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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Connecting Europe Facility

{SEC(2011) 1262 final}
{SEC(2011) 1263 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

On 29 June 2011, the Commission adopted a proposal for the next Multi-Annual financial framework for the period 2014-2020[1]: "A Budget for Europe 2020". In its proposal, the Commission decided to propose the creation of a new integrated instrument for investing in EU infrastructure priorities in Transport, Energy and Telecommunications: the "Connecting Europe Facility" (hereafter CEF).

Smart, sustainable and fully interconnected transport, energy and digital networks are a necessary condition for the completion of the European single market. Moreover, investments in key infrastructures with strong EU added value can boost Europe's competitiveness in a difficult economic context, marked by slow growth and tight public budgets. Finally, such investments in infrastructure are also instrumental in allowing the EU to meet its sustainable growth objectives outlined in the Europe 2020 Strategy and the EU's "20-20-20" objectives in the area of energy and climate policy[2].

This Regulation sets out the provisions governing the CEF. It draws on the work undertaken to prepare the revision of the policy framework in all three sectors (Transport, Energy, and Telecommunications) for the next Multi-Annual financial framework (2014-2020). In line with Article 170 of TFEU, new guidelines are proposed in each sector in line with the CEF. Therefore, the revised Guidelines for Transport, Energy and Telecommunications on the one hand and the CEF on the other hand constitute one coherent regulatory package.

In the past decade, infrastructure spending in Europe has been, on average, on a declining path. The economic and financial crisis has, however, brought renewed interest in the need for infrastructure investment. During the economic crisis, targeted investments in infrastructure renewal or construction have been an important part of stimulus and recovery plans at EU and Member State levels, as a way of supporting aggregate demand while ensuring a long term return from money spent. Most importantly, the crisis has shown that infrastructures are crucial for Europe's economic future.

A truly integrated Single Market, as the Monti Report indicated[3], would not be possible without a seamless connection between all its component parts. Transport connections, electricity grids and broadband networks are vital for a functioning, integrated economic area and for its social and territorial cohesion. Yet, while regulatory integration advances within the EU and markets become more integrated, most recently in the energy sector with the adoption and entry into force of the third liberalisation package, cross-border physical interconnection is lagging. Missing links exist, notably in the new Member States, creating dividing lines between the centre and peripheries of the European Union and hampering the

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1 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A Budget for Europe 2020", 29.6.2011, COM(2011)500 Final.

2 20% reduction in greenhouse gas emissions, 20% share of renewable energy in EU final energy consumption and 20% improvement in energy efficiency by 2020.

3 "A new Strategy for the Single Market at the service of Europe's economy and society". Report by Mario Monti to the President of the European Commission, 9 May 2010, page 64-65.

further development of intra-Union exchanges or the growth of new economic sectors, such as e-commerce.

Considerable investment needs have been identified. In the energy sector, the proposed regulation concerning guidelines for the implementation of European energy infrastructurepriorities (hereafter Guidelines for trans-European energy infrastructure) identifies twelve infrastructure priority corridors and areas, four for each sector, electricity, and gas transportation, as well as smart grids deployment, electricity highways and cross-border carbon dioxide networks. Whilst Europe's energy system would require investments of ca. one trillion by 2020, out of which it is estimated that about €200 billion of investment is needed for electricity and gas networks of European importance alone. €100 billion of this total investment should be delivered by the market unaided, whereas the other €100 billion will require public action to leverage the necessary investments.

In the transport sector, a Europe-wide 'core network' has been identified using a pan-European planning methodology. This core network with corridors, carrying freight and passenger traffic with high efficiency and low emissions, makes extensive use of existing infrastructure. By completing missing links and alleviating bottlenecks and with the use of more efficient services in multimodal combinations, it will handle the bulk of transport flows in the single market. The cost of EU infrastructure development to match the demand for transport has been estimated at over €1.5 trillion for 2010-2030 for the entire transport networks of the EU Member States. The completion of the trans-European transport networks requires about €500 billion by 2020, of which €250 billion would be needed to complete missing links and remove bottlenecks on the core network.

For the telecommunication networks, the removal of (digital) bottlenecks which hinder the completion of the Digital Single Market is a key objective. This implies a need for an overall improvement of the whole broadband network and the establishment of digital service infrastructure platforms that permit a coherent digital deployment of European public services. Indeed, these networks, both physical and service-based, are key enablers for smart growth. As part of the Digital Agenda, every European should have access to basic broadband by 2013 and fast and ultra fast broadband by 2020. In September 2010, the Commission outlined the steps needed to trigger up to €270 billion of investment required to bring ultra-fast broadband to all European households and businesses by 2020. In the current circumstances a part of these investment needs will be covered by the private sector. The investment needs for achieving these objectives are estimated at up to €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. This results in an investment gap of up to €220 billion. As the social benefits from investment in digital infrastructures by far exceeds the private incentive for investment, focused public intervention is necessary to stimulate the market.

The analysis carried out by the Commission services in preparation of this Regulation have shown that while the market and national budgets are expected to play a major role in delivering the required infrastructures through appropriate investment and pricing mechanisms, some investments in infrastructure will not take place or will be delayed far beyond 2020, if the EU does not take action. Therefore, there is a need for a significant contribution from the EU budget in the next Multi-Annual financial framework to ensure that EU infrastructure priorities are actually delivered.

In order to increase the impact of EU budgetary resources, the Commission proposes to tap more systematically into the use of innovative financial instruments to offer an alternative to the traditional grant funding and plug financing gaps for strategic investments. An important feature of innovative financial instruments is that they create a stronger multiplier effect for the EU budget than traditional instruments, by facilitating and attracting other public and private financing to projects of EU interest. They leverage the investment and consequently magnify the impact of the EU budget.

Building on the experience of financial instruments under the current financial framework put in place in cooperation with the European Investment Bank (EIB), such as the Loan Guarantee Instrument for trans-European transport networks projects (hereafter LGTT), the Commission proposes to implement a significant part of its interventions within the CEF through financial instruments. In particular, the Europe 2020 Project Bond Initiative[4] will be used as a means of securing investment resources for infrastructure projects of key strategic European interest.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

2.1 Consultation and expert advice

This Regulation draws on extensive consultation with stakeholders, EU institutions and bodies, Member States, regional or local authorities, social and economic partners, academic experts and international institutions. The results of mid-term evaluations carried out on the 2007-13 programmes as well as a broad range of studies and expert advice were used as input.

For the three sectors, the stakeholder contributions raised inter alia the following issues:

There is a broad consensus emerging from the consultations on the fact that accelerating the development of infrastructure with European added value requires increased EU support.

Stakeholders called for a higher leverage of EU funding towards trans-European networks policy objectives through for instance a greater coordination between different financial instruments, namely the Cohesion Fund and European Regional Development Fund (ERDF), the trans-European networks programmes and the EIB's interventions.

Widening the portfolio of available financial instruments is seen by stakeholders as a means to better adjust support to the particular needs of a project, to enable effective project structuring and to attract new investors. The planned Project Bonds Initiative is particularly suitable for larger investments under the CEF.

2.2 Impact Assessment

The proposed Regulation has been the subject of an impact assessment concerning possible implementation options of the CEF as a policy initiative, i.e. options concerning the definition of the CEF operational rules. The impact assessment started from the overarching objective of the CEF as proposed in the Multiannal Financial Framework Communication "A Budget for

4 COM(2011)xxx on the launch of the pilot phase of the Europe 2020 Project Bond Initiative.

Europe 2020"[5] – to accelerate the infrastructure development that the EU needs to reach the Europe 2020 Strategy's objectives as well as the "20-20-20" energy and climate change targets – and drew on the input of stakeholder consultations, and of evaluation studies of current EU programmes providing financial support to TEN development.

The main focus of the assessment of impacts of the possible policy options has been the achievement, in a most effective, efficient and coherent manner of two main specific objectives:

1) Increase the leverage of EU funds – by defining forms, methods and rules of financing that can ensure maximal leverage in attracting public and private investment for projects with a European and Single Market dimension, in particular priority networks that must be implemented by 2020 and where European added value is most warranted including, where appropriate, those that may take place in third countries;

2) Facilitate the timely delivery of EU co-funded projects – by defining monitoring and evaluation mechanisms that reward performance and penalise non-effective use of EU funds.

At the same time, the assessment of the policy options had to take into account two associated overarching policy goals of the Union: on the one hand, the achievement of the sector specific policy objectives in the field of infrastructures as defined in Articles 170 and 171 of the TFEU, and on the other hand, the simplification of the EU funding rules by exploiting synergies within and between sectors, to which the Commission has firmly committed itself[6]. As these two policy goals are not however fully compatible, finding the appropriate balance between coherence with sector policy objectives and maximisation of synergies was a key principle pursued in assessing the options defining the CEF operating rules.

Nine main policy options alternatives were initially considered, starting from the central rationale underlying the Commission's decision to propose the establishment of the Connecting Europe Facility, namely simplifying the existing EU funding framework by drawing on sectoral synergies. The policy alternatives were built on combinations of scenarios corresponding to three basic options for financial rules simplification – minimal, maximal and variable (or "à la carte") harmonisation of sectoral rules – in the two areas of policy intervention corresponding to the two main specific objectives identified earlier – investment leverage and programme implementation.

The range of options was thus situated between two extremes. At one extreme, minimum harmonisation of both investment leverage and programme implementation referred to a situation where completely distinct, specific rules and set-ups for providing EU funding support under the CEF in each sector would be established. At the other extreme was the policy option characterised by maximum harmonisation of both investment leverage and programme implementation rules, referring to a situation where the three sectors would have thoroughly common financial rules and programme management set-ups for the use of funds under the CEF. In between these extremes, the remaining options envisaged situations whereby sectors shared certain rules and set-ups whereas other remained distinct and sector

5 COM(2011)500

6 Commission Communication on the Budget Review (COM(2010) 700), on Smart Regulation (COM (2010) 543), and on A Budget for Europe 2020 (COM(2011) 500).

specific, i.e. combinations of maximal or variable harmonisation of rules in one area of policy intervention with variable or minimal harmonisation of the sectoral rules in the other area.

The assessment of the impacts of these policy options, with respect to the achievement of the objectives highlighted earlier, has lead to the conclusion that two of the considered options could best ensure that the CEF, by means of its operational rules, would support an accelerated development of infrastructure of EU interest:

- The policy option where the harmonisation of rules would be variable – i.e. with a number of rules common and a number remaining sector specific – in both the area of investment leverage and that of programme implementation – would be the best option from the perspective of coherence with all the relevant EU policy goals;

- Whereas the policy option where a variable harmonisation at the level of rules for investment leverage was chosen with a maximal harmonisation of rules at the level of programme implementation might prove more efficient from a cost-related perspective.

Nevertheless, the second option might have a longer term negative impact with regard to the capacity to respond to sector-specific situations, particularly as regards the programming of funds and which might, in the long run, offset initial cost-savings. It was therefore eventually concluded that a certain degree of sectoral flexibility also in defining the CEF rules in the area of programme implementation would be the best option for ensuring the CEF objectives.

The provisions concerning the use of funds under the CEF put forward in the present Regulations have been drafted based on the considerations and conclusions highlighted in the above mentioned impact assessment.

2.3 EU Added Value of the CEF

The process of consultation with interested parties as well as the analysis carried out in the impact assessment has highlighted that the added value of the CEF as a common funding framework would be four fold:

(1) A common framework would lead to the simplification of the EU legal framework concerning TEN infrastructures funding. It would also ensure a coherent approach to EU project financing across the three sectors.

(2) At the same time, a single EU infrastructure fund and financial framework would provide a coherent and transparent approach to EU funding that would offer certainty and would thus have a huge potential to attract more private sector financing. Financial instruments would be available in a centralised and coordinated manner, attracting and improving the effectiveness of the relationship with the private investors and the partner financial institutions.

(3) In addition, the progressively increasing interdependency between economic infrastructure projects, networks and sectors would enable the realisation of economies of scale. An integrated EU infrastructure funding framework could allow exploiting cross-sector synergies at project development and implementation level, enabling cost savings and/or more efficient exploitation and higher returns.

(4) Last but not least, a common framework draws on lessons learned and best practice sharing across sectors, enabling thus an enhanced effectiveness and efficiency of EU financing in all sectors.

