should give priority consideration to projects of common interest aimed at **ending energy isolation and eliminating energy bottlenecks**, so as to move towards completion of the internal energy market. The Regulation also stresses the particular importance of **electricity projects**, with first electricity highways by 2020.

**3) Telecommunications sector:** the CEF all actions implementing the projects of common interest and programme support actions identified in a [Regulation on guidelines](#) for trans-European networks in the area of telecommunications infrastructure.

**Budget:** the financial envelope for the CEF for the period 2014 to 2020 is **EUR 33 242 259 000** in current prices. This amount is divided as follows:

- *transport sector:* EUR 26 250 582 000, of which EUR 11 305 500 000 shall be transferred from the Cohesion Fund to be spent in line with this Regulation exclusively in Member States eligible for funding from the Cohesion Fund;
- *telecommunications sector:* EUR 1 141 602 000;
- *energy sector:* EUR 5 850 075 000.

Following the mid-term evaluation, the European Parliament and the Council may, upon a proposal by the Commission, transfer appropriations between the transport, telecommunications and energy sectors, with the exception of the amount of **EUR 11 305 500 000** transferred from the Cohesion Fund to finance transport sector projects in the Cohesion Fund-eligible Member States.

**Financial instruments:** in the **energy sector**, the budget envisaged should, as a priority, be allocated in the form of financial instruments, subject to market uptake.

Projects of common interest in the **telecommunications** sector should be eligible for Union financial support in the form of grants and procurement for core service platforms, generic services and horizontal actions.

Actions in the field of broadband deployment, including actions generating demand for broadband, should be eligible for Union financial support in the form of financial instruments.

Financial instruments should be used to **address specific market needs**, for actions that have a clear European added value. They should improve the leverage effect of the Union budget spending and achieve a higher multiplier effect in terms of attracting private sector financing.

The overall contribution from the Union budget to the financial instruments shall not exceed **10 %** of the overall financial envelope of the CEF.

**Report:** no later than 31 December 2017, the Commission shall prepare an evaluation report on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and the European added value of the CEF, with a view to deciding on the renewal, modification or suspension of the measures.

ENTRY INTO FORCE : 21.12.2013. The Regulation is applicable from 01.01.2014.

DELEGATED ACTS : the Commission may adopt delegated acts to modify the list of general orientations to be taken into account when setting award criteria. The power to adopt such acts is conferred on the Commission **from 1 January 2014 to 31 December 2020**. The European Parliament or the Council may raise objections with regard to a delegated act within two months of the date of notification (which may be extended by two months). If Parliament or Council raise objections, the delegated act will not enter into force.

## Connecting Europe Facility 2014-2020

2011/0302(COD) - 19/10/2011 - Legislative proposal

PURPOSE: creation of the Connecting Europe Facility (CEF) with a view to accelerating investments in trans-European networks and mobilising funding from both the public and the private sectors.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: in the past decade, infrastructure spending in Europe has been, on average, on a declining path. The economic and financial crisis has, however, brought renewed interest in the need for infrastructure investment. **A fully functioning single market depends on modern, highly performing infrastructure** connecting Europe particularly in the areas of transport, energy and telecommunications. Yet, while regulatory integration advances within the EU and markets become more integrated, **cross-border physical interconnection is lagging**. Missing links exist, notably in the new Member States, creating dividing lines between the centre and peripheries of the European Union and hampering the further development of intra-Union exchanges or the growth of new economic sectors.

**Substantial investment needs** have been identified.

[In the energy sector](#), it is estimated that Europe's energy system would require investments of around **EUR 1 trillion by 2020**. Of this amount, about EUR 200 billion of investment is needed for electricity and gas networks of European importance alone. EUR 100 billion of this total investment should be delivered by the market unaided, whereas the other EUR 100 billion will require public action to leverage the necessary investments.

[In the transport sector](#), the cost of EU infrastructure development to match the demand for transport has been estimated at over **EUR 1.5 trillion for 2010-2030** for the entire transport networks of the EU Member States. The completion of the trans-European transport networks requires about EUR 500 billion by 2020, of which EUR 250 billion would be needed to complete missing links and remove bottlenecks on the core network.

As far as the [telecommunication networks](#) are concerned, the investment needs for achieving these objectives are estimated at up to **EUR 270 billion, in particular for fast and ultra-fast broadband for all European households and businesses by 2020**. However, in the absence of Union intervention, private sector investment is expected to be not more than EUR 50 billion for the period until 2020. This results in an investment gap of up to EUR 220 billion.

In order to increase the impact of EU budgetary resources, the Commission proposes to tap more systematically into the use of **innovative financial instruments** to offer an alternative to the traditional grant funding and plug financing gaps for strategic investments.

