Connecting Europe Facility 2014-2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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