3. LEGAL ELEMENTS OF THE PROPOSAL

Trans-European networks are covered under Article 170 TFEU, which specifies: “The Union shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures”. The right for the EU to act in the field of infrastructure financing is set out in Article 171 which provides that the Union "may support projects of common interest supported by Member States, (…) particularly through feasibility studies, loan guarantees or interest-rate subsidies". Article 172 TFEU specficies that "the guidelines and other measures referred to in Article 171 (1) shall be adopted by the European Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee and the Committee of the Regions."

In the Budget Review Communication, the Commission underscored the importance of employing the EU budget in order to "plug gaps left by the dynamics of national policy-making, most obviously addressing cross-border challenges in areas like infrastructure, mobility, territorial cohesion… - gaps which would otherwise damage the interest of the EU as a whole."[7] Member States tend to prioritise projects of primary national relevance when planning and funding infrastructure, and these may not always be the same as cross-border projects that carry higher added value for the citizens on an overall EU level.[8] The aggregate expenditure of the EU and the Member States should be efficient, ensure an adequate scale of the investment and promote synergies.

The legislative instrument, and the type of measure (i.e. funding) are both defined in the TFEU, which provides the legal basis for the CEF, and states that the tasks, priority objectives and the organisation of the trans-European networks may be defined in regulations.

4. BUDGETARY IMPLICATION

The Commission’s proposal for the next Multi-Annual financial framework includes a proposal for €50 billion[9] for the period 2014-2020, of which €10 billion earmarked in the Cohesion Fund for transport infrastructure.

CEF	€40 billion
• Energy	€9.1 billion

7 COM(2010)700, p. 5.

8 See Impact Assessment Reports of revised TEN-T Guidelines, SEC(2011)xxx, of revised TEN-E Guidelines, SEC(2011)xxx and of e-TEN Guidelines, SEC(20111)xxx.

9 All figures in constant 2011 prices. The corresponding amounts expressed in current prices can be found in the Legislative Financial Statement.

• Transport	€21.7 billion
• Telecommunications/Digital	€9.2 billion
Amounts ring fenced in the Cohesion Fund for transport infrastructures	€10 billion
Total	€50 billion

Experience with the current financial framework shows that many Member States, which are eligible to the Cohesion Fund, have difficulties designing and implementing complex cross-border transport infrastructure projects. Therefore, for the next Multi-Annual Financial Framework, the Commission proposes that while the Cohesion Fund continues to support Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the EU27 average in making investments in trans-European Transport networks and the environment, part of the Cohesion Fund allocation (€10 billion) will be used to finance transport projects on the transport core network in the Cohesion Fund eligible Member States under the Connecting Europe Facility.

5. SUMMARY OF CONTENTS OF REGULATION

5.1 A single framework for investing into EU infrastructure priorities

Past experience in infrastructure financing through TEN frameworks, the EERP and the Cohesion and Structural funds shows that the EU can bring a value added to infrastructures. A consensus exists among stakeholders that in a "business as usual" scenario, Europe might not be able to mobilise in time the investments needed to modernise its infrastructure networks and plug missing links.

In the wake of the financial crisis, Member States' public budgets are struggling with the necessary fiscal consolidation. Capital expenditure has often suffered substantial cuts, with spending for infrastructure investment projects suspended or delayed. At the same time, the prospects for stepping up investments from private sources are uncertain. In addition to financing constraints, regulatory obstacles also delay or impede the implementation of needed infrastructure projects. Against this background, the current EU framework for infrastructure funding does not seem adequate to provide an effective response. Funding is fragmented among too many programmes and prevents the full exploitation of synergies between programmes and sectors.

In re-designing its funding strategy for infrastructure, the Commission has pursued the following objectives:

- Ensure cost-effective and timely implementation of key priority network infrastructure in the energy, transport and ICT sectors, as identified in the Energy Infrastructure Package, the White Paper for Competitive and Sustainable Transport[10] and the Digital Agenda for Europe.

[10] COM(2011)144

- Maximise synergies between the energy, transport and ICT programmes, so that funding responds to a coherent policy strategy and projects are selected according to clear harmonised criteria.

- Enhance the EU funds' ability to leverage other public or private funds so that the aggregate volume of resources mobilised is adequate to meet the projected investment needs to 2020;

- Ensure optimal project selection, follow up and monitoring so that EU funding is well targeted, delivers the highest impact and is spent in the most effective way.

The rationale for a common legislative basis for providing financial support in three distinct sectors with different policy framework lies in the opportunity to exploit synergies across sectors, stemming from common issues with regard to the financing of the implementation of otherwise importantly varying policy objectives. The added value of a common framework would be three fold.

A common framework would result in a simplification of the EU legal framework concerning TEN infrastructures funding. It would also ensure a coherent approach to EU project financing across the three sectors. As highlighted earlier, the EU infrastructure financial framework is currently fairly complex, due mainly to the number and heterogeneity of the existing EU legal texts. Simplification of rules is one of the keywords of the new approach proposed by the Commission with regard to EU budgetary spending.

At the same time, a single EU infrastructure financial framework and fund would provide a coherent and transparent approach to EU funding that would offer certainty and would thus have a huge potential to attract more private sector financing. Financial instruments would be available in a centralised and coordinated manner, attracting and improving the effectiveness of the relationship with the private investors and the partner financial institutions.

In addition, the progressively increasing interdependency between economic infrastructure projects, networks and sectors would enable the realisation of economies of scale. An integrated EU infrastructure funding framework would allow exploiting cross-sector synergies at project development and implementation level, enabling cost savings and/or more efficient exploitation and higher returns.

Last but not least, a common framework would allow lessons learned and best practice sharing across sectors, enabling an enhanced effectiveness and efficiency of EU financing in all sectors.

5.2 Simplification measures and coherence with existing rules

Simplification of rules is one of the keywords of the new approach proposed by the Commission with regard to EU budgetary spending. The common CEF framework results in a simplification of the EU legal framework concerning TEN infrastructures funding. A unique legal text covers EU project funding across Transport, Energy and Digital networks.

Though the sectors are technologically/financially/regulatory different – there is a sufficient number of commonalities to propose a real improvement with regard to the existing different instruments. At the same time, the proposal spells out specific rules which are necessary to maintain for the overall aim of the CEF: accelerate and better target the flow of public EU money to important infrastructure projects of EU interest.

The current text introduces simplification, in particular addressing the following issues:

- Alignment of indicators on the Europe 2020 Strategy's objectives
- Flexibility on budget allocations
- Centralised management for the three sectors, possibly through implementation via an executive agency.
- Common funding instruments
- Common award criteria
- Common conditions for financial assistance
- One stop visibility through common annual work programmes - important for sector - and common committee - important for Member States

Furthermore, full coherence with current and future Financial Regulation has been ensured. The exceptions foreseen, are either duly allowed for in related legal texts or precedents exist.

5.3 Stronger emphasis on financial instruments

The CEF will complement EU direct support with financial instruments in order to optimise the impact of funding. Through the high multiplier effects of financial instruments (e.g. which could be as high as up to 1:15 to 1:20), access to capital for the substantial investment needs will be facilitated. Together with the successful absorption of direct EU support (as experienced in the European Energy Recovery Plan (EERP) and in the TEN-T programme), the increased reliance on financial instruments will contribute significantly to mitigating risks to project promoters and therefire ensure implementation of projects of common interest.

Furthermore, the task is to build an environment conducive to private investment and develop instruments that will be attractive vehicles for specialised infrastructure investors. To be most effective, such vehicles need to aim at reducing risk by diversifying the portfolio of potential projects. The maximum diversification can be achieved by targeting multiple sectors across a wide range of countries. This can be achieved most successfully at the European level and on the basis of well-defined corridors and targeted areas of investment. Therefore, most financial instruments should be common for all sectors. However, it is not excluded that some financial instruments may be developed to cover the specific needs of an individual sector.

On the basis of analysis conducted in the preparatory phase of this Regulation, the Commission services estimate that while the financial support for broadband would primarily rely on financial instruments, for transport and energy the volume of EU budgetary resources required for financial instruments should not exceed more than €2 billion and €1 billion respectively. These estimates are not to be understood as binding ceilings, since the volume of EU funding allocated to financial instruments will be adjusted every year on the basis of an assessment of the project pipeline conducted by financial intermediaries (e.g. the EIB in the case of project bonds).

5.4 The Connecting Europe Facility in the context of the next Multi-Annual Financial Framework

The Connecting Europe Facility will be an essential element of an EU growth agenda focussed on increasing the EU's long-term growth potential. The Facility will be coordinated with the other interventions coming from the EU budget such as "Horizon 2020" and the Cohesion and Structural Funds.

As regards the coordination with Horizon 2020, it is necessary to ensure complementarities while avoiding potential overlaps. It is also important that the coordination between the CEF and Horizon 2020 ensures that the research and innovation chain leading to deployment in infrastructure is not interrupted. It is particularly critical at a time when significant technological advances in transport, energy and ICT will be needed to help the EU meet its ambitious Europe 2020 Strategy's objectives. Any support to research and innovation activities through financial instruments will be implemented through Horizon 2020-related financial instruments.

As regards the relation with the Cohesion and Structural Funds, the cohesion policy's Common Strategic Framework as well as Partnership Contracts with Member States will be closely coordinated with the policy frameworks in the transport, energy and telecommunication sectors. The respective guidelines will rely on the Cohesion and Structural Funds to deliver the local and regional infrastructures and their linkages to the priority EU infrastructures, connecting all citizens throughout the EU.

Moreover, the Connecting Europe Facility will be a centrally managed facility, benefiting from ring fenced amounts for transport in the Cohesion Fund (€10 billion in 2011 prices). In the allocation of the €10 billion, the greatest possible priority will be given to projects respecting the national allocations under the Cohesion Fund. Moreover, these €10 billion will be reserved for Member states eligible for the Cohesion Fund, and co-financing rates from the Union budget will be set at the same level as the Cohesion Fund.

2011/0302 (COD)

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[11],

After transmission of the proposal to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee[12],

Having regard to the opinion of the Committee of the Regions[13],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(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[14].

(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.

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[11] OJ C , , p. .

[12] OJ C , , p. .

[13] OJ C , , p. .

[14] 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) 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[15].

(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.

(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.[16] 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"[17]. 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.

(8) The European Parliament in its Resolution of 6 July 2010 on a sustainable future for transport[18] emphasised that an efficient transport policy required a financial framework that was

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15 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.

16 European Parliament resolution 2010/2211(INI)

17 A Roadmap to a Single Transport Area (COM(2011) 144).

18 European Parliament resolution 2009/2096(INI)

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[19] 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 …[20] 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.

(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[21] 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

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19 Council document 10850/09

20 OJ L…, p. ….

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

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[22]) 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.

(14) In the Communication on "Energy infrastructure priorities for 2020 and beyond – a Blueprint for an integrated energy network" adopted in November 2010[23], 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[24] the Transport, Telecommunication and Energy (TTE) Council of 28 February 2011 endorsed the energy corridors as priorities for Europe.

(17) The 4 February 2011 European Council[25] 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][26] 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

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22 In 2011 prices.

23 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.

24 Council document 6950/11

25 EUCO 2/1/11

26 OJ L…, p. ….

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.

(21) The Europe 2020 Strategy[27] calls for the implementation of the Digital Agenda for Europe[28] 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.[29]

(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.[30]

(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.

(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

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[27] COM(2010) 2020 final 03.03.2010.

[28] 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.

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

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

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 …[31] [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.

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31 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.[32]

(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[33] 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 CEF, and should not crowd out private financing. Before deciding to use financial instruments, the Commission should carry out ex-ante assessments of these instruments.

(35) The EU Budget Review[34] 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

32 COM(2011)xxx, A framework for the next generation of financial instruments

33 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.

34 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.

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").

(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[35].

(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

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

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[36].

(46) Council Regulation (EC) 2236/95 of 18 September 1995[37] 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 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,

HAVE ADOPTED THIS REGULATION:

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[36] OJ L 55, 28.2.2011, p. 13.
[37] OJ L 228, 23.9.1995, p. 1.

TITLE I
COMMON PROVISIONS

CHAPTER I
THE CONNECTING EUROPE FACILITY

Article 1
Subject matter

This Regulation establishes the Connecting Europe Facility and determines the conditions, methods and procedures for providing Union financial aid to trans-European networks in order to support projects in the field 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 names] [TEN-T Guidelines][38], 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 names] [Guidelines for trans-European energy infrastructure][39] 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 names][40];

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

(3) "works" means, as the case may be, 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 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;

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38 OJ L … , p. … .
39 OJ L … , p. … .
40 OJ L … , p. … .

