Procedure file

Basic information

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2011/0299(COD) Amended by 2015/0009(COD) Amended by 2016/0276(COD) Amended by 2016/0282A(COD) Amended by 2016/0287(COD) Repealed by 2018/0228(COD) Amended by 2018/0299(COD) Subject 3.20.11 Trans-European transport networks 3.30.20 Trans-European communications networks 3.60.06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

Key players

European Parliament	Joint Committee Responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy		
	TRAN Transport and Tourism		10/11/2011
		PPE RIQUET Dominique	10/11/2011
			10/11/2011
		S&D AYALA SENDER Inés	
		ALDE VĂLEAN Adina-Ioana	
		Shadow rapporteur	
		PPE CANCIAN Antonio	
		S&D PIRILLO Mario	
		ALDE DE BACKER Philippe	
		Verts/ALE CRAMER Michael	
		Verts/ALE TURMES Claude	
		ECR SZYMAŃSKI Konrad	
		ECR ZĪLE Roberts	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		06/02/2012
		S&D FÄRM Göran	
	REGI Regional Development		23/11/2011
		PPE PIEPER Markus	
	Committee for opinion on the legal basis	Rapporteur for opinion	Appointed
	JURI Legal Affairs		18/01/2013
		EFD SPERONI Francesco	

		Enrico	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	3278	05/12/2013
	Transport, Telecommunications and Energy	3243	06/06/2013
	Transport, Telecommunications and Energy	3213	20/12/2012
	Transport, Telecommunications and Energy	3171	07/06/2012
European Commission	Commission DG	Commissioner	
	Mobility and Transport	KALLAS Siim	
European Economic and Social Committee			
European Committee of the Regions			

Key events

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	3171	Summary
18/12/2012	Vote in committee, 1st reading		
20/12/2012	Debate in Council	3213	Summary
29/01/2013	Committee report tabled for plenary, 1st reading	A7-0021/2013	Summary
06/06/2013	Debate in Council	3243	Summary
18/11/2013	Debate in Parliament		
19/11/2013	Results of vote in Parliament		
19/11/2013	Decision by Parliament, 1st reading	T7-0463/2013	Summary
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

Procedure reference	2011/0302(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealing Regulation (EC) No 680/2007 2004/0154(COD) Amending Regulation (EU) No 913/2010 2008/0247(COD) Repealing Regulation (EC) No 67/2010 2009/0037(COD)

	See also 2011/0299(COD) Amended by 2015/0009(COD) Amended by 2016/0276(COD) Amended by 2016/0282A(COD) Amended by 2016/0287(COD) Repealed by 2018/0228(COD) Amended by 2018/0299(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 172; Rules of Procedure EP 58
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	CJ05/7/09041

Documentation gateway

Legislative proposal		COM(2011)0665	19/10/2011	EC	Summary
Document attached to the procedure		SEC(2011)1262	19/10/2011	EC	
Document attached to the procedure		SEC(2011)1263	19/10/2011	EC	
Economic and Social Committee: opinion, report		CES0489/2012	22/02/2012	ESC	
Committee of the Regions: opinion		CDR0648/2012	19/07/2012	CofR	
Committee draft report		PE491.110	20/07/2012	EP	
Committee opinion	BUDG	PE492.829	20/09/2012	EP	
Amendments tabled in committee		PE496.337	10/10/2012	EP	
Amendments tabled in committee		PE496.338	10/10/2012	EP	
Amendments tabled in committee		PE497.891	17/10/2012	EP	
Committee opinion	REGI	PE491.329	29/11/2012	EP	
Specific opinion	JURI	PE504.159	28/01/2013	EP	
Committee report tabled for plenary, 1st reading/single reading		A7-0021/2013	29/01/2013	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0463/2013	19/11/2013	EP	Summary
Draft final act		00076/2013/LEX	11/12/2013	CSL	
Commission response to text adopted in plenary		SP(2014)87	30/01/2014	EC	
Follow-up document		COM(2018)0066	13/02/2018	EC	Summary
Follow-up document		SWD(2018)0044	13/02/2018	EC	
For information		COM(2018)0612	06/09/2018	EC	
For information		SWD(2018)0398	06/09/2018	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

