Connecting Europe facility 2021–2027

2018/0228(COD) - 07/07/2021 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution **approving** the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014.

The proposed regulation establishes the Connecting Europe Facility (CEF) for the period of the Multiannual Financial Framework (MFF) 2021-2027. It sets out the objectives of the CEF and establishes its budget for the period 2021-2027, as well as the forms of EU funding and the rules for granting funding.

CEF's objectives

The general objective of the CEF is to develop and modernise trans-European networks in the fields of **transport, energy and digital technology** and to facilitate cross-border cooperation in the field of renewable energy.

Budget

The financial envelope for the implementation of the CEF for the period from 1 January 2021 to 31 December 2027 is set at **EUR 33 710 000 000** in current prices, broken down as follows: (a) EUR 25 807 000 000 for the transport sector; (b) EUR 5 838 000 000 for the energy sector; (c) EUR 2 065 000 000 for the digital sector.

The CEF will contribute **60%** of its overall financial envelope to the climate objectives.

Transport sector

The CEF aims at contributing to the completion of the trans-European transport core network by 2030 and the comprehensive network by 2050. It should also support the modernisation of the TEN-T network, in particular the deployment of alternative fuels infrastructure and digitalisation of transport. In addition, **civilian-military dual-use** transport projects will be implemented through the CEF.

The actions eligible for funding are extended to a number of projects which will cover, inter alia, cross-border links and missing links listed in part III of the Annex, seaports and inland ports on the global network, as well as overseas countries and territories with a view to improving the connectivity of peripheral and isolated territories.

The Council's position maintains the principle of differentiating the co-financing rates between different types of actions with the objective to focus the CEF on the most crucial actions, especially on cross-border projects.

The maximum co-financing rates have been increased in support of a number of actions which aim in particular at integrated management structures, such as joint ventures, as well as synergies. These actions concern inter alia maritime, inland waterways and railway interoperability, while CEF will continue to focus on cross-border measures.

In addition, a specific amount from the CEF should be used for the completion of the missing major cross-border rail links between the cohesion countries to contribute to the functioning of the single market, and the rules for co-financing the transfer from the Cohesion Fund to the CEF should apply to this amount.

Energy sector

The focus is on contributing to the development of trans-European energy networks, further integration of the internal energy market and interoperability of networks across borders and sectors. The CEF will also facilitate cross-border cooperation in the field of **renewable energy** and enable decarbonisation through the integration of renewable energy sources.

A provision stipulates that, subject to market response, a maximum of 15% of the overall energy sector budget should be allocated to cross-border renewable energy projects, with the possibility of raising this ceiling to 20%.

Consistency with the energy efficiency first principle when defining award criteria and called for particular emphasis in the work programmes to actions aimed at further integrating the internal market for energy, ending energy isolation and eliminating electricity interconnection bottlenecks.

Digital sector

For digital, CEF aims at contributing to the deployment of safe and secure very high capacity digital networks and **5G systems** and to the increased resilience and capacity of digital backbone networks in line with the European digital connectivity objectives.

The Council's position supports advanced connectivity for socio-economic drivers, but also aims to ensure comprehensive coverage around them, including households.

The regulation focuses on creating and, where it already exists, providing redundancy for the backbone infrastructure connecting the outermost regions, islands, overseas countries and territories, via the Member States' territorial waters and exclusive economic zones.

A new **cybersecurity clause** provides that for all or some of the actions under the specific objectives set out for the digital sector, calls for proposals and calls for tenders can, for duly justified security reasons, be restricted to entities established, or deemed to be established, in Member States and directly or indirectly controlled by Member States, or by nationals of Member States.