(5) "programme support actions" means accompanying measures necessary for the implementation of the Connecting Europe Facility 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 networks focusing on information exchange, together with all other technical and administrative assistance expenses 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 Commission 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 financial aid under this Regulation and according to the modalities specified in each Work Programme.

(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 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 [TENT-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 [TENT-T Guidelines] and listed in Annex I to this Regulation;

(12) "bottleneck" means a physical barrier that leads to a system break affecting the continuity of long-distance flows. Such a barrier can be absorbed by new infrastructure such as bridges or tunnels that address problems as for example gradients, curve radii, gauge. The need to upgrade existing infrastructure shall not be considered as a bottleneck;

(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];

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

(15) "broadband networks" means wired and wireless (including satellite) access networks, ancillary infrastructure and core networks capable of delivering very high speed connectivity as defined in Article 3 of Regulation (EU) No XXX/2012 [INFSO Guidelines].

(16) "digital service infrastructures" means networked services delivered electronically, typically over the internet, providing trans-European interoperable services in the public interest and having an enabling character for citizens, businesses, and/or governments as defined in Article 3 of Regulation (EU) No XXX/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) "operation and maintenance of services" means ensuring continuous operation of certain digital service infrastructures, as further defined in the Annex to Regulation (EU) No XXXX/2012 [INFSO guidelines];

(20) "national regulatory authorities" means bodies defined in Article 3 of the Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive)[41].

Article 3
General Objectives

The Connecting Europe Facility 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. In particular the Connecting Europe Facility shall support the implementation of projects aiming at the development and construction of new or upgrading of existing infrastructure in the field of transport, energy and telecommunications. To this end, the Connecting Europe Facility shall pursue the following objectives:

(a) contribute to smart, sustainable and inclusive growth by developing modern and high performing trans-European networks, thus bringing forward benefits for 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 through a combination of financial instruments and Union direct support and by 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 public and private investments in projects of common interest realised through the financial instruments under this Regulation.

(b) enable the Union to achieve its targets of a 20% reduction of greenhouse gas emissions[42], a 20% increase in energy efficiency and raising the share of renewable energy to 20% up to 2020, while ensuring greater solidarity among Member States.

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41 OJ L 108, 24.4.2002, p. 33.
42 If the conditions are right, up to 30´%.

Article 4
Specific Sectoral Objectives

1. Further to the general objectives set out under Article 3, the Connecting Europe Facility should contribute to achieving the following sector specific objectives:

(a) In the field of transport, the Connecting Europe Facility shall support projects of common interest pursuing the objectives set out below, as further specified under Article 4 of Regulation (EU) No xxxx/2012 [TEN-T Guidelines]:

(i) removing bottlenecks and bridging missing links, to be measured by the number of new and improved cross-border connections and removed bottlenecks on transport routes which have benefited from CEF;

(ii) ensuring sustainable and efficient transport in the long run, to be measured by the length of the conventional railway network in the EU-27 and the length of high-speed railway network in the EU-27;

(iii) optimise the integration and interconnection of transport modes and enhancing interoperability of transport services. The achievement of this objective will be measured by the number of ports and airports connected to the railway network.

(b) In the field of energy, the Connecting Europe Facility shall support projects of common interest pursuing the following objectives, as further specified in Regulation (EU) No xxxx/2012:

(i) promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders, including by ensuring that no Member State is isolated from the European network, to be measured by the number of projects effectively interconnecting Member states' networks and removing internal bottlenecks;

(ii) enhancing Union security of supply, to be measured by the evolution of system resiliance and security of system operations as well as number of projects allowing diversification of supply sources, supplying counterparts and routes;

(iii) contributing to sustainable development and protection of the environment, notably by fostering the integration of energy from renewable sources into the transmission network and developing carbon dioxide networks, to be measured by the transmission of renewable energy from generation to major consumption centers and storage sites, and the sum of CO_2 emissions prevented by the construction of the projects which benefited from CEF.

(c) In the field of telecommunications networks the Connecting Europe Facility shall provide for action to support projects of common interest pursuing the following objectives, as further specified in Regulation (EU) No xxxx/2012 [INFSO Guidelines]:

(i) accelerating the deployment of fast and ultrafast broadband networks networks and their uptake, including by small and medium sized enterprises (SMEs), to be measured by the level of broadband and ultrafast broadband coverage and the number of households having subscribed for broadband connections for above 100 Mbps;

(ii) promoting the interconnection and interoperability of national public services on-line as well as access to such networks, to be measured by the percentage of citizens and businesses using public services on-line and the availability of such services across borders.

Article 5
Budget

1. The financial envelope for the implementation of the Connecting Europe Facility for the period 2014 to 2020 shall be EUR 50 000 000 000[43]. That amount shall be distributed among the sectors referred to in Article 3 as follows:

   (a) transport: 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;

   (b) energy: EUR 9 121 000 000;

   (c) telecommunications: EUR 9 185 000 000.

2. The financial envelope of the Connecting Europe Facility may cover expenses pertaining to, preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Programme and the achievement of its objectives, in particular studies, meetings of experts, as far as they are related to the general objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.

   The 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[44]. If necessary, appropriations could be entered in the budget beyond 2020 to cover similar expenses, in order to enable the management of actions not yet completed by 31 December 2020.

3. Following the mid-term evaluation according to Article 26.1, the Commission may 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.

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

44 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

CHAPTER II
FORMS OF FINANCING AND FINANCIAL PROVISIONS

Article 6
Forms of financial aid

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

2. The Commission may entrust part of the implementation of the Connecting Europe Facility 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 XXX/2012 [TEN-T Guidelines], (EU) No XXX/2012 [TEN-E Guidelines, (EU) No XXX/2012 [Guidelines for energy infrastructure] and XXX/2012 [INFSO Guidelines] as well as programme support actions shall be eligible for support through EU 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 XXX/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];

   (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) and (d) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

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

   (e) actions supporting freight transport services in accordance with Article 38 of Regulation XXX/2012 [TEN-T Guidelines];

   (f) actions to reduce rail freight noise by retrofitting of existing rolling stock;

(g) programme support actions.

Transport-related actions involving a cross-border section or a part of such a section shall be eligible to receive Union financial aid 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 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.

Grant funding for projects with significant user-based revenue sources shall be primarily available for purposes of project preparation, in particular PPP assessment.

3. In the field of energy, the specific eligibility conditions of actions implementing projects of common interest for Union financial aid in the form of financial instruments and grants under this Regulation are set out in Article 15 of Regulation (EU) No XXXX/2012 [Guidelines for energy infrastructure].

4. In the field of telecommuniation, all actions implementing the projects of common interest and programme support actions set out in the Annex of the 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.

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 Article XXX of Regulation (EU) No XXX/2012 [New Financial Regulation].

The Work Programmes shall establish the forms of grants that may be used to fund the actions concerned.

2. Expenditure may be eligible from the date on which an application for aid is submitted. [Expenditure for actions resulting from projects included in the first multiannual programme 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.

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

6. Expenditure related to the purchase of land shall not be an eligible cost.

7. VAT shall not be an eligible cost.

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

Article 9
Conditions for participation

1. Proposals may be submitted by one or several Member States, international organisations, joint undertakings, or public or private undertakings or bodies established in Member States.

2. For that purpose, 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. Proposals submitted by natural persons shall not be eligible.

4. Where it is needed 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.

   When this is necessary to implement more effectively relevant actions contributing to projects of common interest in third countries according to Regulations (EU) No XXX/2012 [TEN-T Guidelines], (EU) No XXX/2012 [TEN-E Guidelines, (EU) No XXX/2012 [Guidelines for energy infrastructure] and XXX/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, on a single set of rules that should apply for implementation.

5. The agreement of Member States concerned by the action shall accompany all proposals for grants except in the field of telecommunications and in the field of transport for air traffic management.

6. Multiannual and annual Work Programmes may provide additional provide specific rules on submissions of proposals.

Article 10
Funding rates

1. Except in cases referred to in Article XXX of 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 field of transport:

(a) with regard to grants for studies, the amount of Union financial aid shall not exceed 50% of the eligible costs;

(b) with regard to grants for works:

(i) rail and inland waterways: the amount of Union financial aid shall not exceed 20% of the eligible cost; the funding rate may be increased to 30% for actions addressing bottlenecks; the funding rate may be increased to 40% for actions concerning cross-border sections;

(ii) inland transport connections to ports and airports, actions to reduce rail freight noise by retrofitting of existing rolling stock, as well as development of ports and multi-modal platforms: the amount of Union financial aid shall not exceed 20% of the eligible cost.

(c) with regard to grants for traffic management systems and services:

(i) the European Rail Traffic Management System (ERTMS): the amount of Union financial aid shall not exceed 50% of the eligible cost;

(ii) traffic management systems, freight transport services, secure parkings on the road core network, as well as actions to support the development of Motorways of the Seas: the amount of Union financial aid shall not exceed 20% of the eligible cost.

3. In the field of energy:

(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 80% for actions which based on the evidence referred to in Article 15(2) (a) of Regulation (EU) No XXXX/2012 [Guidelines for energy infrastructure], provide a high degree of regional or Union-wide security of supply, or strengthen solidarity of the Union or comprise highly innovative solutions.

4. In the field of telecommunications:

(a) actions in the field of broadband networks: the amount of Union financial aid shall not exceed 50% of the eligible cost;

(b) actions in the field of generic services: the amount of Union financial aid shall not exceed 75% of the eligible costs;

(c) core service platforms shall be typically funded by procurement. In exceptional cases, they may be funded by a grant covering up to 100% of eligible costs, without prejudice to the co-financing principle;

(d) programme support actions including infrastructure mapping, twinning and technical assistance: the amount of Union financial aid shall not exceed 75% of the eligible costs.

5. 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.

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, availability of budget resources, and the need to maximise the leverage of EU funding.

Article 11
Specific calls for funds transferred from the Cohesion Fund in the field of transport

1. As regards the EUR 10 000 000 000 transferred from the Cohesion Fund [Regulation XXX 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. Applicable rules for the transport sector under this Regulation shall apply to these specific calls. When implementing these calls, greatest possible priority shall be given to projects respecting the national allocations under the Cohesion Fund.

3. By the way of derogation from Article 10, and as regards the EUR 10 000 000 000 transferred from the Cohesion Fund [Regulation XXX 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 XXX2012 [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][45] for the following actions:

(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;

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

(c) with regard to grants for traffic management systems and services:

[45] COM(2011) 615 final.

(i) the European Rail Traffic Management System (ERTMS);

(ii) traffic management 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 one year 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 XXX/2012 [New Financial Regulation] notably:

   (a) in the event of an irregularity committed in the implementation of the action with regard to the provisions of Union law;

   (b) in the event of failure to comply with the conditions governing the grant, in particular if a major change affecting the nature of a project or action has been made without the approval of the Commission;

   (c) 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 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 at hand and inform the beneficiaries concerned so that they may present their observations within a given timeframe.

CHAPTER IV
PROCUREMENT

Article 13
Procurement

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.

CHAPTER V
FINANCIAL INSTRUMENTS

Article 14
Type of financial instruments

1. Financial instruments set up in accordance with Title VIII of Regulation (EC) No XXXX/2012 [New Financial Regulation 2012], 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, (EU) No XXX 2012, and (EU) No XXX/2012, 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.

2. Financial instruments established under Regulation (EC) No 680/2007 may be merged, if applicable, to those created under Connecting Europe Facility.

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 on its own resources with a Union contribution to the provisioning and/or capital allocation;

   (c) any other financial instruments.

Article 15
Conditions for granting financial aid through financial instruments

1. Actions supported by means of financial instruments s shall be selected on a first come first served basis and shall seek sectoral diversification in accordance with Articles 3 and 4 as well as gradual geographical diversification 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. The may generate acceptable returns to meet the objectives of other partners or investors.

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

5. The Work Programmes may establish additional conditions according to the specific needs of the sectors.

6. In accordance with Article 18(2) of the Regulation (EU) No XXXX/2012 [New Financial Regulation], revenues and repayments generated by one financial instrument shall be assigned to that financial instrument. For financial instruments already set up in the multiannual financial framework for the 2007-2013 period, revenues and repayments generated by operations started in that period shall be assigned to the financial instrument in the period 2014-2020.

Article 16
Actions in third countries

Actions in third countries may be supported by the financial instruments if it is 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 sector. 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 programme shall be reviewed at least at mid-term. If necessary, the Commission shall revise the multiannual work programme by means of implementing act. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24.2.

3. A multiannual work programme in the field of transport 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).

4. The multiannual work programmes in the field of energy and telecommunications shall provide strategic orientation in the field of projects of common interest and may include specific projects of common interest.

