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NOTE

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	7207/1/19 + COR1 + COR2
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Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014

1. On 3 December 2018 the Transport, Telecommunications and Energy Council (Transport) adopted a partial General Approach on the above-mentioned proposal on the Regulation establishing the Connecting Europe Facility ('CEF Regulation') as of document 15146/18, following which trilogue negotiations with the European Parliament took place. Elements put in square brackets in the text of the partial General Approach were left outside of the scope of the negotiations at that stage, as more progress at horizontal level, including political guidance of the European Council, on the Multiannual Financial Framework (MFF) 2021-2027 was needed first for the Council to be able to establish its position on these parts.

2. On 13 March 2019 the Permanent Representatives Committee (Coreper) took note of the progress report as of documents 7207/19, 7207/19 ADD 1 and 7207/19 COR 1, and confirmed the common understanding, reflecting the state of play of negotiations reached at the last trilogue on the CEF Regulation on 7 March 2019 under the previous legislature.
3. Following the political guidance by the European Council (EUCO), agreed upon at its meeting on 17-21 July 2020, the CEF Friends of Presidency Group is invited to continue its work, in view of preparing a full Council mandate, with the objective of finalising negotiations with the European Parliament.
4. The Presidency proposes to adapt the following parts of the text in Annex:
- Alignment of the duration of CEF with the MFF as of Article 1 and Recital 33a (*reflecting point 9 of the EUCO conclusions*);
 - Budget allocations as of Article 4 and Recital 13 (*reflecting points 32 and 116 of the EUCO conclusions; for amounts in current prices see also WK 08354*);
 - Participation of third countries as of Article 5 and Recital 38 (*reflecting point 21 of the EUCO conclusions*);
 - Co-financing rates of Article 14 (2) (b) (*reflecting point 32 of the EUCO conclusions*);
 - Cumulative and alternative funding provision as of Article 18 (*in order to align the language with the CPR, Article 67(5), and ensure consistency across programmes*);
 - The protection of the Union's financial interests as of Article 26 and Recitals 38 and 40 (*reflecting points A24 and 24 of the EUCO conclusions as well as recommendations by the Working Party on Combating Fraud as of document ST 5146/1/19*);
 - The climate mainstreaming target as of Recital 4 (*reflecting points A21 and 18 of the EUCO conclusions; see also WK 08664*);
 - Reference to the rule of law as of Recital 36 (*reflecting points A24 and 22- 24 of the EUCO conclusions*).

5. Previously [bracketed] parts of the text are marked in grey highlight, with changes compared to the text of the Commission proposal being marked in **bold underlined** and ~~strikethroughs~~. Any remaining brackets in the text in Annex do not indicate any limitation of the scope of the mandate and subsequent negotiations with the European Parliament, but refer to legislative proposals that are under negotiation and that have not been adopted yet. Likewise, any other changes not listed above under point 4 refer to updated references to legal acts that were adopted in the meantime.
6. This REV1 document includes only two changes in the text in Annex: An updated (preliminary) wording regarding the rule of law reference in Recital 36 (horizontally aligned across all MFF related legislative items), and a corrected amount in current prices of the earmarked amount for cross-border railway links in Article 4, paragraph 2, point (a) (i) (reflecting the respective amount in 2018 prices under point 32 of the EUCO conclusions).
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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013
and (EU) No 283/2014¹

(Text with EEA relevance)

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 Articles 172 and 194 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ Parliamentary scrutiny : U.K.

² OJ C , , p. .

³ OJ C , , p. .

- (1) In order to achieve smart, sustainable and inclusive growth and to stimulate job creation ***and to respect the long-term decarbonisation commitments***, the Union needs an up-to-date, ***multimodal*** high-performance infrastructure to help connect and integrate the Union and all its regions, ***including remote, outermost, insular, peripheral, mountainous and sparsely populated ones***, in the transport, ***digital*** and energy sectors. Those connections should help to improve the free movement of persons, goods, capital and services. The trans-European networks should facilitate cross-border connections, foster greater economic, social and territorial cohesion and contribute to a more competitive ***and sustainable*** social market economy and to combating climate change.
- (2) The aim of the Connecting Europe Facility (the ‘Programme’) is to accelerate investment in the field of trans-European networks and to leverage funding from both the public and the private sectors, while increasing legal certainty and respecting the principle of technological neutrality. The Programme should enable synergies between the transport, energy and digital sectors to be harnessed to the full extent, thus enhancing the effectiveness of Union action and enabling implementing costs to be optimised.
- (3) The Programme should ***contribute also to EU action against*** climate change, ***support*** environmentally and socially sustainable projects and, where appropriate, climate change mitigation and adaptation actions. In particular, the contribution of the Programme to achieving the goals and objectives of the Paris Agreement as well as the proposed 2030 climate and energy targets and long-term decarbonisation objective should be reinforced.
- (3a) The Programme should guarantee a high level of transparency and ensure public consultation in compliance with the applicable Union and national legislation.***

- (4) Reflecting the importance of tackling climate change in line with Union's commitments to implement the Paris Agreement, and the commitment to the United Nations Sustainable Development Goals, this Regulation should therefore mainstream climate action and lead to the achievement of an overall target of **30%** of the EU budget expenditures supporting climate objectives⁴. Actions under this Programme **should** contribute 60% of the overall financial envelope of the Programme to climate objectives, based *inter alia* on the following Rio markers: i) 100% for the expenditures relating to railway infrastructure, **charging infrastructure** alternative **and sustainable** fuels, clean urban transport, electricity transmission, electricity storage, smart grids, CO₂ transportation and renewable energy; ii) 40% for inland waterways and multimodal transport, and gas infrastructure - if enabling increased use of renewable hydrogen or bio-methane. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes. In order to prevent that infrastructure is vulnerable to potential long term climate change impacts and to ensure that the cost of greenhouse gas emissions arising from the project is included in the project's economic evaluation, projects supported by the Programme should be subject to climate proofing in accordance with guidance that should be developed by the Commission coherently with the guidance developed for other programmes of the Union where relevant.
- (5) In order to comply with the reporting obligations set in Article 11(c) of Directive 2016/2284/EU on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC, regarding the uptake of Union funds to support the measures taken with a view to complying with the objectives of this Directive, expenditure related to the reduction of emissions or air pollutants under this Directive shall be tracked.

⁴ COM(2018) 321, page 13

- (6) An important objective of this Programme is to deliver increased synergies *and complementarity* between the transport, energy and digital *sectors*. For that purpose, the Programme should provide for the adoption of work programmes that could address specific intervention areas, for instance as regards connected and automated mobility or *sustainable* alternative fuels. *Enabling digital communication could constitute an integral part of a project of common interest in the field of energy and transport*. In addition, the Programme should allow, within each sector, the possibility to consider eligible some *synergetic* components pertaining to another sector, where such an approach improves the socio-economic benefit of the investment. Synergies between sectors should be incentivized through the award criteria for the selection of actions, *as well as in terms of increased co-financing*.
- (7) The trans-European transport network (TEN-T) guidelines as laid down in Regulation (EU) No 1315/2013 of the European Parliament and of the Council⁵ (hereafter ‘TEN-T guidelines’) identify the infrastructure of the TEN-T, specify the requirements to be fulfilled by it and provide for measures for their implementation. Those guidelines envisage in particular, the completion of the core network by 2030 through the creation of new infrastructure as well as the substantial upgrading and rehabilitation of existing infrastructure **in order to ensure network continuity**.
- (7a) *Actions contributing to the development of projects of common interest in the transport sector, financed by the Programme, should build on the complementarity of all transport modes to provide for efficient, interconnected and multimodal networks, in order to ensure connectivity throughout the Union. This should include roads in Member States still facing important investment needs for the completion of their core road network.*

