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DELL'UNIONE EUROPEA

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**RELAZIONE**

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| al: | COREPER/Consiglio |
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| Oggetto: | Proposta di regolamento del Parlamento europeo e del Consiglio che istituisce il meccanismo per collegare l'Europa (prima lettura)<br>– *Relazione sull'andamento dei lavori* |

## I. Introduzione

1. Il 24 ottobre 2011 la Commissione ha trasmesso la proposta in oggetto al Parlamento europeo e al Consiglio. Il meccanismo per collegare l'Europa (in appresso "il CEF") fa parte del pacchetto proposto nel contesto del prossimo quadro finanziario pluriennale (QFP).

2. Il CEF stabilisce le norme generali per la concessione dell'assistenza finanziaria dell'Unione nel settore delle reti transeuropee dei trasporti, dell'energia e delle telecomunicazioni, e sostituisce le basi giuridiche esistenti. Per ciascun settore sono stati proposti anche orientamenti politici settoriali (orientamenti TEN-T, orientamenti TEN-E e orientamenti INFSO) che definiscono le priorità e le misure complementari di attuazione.

## II. Lavori a livello di Consiglio

3. Il Comitato del bilancio ha avviato l'esame della proposta durante la presidenza danese. I Gruppi settoriali summenzionati hanno fornito contributi al Comitato del bilancio su questioni settoriali specifiche. La valutazione d'impatto che correda il regolamento CEF è stata presentata dalla Commissione il 2 febbraio 2012.

4. Poiché alcune disposizioni del CEF di carattere finanziario erano connesse ai negoziati in corso sul prossimo QFP e sul nuovo regolamento finanziario, la presidenza danese ha deciso di escluderle dal presente approccio generale parziale raggiunto nella sessione del Consiglio Trasporti, telecomunicazioni e energia (TTE) del 7 giugno 2012 (doc. 11236/12).

5. Per l'esame di questa proposta la presidenza cipriota ha stabilito una procedura specifica istituendo un gruppo degli Amici della Presidenza (CEF) responsabile di questo fascicolo (doc. 12603/12). L'ultima discussione sul CEF in sede di Gruppo degli Amici della Presidenza (CEF) ha avuto luogo il 6 dicembre 2012.

6. La presidenza cipriota ha presentato tre versioni rivedute della proposta alla luce delle discussioni in sede di Gruppo degli Amici della Presidenza (CEF). Per comodità di riferimento, si allega alla presente relazione una versione riveduta delle proposte di compromesso della presidenza. Le modifiche rispetto al testo precedente (doc. 16864/12) sono evidenziate in **grassetto** e con […].

7. La maggior parte delle questioni connesse ai negoziati sul nuovo regolamento finanziario sono state risolte, quali la scelta degli strumenti finanziari come indicatore (articolo 3, lettera a)), le forme di assistenza finanziaria (articolo 6, paragrafo 1 e articolo 7, paragrafo 1), gli organi preposti all'attuazione del meccanismo (articolo 6, paragrafo 2), le disposizioni riguardanti l'annullamento, la riduzione, la sospensione o la soppressione della sovvenzione (articolo 12), i rimborsi (ex articolo 15, paragrafo 6) e le rate annuali (articolo 18).

8. I punti relativi ai negoziati in corso sul QFP sono ancora aperti. La prima questione riguarda gli importi previsti nel quadro della dotazione finanziaria del CEF (articolo 5, paragrafi 1 e 3). La percentuale dello 0,35% per il massimale delle azioni di sostegno al programma (articolo 5, paragrafo 2) è connessa all'importo globale di 50 miliardi di EUR. La seconda questione riguarda i 10 miliardi di EUR trasferiti dal Fondo di coesione, su un importo totale di 31,7 miliardi destinati al settore dei trasporti, da utilizzare in conformità alle disposizioni del CEF esclusivamente per gli Stati membri ammissibili al Fondo di coesione (articolo 11, articolo 5, paragrafo 1, lettera a), articolo 5, paragrafo 3 e articolo 10, paragrafo 5). Una terza questione riguarda l'ammissibilità dell'IVA (articolo 8, paragrafo 7).

9. Altre questioni in sospeso sono di seguito elencate:
- vanno ulteriormente esplorate la possibilità di stabilire nella parte IV dell'allegato i principali termini, condizioni e procedure per ciascuno strumento finanziario (articolo 14, paragrafo 1) e la questione connessa dei poteri delegati alla Commissione all'articolo 20, paragrafo 2,
- deve essere ulteriormente discusso anche il follow-up della fase pilota dell’iniziativa relativa ai prestiti obbligazionari, al cui riguardo le opinioni sono ampiamente divergenti (articolo 14, paragrafo 2),
- per il testo della Parte III dell'allegato si è in attesa dell'esame degli orientamenti da parte dei pertinenti gruppi di lavoro settoriali.

## III. Conclusioni

10. Il Coreper è invitato a esaminare e approvare la presente relazione sull'andamento dei lavori e a trasmetterla al Consiglio TTE il 20 dicembre 2012.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**
**establishing the Connecting Europe Facility**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the proposal to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

[1] OJ C , , p. .
[2] OJ C , , p. .

Whereas:

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(1) The creation of the Connecting Europe Facility should maximise the potential for growth through the realisation of synergies between transport, energy and telecommunications policies and their implementation, thus enhancing the efficiency of the Union's intervention.

(2) A fully functioning single market depends on modern, highly performing infrastructure connecting Europe particularly in the areas of transport, energy and telecommunications. These growth enhancing connections would provide better access to the internal market and consequently contribute to a more competitive market economy in line with Europe 2020 Strategy's objectives and targets[3].

(3) The creation of a Connecting Europe Facility aims at accelerating the investments in the field of trans-European networks and leverage funding from both the public and private sectors.

(4) The creation of efficient transport and energy infrastructure networks is one of the 12 key actions identified by the Commission in its Communication on a Single Market Act[4].

(5) The Commission has committed to mainstream climate change into Union spending programmes and to direct at least 20% of the Union budget to climate-related objectives. It is important to ensure that climate change mitigation and adaptation as well as risk prevention and management are promoted in the preparation, design and implementation of projects of common interest. Infrastructure investments covered by this Regulation should contribute to promoting the transition to a low-carbon and climate- and disaster-resilient economy and society.

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[3] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A Digital Agenda for Europe", 26.8.2010, COM(2010) 245 final/2.

[4] Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions "Single Market Act Twelve levers to boost growth and strengthen confidence "Working together to create new growth"", 13.4.2011, COM(2011) 206 final.

(6) The European Parliament in its 8 June 2011 Resolution on "Investing in the future: a new multiannual financial framework ("MFF") for a competitive, sustainable and inclusive Europe" stressed the importance of ensuring the rapid execution of the Union's Digital Agenda and of continuing efforts towards reaching by 2020 the targets of making the access to high-speed internet available to all Union citizens, also in less developed regions.[5] The Parliament also underlined that investing in effective transport infrastructure had a key role for Europe to defend its competitiveness and pave the way for post crisis, long term economic growth and that the trans-European transport network ("TEN-T") was vital in order to guarantee the proper functioning of the internal market and provide important Union added value. The Parliament expressed that it strongly believed that TEN-T should, accordingly, be a key priority in the next MFF and that an increase in TEN-T funds is necessary in the next MFF. In addition, the Parliament emphasised the need to maximise the impact of Union funding and the opportunity offered by the Cohesion and Structural Funds and financial instruments to fund key national and cross-border European priority energy infrastructure projects and stressed the need for a substantial allocation from the Union budget for financial instruments in this field.

(7) On 28 March 2011, the Commission adopted the White Paper "A Roadmap to a Single Transport Area — Towards a competitive and resource-efficient transport system"[6]. The White Paper aims at reducting by at least 60% the greeenhouse gas emissions ("GHG") of the transport sector by 2050 with respect to 1990. As far as infrastructure is concerned, the White Paper aims at establishing a fully functional and Union-wide multimodal TEN-T ‘core network’ by 2030. The White Paper also aims at optimising the performance of multimodal logistic chains, including by making greater use of more energy-efficient modes. Therefore, it sets the following relevant targets for TEN-T policy: 30% of road freight over 300 km should shift to other modes by 2030, and more than 50% by 2050; the length of the existing high-speed rail network should triple by 2030 and by 2050 the majority of medium-distance passenger transport should go by rail; by 2050, all core network airports should be connected to the rail network; all seaports to the rail freight and, where possible, to the inland waterway system.

[5] European Parliament resolution 2010/2211(INI).
[6] A Roadmap to a Single Transport Area (COM(2011) 144).

(8) The European Parliament in its Resolution of 6 July 2010 on a sustainable future for transport[7] emphasised that an efficient transport policy required a financial framework that was appropriate to the challenges arising and that, to that end, the current resources for transport and mobility should be increased; it further considered necessary the creation of a facility to coordinate the use of different sources of transport funding, funds available under cohesion policy, public-private partnerships ("PPPs") or other financial instruments such as guarantees.

(9) The Transport, Telecommunication and Energy (TTE) Council, in its conclusions of 11 June 2009 on the TEN-T policy review[8] reaffirmed the need to continue investing in transport infrastructure to ensure proper development of the TEN-T in all transport modes, as a basis for the internal market and competitiveness, economic, social and territorial cohesion of the Union and its connection to neighbouring countries, focusing on the European added value. The Council underlined the need for the Community to make available the financial resources necessary to stimulate investment in TEN-T projects and, in particular, the need to reconcile adequate financing support from the TEN-T budget to the priority projects which involve relevant cross-border sections and the implementation of which would extend beyond 2013 within the institutional constraints of the financial programming framework. In the view of the Council, public-private partnership approaches should be further developed and supported in this context where appropriate.

(10) On the basis of the objectives set by the White Paper, the TEN-T guidelines as laid down in Regulation (EU) No XXX/2012 of the European Parliament and of the Council of …[9] identify the infrastructure of the trans-European transport network, specify the requirements to be fulfilled by it and provide for measures for their implementation. The Guidelines envisage in particular the completion of the core network by 2030.

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[7] European Parliament resolution 2009/2096(INI).

[8] Council document 10850/09.

[9] OJ L…, p. ….

(11) Based on an analysis of the transport infrastructure plans of Member States, the Commission estimates that investment needs in transport amount to EUR 500 billion in the entirety of the TEN-T network for the period 2014-2020, of which an estimated EUR 250 billion will need to be invested in the core network of the TEN-T. Given the resources available at Union level, concentration on the projects with the highest European added value is necessary to achieve the desired impact. Support should therefore be focussed on the core network (in particular, the core network corridors) and on the projects of common interest in the field of traffic management systems (notably the air traffic management systems resulting from SESAR which require Union budgetary resources of about EUR 3 billion).

(12) Within the framework of the TEN-T policy review launched in February 2009, a dedicated expert group was created to support the Commission and look into the issue of the funding strategy and financing perspectives for the TEN-T. Expert Group No 5 drew from the experience of external experts from various fields: infrastructure managers, infrastructure planners, national, regional and local representatives, environmental experts, academia, and private sector representatives. The final report of Expert Group No 5[10] adopted in July 2010 contains 40 recommendations, some of which have been taken into account in this proposal.

(13) Experience with the current financial framework shows that many Member States, which are eligible to the Cohesion Fund, are facing significant obstacles in delivering on time complex cross-border transport infrastructure projects with a high Union added value. Therefore, in order to improve the delivery of transport projects, in particular cross-border ones, with a high Union added value, part of the Cohesion Fund allocation (EUR 10 billion[11]) should be transferred to finance transport projects on the transport core network in the Member States eligible to the Cohesion Fund under the Connecting Europe Facility. The Commission should support Member States eligible to the Cohesion Fund to develop an adequate pipeline of projects in order to give greatest possible priority to the national allocations under the Cohesion Fund.

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[10] http://ec.europa.eu/transport/infrastructure/ten-t-policy/review/doc/expert-groups/expert_group_5_final_report.pdf.

[11] In 2011 prices.

(14) In the Communication on "Energy infrastructure priorities for 2020 and beyond – a Blueprint for an integrated energy network" adopted in November 2010[12], the Commission identified the priority corridors, which are necessary to allow the Union to meet its ambitious energy and climate targets by 2020 for completing the internal energy market, ensuring security of supply, enabling the integration of renewable sources of energy and to prepare the networks for further decarbonisation of the energy system beyond 2020.

(15) Major investments are needed to modernise and expand Europe's energy infrastructure and to interconnect networks across borders to meet the Union's energy and climate policy objectives of competitiveness, sustainability and security of supply in a cost-effective way. The estimated investment needs in energy infrastructure up to 2020 amount to EUR 1 trillion, of which ca. EUR 200 billion in electricity and gas transmission and storage infrastructures considered of European relevance. Among projects of European relevance, approximately EUR 100 billion of investments is at risk of not being delivered due to obstacles related to permit granting, regulation and financing.

(16) The urgency to build the energy infrastructure of the future and the significant increase in investment volumes compared to past trends requires a step change in the way energy infrastructure is supported at EU level. In its conclusions[13] the Transport, Telecommunication and Energy (TTE) Council of 28 February 2011 endorsed the energy corridors as priorities for Europe.