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

6. Acting in accordance with the procedure referred in paragraph 1, 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 No (EU) 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, or joint rights of way. Multi-sectoral call for proposals can be adopted.

Article 18
Annual instalments

Budgetary commitments may be divided into annual instalments. If so, each year the Commission shall commit the annual instalments taking into account the progress of the actions receiving financial aid, the estimated needs and the budget available.

The indicative timetable covering the commitment of the individual annual instalments shall be communicated to the beneficiaries of grants and, if applicable for financial instruments, to the financial institutions concerned.

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 automatically by one year.

[Article 20
Delegated acts

The Commission shall be empowered to adopt delegated acts in accordance with Article 25 concerning the addition or modification of the lists provided in the Annex.]

Article 21
Responsibility of beneficiaries and Member States

Within the sphere of their responsibility 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 for projects related to transports and energy sectors, undertake the technical monitoring and financial control of actions in close cooperation with the Commission and shall certify the reality and the conformity of the expenditure incurred in respect of projects or parts of projects. The Member States may request the participation of the Commission during on-the-spot checks.

In the field of telecommunications in particular, the national regulatory authorities shall make every effort to ensure the required legal certainty and investment conditions facilitating the implementation of the projects receiving Union financial aid under this Regulation.

Member States shall inform the Commission continuously, if relevant through the interactive geographical and technical information systems, which in case of the trans-European Transport networks is TENtec, 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 relevant Union policies shall be financed under this Regulation.

Article 23
Protection of the Union's financial interests

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, proportional and deterrent 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.

3. The European Anti-Fraud Office (OLAF) shall be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in 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[46] with a view to establishing that there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or decision or a contract concerning Union funding.

4. Without prejudice to the previous paragraphs, cooperation agreements with third countries and international organisations and grant agreements and decisions and contracts resulting from the implementation of this Regulation shall expressly entitle the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections.

TITLE II
GENERAL AND FINAL PROVISIONS

Article 24
Committees

1. The Commission shall be assisted by a Coordination Committee of the Facility. That 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 in article 18 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 power to adopt delegated acts referred to in Article 20 shall be conferred on the Commission for an indeterminate period from the date of entry into force of this Regulation.

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 to revoke 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

[46] OJ L 292, 15.11.1996, p. 2.

months of notification of that act to the European Parliament and 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. No later than mid-2018, an evaluation report shall be established 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, in view of a decision on the renewal, modification or suspension of the measures. The evaluation shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It 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 Connecting Europe Facility and its impact on economic, social and territorial cohesion as well as contribution to the Union priorities of smart, sustainable and inclusive growth and the scale and results of support used for climate change objectives. The ex post evaluation shall feed into a decision on a possible renewal, modification or suspension of a subsequent measure.

3. Evaluations shall take account of progress against performance indicators as referred to in Article 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 beneficiary 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 and, where appropriate, Member States concerned 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 Connecting Europe Facility projects and results. Moreover, budget allocated to communication under this Regulation shall also cover corporate communication on the political priorities of the Union[47].

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) 2236/95 and (EC) No 680/2007, 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

Without prejudice to the provisions laid down in Article 28 of this Regulation, Regulation (EC) No 680/2007 is 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*

[47] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A Budget for Europe 2020 Part II (Policy fiches), COM(2011) 500 final, 29.06.2011, p. 7.

ANNEX

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

a) Horizontal Priorities

Innovative Management & Services	*Single European Sky - SESAR*
Innovative Management & Services	*Traffic Management Systems for Road, Rail and Inland Waterways (ITS, ERTMS and RIS)*
Innovative Management & Services	*Core Network Ports and Airports*

Core Network Corridors

1. Baltic – Adriatic Corridor

Helsinki – Tallinn – Riga – Kaunas – Warszawa – Katowice
Gdynia – Katowice
Katowice – Ostrava – Brno – Wien
Katowice – Žilina – Bratislava – Wien
Wien – Graz – Klagenfurt – Villach – Udine – Venezia – Bologna – Ravenna

Pre-identified sections	**Mode**	**Description/dates**
Helsinki - Tallinn	Ports, MoS	port interconnections, (further) development of multimodal platforms and their interconnections, MoS (including icebreaking capacity)
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
Gdynia - Katowice	Rail	upgrading
Gdynia, Gdansk	Ports	port interconnections, (further) development of multimodal platforms
Warszawa - Katowice	Rail	upgrading
Katowice - Ostrava - Brno - Wien & Katowice - Žilina - Bratislava - Wien	Rail	upgrading, in particular cross-border sections PL-CZ, PL-SK and SK-AT; (further) development of multimodal platforms
Wien - Graz - Klagenfurt - Udine -	Rail	upgrading and works ongoing; (further) development of

Venezia - Ravenna		multimodal platforms
Trieste, Venice, Ravenna	Ports	port interconnections, (further) development of multimodal platforms

2. Warszawa – Berlin – Amsterdam/Rotterdam – Felixstowe – Midlands

BY border – Warzsawa – Poznań – Frankfurt/Oder – Berlin – Hannover – Osnabrück – Enschede – Utrecht – Amsterdam/Rotterdam – Felixstowe – Birmingham/Manchester – Liverpool

Pre-identified sections	**Mode**	**Description/dates**
BY border - Warszawa - Poznań - DE border	Rail	upgrading existing line, studies for high speed rail
PL Border - Berlin - Hannover - Amsterdam/Rotterdam	Rail	upgrading of several sections (Amsterdam – Utrecht – Arnhem; Hannover – Berlin)
West-German Canals, Mittellandkanal, Hannover – Magdeburg - Berlin	IWW	upgrading
Amsterdam locks	IWW	studies ongoing
Felixstowe – Midlands	Rail, port, multimodal platforms	interconnections port and multimodal platforms

3. Mediterranean Corridor

Algeciras – Madrid – Tarragona
Sevilla – Valencia – Tarragona
Tarragona – Barcelona – Perpignan – Lyon – Torino – Milano – Venezia – Ljubljana – Budapest – UA border

Pre-identified sections	**Mode**	**Description/dates**
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 - 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 - Mantova - Venezia - Trieste	IWW	studies, upgrading, works
Trieste - Divača	Rail	studies and partial upgrading ongoing; cross-border section to be realised until after 2020
Koper - Divača - Ljubljana - Maribor	Rail	studies and upgrading/partially new line
Ljubljana node	Rail	rail node Ljubljana, including multi-modal platform; rail airport interconnection
Maribor - Zalalövö	Rail	cross-border section: studies, works to start before 2020
Boba- Szekesferhervar	Rail	upgrading
Budapest-Miskolc-UA border	Rail	upgrading

4. Hamburg – Rostock – Burgas/TR border – Piraeus – Lefkosia

Hamburg / Rostock – Berlin – Praha – Brno – Bratislava – Budapest – Arad – Timişoara – Sofia
Sofia – Burgas/TR border
Sofia – Thessaloniki – Piraeus – Limassol – Lefkosia

Pre-identified sections	**Mode**	**Description/dates**
Dresden - Praha	Rail	studies for high-speed rail
Prague	Rail	Upgrading, freight bypass; rail connection airport
Hamburg - Dresden - Praha - Pardubice	IWW	Elbe upgrading
Děčín locks	IWW	studies

Breclav - Bratislava	Rail	cross-border, upgrading
Bratislava - Hegyeshalom	Rail	cross-border, upgrading
Budapest - Arad - Timişoara - Calafat	Rail	upgrading in HU nearly completed, ongoing in RO
Vidin - Sofia - Burgas/TR border Sofia - Thessaloniki - Athens/Piraeus	Rail	studies and works Vidin – Sofia – Thessaloniki; upgrading Sofia – Burgas/TR border
Athens/Piraeus - Limassol	MoS	port capacity and hinterland connections
Limassol - Lefkosia	Ports, multimodal platforms	upgrading of modal interconnection

5. Helsinki – Valletta

Helsinki – Turku – Stockholm – Malmö – København – Fehmarn – Hamburg – Hannover
Bremen – Hannover – Nürnberg – München – Brenner – Verona – Bologna – Roma – Napoli – Bari
Napoli – Palermo – Valletta

Pre-identified sections	**Mode**	**Description/dates**
Kotka/Hamina - Helsinki	Port, rail	port hinterland connections, rail upgrading
Helsinki	Rail	airport-rail connection
RU border - Helsinki	Rail	works ongoing
Turku - Stockholm	Ports, MoS	port hinterland connections, icebraking capacity
Stockholm - Malmö (Nordic Triangle)	Rail	works ongoing on specific sections
Fehmarn	Rail	studies ongoing, construction works Fehmarn Belt fixed link between 2014 and 2020
København - Hamburg via Fehmarn: access routes	Rail	access routes DK to be completed by 2020, access routes Germany to be completed in 2 steps (2020 - 2027)
Hamburg/Bremen - Hannover	Rail	works to be started before 2020
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
Messina - Palermo	Rail	upgrading (remaining sections)
Palermo - Valletta	Ports, MoS	port hinterland connections
Valletta - Marsaxlokk	Port, airport	traffic management systems to be deployed, upgrading of modal interconnection

6. Genova – Rotterdam

Genova – Milano/Novara – Simplon/Lötschberg/Gotthard – Basel – Mannheim – Köln
Köln– Düsseldorf – Rotterdam/Amsterdam
Köln– Liège – Bruxelles/Brussel– Zeebrugge

Pre-identified sections	Mode	Description/dates
Genova - Milano/Novara - CH border	Rail	studies; works starting before 2020
Basel - Rotterdam/Amsterdam/Antwerpen	IWW	upgrading
Karlsruhe - Basel	Rail	works to be completed by the end of 2020
Frankfurt - Mannheim	Rail	studies ongoing
Zevenaar - Emmerich - Oberhausen	Rail	works to be completed until 2017
Zeebrugge	Port	locks: studies ongoing

7. Lisboa - Strasbourg

Sines / Lisboa – Madrid – Valladolid
Lisboa – Aveiro – Oporto
Aveiro – Valladolid – Vitoria – Bordeaux – Paris – Mannheim/Strasbourg

Pre-identified sections	Mode	Description/dates
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 - ES	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
Tours - Bordeaux	Rail	works ongoing
Paris	Rail	southern high-speed bypass
Baudrecourt - Mannheim	Rail	upgrading
Baudrecourt - Strasbourg	Rail	works ongoing, to be completed 2016

8. Dublin – London – Paris – Brussel/Bruxelles

Belfast – Dublin – Holyhead – Birmingham
Glasgow/Edinburgh – Birmingham
Birmingham – London – Lille – Brussel/Bruxelles
Dublin/Cork/Southampton – Le Havre – Paris
London – Dover – Calais – Paris

Pre-identified sections	Mode	Description/dates
Dublin - Belfast	Rail	Upgrading; Dublin Interconectors (DART)
Glasgow - Edinburgh	Rail	upgrading
High Speed 2	Rail	studies
Swansea - Cardiff - Bristol - London	Rail	upgrading
Dublin, Cork, Southampton, Le Havre	Ports	hinterland connections
Le Havre - Paris	IWW	upgrading
Le Havre - Paris	Rail	studies
Calais - Paris	Rail	preliminary studies

9. Amsterdam – Basel/Lyon – Marseille

Amsterdam – Rotterdam – Antwerp – Brussel/Bruxelles – Luxembourg
Luxembourg – Dijon – Lyon
Luxembourg – Strasbourg – Basel

Pre-identified sections	Mode	Description/dates
Maas	IWW	upgrading
Albertkanaal	IWW	upgrading
Terneuzen	Maritime	locks: studies ongoing
Terneuzen - Gent	IWW	studies, upgrading
Antwerp	Maritime, port	locks: studies ongoing, port: hinterland connections
Canal Seine - Escaut	IWW	design completed, competitive dialogue launched, overall completion by 2018
Waterways upgrade in Wallonia	IWW	studies, upgrading
Brussel/Bruxelles - Luxembourg - Strasbourg	Rail	works ongoing
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

10. Strasbourg – Danube Corridor

Strasbourg – Stuttgart – München – Wels/Linz
Strasbourg – Mannheim – Frankfurt – Würzburg – Nürnberg – Regensburg – Passau – Wels/Linz
Wels/Linz – Wien – Budapest – Arad – Brašov – Bucurešti – Constanta - Sulina