⁵ Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1)

- (8) In order to achieve the objectives laid down in the TEN-T guidelines, it is necessary to support with priority the *ongoing TEN-T projects as well as* cross-border links and the missing links and to ensure, where applicable, that the supported actions are consistent with the corridor work plans established pursuant to Article 47 of Regulation (EU) No 1315/2013 and to the overall network development regarding performance and interoperability.
- (8a) **In particular, the full deployment of ERTMS on the core network by 2030 as foreseen by Regulation (EU) No 1315/2013 requires to scale-up support at European level and to incentivize the participation of private investors.**
- (8b) **An important precondition for successful completion of the core TEN-T network and ensuring effective intermodality is also connection of airports to the TEN-T network. It is, therefore necessary to give priority to the connection of airports with the core TEN-T network, where these are missing.**
- (8c) **For the implementation of cross-border actions a high degree of integration in the planning and implementation is needed. Without prioritising any of the following examples, this integration could be demonstrated through the establishment of a single project company, a joint governance structure, *a joint venture*, a bilateral legal framework, an implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013, or any other form of cooperation. Integrated management structures, including joint ventures should be encouraged, including *through a higher level of co-financing*.**
- (8d) **Streamlining measures to advance the realisation of the TEN-T, which are currently under development, should support the more efficient implementation of projects of common interest in the field of transport.**

- (9) In order to reflect growing transport flows and the evolution of the network, the alignment of the core network corridors and their pre-identified sections should be adapted. These adaptations *to the core network corridors should not affect the completion of the core network by 2030, should improve the corridors' coverage of the Member States territory and* should be proportionate in order to preserve the consistency and the efficiency of the corridor development and coordination. For that reason the length of the core network corridors should not increase by more than 15%. **In due course, the alignment of the core network corridors should take into account the results of the review of the implementation of the core network as foreseen in Article 54 of Regulation (EU) No 1315/2013. The review should take into account regional cross-border rail connections on the TEN-T that were abandoned or dismantled as well as evolutions on the comprehensive network and the impact of the United Kingdom's withdrawal from the European Union.**
- (10) It is necessary to promote *public, and private* investments in favour of smart, *interoperable*, sustainable, *multimodal*, inclusive, *accessible*, safe and secure mobility throughout the Union *for all transport modes*. In 2017, the Commission presented⁶ "Europe on the move", a wide-ranging set of initiatives to make traffic safer, encourage smart road charging, reduce CO₂ emissions, air pollution and congestion, promote connected and autonomous mobility and ensure proper conditions and rest times for workers. These initiatives should be accompanied by Union financial support, where relevant through this Programme.

⁶ Commission Communication "Europe on the move: An agenda for a socially fair transition towards clean, competitive and connected mobility for all" – COM(2017) 283

- (11) The TEN-T guidelines require, with regard to new technologies and innovation, that the TEN-T enables the decarbonisation of all transport modes by stimulating energy efficiency *and* the use of alternative fuels *while respecting the principle of technological neutrality*. Directive 2014/94/EU of the European Parliament and of the Council⁷ establishes a common framework of measures for the deployment of alternative fuels infrastructure *for all modes of transport* in the Union in order to *reduce as far as possible the* dependence on fossil fuels and to mitigate the environmental *and climate* impact of transport and requires Member States to ensure that recharging or refuelling points accessible to the public are made available by 31 December 2025. As outlined in the Commission proposals⁸ of November 2017, a comprehensive set of measures to promote low-emission mobility is necessary including financial support where the market conditions do not provide a sufficient incentive.
- (12) In the context of its Communication "Sustainable Mobility for Europe: safe, connected, and clean"⁹, the Commission highlighted that automated vehicles and advanced connectivity systems will make vehicles safer, easier to share and more accessible for all citizens, including those who may be cut-off from mobility services today, such as the elderly and *people with reduced mobility*. In this context, the Commission also proposed an "EU Strategic Action Plan on Road safety" and a revision of Directive 2008/096 on Road Safety infrastructure management.

⁷ Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).

⁸ Commission Communication "Delivering on low-emission mobility A European Union that protects the planet, empowers its consumers and defends its industry and workers" – COM(2017) 675

⁹ COM(2018) 293

- (13) In order to improve the completion of transport projects in less developed parts of the network, a Cohesion Fund allocation should be transferred to the Programme to finance transport projects in the Member States eligible for financing from the Cohesion Fund. In an initial phase and within a limit of 70% of the transferred envelope, the selection of projects eligible for financing should respect the national allocations under the Cohesion Fund. The remaining 30% of the transferred envelope should be allocated on a competitive basis to projects located in the Member States eligible for financing from the Cohesion Fund with priority to cross-border links and missing links. The Commission should support Member States eligible for financing from the Cohesion Fund in their efforts to develop an appropriate pipeline of projects, in particular by strengthening the institutional capacity of the public administrations concerned. **In addition, with a view to improve more specifically the completion of cross-border railway projects in less developed parts of the network, a dedicated amount of the envelope from the European Strategic Investment cluster shall be used for projects for the completion of missing major railway links between Member states eligible for funding from the Cohesion Fund.**
- (14) Following the Joint Communication of November 2017¹⁰, the Action Plan on Military Mobility adopted on 28 March 2018 by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy¹¹ highlighted that transport infrastructure policy offers a clear opportunity to increase synergies between defence needs and TEN-T *with the overall aim of improving military mobility across the Union, taking into account geographical balance and considering the potential benefits for civil protection. In accordance with the Action Plan, in 2018 the Council considered and validated the military requirements in relation to transport infrastructure¹² and in 2019 the Commission services identified the parts of the trans-European transport network suitable for dual use*, including necessary upgrades of existing infrastructure. Union funding for the implementation of the dual-use projects should be implemented through the Programme on the basis of work programmes specifying the applicable requirements as defined in the context of the Action Plan **and of any further indicative list of priority projects that may be identified by Member States in accordance with the Military Mobility Action Plan.**

¹⁰ JOIN(2017) 41

¹¹ JOIN(2018) 5

¹² **Military Requirements for Military Mobility within and beyond the EU (ST 14770/18)**

- (15) **The TEN-T Guidelines recognise the comprehensive network as ensuring the accessibility and connectivity of all regions in the Union including the remote, insular and outermost regions. Further, in its Communication "A stronger and renewed strategic partnership with the EU's outermost regions"¹², the Commission highlighted the outermost regions' specific transport *energy and digital* needs and the necessity to provide *adequate* Union funding to match these needs, including through the Programme *by applying co-financing rates up to a maximum of 70%*.**
- (16) Considering the significant investment needs to progress towards completing the TEN-T core network by 2030 (estimated at EUR 350 billion during 2021-2027), the TEN-T comprehensive network by 2050 and decarbonisation-digitalisation-urban investments (estimated at EUR 700 billion during 2021-2027), it is appropriate to make the most efficient use of the various Union financing programmes and instruments and thus maximise the value-added of investments supported by the Union. This would be achieved via a streamlined investment process, enabling visibility on the transport pipeline and consistency across relevant Union programmes, notably the Connecting Europe Facility, the European Regional Development Fund (ERDF), the Cohesion Fund and InvestEU. In particular, the enabling conditions as detailed under Annex IV of Regulation (EU) XXX [Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument ('CPR')] should be taken into account where relevant.

