

Connecting Europe Facility 2014-2020

2011/0302(COD) - 20/12/2012

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

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

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

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

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

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

Other outstanding issues concern:

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

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