Pre-identified sections	Mode	Description/dates
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; works partly ongoing
Rail connection Wels - Wien	Rail	completion expected by 2017
Wien - Budapest	Rail	studies high speed HU
Arad - Brašov - Bucurešti - Constanta	Rail	upgrading of specific sections; studies high-speed
Main – Main-Donau-Canal – Danube	IWW	studies and works on several sections and bottlenecks; inland waterway ports: hinterland connections
Constanta	Port	hinterland connections

b) 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
Nürnberg – Praha	**Cross-Border**	Rail	studies
Wrocław – Dresden	**Cross-Border**	Rail	upgrading
Wroclaw – Praha	**Cross-Border**	Rail	studies
Graz – Maribor – Pragersko	**Cross-Border**	Rail	studies
Bothnian Corridor: Lulea – Oulu	**Cross-Border**	Rail	studies and works
North-West Spain and Portugal	**Bottleneck**	Rail	works ongoing
Frankfurt – Fulda – Erfurt – Berlin	**Bottleneck**	Rail	studies
Halle – Leipzig – Nürnberg	**Bottleneck**	Rail	works ongoing, to be completed by 2017
Rail Egnathia	**Bottleneck**	Rail	studies ongoing
Inland waterways Dunkerque – Lille	**Bottleneck**	IWW	studies ongoing
Parallel HSR line Paris- Lyon	**Bottleneck**	Rail	preliminary studies ongoing
Sundsvall – Umea – Lulea	**Bottleneck**	Rail	studies and works
Malmö - Göteborg	**Other Core Network**	Rail	works
Bothnian – Kiruna – NO border	**Other Core Network**	Rail	studies and works
Rail connection Shannon – Cork – Dublin	**Other Core Network**	Rail	studies ongoing
Rail connection to Wilhelmshaven and Bremerhaven	**Other Core Network**	Rail	studies ongoing
Zilina – UA border	**Other Core Network**	Rail	upgrading
Ventspils – Riga – RU border	**Other Core**	Rail	upgrading

	Network		
Klaipeda – Kaunas – Vilnius – BY border	**Other Core Network**	Rail	Upgrading, airport interconnection
Katowice – Wroclaw – DE border	**Other Core Network**	Rail	upgrading
Marseille – Toulon – Nice – IT border	**Other Core Network**	Rail	studies high-speed
Bordeaux – Toulouse	**Other Core Network**	Rail	studies high-speed
Tampere – Oulu	**Other Core Network**	Rail	upgrading of sections
Pamplona – Zaragoza - Sagunto	**Other Core Network**	Rail	studies and works

PART II: LIST OF INFRASTRUCTURE PRIORITY CORRIDORS AND AREAS IN THE FIELD OF ENERGY

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	Belgium, Ireland, Luxembourg, France, Germany, Italy, Malta, the Netherlands, Portugal, Spain, the

	Western Europe to further diversify routes of supply and increase short-term gas deliverability	United Kingdom
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	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden

	market integration in the region	
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	Preparing the construction of carbon dioxide transport infrastructure between	all

dioxide network	Member States in view of the deployment of carbon dioxide capture and storage	

PART III: LIST OF PRE-IDENTIFIED PRIORITITES AND AREAS OF INTERVENTION

IN THE FIELD OF TELECOMMUNICATIONS

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. 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. 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.

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. 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. Achieving full access for re-use to all disclosable information held by the public sector in the EU by 2020. 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 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.

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility

1.2. Policy area(s) concerned in the ABM/ABB structure[48]

06	Mobility and Transport
32	Energy
09	Information Society and Media
13	Regional Policy

1.3. Nature of the proposal/initiative

X The proposal/initiative relates to **a new action**

☐ The proposal/initiative relates to **a new action following a pilot project/preparatory action**[49]

☐ The proposal/initiative relates to **the extension of an existing action**

☐ The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

1.4.1. The Commission's multiannual strategic objective(s) targeted by the proposal/initiative

Heading 1 Smart and Inclusive Growth

The CEF will address the following general objectives in the sectors of energy, transport and telecommunication:

a)contribute to smart, sustainable and inclusive growth by developing modern and high performing trans-European networks, thus bringing forward benefits for 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 through a combination of financial instruments and Union direct support and by exploiting synergies across the sectors.

48 ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

49 As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

b) enable the European Union to achieve its targets of a 20% reduction of greenhouse gas emissions, a 20% increase in energy efficiency and raising the share of renewable energy to 20% up to 2020 while ensuring solidarity among Member States.

1.4.2. Specific objective(s) and ABM/ABB activities concerned

The CEF pursues the following specific objectives in the sectors of transport, energy and telecommunications:

1. In the field of transport,:

a) removing bottlenecks and bridging missing links;

b) ensuring sustainable and efficient transport in the long run;

c) optimising the integration and interconnection of transport modes and enhancing interoperability, safety and security of transport services.

2. In the field of energy:

a) promoting the further integration of the internal energy market and the interoperability of the electricity and gas networks across borders, including by ensuring that no Member States is isolated from the European network;

b) enhancing Union security of supply;

c) contributing to sustainable development and protection of the environment, notably by fostering the integration of energy from renewable sources into the transmission network and developing carbon dioxide networks.

3. In the field of telecommunications networks:

a) accelerating the deployment of fast and ultra-fast broadband networks and their uptake, including by small and medium sized enterprises (SMEs);

b) promoting the interconnection and interoperability of national public services on-line as well as access to such networks.

ABM/ABB activity(ies) concerned

06 03

32 03

09 03

13 14

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Overall socio-economic and environmental impacts:

A successful implementation of CEF will accelerate the development of high performing infrastructure in the EU in the areas of transport, energy and information and communication technologies, and thus contribute to reaching the EU 2020 Strategy associated energy and climate change targets and to achieving sustainable competitiveness of the EU. Operating rules under CEF will promote implementation of actions and encourage maximal leverage of EU budget contributions in attracting public and private investments for projects. Furthermore, with the assistance of the financial instruments set up with the EU's contribution, the infrastructures of European relevance will become an attractive investment asset for institutional investors from and outside Europe.

Sector specific impacts:

Transport:

The accelerated implementation of the trans-European transport Core Network corridors will favour more adequate transport infrastructure coverage of the Union, modal-shift and co-modality. Innovative information and management systems, that will form part of the network, will provide support for logistic functions, inter-modal integration and sustainable operation in order to establish competitive transport chains, according to the needs of the users. The efficiency of the transport system will be improved, with an important reduction of congestion and travel times.

Energy:

Development and construction of energy infrastructure priority corridors and areas fostering i.a.:

- large-scale deployment of renewable energies,
- optimisation of transmission at EU level
- security of supply

Telecommunications:

- more citizens having access to broadband internet
- availability of interoperable digital service infrastructures, in particular availability of smart electricity distribution services
- mobilisation of private and further public investment in digital infrastructures

For ICT an OECD study suggests that a ten per cent higher broadband penetration rate in any year is correlated with a 1.5 per cent increase in labour productivity over the following five years[50]. A meta-study for the European Commission estimates that connecting all of Europe to modern high-speed broadband would create about 3.99 million jobs in EU27 Member States. This analysis also shows that the average level of GDP growth arising from broadband investment is 7.03 per cent. This would equate to an increase in EU27 GDP of EUR 862.47 billion. In addition, an OECD study[51] suggest that governments can achieve a ten year return on fully funding a national, point to point, open access FTTH network.

1.4.4. Overview on milestones and targets:

Transport:

General objective 1	Contribute to smart, sustainable and inclusive growth		
Indicator	**Current situation**	**Milestone** **2017**	**Long term target 2020**
Volume of public and private investment in projects of common interest		EUR 280 billion of investments realised on the entire TEN-T network, of which EUR 140 billion on the core network	EUR 500 billion of investments realised on the entire TEN-T network, of which EUR 250 billion on the core network
Volume of public and private investment in projects of common interest realised through the Financial Instruments under this Regulation		EUR 15 billion of private investments realised on the entire TEN-T network	EUR 40 billion of private investments realised on the entire TEN-T network.

General objective 2	Enable EU to reach 20-20-20 targets

50 Roman Friedrich, Karim Sabbagh, Bahjat El-Darwiche, and Milind Singh (2009): Digital Highways. The Role of Government in 21st Century Infrastructure. Booz & Company.

51 OECD (2010), OECD Information Technology Outlook 2010, OECD Publishing. Available at http://dx.doi.org/10.1787/it_outlook-2010-en Accessed 17th May 2011

Indicator	Current situation	Milestone 2017	Long term target
Reduction of green house gas emissions	(*)	(*)	(*)
Increase in energy efficiency	(*)	(*)	(*)
Share of renewable energy	(*)	(*)	(*)

(*) Data not yet available as methodology still has to be developed.

Specific objective 1 - transport	Removing bottlenecks and bridging missing links		
Indicator	**Latest known result**	**Milestone** **2017**	**Target**
Number of new and improved cross-border connections	Railways: 36 (to be improved)	6	14
Removed bottlenecks on transport routes	Railways: 30 (to be removed) IWW: 14	4 1	10 3

Specific objective 2 - transport	Ensuring sustainable and efficient transport in the long run		
Indicator	**Latest known result**	**Milestone** **2017**	**Target** **2020**
Length of the conventional railway TEN-T network in EU-27 (in km)	81230 (2005)	74071	71490

length of high-speed railway TEN-T network in the EU-27 (in km)	10733 (2010)	20022	23198
Reduction of green house gas emmissions	(*)	(*)	(*)
Increase in energy efficiency	(*)	(*)	(*)

(*) Data not yet available as methodology still has to be developed.

Specific objective 3 - transport	Optimising integration and interconnection of transport modes and enhancing interoperability of transport services		
Indicator	**Latest known result** **(already existing connections)**	**Milestone** **2017**	**Target**
Number of ports connected to the railway network (out of a total of 82 ports)	27	41	54
Number of airports connected to the railway network (out of a total of 37 airports)	12	18	24

Energy:

General objective 1	Contribute to smart, sustainable and inclusive growth		
Indicator	**Current situation**	**Milestone 2017**	**Long term target**
Volume of public and private investment in projects of common interest	0	200 bn	200 bn
Volume of public and private investment in	0	30-60 bn	30-60 bn

projects of common interest funded by CEF			

General objective 2	Enable EU to reach 20-20-20 targets		
Indicator	**Current situation**	**Milestone 2017**	**Long term target**
Reduction of green house gas emissions	(*)	(*)	(*)
Increase in energy efficiency	Saving of energy of around 6% compared to BAU	Saving of energy by 14% compared to BAU	Saving of energy by 20%
Share of renewable energy	Share of RES in final energy consumption at 10%	Share of RES in final energy consumption at 15%	Share of RES in final energy consumption at 20%

(*) Data will be available following implementation of methodology set out in the guidelines on energy infrastructure.

Specific objective 1 - energy	promoting the further integration of the internal energy market and the interoperability of the electricity and gas networks across borders		
Indicator	**Latest known result**	**Milestone**	**Target**
number of projects effectively interconnecting Member states' networks and removing internal bottlenecks	(*)	(*)	(*)

(*) Data will be available following implementation of methodology set out in the guidelines on energy infrastructure.

Specific objective 2 - energy	enhancing Union security of supply		
Indicator	**Latest known result**	**Milestone 2017**	**Target**
evolution of system resilience	Gas: N-1 (9 MS do not meet N-1)	Gas: N-1 is met by all EU-27	Gas: N-1 is met by all EU-27 at 100%
security of system operations	(*)	(*)	(*)
number of projects allowing diversification of supply sources, supplying counterparts	3 major supply sources of gas for the EU in addition to liquefied natural gas (LNG)		Min 5 important sources of gas for the EU in addition to liquefied natural gas (LNG)

and route			

(*) Data will be available following implementation of the methodology set out in the guidelines on energy infrastructure.

Specific objective 3 – energy	contributing to sustainable development and protection of the environment		
Indicator	**Latest known result**	**Milestone 2017**	**Target**
transmission of renewable energy from generation to major consumption centres and storage sites	(*)	(*)	(*)
the sum of CO2 emissions prevented by the construction of the projects which benefited from CEF.	(*)	(*)	(*)

(*) Data will be available following implementation of methodology set out in the guidelines on energy infrastructure.