- (17) Regulation (EU) No 347/2013 of the European Parliament and of the Council¹ identifies the trans-European energy infrastructure priorities which need to be implemented in order to meet the Union's energy and climate policy objectives, identifies projects of common interest necessary to implement those priorities, and lays down measures in the field of the granting of permits, public involvement and regulation to speed up and/or facilitate the implementation of those projects, including criteria for the eligibility of such projects for Union financial assistance. **The identification of projects of common interest in accordance with that Regulation will continue to follow the 'energy efficiency first' principle by assessing projects against energy demand scenarios that are fully consistent with EU energy and climate targets.**
- (18) Directive (EU) 2018/2001 of the European Parliament and of the Council¹³ ~~recast~~ **Renewables Directive** stresses the need to set up an enabling framework comprising the enhanced use of Union funds, with explicit reference to enabling actions to support cross-border cooperation in the field of renewable energy.
- (19) While completion of network infrastructure remains the priority to achieve the development of renewable energy, integrating cross-border cooperation on renewable energy *and developing a smart and efficient energy system including storage and demand response solutions that help balance the grid*, reflects the approach adopted under the Clean Energy for all Europeans initiative with a collective responsibility to reach an ambitious target for renewable energy in 2030 and the changed policy context, *ensuring a fair and adequate social transition*, with ambitious long-term decarbonisation objectives.

¹³ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

- (20) Innovative infrastructure technologies that enable the transition to a low *emission* energy and mobility systems and improve security of supply, *seeking greater energy independence for the Union*, are essential in view of the Union's decarbonisation agenda. In particular, in its Communication of 23 November 2017 "Communication on strengthening Europe's energy networks"¹, the Commission emphasised that the role of electricity, where renewable energy will constitute half of the electricity generation by 2030, will increasingly be driving the decarbonisation of sectors so far dominated by fossil fuels, such as transport, industry and heating and cooling and that accordingly, the focus under the trans-European energy infrastructure policy *must be* on electricity interconnections, electricity storages smart grids projects, *and gas infrastructure investments*. To support the Union's decarbonisation objectives, *internal market integration and security of supply*, due consideration and priority should be given to technologies and projects contributing to the transition to a low *emission* economy. The Commission will aim at increasing the number of cross-border smart grid, innovative storage as well as carbon dioxide transportation projects to be supported under the Programme.
- (20a) **Cross-border projects in the field of renewable energy shall enable cost-effective deployment for renewables in the Union, achievement of the Union's binding target of at least 32% renewable energy in 2030 as referred to in Article 3 of Directive (EU) 2018/2001 ~~recast of Directive 2009/28/EC as proposed by COM(2016) 767~~ and contribute to the strategic uptake of innovative renewables technologies. Illustrative examples for eligible technologies include renewables generation from on- and offshore wind, solar energy, sustainable biomass, ocean energy, geothermal energy or combinations thereof; their grid connection and additional elements such as storage or conversion facilities. Eligible action is not limited to the electricity sector and can cover other energy carriers and potential sector coupling for example with heating and cooling, power to gas, storage and transport. This listing is non-exhaustive in order to keep flexibility with regard to technological advances and developments. Such projects do not necessarily entail a physical link between the cooperating Member States. These projects can be located on the territory of only one involved Member State provided that the general criteria of Annex part IV apply.**

- (20aa)** In order to support cross border cooperation in the area of renewable energy and the market uptake of projects, the European Commission should facilitate the development of cross border projects in the field of renewable energy. In the energy sector, in the absence of sufficient market uptake of cross border renewable energy projects, unused budget envisaged for cross border renewables projects should be used to meet the objectives of the trans-European energy networks defined in article 3.2b for actions provided by Article 9(3), before considering a possible use for Union renewable energy financing mechanism pursuant to article 7(6).
- (20a)** *Support to smart grid projects, where such projects integrate electricity generation, distribution or consumption using real time system management and influencing cross-border energy flows, is needed. The energy projects should further reflect the central role of smart grids in the energy transition and support from the Programme should help to overcome the funding gaps, which are currently hampering investments in the large-scale deployment of smart grid technology.*
- (20b)** Special consideration in the EU support should be given to energy cross-border interconnections, including those necessary to reach the 10% *electricity* interconnection target for 2020 and the 15% target for 2030 as established in the *Regulation (EU) 2018/1999 on the Governance of the Energy Union*. Deployment of electricity interconnectors is crucial for integrating markets, enabling more renewables in the system and benefiting from their different demand and renewable supply portfolio, off-shore wind networks and smart grids, integrating all countries into a liquid and competitive energy markets.

- (21) The achievement of the digital single market relies on the underlying digital connectivity infrastructure. The digitalisation of European industry and the modernisation of sectors like transport, energy, healthcare and public administration depend on universal access to reliable, affordable, high and very high capacity networks. Digital connectivity has become one of the decisive factors to close economic, social and territorial divides, supporting the modernisation of local economies and underpinning the diversification of economic activities. The scope of intervention of the Programme in the area of digital connectivity infrastructure should be adjusted to reflect its increasing importance for the economy and the society at large. Therefore, it is necessary to set out the digital connectivity infrastructure projects of common interest needed to meet Union's digital single market objectives, and to repeal Regulation (EU) No 283/2014 of the European Parliament and of the Council¹⁴
- (22) The Communication on "Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society"¹⁶ (the Gigabit Society Strategy) sets out strategic objectives for 2025, in view of optimising investment in digital connectivity infrastructure. Directive (EU) 2018/1972 **of the European Parliament and of the Council**¹⁷ [European Electronic Communications Code] aims inter alia at creating a regulatory environment which incentivises private investments in digital connectivity networks. It is nevertheless clear that network deployments will remain commercially non-viable in many areas throughout the Union, due to various factors such as remoteness and territorial or geographical specificities, low population density, various socio-economic factors *and as such urgently require closer attention*. The Programme should therefore be adjusted to contribute to the achievement of these strategic objectives set out in the Gigabit Society Strategy *aiming also to contribute to a balance between rural and urban developments*, and, complementing the support provided for the deployment of very high capacity networks by other programmes, in particular the European Regional Development Fund (ERDF) and Cohesion Fund and the InvestEU fund.

¹⁴ Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC (OJ L 86, 21.3.2014, p. 14).

- (23) While all digital connectivity networks which are connected to the Internet are intrinsically trans-European, due mainly to the functioning of the applications and services which they enable, priority for support via the Programme should be given to actions with the highest expected impact on the Digital Single Market, inter alia through their alignment with the objectives of the Gigabit Society Strategy Communication, as well as on the digital transformation of the economy and society, having regard to market failures and implementation obstacles observed.
- (24) Schools, universities, libraries, local, regional or national administrations, main providers of public services, hospitals and medical centres, transport hubs and digitally intensive enterprises are entities and places that can influence important socio-economic developments in the area where they are located, ***including rural and sparsely populated areas***. Such socio-economic drivers need to be at the cutting edge of Gigabit connectivity in order to provide access to the best services and applications for European citizens, business and local communities. The Programme should support access ***to very high capacity networks, including 5G and other state-of-the-art connectivity systems*** capable of providing Gigabit connectivity for these socio-economic drivers with a view to maximising their positive effects on the wider economy and society ***within their areas***, including by generating wider user demand for connectivity and services.