Building on the experience of financial instruments under the current financial framework put in place in cooperation with the European Investment Bank (EIB), such as the Loan Guarantee Instrument for trans-European transport networks projects (hereafter LGTT), the Commission proposes to implement a significant part of its interventions within the **CEF** through financial instruments.

The [Europe 2020 Project Bond Initiative](#) will be used as a means of securing investment resources for infrastructure projects of key strategic European interest.

IMPACT ASSESSMENT: **nine main policy options** were initially considered, starting from the central rationale underlying the Commission's decision to propose the establishment of the Connecting Europe Facility, namely simplifying the existing EU funding framework by drawing on sectoral synergies.

The policy alternatives were built on combinations of scenarios corresponding to three basic options for financial rules simplification – minimal, maximal and variable (or "à la carte") harmonisation of sectoral rules – in the two areas of policy intervention corresponding to the two main specific objectives identified earlier – investment leverage and programme implementation.

The Commission concluded that the policy option where the **harmonisation of rules would be variable** – i.e. with a number of rules common and a number remaining sector specific – in both the area of investment leverage and that of programme implementation – would be the best option from the perspective of coherence with all the relevant EU policy goals.

LEGAL BASIS: **Article 172** of the Treaty on the functioning of the European Union (TFEU).

CONTENT: in its [proposal for the next Multi-Annual financial framework for the period 2014-2020: "A Budget for Europe 2020"](#), the Commission decided to propose the creation of a **new integrated instrument** for investing in EU infrastructure priorities in Transport, Energy and Telecommunications: the "Connecting Europe Facility" (CEF).

**Optimise the impact of funding**: the CEF will complement EU direct support with financial instruments in order to optimise the impact of funding. Through the high multiplier effects of financial instruments (which could be as high as 1:15 to 1:20), access to capital for the substantial investment needs will be facilitated.

Together with the successful absorption of direct EU support, the increased reliance on financial instruments will contribute significantly to mitigating risks to project promoters and therefore ensure implementation of projects of common interest. Furthermore, the task is to build an environment **conducive to private investment** and develop instruments that will be attractive vehicles for specialised infrastructure investors.

**General objectives**: the CEF's general objectives in the energy, transport and telecommunications sectors are the following:



to contribute to smart, sustainable and inclusive growth by developing modern and high performing trans-European networks, thus i) bringing forward benefits for the entire European Union in terms of competitiveness and economic, social and territorial cohesion within the Single Market, ii) creating an environment more conducive to private and public investment through a combination of financial instruments and Union direct support and iii) by exploiting synergies across the sectors;

to enable the Union to achieve its targets of a 20% reduction of greenhouse gas emissions, a 20% increase in energy efficiency and raising the share of renewable energy to 20% up to 2020, while ensuring greater solidarity among Member States.

**Specific objectives:** the CEF's specific objectives are as follows:

***In the field of transport:***

- removing bottlenecks and bridging missing links;
- ensuring sustainable and efficient transport in the long run;
- optimising the integration and interconnection of transport modes and enhancing interoperability of transport services.

***In the energy sector:***

- promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders, including by ensuring that no Member State is isolated from the European network;
- enhancing Union security of supply;
- contributing to sustainable development and protection of the environment, notably by fostering the integration of energy from renewable sources into the transmission network and developing carbon dioxide networks.

***In the telecommunications sector:***

- accelerating the deployment of fast and ultrafast broadband networks and their uptake, including by small and medium sized enterprises (SMEs);
- promoting the interconnection and interoperability of national public services online as well as access to such networks.
- **Simplification:** the proposal introduces simplification, in particular addressing the following issues: i) alignment of indicators on the Europe 2020 Strategy's objectives; ii) flexibility on budget allocations; iii) centralised management for the three sectors, possibly through implementation via an executive agency; iv) common funding instruments; v) common award criteria; vi) common conditions for financial assistance; vii) one stop visibility through common annual work programmes (important for sectors) and a common committee (important for Member States).

**The CEF in the context of the next multiannual financial framework:** the Connecting Europe Facility will be an essential element of an EU growth agenda focussed on increasing the EU's long-term growth potential. The Facility will be coordinated with the other interventions coming from the EU budget such as "Horizon 2020" and the Cohesion and Structural Funds. Moreover, the Connecting Europe Facility will be a centrally managed facility.

**BUDGETARY IMPACT:** the Commission's proposal for the next Multi-Annual financial framework includes a proposal for **EUR 50 billion for the period 2014-2020** divided up as follows:

- **Energy:** EUR 9.1 billion;
- **Transport:** EUR 21.7 billion;
- **Telecommunications/Digital:** EUR 9.2 billion
- **Amounts ring-fenced in the Cohesion Fund for transport infrastructures:** EUR 10 billion.