Telecommunications:

General objective 1	Contribute to smart, sustainable and inclusive growth		
Indicator	**Current situation**	**Milestone** **2017**	**Long term target**
Volume of private investment in fast and ultra-fast broadband internet[52]			Projection of private investment between 2011 and 2020: up to EUR 50bn (Investment need until 2020: EUR 270bn)
Volume of public and private investment in projects of common interest for fast and ultra-fast broadband	0	EUR 16.4bn	2020: EUR 45.5bn[54]

[52] This is the forecast of investments made independent of and without CEF intervention.

internet funded by CEF[53]			

Specific objective 1 - ICT	Accelerating the deployment of fast and ultra-fast broadband networks and their uptake		
Indicator	**Latest known result**	**Milestone** **2017**	**Target**
Level of fast broadband coverage (≥30 Mbs)	December 2010: 28.7% of households	2017: 60%	2020: 100%
Level of subscription to broadband connections above 100 Mbs	December 2010: <1%	2017: 20%	2020: 50%

[53] This is the forecast for what can be achieved with CEF.

[54] This assumes EUR 6.5bn CEF funds leveraging private and (other) public investment by a factor of 7.

Specific objective 2 - ICT	Interconnection and interoperability of national public services online as well as access to such networks		
Indicator	**Latest known result**	**Milestone** **2017**	**Target**
Citizens and businesses using public services on-line[55]	2010: 41.2% of citizens and 75.7% of businesses	2017: 50% of citizens and 85% of businesses	2020: 60% of citizens and 100% of businesses
Availability of cross-border public services[56]	n/a	80%	2020: 100%

1.4.5. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

The performance of the CEF shall be assessed against the following **general performance indicators:**

(a) The achievement of the general objective (a) will be measured by the volume of public and private investment in projects of common interest, and in particular the volume of public and private investments in projects of common interest realised thanks to the financial instruments under the CEF Regulation.

(b) The achievement of the general objective (b) will be measured by the reduction of greenhouse gas emissions, the increase in energy efficiency and the share of renewable energy by 2020. The performance of the CEF shall also be assessed against the following **sector specific performance indicators**:

1. In the field of transport:

55 As measured: citizens and businesses using eGovernment services

56 Cross-border public services: this can not yet be measured, as the list of services is still under definition by Member States (Digital Agenda Action No. 91, to be completed by end-2011)

a) The achievement of specific objective (a) will be measured by the number of new and improved cross-border connections and removed bottlenecks on TEN-T railways and inland waterways which have benefited from CEF.

b) The achievement of specific objective (b) will be measured by the length of the railway network in the EU-27 and the length of high-speed railway network in the EU-27;

c) The achievement of specific objective (c) will be measured by the number of ports and airports connected to the railway.

2. In the field of energy:

a) The achievement of specific objective (a) will be measured by the number of projects effectively interconnecting Member states' networks and removing internal bottlenecks.

b) The achievement of specific objective (b) will be measured by the evolution of system resilience and security of system operations as well as diversification of supply sources, supplying counterparts and routes;

c) The achievement of specific objective (c) will be measured by the transmission of renewable energy from generation to major consumption centres and storage sites, and the sum of CO2 emissions prevented by the construction of the projects which benefited from CEF.

3. In the field of telecommunications:

a) The achievement of specific objective (a) will be measured by the level of broadband and ultra-fast broadband coverage and the number of households having subscribed for broadband connections for above 100 Mbs;

(ii) The achievement of specific objective (b) will be measured by the percentage of citizens and businesses using public services on-line and the availability of such services across borders.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

see Explanatory Memorandum on needs

Target population: whole of EU

1.5.2. Added value of EU involvement (see also point 2.3 of Explanatory Memorandum)

On 29th June 2011, the Commission adopted a Communication on 'A Budget for Europe 2020' ('the MFF Communication') which is its principal position to the Union's finances for the years 2014-2020. It focuses on priority funding at the EU level that provides true added value for EU citizens. Programmes and instruments included in the MFF have been redesigned to ensure that their outputs and impacts push forward key policy priorities of the EU. In particular, the MFF has been modernised by reallocating resources to priority areas, one of them being pan-European infrastructure.

The MFF Communication has highlighted that a fully functioning Single Market needs a modern, high performing infrastructure connecting Europe, particularly in the areas of transport, energy and ICT. This requires considerable investments, from both the public and the private sectors. It is estimated that about EUR 200 billion is needed to complete the trans-European energy networks at transmission level only, EUR 500 billion needs to be invested in the trans-European transport network, and over EUR 250 billion in ICT for the period 2014-2020.

While recognising that the market can and should deliver the bulk of the necessary investments, the MFF Communication stressed the added value of the Union of securing funding for the pan-European cross-border projects that connect the centre and the periphery to the benefit of all. Experience has shown that national focus of planning does not give sufficiently high priority to multi-country, cross-border investments to equip the Single Market with the infrastructure it needs. In addition in the aftermath of the economic and financial crisis, the constraints on private and public sources of funding have cast an important degree of uncertainty on the extent to which required investments would be met. Most affected are likely to be, in particular, the projects with trans-European relevance, which require particularly high and long term investments, due to their inherent higher technical complexity as well as cross-border coordination needs. To fill the gap, complementary solutions have to be found to unlock private capital and restore stable funding streams through the capital and banking market. EU funds should accompany market dynamics, providing incentives rather than replacing market participation in infrastructure funding. In particular, as the Budget Review Communication has also highlighted, the EU budget would be best placed to plug in gaps left by Member States.

To this end, the Connecting Europe Facility will provide EU funds for projects with a true EU added value, namely cross-border projects, projects addressing bottlenecks or projects that bring EU wide benefits.

In view of the size of the investments needed, EU funding instruments, in particular innovative financial instruments, will contribute to mustering the necessary involvement of the private sector to accelerate the development of pan-European infrastructure.

1.5.3. Lessons learned from similar experiences in the past

Under the 2007-2013 multi-annual financial framework a number of programmes provided for financing infrastructure in the field of transport, energy and telecommunications, inter alia the TEN-T programme, the TEN-E programme, CIP ICT PSP, Cohesion Fund, ERDF, European Energy Programme for Recovery, and Marco Polo.

Ex post evaluations of these programmes have shown that, in all three sectors, EU financial support provided has played an important support role by stimulating the development of infrastructure. However, they also highlighted that past policies for TEN financing have not been sufficient in correcting the market/regulatory failures that determine the present situation and in triggering a greater value for money.

Infrastructure development has suffered from a fragmentation of programmes and funding instruments as well as a considerable heterogeneity of the current funding conditions, both across and within each of the three infrastructure sectors, which leads to overlaps, gaps in funding and insufficient exploitation of synergies. Different eligibility and management rules, and overlapping objectives but loosely, if at all coordinated priorities complicate implementation and reduce efficiency of the financial assistance. The availability of different sources of funding within the same sectors also leads to "fund shopping", where the same project proposal is sought to be resubmitted if not accepted within one of the programmes.

Moreover, support for EU wide infrastructure in the sectors concerned could be improved by:

- concentrating on projects with a real EU added value, namely cross-border projects, projects addressing bottlenecks or projects that bring EU wide benefits using synergies of two or three sectors.

- enhancing the leverage of EU funding: Effective co-funding rates are often too low to trigger project development.

- encouraging further involvement of the private sector through the use of financial instruments in addition to grants which for example has proven highly efficient and effective for RSFF.

- simplifying funding rules and procedures.

The CEF bundles financing instruments for the three sectors which allows to better address the above mentioned shortcomings of fragmentation, clearly defines funding priorities, proposes better targeted funding rates and broadens the set of funding instruments by introducing new financial instruments to encourage an increase funding from the private sector.

1.5.4. *Coherence and possible synergy with other relevant instruments*

Internal coherence of the CEF:

The CEF Regulation has to strike a balance between the need to simplify and align funding rules and conditions on the one hand, and respecting sector specific policy objectives.

The CEF Regulation defines the conditions, methods and procedures for providing Union financial aid to trans-European networks for which three individual sectoral guidelines will be adopted in a form of Regulation of the European Parliament and of the Council.

Full coherence with the current and future FR has been respected. Any exceptions are duly allowed for in legal texts.

Synergy with other relevant instruments:

The proposed initiative is fully consistent with the 2011 MFF Communication and its accompanying document. The EU 2020 strategy, the EU Budget Review, the Single Market Act and the MFF Communication provide the context for the proposed initiative the objectives of which reflect the objectives of the above-mentioned horizontal policies. The Cohesion Fund and the ERDF will continue to be available for funding core and comprehensive transport infrastructure, ICT and energy distribution networks under decentralised management.

1.6. Duration and financial impact

X Proposal/initiative of **limited duration**

- X Proposal/initiative in effect from 01/01/2014 to 31/12/2020
- X Financial impact from 2014 to 2030

☐ Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Management mode(s) envisaged[57]

X **Centralised direct management** by the Commission

X **Centralised indirect management** with the delegation of implementation tasks to:

- X executive agencies
- X bodies set up by the Communities[58]
- X national public-sector bodies/bodies with public-service mission
- ☐ persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

☐ **Shared management** with the Member States

☐ **Decentralised management** with third countries

X **Joint management** with international organisations ***(as specified below)***

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments

Grants (for all or some sectors, subject to further decisions) will be implemented by existing or future executive agency(ies). Further tasks may be entrusted to the EIB, the EIF, or other financial institutions, international organisations (e.g. Eurocontrol), bodies with public-service mission, or bodies referred to in Article 185 FR (e.g. ACER) (Articles 200 and 201 revised FR).

57 Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

58 As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The on-going programme will be monitored via an interim evaluation of CEF Regulation including a performance review. In addition, mid-term reviews of multi-annual work programmes will be carried out.

An e*x post* evaluation carried out in close cooperation with the Member States and beneficiaries will examine the effectiveness and efficiency of the CEF and the impact on economic, social and territorial cohesion and its contribution to the Union priorities of smart, sustainable and inclusive growth.

The CEF proposal also provides for the possibility to 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.

On the level of the actions, beneficiaries will provide on a regular basis and on the terms of the agreements/decisions reports on the actions to be implemented. The CEF regulation provides furthermore for the possibility to request Member States specific evaluations of actions and linked projects

2.2. Management and control system

2.2.1. Risk(s) identified

- project implementation delays

- possible mismanagement of EU financial assistance by beneficiaries

- insufficient market-uptake of financial instruments …

- changing market conditions over time

2.2.2. Control method(s) envisaged

The CEF will mainly be implemented through centralized direct and indirect management by the Commission. Cases of joint management might be envisaged. As regards grants the main elements of the internal control system are the procedures for selection and evaluation of grant proposals (ex-ante controls), technical and financial transaction controls during the management of the projects based on reporting and ex-pot audits of beneficiaries

As regards the control methods for grants no major changes are envisaged. Our estimation is that the CEF will share similar risk characteristics and a similar control strategy will be applied. We therefore estimate the expected level of non-compliance to be similar to the experience of TEN-TEA on the management of TEN-T projects as follows:

The sampling methodology for audits is based on a partly random, partly risk based approach. The detected error rates (financial adjustments recommended as % of the payments made) were below 1% in 2009 and 2010 This can to some extent be attributed to the sharing of expertise with the ex-ante financial circuit (via the session on lessons learned from 2008 and 2009 audits and fraud prevention techniques). Due to the limited size and the combined random/risk-based audit sample, the error rates can however not be extrapolated to all projects managed by TEN-TEA.

The agreements and decisions for implementing the actions under CEF will provide for supervision and financial control by the Commission, or any representative authorised by the Commission, as well as audits by the Court of Auditors and on-the-spot checks carried out by the European Anti-Fraud Office (OLAF), in accordance with the procedures laid down in 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 and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by OLAF.

As far as the implementation of financial instruments is concerned any agreement with an entity to which tasks have been entrusted or with other financial institutions involved will provide expressly for the Commission and the Court of Auditors to exercise their powers of control, on documents and on the premises and on information, even stored on electronic media, over all third parties who have received Union funds.

2.2.3. 2.2.3 Nature and intensity of controls

Summary of controls	**Amount in MEUR**	**Number of beneficiaries: transactions (% of total)**	**Depth of control * (assessment 1-4)**	**Coverage (% of value)**
Management of actions from evaluation to ex-post audits	371**	1) global monitoring of all projects: 100%	1	100%
		2) audit of selected projects: 5%	4	10%

(**) approximation based on the following 9,9 MEUR x 7 x 6 where:

- 9, 9 MEUR corresponds to annual administrative costs of TEN-TEA for 8 000 MEUR of operational appropriations
- 7 corresponds to number of years of MFF
- 6 corresponds to the multiplier to reach CEF envelope of 50 000 MEUR

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

The Commission will ensure 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 by the recovery of amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulation (EC, Euratom) No 2988/95 , Council Regulation (Euratom, EC) No 2185/96 and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

The Commission or its representatives and the Court of Auditors will have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds

The European Anti-fraud Office (OLAF) shall be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing that there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or decision or a contract concerning Union funding.