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12 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Energy infrastructure priorities for 2020 and beyond – a Blueprint for an integrated energy network", 17.11.2010, COM(2010) 677 final.

13 Council document 6950/11.

(17) The 4 February 2011 European Council[14] called upon the Commission to streamline and improve authorisation procedures and to promote a regulatory framework attractive to investment. The European Council underlined that the bulk of the investment would have to be delivered by the market with costs recovered through tariffs. The European Council recognised that public finance was needed for projects required from a security of supply or solidarity perspective, which were unable to attract market based financing.

(18) Regulation (EU) No XXX/2012 of the European Parliament and of the Council of … [Guidelines for trans-European energy infrastructure][15] defines trans-European energy infrastructure priorities, which should be implemented by 2020 to meet the Union's energy and climate policy objectives; sets rules to identify projects of common interest necessary to implement these priorities, introduces measures in the field of permit granting, public involvement and regulation to speed up and/or facilitate the implementation of these projects, including criteria for general eligibility of such projects for Union financial aid.

(19) Telecommunications are increasingly becoming internet-based infrastructures, with broadband networks and digital services closely interrelated. The internet is becoming the dominant platform for communication, offering services, and doing business. Therefore the trans-European availability of fast Internet access and digital services is essential for economic growth and the Single Market.

(20) Modern, fibre-based internet networks are a crucial infrastructure for the future in terms of connectivity for European companies, in particular SMEs that want to use cloud computing in order to improve cost-efficiency.

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[14] EUCO 2/1/11.
[15] OJ L…, p. ….

(21) The Europe 2020 Strategy[16] calls for the implementation of the Digital Agenda for Europe[17] that establishes a stable legal framework to stimulate investments in an open and competitive high speed internet infrastructure and in related services. The June 2010 European Council endorsed the Digital Agenda for Europe and called upon all institutions to engage in its full implementation.[18]

(22) On 31 May 2010, the Council concluded that Europe should put the necessary resources into the development of a digital single market based on fast and ultra fast internet and interoperable applications and acknowledged that efficient and competitive investment in next generation broadband networks would be important for innovation, consumer choice and for the competitiveness of the Union and could provide better quality of life through better health care, safer transport, new media opportunities and easier access to goods and services in particular across borders.[19]

(23) The private incentives to invest in very fast broadband networks appear to be lower than benefits for the society as a whole. The investment needs for achieving the Digital Agenda objective of providing fast Internet access for all European citizens and businesses are estimated to reach up to EUR 270 billion. 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. The resulting investment gap represents a major bottleneck to infrastructure provision, while at the same time the Digital Single Market relies on all citizens to be connected via the infrastructure of the future.

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16 COM(2010) 2020 final 03.03.2010.

17 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A Digital Agenda for Europe", 26.8.2010, COM(2010) 245 final/2.

18 European Council conclusions on a new European strategy for growth and jobs – Finalising and implementing the Europe 2020 strategy, 17 June 2010.

19 Council conclusions on Digital Agenda for Europe - 3017th Transport, Telecommunications and Energy Council meeting Brussels, 31 May 2010.

(24) It is necessary to develop strong and coherent EU-wide networks for the digital delivery of public-good actions, involving both public and civil society actors at national and regional level, and to this end it is essential to ensure the structured EU financing of the costs of the system and software design, as well as maintenance of a resilient hub for such networks, leaving only in-country costs for national operator budgets.

(25) Several methods of implementation are necessary and require different funding rates to increase the efficiency and impact of the Union financial aid, to encourage private investment, and to respond to the specific requirements of individual projects.

(26) In the area of telecommunications certain core service platforms which ensure trans-European interoperability will need a higher funding rate from the Union, in particular in the start-up phase, while respecting the co-financing principle.

(27) Ensuring cross-border interoperability in the deployment of large scale infrastructure projects, in particular at the level of core services, may require simultaneous procurement and installation of equipment by the Commission, Member State and/or their beneficiaries. In such cases, Union financial aid may need to be allocated to procurements executed by infrastructure providers in Member States, either on their own behalf or in cooperation with the Commission. Provisions also enable multiple sourcing, which may be needed, inter alia, to provide for multi-language arrangements, to ensure security of supply and/or to implement network reduncuncy that is required to eliminate infrastructure network downtime that could be caused by a single point of failure.

(28) Generic services in areas of public interest (as core services) are often affected by a strong degree of market failures. Indeed, the areas to be funded relate to public service delivery (eHealth, eIdentity, eProcurement large scale deployment and interoperability) hence not commercial by definition at a starting level. In addition, if only core services are funded, the challenge would be to create the right incentives at Member State and regional level to actually deploy services of public interest: this is due particularly to lack of incentive at national level to link national systems to the core systems (hence develop conditions for interoperability and cross-border services) as well as to the fact that private investors would not alone ensure service deployment within interoperable frameworks.

(29) The digital guidelines as laid down in Regulation (EU) No XXX/2012 of the European Parliament and of the Council of …[20] [INFSO guidelines] identify the process and criteria for financing and also the various categories for investments.

(30) Horizon 2020 – the future Framework Programme for Research and Innovation will focus among others on tackling societal challenges (e.g. smart, green and integrated transport, and secure, clean and efficient energy, and information and communication technology-enabled health, government and sustainable development) in order to respond directly to the challenges identified in the Europe 2020 Strategy by supporting activities covering the entire spectrum from research to market. Horizon 2020 will support all stages in the innovation chain, especially activities closer to the market including innovative financial instruments. With the aim to achieve a greater impact of the Union funding and in order to ensure coherence, the Connecting Europe Facility will develop close synergies with Horizon 2020.

[20] OJ L…, p. ….

(31) The European Union and most Member States are party to the United Nations Convention on the Rigths of Persons with Disabilities while the remaining Member States are in the process of ratifying it. It is important in the implementation of the relevant projects that accessibility for persons with disabilities as mentioned in article 9 of the Convention.is considered in the specification of the projects.

(32) The financial instruments to be implemented under this Regulation should reflect the rules provided in Title VIII of Regulation (EU) No XXX/2012 [New financial regulation] and the Delegated Act and in line with best practice rules applicable to financial instruments.[21]

(33) Fiscal measures in many Member States will drive or have already driven public authorities to reassess their infrastructure investment programmes. In this context, PPPs have been viewed as an effective means of delivering infrastructure projects ensuring the achievement of policy objectives such as combating climate change; promoting alternative energy sources as well as energy and resource efficiency, supporting sustainable transport and the deployment of broadband networks. The Commission committed in its PPP Communication of 19 November 2009[22] to improving access to finance for PPPs by broadening the scope of existing financial instruments.

(34) Even though the bulk of the investment under Europe 2020 Strategy can be delivered by markets and regulatory measures, the financing challenge require public interventions and Union support by grants and innovative financial instruments. Financial instruments should be used to address specific market needs, in line with the objectives of the Connecting Europe Facility, and should not crowd out private financing. Before deciding to use financial instruments, the Commission should carry out ex-ante assessments of these instruments.

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[21] COM(2011)xxx, A framework for the next generation of financial instruments.

[22] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Mobilising private and public investment for recovery and long term structural change: developing Public Private Partnerships", COM(2009) 615 final.

(35) The EU Budget Review[23] emphasised that the norm for projects with long-term commercial potential should be the use of Union funds in partnership with the financial and banking sectors, particularly the European Investment Bank ("EIB") and Member States' public financial institutions, but also with other international financial institutions and the private financial sector.

(36) In the Europe 2020 Strategy, the Commission pledged to mobilise Union financial instruments as part of a consistent funding strategy, that pulls together Union and national public and private funding for infrastructures. This is based on the rationale that in many cases sub-optimal investment situations and market imperfections may be more efficiently tackled by financial instruments than by grants.

(37) The Connecting Europe Facility should propose financial instruments to promote substantial participation by the private sector investors and financial institutions in infrastructure investment. To be sufficiently attractive to the private sector, financial instruments should be designed and implemented with due regard to simplification and reduction of administrative burden, while with a level of flexibility in mind to be able to respond to identified financing needs in a flexible manner. The design of these instruments should draw from the experience gained in the implementation of financial instruments in the 2007-2013 Multi-Annual Financial Framework, such as the Loan Guarantee instrument for TEN-T projects (LGTT), the Risk Sharing Finance Facility (RSFF) and the 2020 European Fund for Energy, Climate Change, and Infrastructure (the "Marguerite Fund").

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23 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the National Parliaments "The EU Budget Review", 19.10.2010, COM(2010) 700 final.

(38) While most financial instruments should be common for all sectors, some may be specific for individual sectors. Commission services estimate that while the financial support for broadband would primarily rely on financial instruments, for transport and energy the volume of Union budgetary resources required for financial instruments should not exceed EUR 2 billion and EUR 1 billion respectively.

(39) In order to ensure sectorial diversification of beneficiaries of financial instruments as well as encourage gradual geographical diversification across the Member States, the Commission in partnership with the EIB, through joint initiatives such as the European PPP Expertise Centre (EPEC) and Jaspers, should provide support to the Member States in developing an appropriate pipeline of projects that could be considered for project financing.

(40) With respect to the conditions for the financial instruments, it might be necessary to add additional requirements in the Work Programmes, for example to ensure competitive markets in view of the development of the Union's policies, technological developments and other factors that may become relevant.

(41) Multi-annual programming for support from the Facility should be directed towards supporting the Union's priorities by ensuring the availability of the necessary financial resources and the consistency and continuity of joint action by the Union and the Member States. For proposals submitted following the implementation of the first multiannual work programme in the sector of transport, eligibility of cost should start on 1 January 2014 to ensure the continuity of projects already covered by Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks[24].

[24] OJ L 162, 22.6.2007, p. 1.

(42) Due to the high budget needed for the implementation of some infrastructure projects, there should be a possibility to divide budgetary commitments relative to the financial assistance for some actions into annual instalments.

(43) Mid-term and ex-post evaluations should be carried out by the Commission in order to assess the effectiveness and efficiency of the funding and its impact on the overall goals of the Facility and the Europe 2020 Strategy's priorities.

(44) On the basis of the sector specific guidelines laid down in separate Regulations, a list of priority areas for which this Regulation should apply has been drawn up and should be included in the Annex. In order to take into account possible changes in political priorities and technological capabilities, as well as traffic flows, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of adopting amendments to the Annex. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(45) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards multi-annual and annual work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers[25].

[25] OJ L 55, 28.2.2011, p. 13.

(46) Council Regulation (EC) 2236/95 of 18 September 1995[26] laying down general rules for the granting of Community financial aid in the field of trans-European networks and Regulation (EC) No 680/2007 of the European Parliament and of the Council should accordingly be repealed.

(47) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.

(48) Some of the infrastructure projects of Union interest might need to link with and pass through neighbourhood, pre-accession and other third countries. The Connecting Europe Facility should offer simplified means of linking and financing these infrastructures, in order to ensure coherence between internal and external instruments of the Union budget.

(49) Since the objectives of the action to be taken, and in particular the coordinated, development and financing of the trans-European networks, cannot be sufficiently achieved by the Member States and can therefore, by reason of the need for coordination of these objectives, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as also set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,][27]

HAVE ADOPTED THIS REGULATION:

[26] OJ L 228, 23.9.1995, p. 1.
[27] Recitals to be revised in the light of the changes made to the articles.

# TITLE I
# COMMON PROVISIONS

## CHAPTER I
## THE CONNECTING EUROPE FACILITY

*Article 1*

*Subject matter*

This Regulation establishes the Connecting Europe Facility (the "CEF") which determines the conditions, methods and procedures for providing Union financial aid to trans-European networks in order to support projects in the sector of transport, energy and telecommunications infrastructures.

*Article 2*

*Definitions*

For the purposes of this Regulation, the following definitions shall apply:

(1) *"project of common interest"* means a project identified in Regulation (EU) No XXXX/2012 of the European Parliament and of the Council of [to be completed when adopted including date of adoption and full title] [TEN-T Guidelines][28], Regulation (EU) No XXXX/2012 of the European Parliament and of the Council of [to be completed when adopted including date of adoption and full title] [Guidelines for trans-European energy infrastructure][29] or Regulation (EU) No XXXX/2012 [INFSO Guidelines] of the European Parliament and of the Council of [to be completed when adopted including date of adoption and full title][30];

[28] OJ L … , p. … .
[29] OJ L … , p. … .
[30] OJ L … , p. … .

(2) *"cross-border section"* means the section, which ensures the continuity of a project of common interest in the transport sector between at least two Member States or between a Member State and a neighbouring country;

(3) *"works"* means the purchase, supply and deployment of components, systems and services including software, the carrying out of development and construction and installation activities relating to a project, the acceptance of installations and the launching of a project;

(4) *"studies"* means activities needed to prepare project implementation, such as preparatory, feasibility, evaluation, testing and validation studies, including those in the form of software, and any other technical support measure, including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package;

(5) *"programme support actions"* means accompanying measures necessary for the implementation of the CEF and individual sector specific guidelines, such as services (notably technical assistance), as well as preparatory, feasibility, coordination, monitoring, control, audit and evaluation activities which are required directly for the management of this facility and the achievement of its objectives, and in particular studies, meetings, information, infrastructure mapping, twinning, dissemination, awareness raising and communication actions, expenses linked to IT tools and networks focusing on information exchange, together with all other technical and administrative assistance expenses incurred by the Commission that may be required for the management of this facility or implementation of the individual sector specific guidelines;

(6) *"action"* means any activity that is necessary to implement a project of common interest and is independent financially, technically or over time;

(7) *"eligible costs"* have the same meaning as in Regulation (EU) No XXXX/2012 [New Financial Regulation];

(8) *"beneficiary"* means a Member State, an international organisation, a public or private undertaking or body that has been selected to receive Union financial aid under this Regulation and in accordance with the arrangements established in the relevant work programme referred to in Article 17.