- (24a) **Disconnected territories in all areas of the Union, represent bottlenecks and unexploited potential to the digital single market.** In most rural and remote areas, high quality Internet connectivity can play an essential role in preventing digital divide, isolation and depopulation by reducing the costs of delivery of both goods and services and partially compensating for remoteness. High quality Internet connectivity is necessary for new economic opportunities such as precision farming or the development of a bio-economy in rural areas. The Programme should contribute to providing all European households, rural or urban, with very high capacity fixed or wireless connectivity, focusing on those deployments for which a degree of market failure is observed and which can be addressed using low intensity grants. **In view of maximising synergies of the actions supported by the Programme, due regard should be given to the level of concentration of socio-economic drivers in a given area and the level of funding needed to generate coverage. Moreover, the Programme should aim at achieving a comprehensive coverage of households and territories, as gaps in an already covered area are uneconomic to address at a later stage.**
- (25) In addition, building on the success of the WiFi4EU initiative, the Programme should continue to support the provision of free, *secure*, high quality, local wireless connectivity in the centres of local public life, including entities with a public mission such as public authorities and providers of public services as well as outdoor spaces accessible to the general public, in order to promote the Union's digital vision in local communities.
- (25a) *Digital infrastructure is an important basis for innovation. In order for the programme to maximise its impact it should focus on funding the infrastructure. Individual digital services and applications, such as those involving various distributed ledger technologies or applying artificial intelligence, should therefore be out of scope of the Programme and instead, as appropriate, be addressed through other instruments such as the Digital Europe. It is also important to maximize the synergies between different programmes.*

- (26) The viability of the anticipated next generation digital services, such as Internet of Things services and applications which are expected to bring significant benefits across various sectors and for society as a whole, will require uninterrupted cross-border coverage with 5G **systems**, in particular in view of allowing users and objects to remain connected while on the move. However, the cost sharing scenarios for 5G deployment across these sectors remain unclear and the perceived risks of commercial deployment in some key areas are very high. Road corridors and train connections are expected to be key areas for the first phase of new applications in the area of connected mobility and therefore constitute vital cross-border projects for funding under this Programme.
- (28) The deployment of backbone electronic communications networks, including submarine cables connecting European territories to third countries on other continents or connecting European islands, **outermost regions** or overseas **countries and territories, including via Union territorial waters and the Exclusive Economic Zone of the Member States** is needed in order to provide necessary redundancy for such vital infrastructure, and to increase the capacity and resilience of the Union's digital networks-, **also contributing to territorial cohesion**. However, such projects are often commercially non-viable without public support. **In addition, support should be available to complement European high-performance computing resources with adequate terabit-capacity connections.**
- (29) Actions contributing to projects of common interest in the area of digital connectivity infrastructure shall deploy the **best available and suited** technology for the specific project, **which proposes** the best balance between state-of-the-art technologies in terms of data flow capacity, transmission security, network resilience and cost efficiency, and should be prioritised by way of work programmes taking into account criteria set out in this Regulation. Deployments of very high capacity networks can include passive infrastructure, in view of maximising socio-economic as well as environmental benefits. Finally, when prioritising actions, the potential positive spill-overs in terms of connectivity shall be taken into account, for example when a project deployed can improve the business case for future deployments leading to further coverage of territories and population in areas which have remained uncovered so far.

- (30) The Union has developed its own satellite Positioning, Navigation and Timing (PNT) technology (EGNOS/Galileo) and its own Earth observation system (Copernicus). Both EGNOS/Galileo and Copernicus offer advanced services which provide important economic benefits to public and private users. Therefore any transport, energy or digital infrastructure funded by the Programme - that makes use of PNT or Earth observations services - should be technically compatible with EGNOS/Galileo and Copernicus.
- (31) The positive results of the first Blending Call for proposals launched under the current programme in 2017, confirmed the relevance and added value of using EU grants for blending with financing from the European Investment Bank or National Promotional Banks or other development and public financial institutions as well as from private-sector finance institutions and private-sector investors, including through public private partnerships. ***Blending should contribute to attract private investment and to provide leverage of the overall public sector contribution in line with the goals of the Invest EU programme.*** The Programme should therefore continue to ***support actions*** enabling combination between EU grants and other sources of financing. ***In the transport area Blending operations shall not exceed 10% of the dedicated envelope in Article 4(2)(a)(i).***
- (31a) ***In the transport sector, blending operations may be used for actions relating to smart, interoperable, sustainable, inclusive, accessible, safe and secure mobility as listed at Article 9 paragraph 2(b).***
- (32) The policy objectives of this Programme will be also addressed through financial instruments and budgetary guarantee under the policy window(s) of the InvestEU Fund. The Programme's actions should be used to ***boost investment by addressing*** market failures or sub-optimal investment situations, ***in particular where actions are not commercially viable***, in a proportionate manner, without duplicating or crowding out private financing and have a clear European added value.

(33) In order to favour an integrated development of the innovation cycle, it is necessary to ensure complementarity between the innovative solutions developed in the context of the Union Research and Innovation framework programmes and the innovative solutions deployed with support from the Connecting Europe Facility. For this purpose, synergies with Horizon Europe will ensure that: (a) research and innovation needs in the areas of transport, energy and in the digital sector within the EU are identified and established during Horizon Europe's strategic planning process; (b) the Connecting Europe Facility supports large-scale roll-out and deployment of innovative technologies and solutions in the fields of transport, energy and digital infrastructure, in particular those resulting from Horizon Europe; (c) the exchange of information and data between Horizon Europe and the Connecting Europe Facility will be facilitated, for example by highlighting technologies from Horizon Europe with a high market readiness that could be further deployed through the Connecting Europe Facility.

(33a) The CEF should be established for a period of seven years to align its duration with that of the multiannual financial framework laid down in Council Regulation (EU, Euratom) No [reference to the MFF Regulation to be inserted].

(34) This Regulation lays down a financial envelope for the entire period 2021-2027 which is to constitute the prime reference amount, within the meaning of [reference to be updated as appropriate according to the new inter-institutional agreement: point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹⁵ for the European Parliament and the Council during the annual budgetary procedure].

¹⁵ OJ C 373, 20.12.2013, p. 1

- (35) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of these reform priorities. These strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the European Regional Development Fund (ERDF) and Cohesion Fund, the European Investment Stabilisation Function, InvestEU and the Connecting Europe Facility, where relevant. Financial support should also be used in a manner consistent with Union and national energy and climate plans where relevant.
- (36) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern **other conditionalities to protect the budget.**¹⁶ ~~the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.~~
- (37) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

¹⁶ **This recital may have to be updated pending the outcome of negotiations on the conditionality regime.**

- (38) Third countries which are members of the European Economic Area (EEA) may participate in Union programmes in the framework of the cooperation established under the **Agreement of the European Economic Area**¹⁷ EEA agreement, which provides for the implementation of the programmes ~~by~~ **on the basis of** a decision **adopted** under that agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation **requiring third countries** to grant the necessary rights ~~for~~ and access **required for** ~~to~~ the authorising officer responsible, the European Anti-Fraud Office (OLAF) ~~as well as the European and the~~ Court of Auditors to comprehensively ~~exert~~ **exercise** their respective competences.
- (39) The Financial Regulation establishes the rules concerning the award of grants. In order to take into account the specificity of the actions supported by the Programme and to ensure a consistent implementation among the sectors covered by the Programme, it is necessary to provide additional indications as regards eligibility and award criteria. ***The selection of operations and their financing should respect only the conditions provided for in this Regulation and the Financial Regulation. Without derogating from the Financial Regulation, the work programmes may provide for simplified procedures.***
- (39a) ***In accordance with the Financial Regulation, selection and award criteria are defined in the work programmes. In the transport sector, the quality and relevance of a project should be assessed also taking into account its expected impact on the EU connectivity, its compliance with accessibility requirements and its strategy as regards future maintenance needs.***

¹⁷ OJ L 1, 3.1.1994, p. 3.

(40) In accordance with **Regulations (EU, Euratom) 2018/1046**¹⁸ (the "Financial Regulation") ~~and, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council~~¹⁹ ~~and, Council Regulations (Euratom, EC) No 2988/95~~²⁰, ~~Council Regulation (Euratom, EC) No 2185/96~~²¹ and ~~Council Regulation (EU) 2017/193~~²², the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, **including** ~~and~~ fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulations (EU, Euratom) No 883/2013 and ~~Regulation (Euratom, EC) No 2185/96~~, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union, as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council²³. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests **of the Union**, to grant the necessary rights and access to the Commission, OLAF, the ~~European Public~~

¹⁸ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

¹⁹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1)

²⁰ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

²¹ 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 (OJ L 292, 15.11.1996, p.2).

²² Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p.1).

²³ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

Prosecutor's Office (EPPO) **in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939**, and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

- (41) Pursuant to **Council Decision (EU) 2019/2196**²⁴ ~~[reference to be updated as appropriate according to the new decision on OCTs: Article 94 of Council Decision 2013/755/EU²⁵]~~ persons and entities established in overseas countries and Territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.
- (42) The Union should seek coherence and synergies with the Union programmes for external policies, including pre-accession assistance following the engagements taken in the context of the Communication "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans"²⁶.
- (43) When third countries or entities established in third countries participate in actions contributing to projects of common interest or to cross-border projects in the field of renewable energy, financial assistance should only be available if it is indispensable to the achievement of the objectives of these projects. **With regard to the part on cross-border projects in the field of renewables, the cooperation between one or several Member States and a third country (including Energy Community) should respect the conditions set out in Art 11 of Directive (EU) 2018/2001~~XXX~~ of the European Parliament and of the Council ~~[Renewable Energy Directive]~~ on the need for a physical link to the EU.**

²⁴ COUNCIL DECISION (EU) 2019/2196 of 19 December 2019 amending Decision 2013/755/EU on the association of the overseas countries and territories with the European Union ('Overseas Association Decision')

²⁵ OJ L 344, 19.12.2013, p.1

²⁶ COM(2018) 65

- (43a) **The Commission’s Communication of October 2017 ‘Making Public Procurement work in and for Europe’²⁷, notes that the EU is the world’s most open market for procurement, but access for our companies in other countries is not always reciprocal. Beneficiaries of CEF should therefore make full use of the strategic procurement possibilities offered by Directive 2014/25/EU.**
- (44) Pursuant to **paragraphs** 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016²⁸, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, *such as on climate tracking*, while avoiding overregulation and administrative burdens, in particular on Member States. Evaluations should be carried out by the Commission and communicated to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions in order to assess the effectiveness and efficiency of the funding and its impact on the overall goals of the Programme *and make any adjustments necessary*.
- (45) *Transparent, accountable and* adequate monitoring and reporting measures including *measurable* indicators should be implemented in order to assess and report on the progress of the Programme towards the achievement of the general and specific objectives set out in this Regulation, *as well as to promote its achievements*. This performance reporting system should ensure that data for monitoring the implementation of the Programme and its results *are suitable for an in-depth analysis of the progress achieved and of the difficulties encountered and that those data and results* are collected efficiently, effectively and in a timely manner. It is necessary to impose proportionate reporting requirements on recipients of Union funds in order to collect relevant data for the Programme.

²⁷ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Making Public Procurement work in and for Europe COM/2017/0572 final

²⁸ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016; OJ L 123, 12.5.2016, p. 1–14

- (45aa) ***The Programme should be implemented through work programmes. The Commission should adopt by 31 December 2020 the first multiannual work programmes that will include the timetable of the calls for proposals for the first three years of the programme, their topics and indicative budget as well as a prospective framework covering the entire programming period.***
- (46) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards adoption of work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁹.
- (47) In order to adapt, where necessary, the indicators used for the monitoring of the Programme, the indicative percentages of budgetary resources allocated to each specific objective in the transport sector and the definition of the transport core network corridors, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amendments to Parts I, II and III of the Annex to this Regulation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

²⁹ 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 (OJ L 55, 28.2.2011, p. 13)

- (48) Regulations (EU) No 1316/2013 and (EU) No 283/2014 should, for reasons of clarity, be repealed. However, the effects of Article 29 of Regulation (EU) No 1316/2013, which amends the Annex to Regulation (EU) No 913/2010 of the European Parliament and of the Council³⁰ as regards the list of freight corridors, should be preserved.
- (49) In order to allow for the timely adoption of the implementing acts provided for by this Regulation, it is necessary that it enters into force immediately upon its publication,

³⁰ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight (OJ L 276, 20.10.2010, p. 22).

HAVE ADOPTED THIS REGULATION:

CHAPTER I GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the Connecting Europe Facility (the ‘Programme’) **for the period from 1 January 2021 to 31 December 2027.**

It lays down the objectives of the Programme, the budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (a) "action" means any activity which has been identified as financially and technically independent, has a set time-frame and is necessary for the implementation of a project;
- (b) "alternative fuels" means alternative fuels ***for all modes of transport*** as defined in Article 2(1) of Directive 2014/94/EU;
- (ca) **“beneficiary” means an entity with legal personality with whom a grant agreement has been signed;**
- (d) 'Blending operation' means actions supported by the EU budget, including within blending facilities pursuant to Article [2(6)] of the Regulation (EU, Euratom) 2018/XXX (the ‘Financial Regulation’), combining non-repayable forms of support and/or financial instruments ***and/or budgetary guarantees*** from the EU budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;

- (e) "comprehensive network" means the transport infrastructure identified in accordance with Chapter II of Regulation (EU) No 1315/2013;
- (f) "core network" means the transport infrastructure identified in accordance with Chapter III of Regulation (EU) No 1315/2013;
- (g) "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 1315/2013 and listed in Part III of the Annex to this Regulation;
- (ga) **"cross border link" in the transport sector means a project of common interest which ensures the continuity of the TEN-T network between Member States or between a Member State and a third country;**
- (gb) ***"missing link" is an all modes transport missing section of the TEN-T network or a transport section that is providing the connection of core or comprehensive networks with the TEN-T corridors which hampers the continuity of the TEN-T network or containing one or more bottleneck affecting the continuity of the TEN-T network;***
- (gc) **"dual-use infrastructure" means a transport network infrastructure that addresses both civilian and defence needs;**
- (h) "cross-border project in the field of renewable energy" means a project selected or eligible to be selected under a cooperation agreement or any other kind of arrangements between **at least two** Member States or arrangements between **at least one** Member State and **a third country or countries as defined in Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001** in the planning or deployment of renewable energy, in accordance with the criteria set out in Part IV of the Annex to this Regulation;
- (ha) ***"energy efficiency first" means energy efficiency first as referred to in Article 2(18) of Regulation (EU) 2018/1999.***

- (i) "digital connectivity infrastructure" means very high capacity networks, 5G systems, very high quality local wireless connectivity, backbone networks, as well as operational digital platforms directly associated with transport and energy infrastructure;
- (j) "5G systems" means a set of digital infrastructure elements based on globally agreed standards for mobile and wireless communications technology used for connectivity and value-added services with advanced performance characteristics such as very high data rates and capacity, low latency **communications**, **ultra**-high reliability, or supporting a high number of connected devices;
- (k) "5G corridor" means a transport path, road, railway **or inland waterway**, fully covered with digital connectivity infrastructure and in particular 5G systems, enabling the uninterrupted provision of synergy digital services such as connected and automated mobility, similar smart mobility services for railways **or digital connectivity on inland waterways**;
- (l) "operational digital platforms directly associated with transport and energy infrastructure" means physical and virtual information communication technology ("ICT") resources, operating on top of the communication infrastructure, which support the flow, storage, processing and analysis of transport and/or energy infrastructure data;
- (m) "project of common interest" means a project identified in Regulation (EU) No 1315/2013 or Regulation (EU) No 347/2013 or in Article 8 of this Regulation;
- (n) "studies" means activities needed to prepare project implementation, such as preparatory, mapping, 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;
- (o) "socio-economic drivers" means entities which by their mission, nature or location can directly or indirectly generate important socio-economic benefits to citizens, business and local communities located in their surrounding territory **or in their area of influence**;

- (p) "third country" means a country that is not member of the European Union;
- (q) "very high capacity networks" means very high capacity networks as defined in Article [2 (2)] of Directive (EU) 2018/1972 of the European Parliament and of the Council³¹~~XXX~~
~~[the European Electronic Communications Code]~~;
- (r) "works" means 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.