DG INFSO, MOVE and ENER have adopted or will adopt by 2013 anti-fraud strategies and related action plans at DG level that cover the entire expenditure cycle, taking into account the proportionality and the cost-benefit of the measures to be implemented, allowing for a risk assessment of the programme.

The three DGs will ensure that their **fraud risk management** approach is geared to identifying fraud risk areas, taking into account a sector specific cost-benefit analysis by DG and with the help of the fraud prevention and risk analysis work of OLAF.

Contracts for grants and procurement will be based on standard models, which will set out the generally applicable anti-fraud measures.

Trainings on the management of grants will be organised for staff handling projects.

As regards financial instruments financial institutions involved in the execution of financial operations under a financial instrument will have to comply with relevant standards on the prevention of money laundering and fight against terrorism. They shall not be established in territories whose jurisdictions do not co-operate with the Union in relation to the application of internationally agreed tax standards.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

(in **current prices**)

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number Description: Trans-European Transport Networks	Diff./non-diff (59)	from EFTA[60] countries	from candidate countries[61]	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1	06 03 03	Diff./.	NO	NO	NO	NO
1	06 01 04 31	non-diff.	NO	NO	NO	NO

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number Description Trans-European Energy Networks	Diff./non-diff (62)	from EFTA[63] countries	from candidate countries[64]	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1	32 03 02 (TEN-E)	Diff./.	NO	NO	NO	NO
1	32 01 04 XX	non-diff.	NO	NO	NO	NO

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number Description Competitiveness and Innovation Framework Programme – ICT-PSP	Diff./non-diff (65)	from EFTA[66] countries	from candidate countries[67]	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1	09 03 XX	Diff./.	NO	NO	NO	NO
1	09 01 04 XX	Non-diff.	NO	NO	NO	NO

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number Description: Cohesion Fund	Diff./non-diff (68)	from EFTA[69] countries	from candidate countries[70]	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation

[59] Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations
[60] EFTA: European Free Trade Association.
[61] Candidate countries and, where applicable, potential candidate countries from the Western Balkans.
[62] Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations
[63] EFTA: European Free Trade Association.
[64] Candidate countries and, where applicable, potential candidate countries from the Western Balkans.
[65] Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations
[66] EFTA: European Free Trade Association.
[67] Candidate countries and, where applicable, potential candidate countries from the Western Balkans.
[68] Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations
[69] EFTA: European Free Trade Association.
[70] Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

1	13 04 02	Diff./.	NO	NO	NO	NO
1	13 01 04 XX	Non-diff.	NO	NO	NO	NO

- New budget lines requested

<u>In order</u> of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading……………………………………..]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	[XX.YY.YY.YY]		YES/NO	YES/NO	YES/NO	YES/NO

A single budget line for the Connecting Europe Facility is aimed at, however to be decided at a later stage.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:	Number 1	Heading: Smart and Inclusive Growth

DG: MOVE			Year N[71] **2014**	Year **N+1** **2015**	Year **N+2** **2016**	Year **N+3** **2017**	Year **N+4** **2018**	Year **N+5** **2019**	Year **N+6** **2020**	**> 2020**	**TOTAL**
• Operational appropriations											
Number of budget line 06 03 03	Commitments	(1)	2427,3	2687,5	3183,2	3471,8	4000,5	4315,2	4401,9		24487,4
	Payments	(2)	0	2099,7	2299,7	2449,7	2599,7	2799,7	2999,7	9239,2	24487,4
Appropriations of an administrative nature financed from the envelope for specific programmes[72]											
Number of budget line 06.01.04.31(*)		(3)	12,7	17,5	17,8	18,2	18,5	18,8	19,1		122,6
TOTAL appropriations for DG MOVE	Commitments	=1+1a +3	2440,0	2705,0	3201,0	3490,0	4019,0	4334,0	4421,0	0,0	24610,0
	Payments	=2+2a +3	12,7	2117,2	2317,5	2467,9	2618,2	2818,5	3018,8	9239,2	24610,0

71 Year N is the year in which implementation of the proposal/initiative starts.

72 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

(*) These figures refer to the subvention to the TEN-T executive agency and cover the management of the transport part of the CEF and the completion of financial support for projects of common interest in the trans-European transport network from previous programmes. They ensue from the assumption of a portfolio of 500 projects.

DG: REGIO			Year N[73] 2014	Year **N+1** **2015**	Year **N+2** **2016**	Year **N+3** **2017**	Year **N+4** **2018**	Year **N+5** **2019**	Year **N+6** **2020**	**> 2020**	**TO**
• Operational appropriations											
Number of budget line 13 04 02	Commitments	(1)	1477,9	1511,9	1544,3	1587,4	1648,9	1693,9	1774		**112**
	Payments	(2)	0,0	972,9	1102,6	1236,5	1291,7	1373,2	1551,3	3710,1	**112**
Appropriations of an administrative nature financed from the envelope for specific programmes[74]											
Number of budget line 13 01 04 XX (**)		(3)	5,1	5,4	5,6	5,9	6,2	6,6	6,6		4
TOTAL appropriations for DG REGIO	Commitments	=1+1a +3	1483,0	1517,4	1549,9	1593,3	1655,1	1700,4	1780,6		**11**
	Payments	=2+2a +3	5,1	978,3	1108,3	1242,4	1297,9	1379,7	1557,9	3710,1	**11**

(**) Additional amount to support the subvention to the TEN-T executive agency (new budget line to be created) with the assumption that these amounts will be delegated to the TEN-T executive agency. Applicable rules under this Regulation for tran-European transport networks should apply. Specific calls shall be launched for projects implementing the core network exclusively in Member States eligible for funding from the Cohesion Fund. They ensue from the assumption of a portfolio of around 160 projects.

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73 Year N is the year in which implementation of the proposal/initiative starts.

74 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

DG: ENER			Year N[75] **2014**	Year **N+1** **2015**	Year **N+2** **2016**	Year **N+3** **2017**	Year **N+4** **2018**	Year **N+5** **2019**	Year **N+6** **2020**	**> 2020**	**TOT**
• Operational appropriations											
Number of budget line 32 03 02	Commitments	(1)	1029,522	1333,022	1139,022	1319,022	1495,022	1759,022	2271,022	0	***10345***
	Payments	(2)	452,542	915,785	1174,822	1264,782	1353,262	1568,942	1921,382	1694,137	**10345**
Appropriations of an administrative nature financed from the envelope for specific programmes[76]											
Number of budget line 3201XX (***)		(3)	3,478	1,978	1,978	1,978	1,978	1,978	1,978	0	**15**
TOTAL appropriations for DG ENER	Commitments	=1+1a +3	1033	1335	1141	1321	1497	1761	2273	0	**1**
	Payments	=2+2a +3	456,02	917,763	1176,8	1266,76	1355,24	1570,92	1923,36	1694,137	**1**

(***) These appropriations include expenditures for EU coordinators. Furthermore, <u>ACER might be referred to in order to execute tasks defined in the provisions of the Regulation on guidelines for trans-European energy infrastructure subject to further decision.</u>

[75] Year N is the year in which implementation of the proposal/initiative starts.

[76] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

DG: INFSO			Year N[77] 2014	Year N+1 2015	Year N+2 2016	Year N+3 2017	Year N+4 2018	Year N+5 2019	Year N+6 2020	**> 2020**	**TO**
• Operational appropriations											
Number of budget line 0903XX	Commitments	(1)	679,000	843,800	1302,600	1621,400	1734,200	2003,000	2284,000	**0**	
	Payments	(2)	454,000	683,800	1262,600	1581,400	1719,200	2003,000	2258,000	506,000	
Appropriations of an administrative nature financed from the envelope for specific programmes[78]											
Number of budget line 090104XX		(3)	2,000	2,200	2,400	2,600	2,800	3,000	3,000	0	
TOTAL appropriations for DG INFSO	Commitments	=1+1a +3	681,000	846,000	1305,000	1624,000	1737,000	2006,000	2287,000	**0**	
	Payments	=2+2a +3	456,000	686,000	1265,000	1584,000	1722,000	2006,000	2261,000	506,000	

• TOTAL operational appropriations(*)	Commitments	(4)	4135,822	4864,322	5624,822	6412,222	7229,722	8077,222	8956,922	0,000	**45301,054**
	Payments	(5)	906,542	3699,285	4737,122	5295,882	5672,162	6371,642	7179,082	11439,34	**45301,054**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes(*)		(6)	18,178	21,678	22,178	22,778	23,278	23,778	24,078	0	**155,946**
TOTAL appropriations	Commitments	=4+ 6	4154,000	4886,000	5647,000	6435,000	7253,000	8101,000	8981,000	0,000	**45457,000**

77 Year N is the year in which implementation of the proposal/initiative starts.

78 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

under HEADING 1(*) of the multiannual financial framework	Payments	=5+ 6	924,720	3720,963	4759,300	5318,660	5695,440	6395,420	7203,160	11439,337	**45457,000**

(*) excluding amounts from DG REGIO (cohesion fund)

• TOTAL operational appropriations(**)	Commitments	(4)	5613,722	6376,222	7169,122	7999,622	8878,622	9771,122	10730,922	0,000	**56539,354**
	Payments	(5)	906,542	4672,185	5839,722	6532,382	6963,862	7744,842	8730,382	15149,44	**56539,354**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (**)		(6)	23,278	27,078	27,778	28,678	29,478	30,378	30,678	0	**197,346**
TOTAL appropriations under HEADING 1 (**) of the multiannual financial framework	Commitments	=4+ 6	5637,000	6403,300	7196,900	8028,300	8908,100	9801,500	10761,600	0,000	**56736,700**
	Payments	=5+ 6	929,820	4699,263	5867,500	6561,060	6993,340	7775,220	8761,060	15149,437	**56736,700**

(**) including amounts from DG REGIO (cohesion fund)

If more than one heading is affected by the proposal / initiative: (not applicable)

• TOTAL operational appropriations	Commitments	(4)									
	Payments	(5)									
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)									
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6									
	Payments	=5+ 6									

Heading of multiannual financial framework:	5	" Administrative expenditure "

EUR million (to 3 decimal places)

		Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
DG: MOVE									
• Human resources		4,198	4,516	4,771	5,089	5,280	5,280	5,280	**34,414**
• Other administrative expenditure		1,100	1,110	1,120	1,230	1,240	1,250	1,260	**8,310**
TOTAL DG MOVE	Appropriations	5,298	5,626	5,891	6,319	6,520	6,530	42,724	**42,724**
DG: ENER (*)									
• Human resources		5,406	6,233	7,123	7,315	7,315	7,506	7,506	**48,404**
• Other administrative expenditure		0,171	0,171	0,171	0,471	0,171	0,171	0,471	**1,797**
TOTAL DG ENER		5,577	6,404	7,294	7,786	7,486	7,677	7,977	**50,201**
DG: INFSO (*)									
• Human resources		11,117	12,451	14,484	15,310	16,263	17,025	17,279	103,929
• Other administrative expenditure		**0,200**	**0,210**	**0,220**	**0,230**	**0,240**	**0,250**	**0,260**	**1,610**
TOTAL DG INFSO	Appropriations	11,317	12,661	14,704	15,540	16,503	17,275	17,539	105,539

(*) DG ENER and DG INFSO also envisage (partially) externalising the implementation of CEF to agencies. Amounts and imputations will be adjusted if necessary according to the results of the externalisation process.

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	22,192	24,691	27,889	29,645	30,509	31,482	32,056	**198,464**

EUR million (to 3 decimal places)

		Year **2014**[79]	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**> 2020**	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5(*) of the multiannual financial framework	Commitments	4176,192	4910,691	5674,889	6464,645	7283,509	8132,482	9013,056	0,000	**45655,464**
	Payments	946,912	3745,654	4787,189	5348,305	5725,949	6426,902	7235,216	11439,337	**45655,464**

(*) excluding amounts from DG REGIO (Cohesion Fund)

		Year **2014**[80]	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**> 2020**	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5(**) of the multiannual financial framework	Commitments	5659,192	6427,991	2327,889	8057,945	8057,945	9832,982	10793,656	0,000	**56935,164**
	Payments	952,012	4723,954	5895,389	6590,705	7023,849	7806,702	8793,116	15149,437	**56935,164**

(**) including amounts from DG REGIO (Cohesion Fund)

79 Year N is the year in which implementation of the proposal/initiative starts.
80 Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. *Estimated impact on operational appropriations*

- ☐ The proposal/initiative does not require the use of operational appropriations
- X The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs			Year 2014		Year 2015		Year 2016		Year **2017**		… enter as many years as necessary to show the duration of the impact (see point 1.6)						**TOTAL**	
			OUTPUTS															
⇩	Type of output[81]	Average cost of the output	Number	Cost	Number	Cost	Number	Cost	Number of outputs	Cost	Number	Cost	Number	Cost	Number	Cost	Total number of outputs	Total cost
	SPECIFIC OBJECTIVES [82] transport networks…																	
- Output																		

It is expected to contribute to the financing of a total of EUR 150 bn of investments out of the estimated investments of EUR **237.618,21 million** set out in the list of pre-identified transport infrastructure projects in Part 1 of the Annex to the CEF Regulation.