(9) *"implementing body"* means a public or private undertaking or body designated by a beneficiary, where the latter is a Member State or an international organisation, to implement the action. Such designation shall be decided upon by the beneficiary under its own responsibility and, if it requires the award of a procurement contract, in compliance with the applicable public procurement rules;

(10) *"core network'"* means the transport infrastructure identified according to Chapter III of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(11) *"core network corridors"* means an instrument to facilitate the coordinated implementation of the core network as provided for in Chapter IV of Regulation (EU) No XXXX/2012 [TEN-T Guidelines] [and listed in Part I of the Annex to this Regulation];

(12) *"bottleneck"* in the transport sector means a physical or technical barrier that leads to a system break affecting the continuity and disruption of transport capacity of long-distance and cross-border flows. Such a barrier can be absorbed by creating new or substantially modernising existing infrastructure in order to increase its capacity such as bridges, locks, groynes, bottom sills or tunnels that address problems as for example gradients, curve radii, gauge, fairway depth or by upgrading intermediate lower classified sections of infrastructure to the level of the rest of the network;

(13) *"priority"* means any of the energy infrastructure priorities 1 to 8 and 10 to 12 as designated in Annex I to Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure];

(13b) "*telematic applications*" means the applications as defined in Article 3 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(14) "*energy infrastructure*" means the infrastructure as defined in Article 2 of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure];

(14a) "*telecommunications networks*" means the networks as defined in Article 3 of Regulation (EU) No XXXX/2012 [INFSO Guidelines];

(15) *"broadband networks"* means the networks as defined in Article 3 of Regulation (EU) No XXXX/2012 [INFSO Guidelines];

(16) *"digital service infrastructures"* means networked services as defined in Article 3 of Regulation (EU) No XXXX/2012 [INFSO Guidelines];

(17) *"core service platforms"* means services identified in the Annex to Regulation (EU) No XXXX/2012 [INFSO Guidelines];

(18) *"generic services"* means services identified in the Annex to Regulation (EU) No XXXX/2012 [INFSO Guidelines].

(19) [...]

(20) [...]

*Article 3*

*General objectives*

The CEF shall enable the preparation and implementation of projects of common interest within the framework of the trans-European networks policy in the sectors of energy, transport and telecommunications. The CEF shall support the implementation of those projects of common interest aiming at the development and construction of new infrastructures and services or at the upgrading[31] of existing infrastructure**s** and services. The following objectives apply to the three sectors identified in the CEF:

(a) contributing to smart, sustainable and inclusive growth by developing modern and high performing trans-European networks, thus benefiting the entire European Union in terms of competitiveness and economic, social and territorial cohesion within the Single Market and creating an environment more conducive to private and public investment by appropriately exploiting synergies across the sectors. The achievement of this objective will be measured by the volume of public and private investment in projects of common interest, and in particular the volume of private investments in projects of common interest achieved through the financial instruments under this Regulation. Special focus will be on the efficient use of public investment.

(b) contributing to the efforts of the Union to achieve its targets of a 20 % reduction of greenhouse gas emissions[32], a 20 % increase in energy efficiency and raising the share of renewable energy to 20 % by 2020[33], while ensuring greater solidarity among Member States.

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[31] The following text will be added at the end of recital (10): "... through the creation of new infrastructure as well as the rehabilitation and upgrading of existing infrastructure".

[32] A new recital will be introduced in order to indicate this possible target and making explicit the conditions to be fulfilled, taking into account the latest stage of the negotiations on this issue.

[33] The following text will be added at the end of recital (5): "... by contributing to the 2020 objectives and taking into account the emission reduction objective for 2050."

*Article 4*

*Specific sectoral objectives*

Without prejudice to the general objectives set out in Article 3, the CEF shall contribute to achieving the following specific sectoral objectives:

(a) In the transport sector, the CEF shall support projects of common interest as identified in Article 7(2) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines] pursuing the objectives set out below, as further specified under Articles 2a and 4 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines]:

(i) removing bottlenecks and bridging missing links**.** The achievement of this objective shall be measured by the number of new or improved cross-border connections, removed bottlenecks and sections of increased capacity on transport routes which have benefited from the CEF;

(ii) ensuring sustainable and efficient transport systems in the long run. The achievement of this objective shall be measured by the length of the railway network in the EU-27 complying with the requirements set out in Article 45(2) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], the length of high-speed railway network in the EU-27, the length of inland waterway network by class in the EU-27, and the reduction in casualties on the road network in the EU-27;

(iii) optimising multimodality, efficiency and sustainability through the integration and interconnection of transport modes and enhancing interoperability of transport services. The achievement of this objective shall be measured by the number of ports and airports connected to the railway network, the number of interconnected maritime ports and their connections to the inland waterway network, the number of improved connections through motorways of the sea as provided for in Article 25 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], the number of improved hinterland connections, the number of improved logistic platforms as defined in Article 3 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], and the length of the network equipped with ERTMS.

The indicators referred to in this paragraph shall not apply to Member States which do not have a rail network or an inland waterway network, as appropriate.

These indicators shall not be understood to constitute selection or eligibility criteria of actions for support from the CEF.

(b) In the energy sector, the CEF shall support projects of common interest pursuing one or more of the following objectives:

(i) 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 and protection of the environment.

The conditions for eligibility for Union financial assistance for projects of common interest are set out in Article 15 of Regulation (EU) No xxxx/2012 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC, whilst the selection criteria for projects of common interest are set out in Article 4 of that Regulation.

(ba) (i) The achievement of the objective set out in point (b)(i) of this Article shall be measured *ex post* by:

- the number of projects effectively interconnecting Member states' networks and removing internal constraints;
- the reduction or elimination of Member States' energy isolation;
- the percentage of electricity cross border transmission power in relation to installed electricity generation capacity in the relevant Member States; and
- the percentage of the highest peak demand of the two Member States concerned covered by reversible flow interconnections for gas.

(ii) The achievement of the objective set out in point (b)(ii) of this Article shall be measured *ex post* by:

- the number of projects allowing diversification of supply sources, supplying counterparts and routes;
- the number of projects increasing storage capacity;
- the number of disruptions and their duration;
- the amount of avoidable spillage of renewable energy due to a lack of crossborder connections;
- the connections of isolated markets with more diversified supply sources.

(iii) The achievement of the objective set out in point (b)(iii) of this Article shall be measured *ex post* by:

- the transmission of renewable electricity from generation to major consumption centers and storage sites;
- the sum of $CO_2$ emissions prevented by the construction of the projects which benefited from the CEF.

These elements serve for the *ex post* measurement of the achievement of the objectives and shall not constitute selection or eligibility criteria for actions of support from the CEF.

(c) In the telecommunications sector the CEF shall provide for actions to support projects of common interest pursuing the objectives specified in Article 2 of Regulation (EU) No XXXX/2012 [INFSO Guidelines].

*Article 5*

*Budget*[34]

1. The financial envelope of the CEF for the period 2014 to 2020 shall be [EUR 50 000 000 000].[35] That amount shall be distributed as follows:

   (a) transport sector*:* [EUR 31 694 000 000][, out of which EUR 10 000 000 000 shall be transferred from the Cohesion Fund to be spent in line with this Regulation in Member States eligible for funding from the Cohesion Fund];

[34] Amounts in this article are dealt with by the Friends of the Presidency Group (FoP). General reservation on this article pending the decision on the transfer of funds from the Cohesion Fund.

[35] All figures in constant 2011 prices. The corresponding amounts, expressed in current prices, can be found in the Legislative Financial Statement.

(b) energy sector: [EUR 9 121 000 000];

(c) telecommunications sector: [EUR 9 185 000 000].

2. The CEF may cover expenses incurred by the Commission in programme support actions, as defined in Article 2(5), up to a ceiling of [0.35 %][36] of the financial envelope. This financial allocation may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Regulation (EC) No 680/2007[37].

3. Following the mid-term evaluation referred to in Article 26(1), the European Parliament and the Council may upon a proposal by the Commission transfer appropriations between the sectors of the allocation set out in paragraph 1[, with the exception of the EUR 10 000 000 000 transferred from the Cohesion Fund to finance transport sector projects in the Cohesion Fund eligible Member States] [38] [39].

4. The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.[40]

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[36] Reservation pending the final decision on the global amount: 0.35% linked to EUR 50 billion.

[37] Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy network (OJ L 162, 22.6.2007, p. 1).

[38] Reservation on this sentence pending the decision on the transfer of funds from the Cohesion Fund.

[39] A <u>new recital</u> will be added indicating that the budgetary nomenclature should ensure that the transfers between sectors be submitted to the European Parliament and the Council.

[40] For information, the text of 21 May 2012 presenting the Negotiating Box on the multiannual financial framework (2014-2020) discussed at Coreper (10063/12) includes the following: "*The Commission can use financial instruments as an integral element of the CEF. The total volume of means used for financial instruments will not exceed [x] million euro.*"

## CHAPTER II
## FORMS OF FINANCING AND FINANCIAL PROVISIONS

*Article 6*
*Forms of financial aid*

1. The CEF shall be implemented by one or several of the forms of financial aid, provided for by Regulation (EU) No XXXX/2012 [New Financial Regulation], in particular, grants, procurements and financial instruments.

2. The Commission may entrust part of the implementation of the CEF to the bodies set out in Article 55(1)(c) of Regulation (EU) No XXXX/2012 [New Financial Regulation].

*Article 7*
*Eligibility and conditions for financial assistance*

1. Only actions contributing to projects of common interest according to Regulations (EU) No XXXX/2012 [TEN-T Guidelines], (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure] and No (EU) XXXX/2012 [INFSO Guidelines] as well as programme support actions as defined in Article 2(5) shall be eligible for support through Union financial aid in the form of grants, financial instruments and procurement.

2. In the field of transport, only actions contributing to projects of common interest according to Regulation (EU) No XXXX/2012 [TEN-T Guidelines] and programme support actions, shall be eligible for support through Union financial aid in the form of procurement and financial instruments under this Regulation. In the form of grants, only the following actions shall be eligible to receive Union financial aid under this Regulation:

(a) actions implementing the core network according to Chapter III of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], including the deployment of new technologies and innovation according to Article 39 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(aa) actions implementing the comprehensive network according to Chapter II of Regulation (EU) No XXXX/2012 [TEN-T Guidelines] when such actions contribute to facilitating cross-border traffic flows or removing bottlenecks and when these actions also contribute to the development of the core network, up to a ceiling of 5% of the financial envelope for transport as specified in Article 5 of this Regulation;

(b) studies for projects of common interest as defined in Article 8(1)(b) and (c) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(c) actions supporting projects of common interest as defined in Article 8(1)(a), (d) and (e) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(d) actions supporting telematic applications systems in accordance with Article 37 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(e) actions supporting freight transport services in accordance with Article 38 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(f) actions targeting the reduction of rail noise including by retrofitting of existing rolling stock in order to ensure viable use of the TEN-T network respecting noise level requirements;

(g) programme support actions;

(h) actions implementing safe and secure infrastructure in accordance with Article 40 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(i) actions supporting motorways of the sea as provided for in Article 25 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines].

Transport-related actions involving a cross-border section or a part of such a section shall be eligible to receive Union financial aid only if there is a written agreement between the Member States concerned or between the Member States and third countries concerned relating to the completion of the cross-border section. Exceptionally, when a project is necessary to establish a link to the network of a neighbouring Member State or a third country but does not actually cross the border, the written agreement referred to above shall not be required.

[...] [41]

3. In the field of energy, all actions implementing those projects of common interest that relate to the priority corridors and areas referred to in Part II of the Annex to this Regulation are eligible for Union financial aid in the form of financial instruments and grants under this Regulation provided they meet the conditions set out in Article 15 of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure].

4. In the telecommunications sector, all actions implementing the projects of common interest and programme support actions set out in the Annex of Regulation (EU) No XXXX/2012 [INFSO Guidelines] shall be eligible to receive Union financial aid in the form of a grant, procurement and financial instruments under this Regulation.

[41] The following sentence could be added in recital (3): "The Connecting Europe Facility should support studies that explore alternative financing models for infrastructure projects, including PPP."

[[At least xx %] of the amount of the financial envelope referred to in Article 5(1)(c) shall be allocated to the support of pre-identified priorities and areas of intervention as listed in Part III of the Annex to this Regulation.][42 43].

## CHAPTER III
## GRANTS

*Article 8*

*Forms of grants and eligible costs*

1. Grants under this Regulation may take any of the forms provided for by Regulation (EU) No XXXX/2012 [New Financial Regulation].

