

# Connecting Europe Facility 2014-2020

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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.