Regulation 2013/1316
OJ L 348 20.12.2013, p. 0129 Summary

Final legislative act with provisions for delegated acts

Delegated acts

2014/2509(DEA)	Examination of delegated act
2016/2835(DEA)	Examination of delegated act

Connecting Europe Facility 2014-2020

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 CEFs 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 CEFs 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 Commissions proposal for the next Multi-Annual financial framework includes a proposal for EUR 50 billionfor 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

The Council agreed on a partial general approach on a draft regulation establishing the Connecting Europe Facility (CEF), the future funding instrument for the trans-European networks (TEN) in the fields of transport, energy and telecommunications. The draft regulation determines the conditions, methods and procedures for the Union's financial contribution to TEN projects, while the development strategies, priorities and implementation measures for each of the sectors are defined in sector-specific policy guidelines which will be adopted separately. The Council has already agreed on a general approach on guidelines for the transport sector in March 2012 (TEN-T guidelines: 8047/12).

The overall objective of the CEF is to help create high-performing and environmentally-sustainable interconnected networks across Europe, thereby contributing to economic growth and social and territorial cohesion within the Union. To this end, the CEF will support projects that pursue the following sector-specific objectives:

- transport: removing bottlenecks and bridging missing links; ensuring sustainable and efficient transport systems in the long term; improving the integration and interconnection of different transport modes and enhancing interoperability;
- energy: improving the integration of the internal energy market and the interoperability of energy networks across borders; enhancing security of energy supply; contributing to sustainable development and protection of the environment;

- telecommunications: building high-speed broadband networks and developing trans-European digital public service infrastructures.

Transport issues: the main outstanding issue concerns requests by several delegations to extend the possibilities of financing road projects by means of grants.

- While the transport part of the CEF regulation strongly focuses on the funding of railways and inland waterways, it also, under certain conditions, allows the financing of road projects through grants. As a result of its discussions, the Council agreed to add member states with an isolated rail network without long-distance rail freight transport to the cases where grants can be given to road projects.
- In addition, it was decided to provide for co-financing of road works at cross-border sections in all member states at a rate of up to 10 %. All those funding possibilities, however, are subject to the general conditions for grants for TEN-T projects. Apart from road financing, in order to reach broad agreement on a final compromise, the Council increased the co-financing rate for the development of the Motorways of the Seas from 20 % to 30 % and added the interconnection of maritime ports to the indicators for achieving the objective of enhanced interconnection and interoperability.
- In addition, to accommodate requests from delegations, some modifications concerning rail or road sections or ports have been introduced into the list of core network corridors set out in the annex to the regulation. Moreover, it will be clarified in a recital that the completion of the core transport network includes not only the creation of new infrastructure, but also the rehabilitation and upgrading of existing infrastructure.

Financial instruments: some delegations also raised issues related to the financial instruments and other financial provisions under the CEF regulation. However, as those issues are not part of the present general approach, they will need to be addressed later on by budgetary experts. One member state abstained for the time being, pending the outcome on the financial part. Another delegation also underlined that it might be necessary to reopen discussion on certain issues once the budgetary decisions are known.

Funding rates:

- The maximum funding rates for the transport sector range from between 20 % and 50 % of the eligible costs.
- In the energy sector, the maximum rates are 50 %, but can be increased to up to 75 % in specific cases.
- In the telecommunications sector, broadband networks can receive funding rates of up to 50 % and generic services and cross-cutting priorities rates of up to 75 %, while the "Europeana" digital platform for the European cultural heritage can receive funding rates of up to 100 %.

All those rates may be increased by up to 10 % for measures that have cross-sector synergies or are particularly helpful in combating climate change.

To be eligible for aid from the CEF, the projects must be in line with the requirements set out in the sector-specific guidelines.

Budget: the budget to be made available for the trans-European networks under the CEF will depend on the results of the negotiations on the next multiannual framework and is therefore not yet included in this partial general approach. The Commission has proposed EUR 50 billion for the years 2014 to 2020, with EUR 31.7 billion (including EUR 10 billion earmarked in the Cohesion Fund) allocated to the transport sector, EUR 9.1 billion to the energy sector and about the same amount to the telecommunications sector.

Connecting Europe Facility 2014-2020

The Council took note of the state of play in regard to the proposed Regulation on the Connecting Europe Facility (CEF), which is the future funding instrument for the trans-European networks in the transport, energy and telecommunications sectors.