- EUR 2 256,9 million of EU funding in financial instruments will leverage EUR 40 bn of investments,
- EUR 11 238,3 million of EU funding from the Cohesion Fund will leverage €11.5 bn of investments
- the remaining EUR 22 230,5 million of EU funding will leverage €98.5 bn of investments (based on an average co-funding rate of 20%).

in € million

Investment estimates for the listed pre-identified projects in Part 1 of the

[81] Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

[82] As described in Section 1.4.2. "Specific objective(s)…"

	Annex to the CEF Regulation
Horizontal Priorities	47.500,00
of which SESAR	*30.000,00*
1. Baltic – Adriatic Corridor	13.353,20
2. Warszawa – Berlin – Amsterdam/Rotterdam – Felixstowe – Midlands	5.673,00
3. Mediterranean Corridor	37.690,00
4. Hamburg – Rostock – Burgas/TR border – Piraeus – Lefkosia	8.037,60
5. Helsinki – Valletta	31.936,00
6. Genova – Rotterdam	15.622,50
7. Lisboa - Strasbourg	17.170,00
8. Dublin – London – Paris – Brussel/Bruxelles	4.582,00
9. Amsterdam – Basel/Lyon – Marseille	12.551,30
10. Strasbourg – Danube Corridor	15.939,40
Other Sections on the Core Network	27.563,21
Total	**237.618,21**

Detailed figures per corridor will be available during the planning and the implementation of the programme.

SPECIFIC OBJECTIVES energy networks

- Output implementation of the 11 priority corridors and areas at EUR 940,514 million per corridor on average

SPECIFIC OBJECTIVES Telecommunications networks[83]:

- Output	Digital service infrastructures developed and deployed across Europe	The following digital service infrastructures are expected to be supported under CEF: • Interoperable electronic identification and authentication across Europe; • European Central Platform for the interconnection of European business registers • Electronic procedures for setting up and running a business in another European country • Interoperable cross-border electronic procurement services • Interoperable cross-border e-Justice services • Interoperable cross border eHealth services																2446,000
- Output	Thousand households connected to Broadband internet	0.18	1827	321,000	3573	627,800	5547	974,600	6269	1101,400	8031	1411,200	9276	1630,000	11126	1955,000	45649	8021,000
Sub-total for specific objective Telecommunications				679,000		843,800		1 302,600		1 621,400		1 734,200		2 003,000		2 284,000		10 468,000
TOTAL COST																		**56 539,354**

83 The ultimate split between budget spent through financial instruments vs. grants will depend on market take-up of the financial instruments.

3.2.3. *Estimated impact on appropriations of an administrative nature*

3.2.3.1. Summary

- ☐ The proposal/initiative does not require the use of administrative appropriations
- X The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

DG MOVE	Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
HEADING 5 of the multiannual financial framework								
Human resources	4,198	4,516	4,771	5,089	5,280	5,280	5,280	**34,414**
Other administrative expenditure	1,100	1,110	1,120	1,230	1,240	1,250	1,260	**8,310**
Subtotal HEADING 5 of the multiannual financial framework	5,298	5,626	5,891	6,319	6,520	6,530	6.54	**42,724**
Outside HEADING 5[84] of the multiannual financial framework (*)								
Human resources								
Other expenditure of an administrative nature 06 01 04 31	**12,7**	**17,5**	**17,8**	**18,2**	**18,5**	**18,8**	**19,1**	**122,6**
Other expenditure of an administrative nature 13 01 04 XX	5,1	5,4	5,6	5,9	6,2	6,6	6,6	**41,4**
Subtotal outside HEADING 5 (**) of the multiannual financial framework	**12,7**	**17,5**	**17,8**	**18,2**	**18,5**	**18,8**	**19,1**	**122,6**
Subtotal outside HEADING 5 of the multiannual financial framework	17,8	22,9	23,4	24,1	24,7	25,4	25,7	**164,0**
TOTAL MOVE(**)	17,998	23,126	23,691	24,519	25,02	25,33	25,64	**165,324**

[84] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

TOTAL MOVE	23,098	28,526	29,291	30,419	31,22	31,93	32,24	206,724

(*) With the assumption that the transport and the cohesion fund parts of the CEF will be delegated to the TEN-T executive agency.

(**) excluding 13 01 04 XX cohesion fund

EUR million (to 3 decimal places)

DG ENER	Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
HEADING 5 (*) of the multiannual financial framework								
Human resources	5,406	6,233	7,123	7,315	7,315	7,506	7,506	**48,404**
Other administrative expenditure	0,171	0,171	0,171	0,471	0,171	0,171	0,471	**1,797**
Subtotal HEADING 5 of the multiannual financial framework	5,577	6,404	7,294	7,786	7,486	7,677	7,977	50,201
Outside HEADING 5[85] of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature (**)	3,478	1,978	1,978	1,978	1,978	1,978	1,978	15,346
Subtotal outside HEADING 5 of the multiannual financial framework	3,478	1,978	1,978	1,978	1,978	1,978	1,978	15,346
TOTAL ENER	**9,055**	**8,382**	**9,272**	**9,764**	**9,464**	**9,655**	**9,955**	**65,547**

(*) DG ENER envisages (partially) externalising the implementation of CEF to agencies. Amounts and imputations will be adjusted if necessary according to the results of the externalisation process.

(**) These appropriations include expenditures for EU coordinators. Furthermore, ACER might be referred to in order to execute tasks defined in the provisions of the Regulation on guidelines for trans-European energy infrastructure subject to further decision.

85 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

EUR million (to 3 decimal places)

DG INFSO	Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
HEADING 5 (*) of the multiannual financial framework								
Human resources	11,117	12,451	14,484	15,310	16,263	17,025	17,279	103,929
Other administrative expenditure	**0,2**	**0,21**	**0,22**	**0,23**	**0,24**	**0,25**	**0,26**	**1,61**
Subtotal HEADING 5 of the multiannual financial framework	11,317	12,661	14,704	15,540	16,503	17,275	17,539	105,539
Outside HEADING 5[86] of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature	2	2,2	2,4	2,6	2,8	3	**3**	**18**
Subtotal outside HEADING 5 of the multiannual financial framework	2	2,2	2,4	2,6	2,8	3	**3**	**18**
TOTAL INFSO	13,317	14,861	17,104	18,140	19,303	20,275	20,539	123,539

(*) DG INFSO envisages (partially) externalising the implementation of CEF to agencies. Amounts and imputations will be adjusted if necessary according to the results of the externalisation process.

TOTAL appropriations of admin. nature of Heading 5 of MFF	22,192	24,691	27,889	29,645	30,509	31,482	32,056	**198,464**
TOTAL appropriations of admin. nature outside Heading 5 of MFF(*)	18,178	21,678	22,178	22,778	23,278	23,778	24,078	**155,946**
TOTAL appropriations of admin. nature outside Heading 5 of MFF	23,278	27,078	27,778	28,678	29,478	30,378	30,678	197,346
TOTAL appropriations of	**40,37**	**46,369**	**50,067**	**52,423**	**53,787**	**55,26**	**56,134**	**354,410**

86 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

administrative nature(*)								
TOTAL appropriations of administrative nature(	**45,47**	**51,769**	**55,667**	**58,323**	**59,987**	**61,86**	**62,734**	**395,810**

(*) excluding 13 01 04 XX Cohesion Fund

3.2.3.2. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources
- X The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

DG MOVE	Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**
lishment plan posts (officials and temporary agents)						
06 01 01 01 (Headquarters and Commission's Representation Offices)	26	28	29	31	32	32
XX 01 01 02 (Delegations)						
06 01 05 01 (Indirect research)						
10 01 05 01 (Direct research)						
• External personnel (in Full Time Equivalent unit: FTE)[87]						
06 01 02 01 (CA, INT, SNE from the "global envelope")	14	15	17	18	19	19
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)						
XX 01 04 *yy* [88]						
06 01 05 02 (CA, INT, SNE - Indirect research)						
10 01 05 02 (CA, INT, SNE - Direct research)						
Other budget lines (specify)						
TOTAL MOVE	**40**	**43**	**46**	**49**	**51**	**51**

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual

87 CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

88 Under the ceiling for external personnel from operational appropriations (former "BA" lines).

allocation procedure and in the light of budgetary constraints. Amounts and imputations will be adjusted depending on the results of the envisaged externalisation process.

Description of tasks to be carried out:

Officials and temporary agents	Policy and strategy making, programme management and control, project selection, coordination and liaison with all stakeholders on programme level (ministries, other DGs, European Institutions, international banks (eg EIB), supervision and control of associated agencies (external personnel).
External personnel	Managing the TENtec information system: collection of technical, financial and geographical data for the analysis, management and political decision making of the programme.

Estimate to be expressed in full time equivalent units

DG ENER		Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**
lishment plan posts (officials and temporary agents)							
32 01 01 01 (Headquarters and Commission's Representation Offices)		34	39	45	45	45	46
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)[89]							
32 01 02 01 (CA, INT, SNE from the "global envelope")		17	20	22	25	25	26
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 ***yy*** [90]	- at Headquarters[91]						
	- in delegations						
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL ENER		**51**	**59**	**67**	**70**	**70**	**72**

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary

[89] CA= Contract Agent; INT= agency staff ("*Intérimaire"*); JED= "*Jeune Expert en Délégation"* (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

[90] Under the ceiling for external personnel from operational appropriations (former "BA" lines).

[91] Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. Amounts and imputations will be adjusted depending on the results of the envisaged externalisation process.

Description of tasks to be carried out:

Officials and temporary agents	- Support to regional and thematic fora in the identification of projects of common interest - selection process - management of annual calls for proposals and selection of projects for EU financial support - financial and project management - evaluations
External personnel	Support to regional and thematic fora in the identification of projects of common - selection process - management of annual calls for proposals and selection of projects for financing - financial and project management - evaluations

Estimate to be expressed in fulltime equivalent units

DG INFSO	Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**
• Establishment plan posts (officials and temporary agents)							
09 01 01 01 (Headquarters and Commission's Representation Offices)	83	93	108	114	121	127	129
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)[92]							
09 01 02 01 (CA, INT, SNE from the "global envelope")	9	10	12	13	14	14	14
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 *yy*[93] - at Headquarters[94]							
XX 01 04 *yy*[93] - in delegations							
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL	**92**	**103**	**120**	**127**	**135**	**141**	**143**

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. Amounts and imputations will be adjusted depending on the results of the envisaged externalisation process.

Description of tasks to be carried out:

Officials and temporary agents	Policy and strategy coordination, programme management, project and grant management
External personnel	Project and grant management

Total of estimated requirements	183	205	233	246	256	264	266

[92] CA= Contract Agent; INT= agency staff (*"Intérimaire"*); JED= *"Jeune Expert en Délégation"* (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

[93] Under the ceiling for external personnel from operational appropriations (former "BA" lines).

[94] Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

of Human Resources							

3.2.4. *Compatibility with the multiannual financial framework 2014-2020*

- X Proposal/initiative is compatible the 2014-2020 multiannual financial framework.
- ☐ Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. n.a.

- ☐ Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework[95].

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts. n.a.

3.2.5. *Third-party contributions*

- X The proposal/initiative does not provide for co-financing by third parties
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

	Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	… enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations cofinanced								

[95] See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue

- ☐ Proposal/initiative has no financial impact on revenue.
- X Proposal/initiative has the following financial impact:
  - ☐ on own resources
  - X on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative[96]						
		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	… insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article ………….								

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

to be determined (The revenue generated by the financial instruments shall be re-used during the lifetime of the programme, and ultimately cashed as revenue together with the principal amount at the end of the programme.)

Specify the method for calculating the impact on revenue.

96 As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.