   The work programmes referred to in Article 17 shall establish the forms of grants that may be used to fund the actions concerned.

2. Without prejudice to the Financial Regulation, expenditure for actions resulting from projects included in the first multiannual and annual work programmes may be eligible as from 1 January 2014.

3. Only expenditure incurred in Member States may be eligible, except where the project of common interest involves the territory of third countries and where the action is indispensable to achieve the objectives of the given project.

4. The cost of equipment and infrastructure which is treated as capital expenditure by the beneficiary may be eligible up to its entirety.

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42 The previously missing functional links to Parts II and III of the Annex have been established in paragraphs (3) and (4) of this article and they have to be respected by the sectoral Working Parties.

43 Consistency between the Guidelines and the CEF to be assured. The issue of the functional link will be subject to further discussions in the Telecom Working Party.

5. Expenditure related to environmental studies on the protection of the environment and on compliance with the relevant Union legislation may be eligible.

[6. Expenditure related to the purchase of land shall not be an eligible cost*,* except for funds transferred from the Cohesion Fund in the field of transport in accordance with Article 59 point 3 (b) of Regulation (EU) No XXXX/2012 [Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provision on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006].][44]

[7. VAT shall not be an eligible cost.][45]

8. Rules on the eligibility of costs incurred by beneficiaries shall apply *mutatis mutandis* to costs incurred by implementing bodies.

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[44] Reservation pending the final decision on the transfer of EUR 10 billion from the Cohesion Fund.

[45] DK, EE, FI, IT, LU, NL, SE and UK in favour of the Commission proposal. PL proposal:

"7. Value added tax ("VAT") where it is not recoverable under the applicable national VAT legislation shall constitute eligible cost.
As regards the [EUR 10 000 000 000] transferred from the Cohesion Fund [Regulation XXXX Article XX] to be spent in Member States eligible for funding from the Cohesion Fund, the eligibility rules concerning VAT shall be those applicable to the Cohesion Fund referred to in Article ...... of Regulation (EU) No XXXX/2012 [Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund]". BG, CZ, EL, HU, LT, LV, MT, PT, RO and SK support the PL proposal.

*Article 9*

*Conditions for participation*

1. Proposals shall 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.

2. The proposals may be submitted by entities which do not have legal personality under the applicable national law, provided that their representatives have the capacity to undertake legal obligations on their behalf and offer guarantee for the protection of the Union's financial interests equivalent to that offered by legal persons.

3. The proposals submitted by natural persons shall not be eligible.

4. Where it is necessary to achieve the objectives of a given project of common interest, third countries and entities established in third countries may participate in actions contributing to the projects of common interest.

   They may not receive funding under this Regulation, except where it is indispensable to achieve the objectives of a given project of common interest.

   Where necessary in order to implement more effectively relevant actions contributing to projects of common interest in third countries under Regulations (EU) No XXXX/2012 [TEN-T Guidelines], (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure] and (EU) No XXXX/2012 [INFSO Guidelines], funding under this Regulation may be pooled together with funding covered by other relevant Union regulations. In such a case the Commission may decide, through an implementing act adopted in accordance with the examination procedure referred to in Article 24(2), on a single set of rules that should apply for implementation.

5. [...]

6. Multiannual and annual work programmes may provide additional specific rules on the submission of proposals.

*Article 10*

*Funding rates*

1. Except in those cases referred to in Regulation (EU) No XXXX/2012 [New Financial Regulation], proposals shall be selected through calls for proposals based on the work programmes referred to in Article 17.

2. In the transport sector, the amount of Union financial aid shall not exceed:

   (a) with regard to grants for studies, 50 % of the eligible costs;

   (b) with regard to grants for works:

      (i) for rail and inland waterways and for road networks in the case of Member States with no railway network established in their territory or in the case of a Member State with an isolated network as defined in Article 3(qq) of Regulation (EU) No XXXX/2012 [TEN-T guidelines] without long distance rail freight transport, 20 % of the eligible cost; the funding rate may be increased up to 30 % for actions addressing bottlenecks; the funding rate may be increased up to 40 % for actions concerning cross-border sections and enhancing rail interoperability actions;

      (ii) for inland transport connections to ports and airports, actions to reduce rail noise including by retrofitting existing rolling stock, as well as development of ports and multi-modal platforms**,** 20 % of the eligible cost;

(iii) for actions supporting new technologies and innovation for all modes of transport**,** 20 % of the eligible cost;

(iv) for actions to support cross-border road sections, 10 % of the eligible cost;

(c) with regard to grants for telematic applications systems and services:

(i) for the European Rail Traffic Management System (ERTMS)**,** the River Information Services (RIS) and the Vessel Traffic Monitoring and Information System (VTMIS)*,* 50 % of the eligible cost;

(ii) for actions to support the development of Motorways of the Seas, 30% of the eligible cost;

(iii) for telematic applications systems, freight transport services, secure parkings on the road core network, 20 % of the eligible cost.

3. In the energy sector:

(a) the amount of Union financial aid shall not exceed 50 % of the eligible cost of studies and/or works;

(b) co-financing rates may be increased to a maximum of 75 % for actions which are based on the evidence referred to in Article 15(2) of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure], and which provide a high degree of regional or Union-wide security of supply, or strengthen the solidarity of the Union or comprise highly innovative solutions.

4. In the telecommunications sector, the amount of Union financial aid shall not exceed:

(a) for actions in the field of broadband networks**,** 50 % of the eligible cost;

(b) for actions in the field of generic services**,** 75 % of the eligible costs;

(c) [...]

(d) for horizontal priorities including infrastructure mapping, twinning and technical assistance**,** 75 % of the eligible costs.

4a. In the telecommunications sector, core service platforms shall typically be funded by procurement. In exceptional cases, they may be funded by a grant covering up to 75 % of eligible costs and up to 100% for the platform providing a single access point to European cultural heritage.

5. The co-financing rates mentioned above may be increased by up to 10 percentage points for actions having cross-sector synergies, reaching climate mitigation objectives, enhancing climate resilience or reducing the greenhouse gas emissions. [This increase should not apply to co-financing rates referred to in Article 11][46].

6. The amount of financial aid to be granted to the actions selected will be modulated based on a cost-benefit analysis of each project[47], the availability of Union budget resources, and the need to maximise the leverage of Union funding.

[46] Reservation pending the final decision on the transfer of EUR 10 billion from the Cohesion Fund.

[47] To be elaborated in a <u>recital</u> that an *ex ante* assessment of market imperfections has to be included in the cost-benefit analysis of each project.

[*Article 11*

*Specific calls for funds transferred from the Cohesion Fund in the field of transport sector*] [48]

[1. As regards the EUR 10 000 000 000 transferred from the Cohesion Fund [Regulation XXXX Article XX] to be spent in Member States eligible for funding from the Cohesion Fund, specific calls shall be launched for projects implementing the core network exclusively in Member States eligible for funding from the Cohesion Fund.

2. The relevant provisions of this Regulation concerning the transport sector shall apply to those specific calls. When implementing those calls, the greatest possible priority shall be given to projects which abide by the national allocations under the Cohesion Fund.][49]

3. Notwithstanding Article 10, and as regards the [EUR 10 000 000 000] transferred from the Cohesion Fund [Regulation XXXX Article XX] to be spent in Member States eligible for funding from the Cohesion Fund, the maximum funding rates shall be those applicable to the Cohesion Fund referred to in Article 22 and Article 110(3) of Regulation (EU) No XXXX/2012 [Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006][50] for the following actions:

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48 General reservation on this article pending the final decision on the transfer of EUR 10 billion from the Cohesion Fund.

49 The subject matter of Article 11(1) and (2) is dealt with by FoP.

50 COM(2011) 615 final.

(a) with regard to grants for studies;

(b) with regard to grants for works:

(i) rail and inland waterways;

(ii) actions to support cross-border road sections and, in the case of Member States with no rail networks, the TEN-T road network;

(iii) inland transport connections to ports and airports, development of multi-modal platforms and of ports including ice-breaking capacities;

(c) with regard to grants for telematic applications systems and services:

(i) the European Rail Traffic Management System (ERTMS)**,** the River Information Services (RIS) and the Vessel Traffic Monitoring and Information System (VTMIS);

(ii) telematic applications systems.

*Article 12*

*Cancellation, reduction, suspension and termination of the grant*

1. The Commission shall cancel, except in duly justified cases, financial aid granted for actions which have not been started within two years following the start date of the action established in the conditions governing the granting of aid.

2. The Commission may suspend, reduce, recover or terminate the financial aid according to the conditions set out in Regulation (EU) No XXXX/2012 [New Financial Regulation] or following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action.

3. The Commission may request the complete or partial reimbursement of the financial aid granted if, within two years of the finishing date established in the conditions governing the granting of aid, the implementation of the action receiving the financial aid has not been completed.

4. Before the Commission takes any of the decisions provided for in paragraphs 1, 2 and 3, it shall examine the case comprehensively in coordination with the respective bodies mentioned in Article 6(2) and consult the beneficiaries concerned so that they may present their observations within a reasonable timeframe.

## CHAPTER IV
## PROCUREMENT

### *Article 13*
### *Procurement*[51]

1. Public procurement procedures carried out by the Commission or one of the bodies referred to in Article 6(2) on its own behalf or jointly with Member States:

   (a) may provide for specific conditions such as the place of performance of the procured activities, where duly justified by the objectives of the actions and provided such conditions do not infringe public procurement principles;

   (b) may authorise multiple award of contracts within the same procedure ("multiple sourcing").

2. Where duly justified and required by the implementation of the actions, paragraph 1 may also apply to procurement procedures carried out by beneficiaries of grants.

[51] The inclusion of environmental criteria in public procurement procedures will be elaborated in a recital.

## CHAPTER V
## FINANCIAL INSTRUMENTS

*Article 14*

*Type of financial instruments*

1. Financial instruments set up in accordance with Title VIII of Regulation (EU) No XXXX/2012 [New Financial Regulation], may be used to facilitate access to finance by entities implementing actions contributing to projects of common interest as defined in Regulations (EU) No XXXX/2012 [TEN-T Guidelines], (EU) No XXXX/2012 [Guidelines for Trans-European energy infrastructure], and (EU) No XXXX/2012 [INFSO Guidelines], and to the achievement of their objectives. The financial instruments shall be based on ex-ante assessments of market imperfections or sub-optimal investment situations and investment needs. The main terms, conditions and procedures for each financial instrument are laid down in the Annex.

2. Financial instruments established under Regulation (EC) No 680/2007 may be merged, if applicable and subject to a prior evaluation, to those created under this Regulation.

   The merger of project bonds is subject to the interim report to be carried out in the second half of 2013 as defined in Regulation (EC) No 680/2007. The start of the Project Bond Initiative is subject to the results of the independent full evaluation of the Project Bond Initiative pilot phase in 2015 as defined in Regulation (EC) No 680/2007.[52]

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[52] AT, CY, CZ, DE, FI, HU, LV, NL, SE and UK in favour of this text.
Commission, BE, EE, FR, IE, IT, LU, PT, SI and SK in favour of the following text: "The continuation of the Project Bond Initiative is subject to the independent full evaluation to be carried out in 2015 as defined in Regulation (EC) No 680/2007."

3. The following financial instruments may be used:

(a) equity instruments, such as investment funds with a focus on providing risk capital for actions contributing to projects of common interest;

(b) loans and/or guarantees facilitated by risk-sharing instruments, including enhancement mechanism to project bonds, issued by a financial institution from its own resources with a Union contribution to the provisioning and/or capital allocation.

(c) [...].

*Article 15*[53]

*Conditions for granting financial aid through financial instruments*

1. Actions supported by means of financial instruments shall be selected on a basis of maturity and shall seek sectoral diversification in accordance with Articles 3 and 4 as well as geographical balance across the Member States.

2. The Union, any Member State and other investors may provide financial aid in addition to contributions received by the use of financial instruments, provided that the Commission agrees to any changes to eligibility criteria of actions and/or the investment strategy of the instrument which may be necessary due to the additional contribution.

3. The financial instruments shall aim to preserve the value of assets provided by the Union budget;

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53 NL and UK would like to keep paragraphs 2b and 5a of this provision even if Article 131 of the new FR includes a similar wording.

4. Financial instruments provided under this Regulation may be combined with grants funded from the Union budget.

5. The Commission may establish additional conditions in the work programmes according to the specific needs of the sectors.

6. […]

*Article 16*

*Actions in third countries*

Actions in third countries may be supported by means of the financial instruments if those actions are necessary for the implementation of a project of common interest.

**CHAPTER VI**

**PROGRAMMING, IMPLEMENTATION AND CONTROL**

*Article 17*

*Multiannual and/or annual work programmes*

1. The Commission shall adopt multiannual and annual work programmes for each of the transport, energy and telecommunications sectors. The Commission may also adopt multiannual and annual work programmes that cover more than one sector. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).

2. The multiannual work programmes shall be reviewed at least at mid-term. If necessary, the Commission shall revise the multiannual work programme by means of an implementing act. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).

3. Multiannual work programmes in the transport sector shall be adopted for projects of common interest as listed in Part I of the Annex to this Regulation.

