Connecting Europe Facility 2014-2020

2011/0302(COD) - 07/06/2012

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

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

- **transport**: removing bottlenecks and bridging missing links; ensuring sustainable and efficient transport systems in the long term; improving the integration and interconnection of different transport modes and enhancing interoperability;
- **energy**: improving the integration of the internal energy market and the interoperability of energy networks across borders; enhancing security of energy supply; contributing to sustainable development and protection of the environment;
- **telecommunications**: building high-speed broadband networks and developing trans-European digital public service infrastructures.

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

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

Financial instruments: some delegations also raised issues related to the financial instruments and other financial provisions under the CEF regulation. However, as those issues are not part of the present general

approach, they will need to be addressed later on by budgetary experts. One member state abstained for the time being, pending the outcome on the financial part. Another delegation also underlined that it might be necessary to reopen discussion on certain issues once the budgetary decisions are known.

Funding rates:

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

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

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

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