In June 2012, the Council agreed on a partial general approach to the CEF which did not include the financial provisions, pending the negotiations on the new Financial Regulation and on the multi-annual financial framework (MFF) for the years 2014-2020.

Since then, the majority of issues linked to the Financial Regulation have been resolved; these include:

- the choice of financial instruments as an indicator,
- the forms of financial aid,
- the bodies implementing the CEF,
- the provisions concerning cancellation, reduction, suspension or termination of grants,
- reflows and the annual installments.

Some items relating to the ongoing MFF negotiations are still open. These include:

- the amounts allocated in the financial envelope of the CEF. The percentage of 0.35 % for the ceiling of programme support actions is linked to the global amount of EUR 50 billion;
- the amount transferred from the Cohesion Fund, i.e. the EUR 10 billion transferred from the Cohesion Fund, out of the EUR 31.7 billion allocated for the transport sector, to be used under the rules of the CEF exclusively for Member States eligible for Cohesion Fund;
- VAT eligibility: whether VAT is a cost for which a grant may be made under the CEF Regulation

Other outstanding issues concern:

- the provisions on financial aid through the use of innovative financial instruments such as project bonds, designed to leverage additional investment from private and public sources;
- the need for further sector-specific discussions will be needed on the infrastructure priorities for the telecommunications sector, as listed in the annex to the CEF Regulation;
- further examination of the possibility to lay down the main terms, conditions and procedures for each financial instrument in Part IV of the Annex, as well as the related issue of the powers delegated to the Commission.

At the Council meeting, the Commission expressed regret that important cuts to the CEF budget have been proposed in the framework of the MFF negotiations.

Connecting Europe Facility 2014-2020

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 V?LEAN (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 though 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 Council took note of the state of play on the proposed Regulation establishing the Connecting Europe Facility (CEF), the future funding instrument for the trans-European networks (TEN) in the fields of transport, energy and telecommunications.

Good progress has already been made in negotiations between Council and Parliament. There is agreement on the majority of transport issues, on the provisions concerning the use of innovative financial instruments such as project bonds, designed to leverage additional investment from private and public sources, and on the question of whether value added tax should be an eligible cost for grants under the CEF.

However, some energy issues still need further discussion, as do a number of budgetary provisions related to the ongoing negotiations with the Parliament on the next Multiannual Financial Framework (MFF), for the years 2014-2020.

In addition, the part concerning the telecommunications sector will have to be adapted in the light of an amended proposal for guidelines on telecommunication networks, adopted by the Commission at the end of May to take account of the budgetary cuts agreed by the European Council for this sector.

It should be recalled that in February 2013, the European Council agreed on the amounts to be allocated under the CEF to each of the three sectors covered. The final decision on the financial envelope will, however, depend on the outcome of the MFF negotiations. Certain items relating to the MFF negotiations remain open: The first issue relates to the amounts allocated in the financial envelope of the CEF. The percentage for the ceiling of programme support actions is linked to the global amount of the CEF budget.

As far as the issues relating to the EUR 10 billion transferred from the Cohesion Fund are concerned, as well as the question of the VAT eligibility, the EP indicated that the Presidency compromise proposals were acceptable. The same goes for the provisions concerning the financial instruments. The EP also indicated that it could accept most of the wording presented by the Presidency in Part IV of the annex.

Other outstanding issues include:

- costs of the TEN-T Executive Agency;
- synergies;
- the possibility to adopt strategic orientations under delegated acts (with the annual and multi-annual work programmes being adopted by implementing acts);
- recitals to be examined when an agreement on the normative provisions has been reached;
- the text of Part III of the Annex is pending the examination of the Guidelines by the telecommunications working group;
- discussions on the alignment of the rail freight corridors and core network corridors (Part V of the Annex) are still ongoing.

The general rules laid down in the CEF Regulation will be complemented by sector-specific policy guidelines defining development strategies, priorities and implementation measures for each of the three sectors concerned. These guidelines will be adopted separately from the CEF Regulation. The Council and the Parliament have already reached agreement on the sector-specific guidelines for the energy sector, and a provisional agreement on the transport guidelines is expected to be confirmed soon.

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 though 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 VTMIS); (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

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 C EF 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 EUs 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.