The amount of the financial envelope shall lie within a range of 80 % to 85 % of the budgetary resources referred to in Article 5(1)(a).

The projects detailed in Part I of the Annex are not binding on the Member States for their programming decisions. The decision to implement these projects is a competence of Member States and will depend on public financing capacities, and on their socio-economic viability in accordance with the provisions of Article 7 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines].

4. The multiannual work programmes for the energy and telecommunications sectors shall provide strategic orientation for projects of common interest and may include specific projects of common interest consistent with the guidelines set out in Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure] and in Regulation (EU) No XXXX/2012 [INFSO Guidelines].

5. The annual work programmes, for the transport, energy and telecommunications sectors, shall be adopted for projects of common interest not included in the multiannual work programmes.

6. The Commission, when establishing multiannual and sectoral annual work programmes, shall establish the selection and award criteria in line with the objectives and priorities laid down:

(a) for transport in Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

(b) for energy in Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure];

(c) for telecommunications in Regulation (EU) No XXXX/2012 [INFSO Guidelines].

7. Work programmes shall be coordinated in order to exploit the synergies between transport, energy and telecommunications, notably in such areas as smart energy grids, electric mobility, intelligent and sustainable transport systems. Multi-sectoral calls for proposals can be adopted.

*Article 17a*
*Granting of Union financial aid*

1. Following every call for proposals, based on a multiannual or annual work programme referred to in article 17, the Commission, acting in accordance with the examination procedure referred to in Article 24, shall decide on the amount of financial aid to be granted to the projects or parts of projects selected. The Commission shall specify the conditions and methods for their implementation.

2. The beneficiaries and the Member States concerned shall be informed by the Commission of any financial aid to be granted.

*Article 18*

*Annual instalments*

The Commission may divide budgetary commitments into annual instalments. In that case, it shall commit the annual instalments taking into account the progress of the actions receiving financial aid, their estimated needs and the budget available.

The Commission shall communicate to the beneficiaries of grants, to the Member States concerned and, [if applicable for financial instruments,] to the financial institutions concerned an indicative timetable covering the commitment of the individual annual instalments.

*Article 19*

*Carry-over of annual appropriations*

Appropriations which have not been used at the end of the financial year for which they were entered shall be carried- over in accordance with Regulation (EU) No XXXX/2012 [New Financial Regulation].

*Article 20*

*Delegated acts*

1. Subject to the approval of the Member State(s) concerned provided for in the second paragraph of Article 172 TFEU, the Commission shall be empowered to adopt delegated acts in accordance with Article 25 concerning the modification of Parts I and III of the Annex**,** to take account of changing financing priorities in the trans-European networks and of changes relating to projects of common interest identified in [Regulation (EU) No XXXX/2012 [TEN-T Guidelines] and Regulation (EU) No XXXX/2012 [INFSO Guidelines]. When amending Parts I and III of the Annex, the Commission shall ensure:

(a) that the projects of common interest according to Regulation (EU) No XXXX/2012 [TEN-T Guidelines] and Regulation (EU) No XXXX/2012 [INFSO Guidelines], are likely to be realised fully or partly under the multiannual financial framework 2014-2020;

(b) that the modifications comply with the eligibility criteria set out under Article 7 of this Regulation;

(c) as regards Part I of the Annex, that all sections include infrastructure projects whose realisation will necessitate their inclusion in a multi-annual work programme under Article 17(3) of this Regulation, without changing the alignment of the core network corridors;

(d) as regards Part III of the Annex, that new priorities and areas of intervention meet the criteria of Article 3 and Article 4(c) of this Regulation.[54]

[55]2. The Commission shall be empowered to adopt delegated acts in accordance with Article 25 to modify the main terms, conditions and procedures laid down in Part IV of the Annex to this Regulation governing the Union Contribution to each financial instrument established under the Debt Framework or Equity Framework laid down in Part IV of the Annex to this Regulation in accordance with the results of the interim report and the full independent evaluation of the pilot phase of the Europe 2020 Project Bond Initiative established under Regulation (EU) 670/2012 of 12 July 2012 amending the Decision No 1639/2006/EC and the Regulation (EC) No 680/2007 and in order to take into account changing market conditions with a view to optimising their design and implementation.

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54 Consistency between the Guidelines and the CEF to be assured. The inclusion of the reference to Part III of the Annex to the CEF Regulation in Article 20 is closely linked to the issue of the functional link (see second footnote related to Article 7(4) paragraph 2), Part III of the Annex (see footnote in Part III of the Annex), and to the discussions on the INFSO guidelines. Therefore, it should be subject to further discussions in the Telecom Working Party.

55 Once the content of Part IV of the Annex is agreed, the Commission will present a new wording for Article 20(2) in order to lay down further criteria circumscribing its delegated powers.

When amending Part IV of the Annex to this Regulation in the above cases, the Commission shall at all times ensure that

(a) the modifications are made in accordance with the requirements established in Regulation (EU) No 966/2012, including the *ex ante* evaluation referred to in its Article 140(2)(f), and

(b) the modifications are limited to:

(i) […]

(ii) the modification of the threshold of the subordinated debt financing as referred in I.1(a) and I.1(b) of Part IV of the Annex to this Regulation, with the view to seek sectoral diversification and geographical balance across the Member States in accordance with Article 15;

(iii) the modification of the threshold of the senior financing as referred in I.1(a) of Part IV of the Annex to this Regulation, with the view to seek sectoral diversification and geographical balance across the Member States in accordance with Article 15;

(iv) the combination with other sources of funding as referred in I.3 and II.3 of Part IV of the Annex to this Regulation;

(v) the selection of Entrusted entities as referred in I.4 and II.4 of Part IV of the Annex to this Regulation; and

(vi) pricing, risk and revenue sharing as referred in I.6 and II.6 of Part IV of the Annex to this Regulation.

*Article 21*

*Responsibility of beneficiaries and Member States*

Within the respective spheres of their responsibilities, and without prejudice to the obligations incumbent on beneficiaries under the conditions governing the grants, beneficiaries and Member States shall make every effort to implement the projects of common interest which receive Union financial aid granted under this Regulation.

Member States shall undertake the technical monitoring and financial control of actions in close cooperation with the Commission and shall certify that the expenditure incurred in respect of projects or parts of projects has been disbursed and that the disbursement was in conformity with the relevant rules. The Member States may request the participation of the Commission during on-the-spot checks and inspections.

Member States shall inform the Commission annually, if relevant through the interactive geographical and technical information systems, about the progress made in implementing projects of common interest and the investments made for this purpose including the amount of support used for climate change objectives.

*Article 22*

*Compliance with Union policies and Union law*

Only actions in conformity with Union law and which are in line with the relevant Union policies shall be financed under this Regulation.

*Article 23*

*Protection of the Union's financial interests*[56]

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.

2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, implementing bodies, contractors and subcontractors who have received Union funds under this Regulation.

3. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)[57] and Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities[58] with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under this Regulation.

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56 Recital (47) to be amended as follows: "The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties in accordance with Regulation (EU) No XXXX/2012 of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union."

57 OJ L 136, 31.5.1999, p.1.

58 OJ L 292, 15.11.1996, p. 2.

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grants decisions and contracts resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

## TITLE II
## GENERAL AND FINAL PROVISIONS

*Article 24*
*Committees*

1. The Commission shall be assisted by the CEF Coordination Committee. The Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

3. The Committee shall ensure a horizontal overview of the work programmes referred to in Article 17 to ensure consistency and that synergies are identified and exploited between sectors.

*Article 25*
*Exercise of delegation*

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The delegation of power referred to in Article 20 shall be conferred on the Commission from the date of entry into force of this Regulation until the end of the multiannual financial framework period.

3. The delegation of power referred to in Article 20 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 20 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

*Article 26*
*Evaluation*

1. At the end of 2017, the Commission, in cooperation with the Member States and beneficiaries concerned, shall establish 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 its European added value, in view of a decision on the renewal, modification or suspension of the measures. The evaluation shall also address the scope for simplification, the internal and external coherence of the measures, the continued relevance of all objectives, and their contribution to the Union priorities of smart, sustainable and inclusive growth. The report shall take into account evaluation results on the long-term impact of the predecessor measures.

2. The Commission shall carry out *ex post* evaluation in close cooperation with the Member States and beneficiaries. The *ex post* evaluation shall examine the effectiveness and efficiency of the CEF and its impact on economic, social and territorial cohesion as well as its contribution to the Union priorities of smart, sustainable and inclusive growth and the scale and results of support used for climate change objectives.

3. Evaluations shall take account of progress against performance indicators as referred to in Articles 3 and 4.

4. The Commission shall communicate the conclusions of these evaluations to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

5. The Commission and the Member States, assisted by the other possible beneficiaries, may undertake an evaluation of the methods of carrying out projects as well as the impact of their implementation, in order to assess whether the objectives, including those relating to environmental protection, have been attained.

6. The Commission may request a Member State concerned by a project of common interest to provide a specific evaluation of the actions and the linked projects financed under this Regulation or, where appropriate, to supply it with the information and assistance required to undertake an evaluation of such projects.

*Article 27*

*Information, communication and publicity*

1. Beneficiaries shall ensure that suitable publicity is given to aid granted under this Regulation in order to inform the public of the role of the Union in the implementation of the projects.

2. The Commission shall implement information and communication actions on the CEF projects and results. Resources allocated to communication actions under Article 5(2) of this Regulation shall also contribute to cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.

*Article 28*

*Transitional provisions*

This Regulation shall not affect the continuation or modification, including the total or partial cancellation, of the projects concerned, until their closure, or of financial aid awarded by the Commission on the basis of Regulations (EC) No 680/2007 and No 67/2010, or any other legislation applying to that assistance on 31 December 2013, which shall continue to apply to the actions concerned until their closure.

*Article 29*

*Repeal*

Notwithstanding Article 28 of this Regulation, Regulations (EC) No 680/2007 and No 67/2010 are repealed with effect from 1 January 2014.

*Article 30*

*Entry into force*

This Regulation shall enter into force on the 20th day following the publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, […]

| | |
|---|---|
| *For the European Parliament* | *For the Council* |
| *The President* | *The President* |

PART I: LIST OF PRE-IDENTIFIED PROJECTS ON THE CORE NETWORK IN THE FIELD OF TRANSPORT

1) Horizontal Priorities

| | |
|---|---|
| Innovative Management & Services | *Single European Sky – SESAR* |
| Innovative Management & Services | *Telematic Applications Systems for Road, Rail, Inland Waterways and Vessels*<br>*(ITS, ERTMS, RIS and VTMIS)* |
| Innovative Management & Services | *Core Network Ports, Motorways of the Sea (MoS) and Airports, safe and secure infrastructure* |

2) Core Network Corridors

Baltic – Adriatic Corridor

ALIGNMENT:

Helsinki – Tallinn – Riga
Ventspils – Riga
Riga – Kaunas
Klaipeda – Kaunas
Kaunas – Warszawa – Katowice
Gdynia – Gdańsk – Katowice/Sławków
Gdańsk – Warszawa
Katowice – Ostrava – *Brno* – Wien
Szczecin/Świnoujście – Poznań – Wrocław – Ostrava
Katowice – *Žilina* – Bratislava – Wien
Wien – Graz– *Villach – Udine* – Trieste
*Udine* – Venezia – Padova – Bologna – Ravenna
Graz – *Maribor* –Ljubljana – Koper/Trieste

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Helsinki - Tallinn | Ports, MoS | port interconnections, (further) development of multimodal platforms and their interconnections, icebreaking capacity, MoS |
| Tallinn - Riga - Kaunas - Warszawa | Rail | (detailed) studies for new UIC gauge fully interoperable line; works for new line to start before 2020; rail – airports/ports interconnections, rail-road terminals, MoS |
| Ventspils – Riga | Rail | Upgrading, port interconnections, MoS |
| Klaipeda – Kaunas | Rail | Upgrading |
| Via Baltica Corridor | Road | works for cross-border sections (EE, LV, LT, PL) |
| Gdynia - Katowice | Rail | works |
| Gdynia, Gdańsk | Ports | port interconnections, (further) development of multimodal platforms |
| Warszawa - Katowice | Rail | works |
| Wroclaw – Poznań – Szczecin/Świnoujście | Rail | works |
| Świnoujście, Szczecin | Port | port interconnections |
| Bielsko Biala – Žilina | Road | works |
| Katowice - Ostrava - Brno - Wien & Katowice - Žilina - Bratislava - Wien | Rail | works, in particular cross-border sections PL-CZ, PL-SK and SK-AT; (further) development of multimodal platforms and airport-rail interconnections |
| Wien - Graz - Klagenfurt - Udine - Venezia - Ravenna | Rail | partially construction of new lines (Semmering Base Tunnel and Koralm Railway line), rail upgrading; works on-going; (further) development of multimodal platforms; upgrading of existing two-track line between Udine - Cervignano and Trieste |
| Graz - Maribor - Pragersko | Rail | studies and works for second track |
| Trieste, Venice, Ravenna, Koper | Ports | port interconnections, (further) development of multimodal platforms |

Warszawa – Berlin –Rotterdam/Antwerpen – Felixstowe – Midlands

ALIGNMENT:

BY border – Warszawa – Poznań – *Frankfurt/Oder* – Berlin – Magdeburg – Braunschweig – Hannover

Hannover – Bremen – Bremerhaven

Hannover – *Osnabrück* – Hengelo – Almelo – Deventer – Utrecht

Utrecht – Amsterdam

Utrecht – Rotterdam – Antwerpen – Felixstowe – Birmingham – Manchester – Liverpool

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| BY border - Warszawa - Poznań - DE border | Rail | works on existing line, studies for high speed rail |
| PL Border - Berlin - Hannover - Amsterdam/Rotterdam | Rail | studies and upgrading of several sections (Amsterdam – Utrecht – Arnhem; Hannover – Berlin) |
| Bremerhaven - Bremen | Rail | Works and studies ongoing |
| Berlin - Magdeburg – Hannover, Mittellandkanal, West-German Canals, Rhine, Waal, Noordzeekanaal, IJssel, Twentekanaal | IWW | studies, works for better navigability and upgrading waterways and locks |
| Amsterdam locks & Amsterdam - Rijnkanaal | IWW | locks studies ongoing; port: interconnections (studies and works, including Beatrix lock upgrade) |
| Felixstowe – Midlands | Rail, port, multimodal platforms | rail upgrading, interconnections port and multimodal platforms |
| Manchester – Liverpool | Rail | Upgrading, including Northern Hub |

Mediterranean Corridor

ALIGNMENT:

Algeciras – Bobadilla –Madrid – Zaragoza – Tarragona

Sevilla – Bobadilla – Murcia

Cartagena – Murcia – Valencia – Tarragona

Tarragona – Barcelona – *Perpignan* – Lyon – Torino – Novara – Milano – Verona – Padova – Venezia – Ravenna/Trieste/Koper - Ljubljana – Budapest – UA border

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Algeciras - Madrid | Rail | studies ongoing, works to be launched before 2015, to be completed 2020 |
| Sevilla - Antequera - Granada - Almería - Cartagena - Murcia - Alicante - Valencia | Rail | studies and works |
| Valencia - Tarragona - Barcelona | Rail | construction between 2014 - 2020 |
| Barcelona | Port | interconnections rail with port and airport |
| Barcelona - Perpignan | Rail | cross-border section, works ongoing, new line completed by 2015, upgrading existing line |
| Perpignan - Montpellier | Rail | bypass Nîmes - Montpellier to be operational in 2017, Montpellier - Perpignan for 2020 |
| Lyon | Rail | South-Eastern bypass: studies and works |
| Lyon - Torino | Rail | cross-border section, works base tunnel to be launched before 2020; studies access routes |
| Milano - Brescia | Rail | partially upgrading, partially new high-speed line |
| Brescia - Venezia - Trieste | Rail | works to start before 2014 on several sections |
| Milano – Cremona- Mantova – Porto Levante/Venezia – Ravenna/Trieste | IWW | Studies, upgrading, works |
| Cremona, Mantova, Venezia, Ravenna, Trieste | Inland Ports | Port interconnections, (further) development of multimodal platforms |

| | | |
|---|---|---|
| Trieste - Divača | Rail | studies and partial upgrading ongoing; cross-border section to be realised until after 2020 |
| Koper - Divača - Ljubljana – Pragersko | Rail | studies and upgrading/partially new line |
| Ljubljana node | Rail | rail node Ljubljana, including multi-modal platform; rail airport interconnection |
| Pragersko - Zalalövö | Rail | cross-border section: studies, works to start before 2020 |
| Lendava - Letenye | Road | cross-border upgrading |
| Boba- Székesfehérvár | Rail | upgrading |
| Budapest-Miskolc-UA border | Rail | upgrading |
| Vásárosnamény-UA border | Road | cross-border upgrading |

Hamburg/Rostock – Burgas – Piraeus – Lefkosia

ALIGNMENT:

Hamburg – Berlin

Rostock – Berlin – *Dresden* – Ústí nad Labem – Melnik/Praha - Kolin

Praha – Ostrava/Přerov – Žilina – Košice – UA Border

Kolin – Pardubice – *Brno* – Wien/Bratislava – Budapest – *Arad* – Timişoara – Craiova – Calafat – Vidin – Sofia

Sofia – Plovdiv – Burgas

Plovdiv – TR border

Sofia – Thessaloniki – Athina – Piraeus – Lemesos – Lefkosia

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Dresden - Praha | Rail | studies for high-speed rail |
| Praha | Rail | upgrading, freight bypass; rail connection airport |
| Praha – Breclav | Rail | upgrading |
| Ostrava/Prerov – Žilina – Kosice | Rail | upgrading, multimodal platforms |
| Zlín – Žilina | Road | cross-border road section |
| Hamburg – Dresden – Praha – Pardubice | IWW | Elbe and Vltava studies, works for better navigability and upgrading |
| Děčín locks | IWW | studies |
| Breclav – Bratislava | Rail | cross-border, upgrading |
| Bratislava – Hegyeshalom | Rail | cross-border, upgrading |
| Mosonmagyaróvár – SK Border | Road | cross border upgrading |
| Tata – Biatorbágy | Rail | upgrading |
| Budapest – Arad – Timişoara – Calafat | Rail | upgrading in HU nearly completed, ongoing in RO |
| Vidin – Sofia – Burgas/TR border<br>Sofia – Thessaloniki – Athens/Piraeus | Rail | studies and works Vidin – Sofia – Thessaloniki - Athens; upgrading Sofia – Burgas/TR border |
| Vidin – Craiova | Road | Cross-border upgrading |
| Thessaloniki | Port | Infrastructure upgrading and development, multimodal interconnections |
| Athens/Piraeus – Lemesos | Port, MoS | port capacity and multimodal interconnections |
| Lemesos – Lefkosia | Ports, multimodal platforms | upgrading of modal interconnection, including Lefkosia South Orbital, studies and works, traffic managament systems |
| Lefkosia – Larnaca | Multimodal platforms | Multimodal interconnections and telematic applications systems |

Helsinki – Valletta

ALIGNMENT:

RU border – HaminaKotka – Helsinki – Turku/Naantali – Stockholm – Malmö – København – Lübeck – Hamburg – Hannover

Bremen – Hannover – Nürnberg – München – *Innsbruck* – Verona – Bologna – Ancona/Firenze

Livorno/La Spezia - Firenze – Roma – Napoli – Bari – Taranto – Valletta/Igoumenitsa/Patras – Athina

Napoli – Gioia Tauro – Palermo – Valletta

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| HaminaKotka - Helsinki | Port, rail | port interconnections, rail upgrading, icebreaking capacities |
| Helsinki | Rail | airport-rail connection |
| RU border - Helsinki | Rail | works ongoing |
| Helsinki – Turku | Rail | upgrading |
| Turku/Naantali - Stockholm | Ports, MoS | port interconnections, icebraking capacity |
| Stockholm - Malmö (Nordic Triangle) | Rail | works ongoing on specific sections |
| Fehmarn | Rail | studies ongoing, construction works Fehmarn Belt fixed link to start in 2015 |
| København - Hamburg via Fehmarn: access routes | Rail | access routes DK to be completed by 2020, access routes Germany to be completed in 2 steps: one track electrification with the completion of the fixed link and two-track seven years later |
| Hamburg/Bremen - Hannover | Rail | studies ongoing |
| München - Wörgl | Rail | access to Brenner Base Tunnel and cross-border section: studies |

| | | |
|---|---|---|
| Brenner Base Tunnel | Rail | studies and works |
| Fortezza - Verona | Rail | studies and works |
| Napoli - Bari | Rail | studies and works |
| Napoli – Reggio Calabria | Rail | Upgrading |
| Verona – Bologna | Rail | Upgrading ongoing |
| Ancona, Napoli, Bari, La Spezia, Livorno, Igoumenitsa, Patras | Ports | Port interconnections, (further) development of multimodal platforms |
| Athina - Patras | Rail | studies and works, port interconnections |
| Messina - Catania - Palermo | Rail | upgrading (remaining sections) |
| Palermo/Taranto - Valletta/Marsaxlokk | Ports, MoS | port interconnections |
| Valletta - Marsaxlokk | Port, airport | upgrading of modal interconnection, including Marsaxlokk-Luqa-Valletta, telematic applications systems |

Genova – Rotterdam

ALIGNMENT:

Genova – Milano – *Lugano* – Basel

Genova –Novara – *Brig* – Bern – Basel – Karlsruhe – Mannheim – Mainz – Koblenz – Köln

Köln – Düsseldorf – Duisburg – Nijmegen/Arnhem – Utrecht – Amsterdam

Nijmegen – Rotterdam

Köln – Liège – Bruxelles/Brussel – Gent – Zeebrugge

Liège – Antwerpen

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Genova | Port | Port interconnections |
| Genova - Milano/Novara - CH border | Rail | studies; works starting before 2020 |
| Basel – Antwerpen/Rotterdam - Amsterdam | IWW | upgrading, works for better navigability |
| Karlsruhe - Basel | Rail | works ongoing |
| Frankfurt - Mannheim | Rail | studies ongoing |
| Liège | Rail | port and airport rail connection |
| Rotterdam – Zevenaar | Rail | studies ongoing |
| Zevenaar - Emmerich - Oberhausen | Rail | works ongoing |
| Zeebrugge – Gent – Antwerp - DE border | Rail | upgrading |
| Zeebrugge | Port | locks: studies,  interconnections (studies and works) |

Lisboa - Strasbourg

ALIGNMENT:

Sines / Lisboa – Madrid – Valladolid

Lisboa – *Aveiro* – Leixões/Porto

*Aveiro* – Valladolid – *Vitoria* – *Bergara* – Bilbao/Bordeaux – Paris – Metz - Mannheim/Strasbourg

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| High Speed rail Sines/Lisboa - Madrid | Rail, ports | studies and works ongoing, upgrading of modal interconnection ports of Sines/Lisboa |
| High speed rail Porto - Lisboa | Rail | studies ongoing |
| Rail connection Aveiro – Salamanca – Medina del Campo | Rail | cross-border: works ongoing |
| Rail Connection Bergara - San Sebastián - Bayonne | Rail | completion expected in ES by 2016, in FR by 2020 |
| Bayonne - Bordeaux | Rail | ongoing public consultation |
| Bordeaux - Tours | Rail | works ongoing |
| Paris | Rail | southern high-speed bypass |
| Baudrecourt - Mannheim | Rail | upgrading |
| Baudrecourt - Strasbourg | Rail | works ongoing, to be completed 2016 |

Dublin – London – Paris – Brussel/Bruxelles

ALIGNMENT:

Belfast – Dublin – Birmingham

Glasgow/Edinburgh – Liverpool/Manchester – Birmingham

Birmingham – London – Lille – Brussel/Bruxelles

Dublin/Cork/Southampton – Le Havre – Rouen – Paris

London – Dover – Calais – Paris

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Cork - Dublin - Belfast | Rail | Studies and works; Belfast multimodal connections ; Dublin Interconnector (DART); |
| Glasgow - Edinburgh | Rail | upgrading |
| Manchester – Liverpool | Rail | Upgrading and electrification |
| High Speed 2 | Rail | Studies & works for a high speed line London - Midlands |
| Birmingham – Reading – Southampton | Rail | Upgrading of the freight line |
| Cardiff - Bristol - London | Rail | Upgrading, including Crossrail |
| Dublin, Cork, Southampton, Le Havre | Ports, Rail | Studies and works on port capacity, MoS and interconnections |
| Le Havre - Paris | IWW | upgrading |
| Le Havre - Paris | Rail | studies |
| Calais - Paris | Rail | preliminary studies |
| Bruxelles/Brussel | Rail | studies and works (North-South connection for conventional and high-speed) |

Amsterdam – Basel/Lyon – Marseille

ALIGNMENT:

Amsterdam – Rotterdam – Antwerp – Brussel/Bruxelles – Luxembourg

Luxembourg – Metz – Dijon – Macon – Lyon – Marseille

Luxembourg – Metz – Strasbourg – Basel

Antwerpen/Zeebrugge – Gent – Dunkerque/Lille – Paris

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Maas, inculding Maaswerken | IWW | upgrading |
| Albertkanaal/ Canal Bocholt-Herentals | IWW | upgrading |
| Rhine-Scheldt corridor | IWW | locks: studies ongoing |
| Terneuzen | Maritime | locks: studies ongoing; works |
| Terneuzen - Gent | IWW | studies, upgrading |
| Antwerp | Maritime, port, rail | locks: studies ongoing; port: interconnections (including second rail access to the port of Antwerp) |
| Canal Seine Nord; Seine - Escaut | IWW | design completed, competitive dialogue launched, overall completion by 2018 ; upgrading including cross-border connections |
| Dunkerque – Lille | IWW | studies ongoing |
| Antwerpen, Bruxelles/Brussels, Charleroi | IWW | upgrading |
| Waterways upgrade in Wallonia | IWW | studies, upgrading, intermodal connections |
| Brussel/Bruxelles - Luxembourg - Strasbourg | Rail | works ongoing |
| Antwerp – Namur - LUX border – FR border | Rail | upgrading of rail freight line |
| Strasbourg - Mulhouse - Basel | Rail | upgrading |
| Rail Connections Luxembourg - Dijon - Lyon (TGV Rhin - Rhône) | Rail | studies and works |
| Lyon | Rail | eastern bypass: studies and works |

| | | |
|---|---|---|
| Canal Saône - Moselle/Rhin | IWW | preliminary studies ongoing |
| Rhône | IWW | upgrading |
| Port of Marseille-Fos | Port | interconnections and multimodal terminals |