Article 3

Objectives

1. The Programme has the general objective to **build**, develop, modernise **and complete** the trans-European networks in the fields of transport, energy and digital and to facilitate cross-border cooperation in the field of renewable energy, taking into account the long-term decarbonisation commitments, **increasing European competitiveness, smart, sustainable and inclusive growth**, territorial, **social and economic** cohesion, **access to** and integration of the internal market and with emphasis on synergies among **transport, energy and digital** sectors.
2. The Programme has the following specific objectives:
 - (a) In the transport sector:
 - (i) **in compliance with the objectives of Regulation (EU) No 1315/2013**, to contribute to the development of projects of common interest relating to efficient, interconnected **and multimodal** networks and infrastructure for smart, **interoperable**, sustainable, inclusive, **accessible**, safe and secure mobility;
 - (ii) to **adapt parts of the trans-European transport network for a dual use of the transport infrastructure in view of improving both civilian and military mobility**;

³¹ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (OJ L 321, 17.12.2018, p. 36).

- (b) In the energy sector, to contribute to the development of projects of common interest relating to further integration of *an efficient and competitive* internal energy market, interoperability of networks across borders and sectors, facilitating decarbonisation *of the economy, promoting energy efficiency* and ensuring security of supply, and to facilitate cross-border cooperation in the area of *energy, including* renewable energy;
- (c) In the digital sector, to contribute to *the development of projects of common interest relating to* the deployment of *safe and secure* very high capacity digital networks and 5G systems, to the increased resilience and capacity of digital backbone networks on EU territories by linking them to neighbouring territories, as well to the digitalization of transport and energy networks.

Article 4

Budget

1. The financial envelope for the implementation of the Programme for the period 2021-2027 is set at EUR ~~33,710,000,000~~ ~~42,265,493,000~~ in current prices.
2. The distribution of this amount shall be as follows:
 - (a) EUR ~~25,807,000,000~~ ~~30,615,493,000~~ for the specific objectives referred to in Article 3(2)(a), of which:
 - (i) EUR ~~12,830,000,000~~ from the European Strategic Investment cluster, out of which EUR 1,559,800,000 to be spent exclusively for the completion of missing major cross-border railway links between Member States eligible for funding from the Cohesion Fund;
 - (ii) EUR ~~11,286,000,000~~ ~~11,285,493,000~~ transferred from the Cohesion Fund to be spent in line with this Regulation exclusively in Member States eligible for funding from the Cohesion Fund;
 - (iii) EUR ~~1,691,000,000~~ ~~6,500,000,000~~ from the Defence cluster for the specific objective referred to in Article 3(2)(a)(ii).

- (b) EUR ~~5,838,000,000~~ ~~8,650,000,000~~ for the specific objectives referred to in Article 3(2)(b), **out of which 15%, subject to market uptake, for cross border projects in the field of renewable energy. If the 15% threshold is reached, the European Commission shall increase this amount up to 20%, subject to market uptake.**
- (c) EUR ~~2,065,000,000~~ ~~3,000,000,000~~ for the specific objectives referred to in Article 3(2)(c).
3. The Commission shall not depart from the amount referred to in subparagraph 2-(a)(ii).
4. **Up to 1% of the** amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Programme and the sector-specific guidelines, such as preparatory, monitoring, control, audit and evaluation activities including corporate information and technology systems. This amount may also be used to finance accompanying measures to support the preparation of projects **in particular to provide advisory to project promoters on funding opportunities in order to assist in the structuring of their project finance.**
5. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.
6. Without prejudice to the Financial Regulation, expenditure for actions resulting from projects included in the first work programme may be eligible as from 1 January 2021.
7. **The amount transferred from the Cohesion Fund shall be implemented in accordance with this Regulation, subject to paragraph 8 and without prejudice to Article 14(2)(b).**

8. As regards the amounts transferred from the Cohesion Fund, 30% of these amounts shall be made available immediately to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with this Regulation, with priority to cross-border and missing links. Until 31 December 2023, the selection of projects eligible for financing shall respect the national allocations under the Cohesion Fund with regard to 70% of the resources transferred. As of 1 January 2024, resources transferred to the Programme which have not been committed to a transport infrastructure project shall be made available to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with this Regulation.
- 8a. **The amount transferred from the Cohesion Fund shall not be used to finance cross-sectoral work programmes and blending operations.**
9. Resources allocated to Member States under shared management may, at their request, be transferred to the Programme. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that Article. **Those** resources shall be used for the benefit of the Member State concerned.
10. **Without prejudice to Article 4 paragraph 9, in the digital sector, resources allocated to Member States under shared management may, at their request, be transferred to the Programme, including to complement the funding of eligible actions under Article 9 paragraph 4 up to 100% of the total eligible cost where possible, without prejudice to the co-financing principle laid in Article 190 of the Financial Regulation and to the State Aid Rules. Those resources shall be used for the benefit of the Member State concerned only.**

Article 5

Third countries associated to the Programme

1. The Programme shall be open to the following third countries:

- (a) European Free Trade Association (EFTA) members which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA agreement;
- (b) acceding countries, candidates and potential candidates, in accordance with the general principles and general terms and conditions for their participation of those countries in Union programmes established in the respective framework agreements and ~~association~~ Association ~~council~~ Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and ~~them~~ those countries;
- (c) countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and ~~association~~ Association ~~council~~ Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (d) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation;

~~–(iii)~~ does not confer to the third country a decisional power ~~on~~ **in respect of** the programme;

~~–(iv)~~ guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

2. **Without prejudice to Article 8 of Regulation (EU) No 1315/2013, the third countries referred to in paragraph 1, and entities established in these countries, may not receive financial assistance under this Regulation except where it is indispensable to the achievement of the objectives of a given project of common interest and under the conditions set in the work programmes referred to in Article 19.**

Article 6

Implementation and forms of EU funding

1. The Programme shall be implemented in direct management in accordance with the Financial Regulation or, in indirect management with bodies referred to in Article **62(1) (c)** of the Financial Regulation.
2. The Programme may provide funding in the forms ***of grants and procurement as*** laid down in the Financial Regulation. It may **also contribute to** blending operations in accordance with the InvestEU Regulation and Title X of the Financial Regulation. ***In the transport sector the Union contribution to blending operations shall not exceed 10% of the budgetary amount indicated in Article 4(2)(a)(i). In the transport sector, blending operations may be used for actions relating to smart, interoperable, sustainable, inclusive, accessible, safe and secure mobility as listed at Article 9 paragraph 2(b).***

3. The Commission may delegate power to implement part of the Programme to executive agencies in accordance with Article [69] of the Financial Regulation with a view to the optimum management and efficiency requirements of the Programme in the transport, energy and digital sectors.
4. Contributions to a mutual insurance mechanism may cover the risk associated with the recovery of funds due by recipients and shall be considered a sufficient guarantee under the Financial Regulation. The provisions laid down in [Article X of] Regulation XXX [successor of the Regulation on the Guarantee Fund] shall apply.