**DELEGATED ACTS:** the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

## Connecting Europe Facility 2014-2020

2011/0302(COD) - 13/02/2018 - Follow-up document

In accordance with Regulation (EU) No 1316/2013, the Commission presented a report on the mid-term evaluation of the Connecting Europe Facility (CEF).

The CEF is a joint programme established under the Europe 2020 strategy to finance **infrastructure projects in the transport, telecommunications and energy sectors.**

Based on the respective sectoral guidelines, the general objective of the CEF is to promote the implementation of projects contributing to the completion of trans-European networks (TENs) with the aim of strengthening the cohesion of the internal market and the competitiveness of the Union on the world market.

The Connecting Europe Facility (CEF) is a common, centrally-managed funding programme for transport, energy and telecommunications infrastructures, with an available budget of **EUR 30.4 billion for the years 2014 to 2020.**

The evaluation was carried out according to **five criteria:** effectiveness, efficiency, relevance, coherence and EU added value. It stated that **CEF is an effective and targeted instrument for investment in trans-European infrastructure (TEN)** in transport, energy and the digital sector.

Three and a half years after its implementation, the CEF is on track, although it is still too early to measure the results.

The evaluation highlighted the following points:

**Contribution to smart, sustainable and inclusive growth:** since 2014, it has invested **EUR 25 billion, which has resulted in approximately EUR 50 billion of overall infrastructure investment** in the EU. CEF brings high European added value for all Member States by supporting connectivity projects with a cross-border dimension:

-

**in transport**, most of the CEF transport envelope was awarded for the completion of missing links and removal of bottlenecks on projects along the TEN-T Core Network (either through the creation of new infrastructure or the substantial upgrading and rehabilitating of existing infrastructure);

- **in energy**, CEF grants effectively contribute to enhancing security of supply, ending energy isolation, eliminating energy bottlenecks, completing the internal energy market and to enhancing the integration of renewable energy into the grid. Electricity projects contribute to reducing CO2 emissions by increasing grid capacity to integrate power produced from renewable sources;
- **in telecommunications**, there is evidence that CEF support for the deployment of DSIs is enabling public administrations, citizens and businesses to benefit from more comprehensive and efficient cross-border online services, thereby contributing to enhance the competitiveness of private and public actors alike. CEF also helps remove the bottlenecks which hinder the completion of the Digital Single Market, although the limited budget has so far only allowed to partially address the sector's needs.

**In the three sectors it covers**, the CEF is also instrumental in:

- the deployment of EU-wide new systems in traffic management and safety (e.g. SESAR for aviation, ERTMS for railways);
- high-performance electricity lines and smart grids essential for the rapid intake of renewable non-carbon energy sources;
- in the roll-out of broadband and interconnected Digital Services (such as Open Data, e-Health, eProcurement, eIdentification and eSignature).

CEF spending in transport and energy is a major contributor to the **EU's target of at least 20 %** of the total EU budget to be dedicated to climate action-related spending.

**Efficient use of grants:** the evaluation showed that the **direct management** of CEF grants has proved very efficient, with a strong project pipeline and a competitive selection process, a focus on EU policy objectives, coordinated implementation and the full involvement of Member States. The Innovation and Networks Executive Agency (INEA) has a very good track record on the financial management of the CEF and on optimising the budget, particularly thanks to its flexibility in quickly re-directing money unspent by certain actions to financing new ones.

CEF has continued to use and develop **innovative financial instruments**. However, their deployment has been limited due to the new possibilities offered by EFSI. The use of the CEF financial instruments is expected to take up during the second half of the programme when complementarity between the CEF specific financial instruments and EFSI will have been ensured.

Moreover, a very positive first experience of **blending grants with financial instruments** was carried out in 2017 in transport, with EUR 2.2 billion funding requested for a call with an indicative budget of EUR 1 billion, enabling the use of grants to maximise the leverage of private or public funds.

CEF has also tested **cross-sectoral synergies**, but has been limited by constraints in the current legal/budgetary framework. The sectoral policy guidelines and the CEF instrument would need to be made more flexible to facilitate synergies and be more responsive to new technological developments and priorities such as **digitalisation, decarbonisation and cybersecurity**.

The report concluded that the completion of the TEN will still require massive investments, part of which will depend on continued EU support. The size of CEF currently makes it possible to address only some of the identified market failures (e.g. bridging the funding gap with EU support) in all three sectors. Therefore, **potential exists for unlocking further public and private investment** if additional EU budget was made available to address more market failures.