Strasbourg – Danube Corridor

ALIGNMENT:

Strasbourg – Stuttgart – München – Wels/*Linz*

Strasbourg – Mannheim – Frankfurt – Würzburg – Nürnberg – Regensburg – *Passau* – Wels/*Linz*

Wels/*Linz* – Wien – Bratislava

Wien/Bratislava – Budapest – *Arad* – *Brašov* – Bucurešti – Constanta – *Sulina*

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

| | | |
|---|---|---|
| Rail connection Strasbourg - Kehl Appenweier | Rail | works interconnection Appenweier |
| Karlsruhe - Stuttgart - München | Rail | studies and works ongoing |
| München - Mühldorf - Freilassing - Salzburg | Rail | studies and works ongoing |
| Salzburg - Wels | Rail | studies |
| Nürnberg - Regensburg - Passau - Wels | Rail | Studies and works |
| Rail connection Wels - Wien | Rail | completion expected by 2017 |
| Wien – Bratislava / Wien – Budapest / Bratislava – Budapest | Rail | studies high speed rail (including the alignment of the connections between the three cities) |
| Komárom – Komárno | IWW | Studies and works for cross-border bridge |
| Arad - Brašov - Bucurešti - Constanta | Rail | upgrading of specific sections; studies high-speed |
| Main – Main-Donau-Canal | IWW | studies and works on several sections and bottlenecks; inland waterway ports:multimodal interconnections |
| Danube | IWW | studies and works on several sections and bottlenecks; inland waterway ports:multimodal interconnections |
| Bucharest – Danube Canal | IWW | Studies & works |
| Constanta | Port | port interconnections |

3) Other Sections on the Core Network

| | | | |
|---|---|---|---|
| Sofia to FYROM border | Cross-Border | Rail | studies ongoing |
| Sofia to Serbian border | Cross-Border | Rail | studies ongoing |
| Timişoara – Serbia border | Cross-Border | Rail | studies ongoing |
| München – Praha | Cross-Border | Rail | studies and works |
| Nürnberg – Praha | Cross-Border | Rail | studies |
| Wrocław – Praha | Cross-Border | Rail | studies |
| Nowa Sól – Hradec Králové | Cross-Border | Road | works |
| Ljubljana - HR border | Cross-Border | Rail | studies |
| Brno – AT border | Cross-Border | Road | upgrading |
| Budapest – Zvolen | Cross-Border | Road | upgrading |
| Budapest – HR Border | Cross-border | Rail | studies |
| Budapest – SRB Border | Cross-Border | Rail | studies |
| Bothnian Corridor: Lulea – Oulu | Cross-Border | Rail | studies and works |
| TarguNeamt–Ungheni | Cross-Border | Road | Upgrading |
| Zalau-Halmeu | Cross-Border | Road | Upgrading |
| Marijampole-Kybartai (LT/RU border) | Cross-Border | Road | Upgrading |
| Vilnius-LT/BY border | Cross-Border | Road | Upgrading |
| Ioannina – Kakavia (EL/AL border) | Cross-Border | Road | Studies |
| Kleidi – Polikastro – Evzonoi (EL/FYROM border) | Cross-Border | Road | Upgrading |
| Serres – Promahonas – EL/BG border | Cross-Border | Road | works ongoing |
| Alexandroupoli – Kipoi EL/TR border | Cross-Border | Road | Studies and works |
| North-West Spain | Bottleneck | Rail | works ongoing |
| Frankfurt – Fulda – Erfurt – Berlin | Bottleneck | Rail | studies |
| Halle – Leipzig – Nürnberg | Bottleneck | Rail | works ongoing, to be completed by 2017 |
| Rail Egnatia | Bottleneck | Rail | studies ongoing |

| | | | |
|---|---|---|---|
| Sundsvall – Umea – Lulea | Bottleneck | Rail | studies and works |
| Malmö - Göteborg | Other Core Network | Rail | works |
| Stockholm – Gävle – Sundsvall | Other Core Network | Rail | Upgrading, works |
| Mjölby – Hallsberg – Gävle | Other Core Network | Rail | Upgrading, works |
| Bothnian – Kiruna – NO border | Other Core Network | Rail | studies and works |
| Milford Haven – Swansea – Cardiff | Other Core Network | Rail | Upgrading |
| Rail connection Shannon Foynes - Limerick junction | Other Core Network | Rail | studies |
| Rail connection to Wilhelmshaven and Bremerhaven | Other Core Network | Rail | studies ongoing |
| UA Border – Kraków – Katowice – Wrocław – Dresden | Other Core Network | Rail | works |
| Zilina – UA border | Other Core Network | Rail | upgrading |
| Riga – RU/BY border | Other Core Network | Rail | Upgrading |
| Kaunas – Vilnius – BY border | Other Core Network | Rail | Upgrading, airport interconnection |
| Kybartai – Kaunas | Other Core Network | Rail | upgrading |
| Tallinn – Tartu - Koidula – RU border | Other Core Network | Rail | upgrading |
| Marseille – Toulon – Nice – Ventimiglia - Genova | Other Core Network | Rail | studies high-speed |
| Bordeaux – Toulouse | Other Core Network | Rail | studies high-speed |
| Helsinki – Oulu | Other Core Network | Rail | upgrading of sections |
| Pamplona – Zaragoza - Sagunto | Other Core Network | Rail | studies and works |
| Brunsbüttel - Kiel (Kiel-canal) | Other Core Network | IWW | Optimisation of navigation status |

## PART II: LIST OF INFRASTRUCTURE PRIORITY CORRIDORS AND AREAS IN THE ENERGY SECTOR[59]

| a) Priority Corridors | | |
|---|---|---|
| | Objective | Member States concerned |
| 1. Northern Seas offshore grid ("NSOG") | Developing an integrated offshore electricity grid in the North Sea, the Irish Sea, the English Channel, the Baltic Sea and neighbouring waters to transport electricity from renewable offshore energy sources to centres of consumption and storage and to increase cross-border electricity exchange | Belgium, Denmark, France, Germany, Ireland, Luxemburg, the Netherlands, Sweden, the United Kingdom |
| 2. North-South electricity interconnections in South-Western Europe ("NSI West Electricity") | Developing interconnections between Member States of the region and with Mediterranean third countries, notably to integrate electricity from renewable energy sources | Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Malta, Portugal, Spain, the United Kingdom |
| 3. North-South gas interconnections in Western Europe ("NSI West Gas"): | Increasing interconnection capacities for North-South gas flows in Western Europe to further diversify routes of supply and increase short-term gas deliverability | Belgium, Ireland, Luxembourg, France, Germany, Italy, Malta, the Netherlands, Portugal, Spain, the United Kingdom |

59 Before this Regulation is adopted, the text of Part II of the Annex will be aligned with the final text of the Annex I of Regulation XXXX/2012 on guidelines for trans-European energy infrastructure, and repealing Decision No 1364/2006/EC, with the exception of the Priority Oil Corridor.

| | | |
|---|---|---|
| 4. North-South electricity interconnections in Central Eastern and South Eastern Europe ("NSI East Electricity"): | Strengthening interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources | Austria, Bulgaria, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia |
| 5. North-South gas interconnections in Central Eastern and South Eastern Europe ("NSI East Gas"): | Strengthening regional gas connections between the Baltic Sea region, the Adriatic and Aegean Seas and the Black Sea, notably to enhance diversification and security of gas supply | Austria, Bulgaria, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia |
| 6. Baltic Energy Market Interconnection Plan in electricity ("BEMIP Electricity"): | Developing interconnections between Member States in the Baltic region and reinforcing internal grid infrastructures accordingly, to end isolation of the Baltic States and to foster market integration in the region | Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden |
| 7. Baltic Energy Market Interconnection Plan in gas ("BEMIP Gas"): | Ending the isolation of the three Baltic States and Finland by ending single supplier dependency and increasing diversification of supplies in the Baltic Sea region | Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden |

| | | |
|---|---|---|
| 8. Southern Gas Corridor ("SGC"): | Transmission of gas from the Caspian Basin, Central Asia, the Middle East and the East Mediterranean Basin to the Union to enhance diversification of gas supply | Austria, Bulgaria, Czech Republic, Cyprus, France, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia |

| b) Priority Areas | | |
|---|---|---|
| | Objective | Member States concerned |
| Smart grids deployment: | Accelerating the adoption of smart grid technologies across the Union to efficiently integrate the behaviour and actions of all users connected to the electricity network | all |
| Electricity highways | Developing the first electricity highways up to 2020, in view of building an electricity highways system across the Union | all |
| Cross-border carbon dioxide network | Preparing the construction of carbon dioxide transport infrastructure between Member States in view of the deployment of carbon dioxide capture and storage | all |

PART III: LIST OF PRE-IDENTIFIED PRIORITITES AND AREAS OF INTERVENTION IN THE TELECOMMUNICATIONS SECTOR[60]

a) Horizontal priorities

| | |
|---|---|
| Innovative Management, Mapping & Services | Technical assistance and project replication measures, where necessary for deployment and governance, including project and investment planning and feasibility studies.<br>Mapping of pan-European broadband infrastructure to develop an on-going detailed physical surveying and documentation of relevant sites, analysis of rights of way, assessments of potential for upgrading existing facilities, etc.<br>Analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience |
| Support actions and other technical support measures | Actions needed to prepare implementation of projects of common interest or actions contributing to that purpose, including preparatory, feasibility, evaluation and validation studies, and any other technical support measure, including prior action to define and develop an action fully. |

60 Since the content of the Annex is closely linked to the issue of the functional link (see footnote for Article 7(4) as well as to the discussions on the Commission proposal for a Regulation on guidelines for trans-European telecommunications networks and repealing Decision No 1336/97/EC (hereinafter "INFSO guidelines"), Part III of the Annex will be subject to further discussions in the Telecom Working Party.

b) Broadband networks

Intervention in the field of broadband shall contribute to smart and inclusive growth through building a balanced and geographically diversified portfolio of broadband projects, including both 30Mbps and 100Mbps plus projects; with urbansuburban and rural projects, in order to reach a satisfactory level of connectivity in all the Member States.

| Characteristics of the intervention | Description |
|---|---|
| The intervention in the field of broadband networks shall include: | Investments in broadband networks capable of achieving the Digital Agenda 2020 target of universal coverage at 30Mbps; or |
| | Investments in broadband networks capable of achieving the Digital Agenda 2020 target and having at least 50% of households subscribing to speeds above 100Mbps; |
| The intervention in the field of broadband networks shall consist in particular of one or more of the following elements: | The deployment of passive physical infrastructure or the deployment of combined passive and active physical infrastructure and ancillary infrastructure elements, complete with services necessary to operate such infrastructure; |
| | Associated facilities and associated services, such as building wiring, antennae, towers and other supporting constructions, ducts, conduits, masts, manholes, and cabinets; |
| | Exploitation of potential synergies between the roll-out of broadband networks and other utilities networks (energy, transport, water, sewage, etc), in particular those related to smart electricity distribution. |

c) Digital service infrastructures

The following areas of intervention in the field of Digital service infrastructures shall be supported.

| Digital Service | Description |
|---|---|
| *Trans-European high-speed backbone connections for public administrations* | Public trans-European backbone service infrastructure that shall provide high speed connectivity between public institutions in areas such as public administration, culture, education and health. |
| *Cross-border delivery of eGovernment services* | Standardised, cross-border, and user-friendly interaction platforms, which shall generate efficiency gains both throughout the economy and in the public sector, and shall contribute to the Single Market.<br>Such platforms enable electronic procurement, online health services, standardised business reporting, electronic exchange of judicial information, trans-European online company registration, e-Government services for businesses, including trans-European online company registration. |
| *Enabling access to public sector information and multilingual services* | Digitalization of large collections of European cultural resources and fostering their re-use by third parties.<br>Achieving full access for re-use to all disclosable information held by the public sector in the EU by 2020.<br>Enabling any business in the EU to offer online services in its own language that shall be seamlessly accessible and usable in any EU language |
| *Safety and security* | Shared computing facilities, databases and software tools for the Safer Internet Centres (SICs) in the Member States, as well as back-office operations to handle the reporting on sex abuse content<br>Critical service infrastructures, including communication channels and platforms developed and deployed in order to enhance the EU-wide capability for preparedness, information sharing, coordination and response. |

| | |
|---|---|
| *Deployment of information and communication technology solutions for intelligent energy networks and for the provision of Smart Energy Services* | Modern information and communication technologies in the field of smart energy services to meet the needs of citizens (who can be producers as well as consumers of energy), energy providers and public authorities. |

PART IV: TERMS, CONDITIONS AND PROCEDURES OF FINANCIAL INSTRUMENTS[61]

**Objective and rationale**[62]

The objective of the financial instruments under the Connecting Europe Facility **is** to facilitate infrastructure projects' access to project and corporate financing by **using** Union funding **as** leverag~~**eing**~~.