Article 7

Cross-border projects in the field of renewable energy

1. Cross-border projects in the field of renewable energy shall ***contribute to decarbonisation, completing the internal energy market and enhancing the security of supply***. These **projects** shall be included in a cooperation agreement or any other kind of arrangements between **at least two** Member States or arrangements between **at least one Member State** and **a third country or countries** as set out in Article **in Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001**. These projects shall be identified in accordance with the *general* criteria and *process* laid down in Part IV of the Annex to this Regulation.
2. By 31 December 2019, the Commission shall adopt a delegated act in accordance with Article 23(d) of this Regulation to further specify, ***without prejudice to the award criteria laid down in Article 13***, the *specific* selection criteria and lay down details of the selection process of the projects and shall publish the methodologies for assessing the contribution of the projects to the general criteria and for **producing** the *cost-benefit analysis* specified in Part IV of the Annex.
3. Studies aiming at the development and identification of cross-border projects in the field of renewable energy shall be eligible for funding under this Regulation.

4. Cross-border projects in the field of renewable energy shall be eligible for Union funding for works if they meet the following additional criteria:
- (a) the project specific cost-benefit analysis pursuant to point 3 of Part IV of the Annex ***shall be compulsory for all supported projects, shall be performed in a transparent, comprehensive and complete manner and shall provide*** evidence concerning the existence of significant cost savings and/or benefits in terms of system integration, ***environmental sustainability***, security of supply or innovation, and;
 - b) the applicant demonstrates, that the project would not materialise in the absence of the grant, or that the project cannot be commercially viable in the absence of the grant.
This analysis shall take into account any revenues resulting from support schemes.
5. The amount of the grant for works shall be proportionate to the cost savings and/or benefits referred to in point 2 (b) of Part IV of the Annex, shall not exceed the amount required to ensure that the project materialises or becomes commercially viable ***and shall respect the provisions of Article 14(3).***
6. **The Programme shall provide for the possibility of coordinated funding with the enabling framework for renewable energy deployment referred to in Article 3(5) of Directive (EU) 2018/2001 and the co-funding with the Union renewable energy financing mechanism referred to in Article 33 of Regulation (EU) 2018/1999.**

The Commission shall assess regularly the uptake of funds with regard to the reference amount in Article 4(2)(b) for cross-border projects in the field of renewable energy. Following this assessment, in the absence of sufficient market uptake of cross border renewables projects, the unused budget envisaged for cross border renewables projects shall be used to meet the objectives of the trans-European energy networks defined in Article 3(2)(b) for eligible actions referred in article 9.3 and also as of 2024, may be used to co-fund the Union renewable energy financing mechanism established under Regulation (EU) 2018/1999.

The Commission shall lay down, by means of implementing act, specific rules on co-funding between the parts on cross border projects in the field of renewable energy under CEF and the financing mechanism established under article 33 of Regulation (EU) 2018/1999. The examination procedure referred to in article 22 shall apply.

Article 8

Projects of common interest in the area of digital connectivity infrastructure

1. Projects of common interest in the area of digital connectivity infrastructure ***are those projects that are expected to make an important contribution to the Union's strategic connectivity objectives and/or provide the network infrastructure supporting the digital transformation of the economy and society as well as the European Digital Single Market.***
- 1a. Projects of common interest in the area of digital connectivity infrastructure shall comply with the criteria below:
 - (a) contribute to the specific objective provided for in point (c) of Article 3(2);
 - (b) deploy ***the best available and suited*** technology **for the specific project, which proposes** the best balance in terms of data flow capacity, transmission security, network resilience, cyber security and cost efficiency.
2. Studies aiming at the development and identification of projects of common interest in the area of digital connectivity infrastructure shall be eligible for funding under this Regulation.

3. Without prejudice to the award criteria laid down in Article 13, priority for funding shall be determined taking into account the following criteria:
- (a) actions contributing to **deployment of and** access to very high capacity networks, *including 5G and other state-of-the-art connectivity, in line with EU strategic connectivity targets in areas where* socioeconomic drivers **are located** shall be prioritized taking into account **their connectivity needs and the additional area coverage generated, including households**, in accordance with Part V of the Annex. **Stand-alone deployments to socio-economic drivers can be supported except in economically disproportionate or physically impracticable cases;**
 - (b) actions contributing to the provision of very high-quality local wireless connectivity in local communities; in accordance with Part V of the Annex;
 - (c) actions contributing to the deployment of 5G **corridors along major transport paths**, including **on** the trans-European transport networks, **shall be prioritized** to ensure coverage along major transport paths, enabling the uninterrupted provision of synergy digital services, **taking into account its socio-economic relevance relative to any currently installed technological solutions in a forward looking approach**. An indicative list of projects that could benefit from support is included in Part V of the Annex;
 - (d) projects aiming at the deployment **or significant upgrade** of cross-border backbone networks linking the Union to third countries and reinforcing links **between electronic communications networks** within the Union territory, including submarine cables, shall be prioritised according to the extent to which they significantly contribute to the increased **performance**, resilience and **very high** capacity of **those** electronic communications networks;
 - (f) with regard to projects deploying operational digital platforms, priority shall be given to actions based on state-of-the-art technologies, taking into account aspects such as interoperability, cybersecurity, data privacy and re-use.

CHAPTER III

ELIGIBILITY

Article 9

Eligible actions

1. Only actions contributing to the achievement of the objectives referred to in Article 3, **taking into account long-term decarbonisation commitments**, are eligible for funding. Such actions include studies, works and other accompanying measures necessary for the management and implementation of the Programme and the sector-specific guidelines.
Studies are eligible only when relating to projects eligible under this Programme.
2. In the transport sector **only** the following actions shall be eligible to receive Union financial assistance under this Regulation:
 - (a) Actions relating to efficient, interconnected, ***interoperable and multimodal*** networks **for the development of railway, road, inland waterway and maritime infrastructure**:
 - (i) actions implementing the core network in accordance with Chapter III of Regulation (EU) No 1315/2013, including actions relating to **cross border links and missing links, such as those listed in Part III of the Annex to this Regulation, as well as** urban nodes, ***multimodal logistics platforms***, maritime ports, inland ports, rail-road terminals **and connections to airports** of the core network as defined at Annex II to Regulation (EU) No 1315/2013. Actions implementing the core network may include related elements located on the comprehensive network when necessary to optimize the investment and according to modalities specified in the work programmes referred to in Article 19 of this Regulation;

- (ii) actions **relating to** cross-border links of the comprehensive network in accordance with Chapter II of Regulation (EU) No 1315/2013, **such as those** listed in Part III **section 2** of the Annex to this Regulation, **actions referred to in Part III section 3 of the Annex to this Regulation**, actions relating to studies for the development of the comprehensive network and actions relating to maritime and inland ports of the comprehensive network in accordance with Chapter II of Regulation (EU) No 1315/2013;
 - (iib) *actions to re-establish missing regional cross-border rail connections on the TEN-T that were abandoned or dismantled;*
 - (iii) actions implementing sections of the comprehensive network located in outermost regions in accordance with Chapter II of Regulation (EU) No 1315/2013, including actions relating to the relevant urban nodes, maritime ports, inland ports, rail-road terminals , **connections to airports and multimodal logistics platforms**, of the comprehensive network as defined at Annex II to Regulation (EU) No 1315/2013;
 - (iv) actions supporting projects of common interest in order to connect the trans-European network with infrastructure networks of neighbouring countries as defined in Article 8(1) of Regulation (EU) No 1315/2013;
- (b) Actions relating to smart, *interoperable*, sustainable, *multimodal*, inclusive, *accessible*, safe and secure mobility:
- (i) actions supporting motorways of the sea as provided for in Article 21 of Regulation (EU) No 1315/2013 *with a focus on cross-border short sea shipping*;