The financial instruments shall help finance ~~economically sustainable~~ ~~priority~~ projects **of common interest** with a clear EU added value, and ~~to~~ facilitate greater private sector involvement in the long-term financing of **such** ~~economically sustainable~~ projects in the field of transport, energy and telecommunications, including broadband networks.

The financial instruments shall benefit projects with medium- to long-term financing needs and shall produce greater benefits in terms of market impact, administrative efficiency and resource utilisation.

They shall provide to infrastructure stakeholders such as financiers, public authorities, infrastructure managers, construction companies and operators a coherent market oriented toolbox of EU financial support.

The financial instruments shall consist of

a) an instrument for loans and guarantees facilitated by risk sharing instruments, including credit enhancement mechanisms to project bonds] ('Debt Instrument') and

b) an instrument for equity ('Equity Instrument'),

which shall help overcome market constraints by improving the financing and/or risk profiles of the infrastructure investments. This, in turn, shall enhance the access of firms and other beneficiaries to loans, guarantees, equity and other forms of private financing.

[61] FR: scrutiny reservation.
[62] This introductory part could be moved in the recital section.

Prior to the finalisation of the design of the Debt and Equity Instruments, the Commission shall carry out an ex-ante assessment in accordance with the Financial Regulation. Evaluations of existing, comparable financial instruments shall contribute to this assessment, where appropriate.

**I. Debt Instrument**

1. General provisions

The goal of the Debt Instrument shall be to contribute to overcoming deficiencies of the European debt capital markets by offering risk-sharing for debt financing. Debt financing shall be provided by entrusted entities or dedicated investment vehicles in the form of senior and sub-ordinated debt or guarantees.

The Debt Instrument shall consist~~s~~ of a risk-sharing instrument for loans and guarantees and of the Project Bond Initiative. The project promoters may, in addition, seek equity financing under the Equity Instrument.

a. Risk-sharing instrument for loans and guarantees

The risk-sharing instrument for loans and guarantees shall be designed to create additional risk capacity in the entrusted entities. This shall allow the entrusted entities to provide funded and unfunded subordinated and senior debt to projects and corporates in order to facilitate promoters' access to bank financing. If the debt financing is sub-ordinated, it shall rank behind the senior debt but ahead of equity and related financing related to equity.

The unfunded subordinated debt financing shall not exceed 30% of the total amount of the senior debt issued.

The senior debt financing provided under the Debt Instrument shall not exceed 50% of the total amount of the overall senior debt financing provided by the entrusted entity or the dedicated investment vehicle.

b. Project Bond Initiative

The risk-sharing instrument for project bonds shall be designed as a sub-ordinated debt financing in order to facilitate financing for project companies raising senior debt in the form of bonds. This credit enhancement instrument shall aims at helping the senior debt to achieve an investment grade credit rating

It shall rank behind the senior debt but ahead of equity and financing related to equity.

The subordinated debt financing shall not exceed 20%[63] [64] of the total amount of the senior debt issued.

2. Financial parameters and the leverage

Risk- and revenue-sharing parameters shall be set in such a way that specific policy objectives including targeting of particular categories of projects can be achieved while still preserving the market oriented approach of the Debt Instrument.

The expected leverage of the Debt Instrument — defined as the total funding (i.e. Union contribution plus contributions from other financial sources) divided by the Union contribution — shall be expected to range from 6 to 15, depending on the type of operations involved (level of risk, target beneficiaries, and the debt financing concerned).

3. Combination with other sources of funding

Funding from the Debt Instrument may be combined with other ring-fenced budgetary contributions listed below,, subject to the rules of the Financial Regulation and the relevant legal base :

(a) other parts of the Connecting Europe Facility,

(b) other instruments, programmes and budget lines in the Union budget;

(c) Member States, including regional and local authorities, that wish to contribute own resources or resources available from the Cohesion Policy funds without changing the nature of the instrument.

[63] To be reviewed following 2013 interim report of the pilot phase and the 2015 ~~external~~ **full independent** evaluation.

[64] Reservation on deletion of 30%: Commission, IT, LU.

4. Implementation

Entrusted entities

Entrusted entities shall be selected in accordance with the Financial Regulation.

The implementation under indirect management mode may have the form of direct mandates to entrusted entities. For instruments under direct mandates (i.e. in indirect management mode), the entrusted entities shall manage the Union contribution to the Debt Instrument and shall be risk-sharing partners.

In addition, the setting up of dedicated investment vehicles may be envisaged to allow the pooling of contributions from multiple investors. The Union contribution may be subordinated to that of other investors.

The design and implementation

The design shall be aligned with the general provisions for financial instruments set out in the Financial Regulation.

The detailed terms and conditions for implementing the Debt Instrument, including monitoring and control, shall be laid down in an agreement between the Commission and a respective entrusted entity, taking into account the provisions laid down in this Annex and the Financial Regulation.

– Fiduciary account

– The entrusted entity shall set up a fiduciary account to hold the Union contribution and revenues resulting from the Union contribution.

– 5. Use of the Union contribution

The Union contribution shall be used:

a. towards risk provisioning;

b. to cover agreed fees and costs associated with the establishment and management of the Debt Instrument, including its evaluation, which have been determined in line with the Financial Regulation and market practice;

c. for directly related support actions

– 6. Pricing, risk and revenue sharing

– The Debt Instruments shall bear a price, to be charged to the beneficiary, in accordance with the relevant rules and criteria of the entrusted entities or dedicated investment vehicles and in line with **best** market practices ~~and best practices~~.

– As regards direct mandates to entrusted entities, the risk-sharing pattern shall be reflected in an appropriate sharing between the Union and the entrusted entity of the risk remuneration charged by the entrusted entity to its borrowers.

– As regards dedicated investment vehicles, the risk-sharing pattern shall be reflected in an appropriate sharing between the Union and the other investors of the risk remuneration charged by the dedicated investment vehicle to its borrowers.

– Notwithstanding the risk-sharing pattern chosen, the entrusted entity shall always be expected to share a portion of the defined risk and shall always bear the full residual risk tranche.

The maximum risk covered by the Union budget shall not exceed 50% of the risk of the target debt portfolio under the debt instrument. The maximum risk-taking ceiling of 50% shall apply to the target size of dedicated investment vehicles.

– 7. Application and approval procedure

Applications shall be addressed to the entrusted entity or a dedicated investment vehicle, respectively, in accordance with their standard application procedures. The entrusted entities and the dedicated investment vehicles shall approve the projects in accordance with their internal procedures.

8. Duration of the Debt Instrument

The last tranche of the Union contribution to the Debt Instrument shall be committed by the Commission no later than 31 December 2020. The actual approval of debt financing by the entrusted entities or the dedicated investment vehicles ~~is to~~ **shall** be finalised by 31 December 2022.

~~In the event of termination of the Debt Instrument prior to 2020 any balances on the fiduciary accounts, other than funds committed and funds needed to cover fees and expenses, shall be returned to the respective CEF budget lines.~~

9. Expiry

Union contribution allocated to the Debt Instrument shall be reimbursed to the relevant fiduciary account as debt financing expires or is repaid. The fiduciary account shall maintain sufficient funding to cover fees or risks related to the Debt Instrument until their expiry.

10. Reporting

The reporting methods on the implementation of the Debt Instrument shall be agreed by the Commission in the agreement and the entrusted entity in line with the Financial Regulation.

In addition, the Commission shall, with the support of the entrusted entities, report on implementation annually to the European Parliament and the Council until 2023 in accordance with Article 140(8) of the Financial Regulation.

11. Monitoring, control and evaluation

The Commission shall monitor the implementation of the Debt Instrument, including through on-the-spot controls as appropriate, and shall perform verification and controls in line with the Financial Regulation.

12. Support Actions

The implementation of the Debt Instrument may be supported by a set of accompanying measures. These may include, amongst other measures, technical and financial assistance; measures to raise the awareness of capital providers; schemes to attract private investors.

## II. Equity Instrument

1. General provisions

The goal of the Equity Instrument shall be to contribute to overcoming the deficiencies of European capital markets by providing equity and quasi-equity investments.

The maximum amounts of the Union contribution shall be limited as follows:

- 33% of the target equity fund size or

- the co-investment by the Union in a project shall not exceed 30% of the total equity of a company.

The project promoters may, in addition, seek debt financing under the Debt Instrument.

2. Financial parameters and the leverage

Investment parameters shall be set in such a way that specific policy objectives, including the targeting of particular categories of infrastructure projects, can be achieved while still preserving the market-oriented approach of this instrument.

The expected leverage of the Equity Instrument — defined as the total funding (i.e. the Union contribution plus all contributions from other investors) divided by the Union contribution shall be expected in average to range from 5 to 10, depending on market specificities.

3. Combination with other sources of funding

Funding from the Equity Instrument may be combined with other ring-fenced budgetary contributions listed below, subject to the rules of the Financial Regulation and the relevant legal base:

(a) other parts of the Connecting Europe Facility,

(b) other instruments, programmes and budget lines in the Union budget; and

(c) Member States, including regional and local authorities, that wish to contribute own resources or resources available from the Cohesion Policy funds without changing the nature of the instrument.

4. Implementation

Entrusted entities

Entrusted entities shall be selected in accordance with the Financial Regulation.

The implementation under indirect management mode may have the form of direct mandates to entrusted entities, in indirect management mode. For instruments under direct mandates, (i.e. in indirect management mode), the entrusted entities shall manage the Union contribution to the Equity Instrument.

In addition, the setting up of dedicated investment vehicles may be envisaged to allow the pooling of contributions from multiple investors. The Union contribution may be subordinated to that of other investors.

In duly justified cases in order to achieve specific policy objectives, the Union contribution may be provided to a specific project by an entrusted entity as a co-investment.

The design and implementation

The design shall be aligned with the general provisions for financial instruments set out in the Financial Regulation.

The detailed terms and conditions for implementing the Equity Instrument, including its monitoring and control, shall be laid down in an agreement between the Commission and a respective entrusted entity, taking into account the provisions laid down in this Annex and the Financial Regulation.

– Fiduciary account

– The entrusted entity shall set up a fiduciary account to hold the Union contribution and revenues resulting from the Union contribution.

– 5. Use of the Union contribution

The Union contribution shall be used:

a. towards equity participations and,

b. to cover agreed fees and costs associated with the establishment and management of the Equity Instrument, including its evaluation, which have been determined in line with the Financial Regulation and market practice.

c. for directly related support actions.

– 6. Pricing, risk and revenue sharing

– The equity remuneration shall comprise the customary return components attributed to equity investors and shall depend on the performance of the underlying investments.

– 7. Application and approval procedure

Applications shall be addressed to the entrusted entity or a dedicated investment vehicle, respectively, in accordance with their standard application procedures. The entrusted entities and the dedicated investment vehicles shall approve the projects in accordance with their internal procedures.

8. Duration of the Equity Instrument

The last tranche of the Union contribution to the Equity Instrument shall be committed by the Commission no later than 31 December 2020. The actual approval of equity investments by the entrusted entities or the dedicated investment vehicles shall be finalised by 31 December 2022.

~~In the event of termination of the Equity Instrument prior to 2020 any balances on the fiduciary accounts, other than funds committed and funds needed to cover fees and expenses, shall be returned to the respective CEF budget lines.~~

9. Expiry

Union contribution allocated to the Equity Instrument shall be reimbursed to the relevant fiduciary account as investments are exited or mature otherwise. The fiduciary account shall maintain sufficient funding to cover fees or risks related to the Equity Instrument until its expiry.

10. Reporting

Annual reporting methods on the implementation of the Equity Instrument shall be agreed by the Commission and the entrusted entity in the agreement in line with the Financial Regulation.

In addition, the Commission shall, with the support of the entrusted entities, report on implementation annually to the European Parliament and the Council until 2023 in accordance with the Article 131(6) of the Financial Regulation.

11. Monitoring, control and evaluation

The Commission shall monitor the implementation of the Equity Instrument, including through on-the-spot controls as appropriate, and shall perform verification and controls in line with the Financial Regulation.

12. Support actions

The implementation of the Equity Instrument may be supported by a set of accompanying measures. These may include, amongst other measures, technical and financial assistance; measures to raise the awareness of capital providers; schemes to attract private investors.

**III. Annual schedule for the contribution from the general budget of the EU**[65]

1. The contribution from the general budget of the EU to the Debt Instrument shall be made available to the EIB and entrusted entities in accordance with the following indicative schedule:

[65] Amounts will be filled in once the MFF negotiations are completed and numbers are known.

2014 EUR […] million
2015 EUR […] million
2016 EUR […] million
2017 EUR […] million
2018 EUR […] million
2019 EUR […] million
2020 EUR […] million

2. The contribution from the general budget of the EU to the Equity Instrument shall be made available to the EIB and entrusted entities in accordance with the following indicative schedule:

2014 EUR […] million
2015 EUR […] million
2016 EUR […] million
2017 EUR […] million
2018 EUR […] million
2019 EUR […] million
2020 EUR […] million