- (ii) actions supporting telematic applications systems, in accordance with Article 31 of Regulation (EU) No 1315/2013, **for the respective transport modes, including in particular:**
- **for railways: ERTMS;**
 - **for inland waterways: RIS;**
 - **for road transport: ITS;**
 - **for maritime transport: VTMS and e-Maritime services, including single-window services such as the maritime single window, port community systems and relevant customs information systems;**
 - **for air transport: air traffic management systems, in particular those resulting from the SESAR system;**
- (iii) actions supporting **sustainable** freight transport services in accordance with Article 32 of Regulation (EU) No 1315/2013 **and actions to reduce rail freight noise;**
- (iv) actions supporting new technologies and innovation, including automation, enhanced transport services, modal integration and alternative fuels infrastructure **for all modes of transport**, in accordance with Article 33 of Regulation (EU) No 1315/2013;
- (v) actions to remove interoperability barriers, notably when delivering corridor/network effects, **in accordance with Article 3 (o) of Regulation (EU) No 1315/2013, including with regard to promoting an increase in rail freight traffic including automatic gauge-change facilities;**
- (v bis) actions to remove interoperability barriers **notably in urban nodes as defined in Article 30 of Regulation (EU) No 1315/2013;**

- (vi) actions implementing safe and secure infrastructure and mobility, including road safety, in accordance with Article 34 of Regulation (EU) No 1315/2013;
- (vii) actions improving transport infrastructure resilience, **in particular** to climate change and natural disasters **and resilience against cyber security threats**.
- (viii) actions improving transport infrastructure accessibility **in all modes of transport and for all** users **especially users with reduced mobility**, in accordance with Article 37 of Regulation (EU) No 1315/2013;
- (ix) **actions improving transport infrastructure accessibility and availability for security and civil protection purposes and actions adapting the transport infrastructure for Union external border checks purposes, with the aim of facilitating traffic flows.**

- (c) Under the specific objective referred to in Article 3(2)(a)(ii) **and in accordance with Article 11a, actions or specific activities within an action, supporting parts, new or existing, of the trans-European transport network suitable for military transport, in order to adapt it to dual use infrastructure requirements.**

3. In the energy sector **only** the following actions shall be eligible to receive Union financial assistance under this Regulation:

- (a) actions relating to projects of common interest as set out at Article 14 of Regulation (EU) No 347/2013;
- (b) actions supporting cross-border projects in the field of renewable energy **including innovative solutions as well as storage of renewable energy, and** their conception, as defined in Part IV of the Annex to this Regulation, subject to the fulfilment of the conditions laid down in Article 7 of this Regulation.

4. In the digital sector the following actions shall **only** be eligible to receive Union financial assistance under this Regulation:
- (a) actions supporting **the deployment of and access to very high-capacity networks, including 5G systems, capable of providing Gigabit connectivity in areas where socioeconomic drivers are located**;
 - (b) actions supporting the provision of very high-quality local wireless connectivity in local communities that is free of charge and without discriminatory conditions;
 - (c) actions implementing uninterrupted coverage with 5G systems of all major transport paths, including the trans-European transport networks;
 - (d) actions supporting deployment of **new or significant upgrade** of *existing* backbone networks including submarine cables, **within and between** Member States and between the Union and third countries;
 - (f) actions implementing digital connectivity infrastructure requirements related to cross-border projects in the areas of transport or energy and/or supporting operational digital platforms directly associated to transport or energy infrastructures.

An indicative list of eligible projects in the digital sector is provided for in Part V of the Annex.

Article 10

Synergies between the transport, energy and digital sectors

1. Actions contributing ***simultaneously*** to the achievement of one or more objectives of at least two sectors, as provided for in Article 3(2)(a), (b) and (c) shall be eligible to receive Union financial assistance under this Regulation ***and to benefit from a higher co-funding rate, in accordance with Article 14***. Such actions shall be implemented through work programmes addressing at least two sectors, including specific award criteria and financed with budget contributions from the sectors involved.

2. Within each of the transport, energy or digital sectors, actions eligible in accordance with Article 9 may include *synergetic* elements *relating with any of the other sectors*, which *are* not *related* to eligible actions as provided for in Article 9(2), (3) or (4) respectively, provided that they comply with all of the following requirements:
- (a) the cost of these *synergetic* elements does not exceed 20% of the total eligible costs of the action; and
 - (b) these *synergetic* elements relate to the transport, energy or digital sector; and
 - (c) these *synergetic* elements allow to significantly improve the socio-economic, climate or environmental benefits of the action.

Article 11

Eligible entities

- 1. The eligibility criteria set out in this Article shall apply in addition to the criteria set out in Article [197] of the Financial Regulation.
- 2. The following entities are eligible:
 - (a) legal entities established in a Member State *including joint ventures*;
 - (b) legal entities established in a third country associated to the Programme **or overseas countries and territories**;
 - (c) legal entities created under Union law and international organisations where provided for in the work programmes.
- 3. Natural persons are not eligible.

4. Legal entities established in a third country which is not associated to the Programme are exceptionally eligible to receive support under the Programme where this is indispensable for the achievement of the objectives of a given project of common interest *in the field of transport, energy and digital* or of a cross-border project in the field of renewable energy.
5. **Only** proposals submitted by one or more Member States or, with the agreement of the Member States concerned, by international organisations, joint undertakings, or public or private undertakings or bodies, **including regional or local authorities**, are eligible. **In case a Member State does not agree with the submission, it shall inform accordingly.**

A Member State may decide that, for a specific work programme or for specific categories of applications, proposals can be submitted without its agreement. In such case, upon the request of the Member State concerned, this is indicated in the relevant work programme and call for such proposals.

Article 11a

Specific eligibility requirements concerning actions relating to the adaptation of TEN-T networks to civilian-defence dual-use

1. ***Actions contributing to the adaptation of the TEN-T core or comprehensive networks as defined by Regulation 1315/2013, with the purpose of enabling a civilian-defence dual use of the infrastructure* shall be subject to the following additional eligibility requirements:**
 - (a) **proposals shall be submitted by one or more Member States or, with the agreement of the Member States concerned, by legal entities established in Member States;**
 - (b) **the actions shall relate to the sections or nodes identified by Member States in the Annexes to the Military Requirements for Military Mobility within and beyond the EU as adopted by the Council on 20 November 2018³² or any subsequent list adopted thereafter and to any further indicative list of priorit projects that may be identified by Member States in accordance with the Military Mobility Action Plan;**

³² ST 13674/18;

- (c) the actions may relate both to the upgrading of existing infrastructure components or to the construction of new infrastructure components taking into account the infrastructure requirements mentioned at paragraph 2;
 - (d) actions implementing a level of infrastructure requirement going beyond the level required for dual-use are eligible; however, their cost shall only be eligible up to the level of costs corresponding to the level of requirements necessary for dual-use. Actions relating to infrastructure used only for military purposes shall not be eligible.
 - (e) actions under this article shall only be funded from the amount in accordance with Article 4 paragraph 2(a)(iii).
2. The Commission shall adopt an implementing act specifying, where necessary, the infrastructure requirements applicable to certain categories of dual-use infrastructure actions and the evaluation procedure regarding the actions connected with civilian-defence dual-use infrastructure actions.

Following the interim evaluation of the Programme foreseen in Article 21 paragraph 2, the Commission may propose to the budgetary authority to transfer the money that has not been committed from Article 4(2)(a)(iii) to Article 4(2)(a)(i).

CHAPTER III

GRANTS

Article 12

Grants

Grants under the Programme shall be awarded and managed in accordance with Title [VIII] of the Financial Regulation.

Article 13

Award criteria

1. **Transparent** award criteria shall be defined in the work programmes referred to in Article 19 and in the calls for proposals taking into account, to the extent applicable, **only** the following elements:
 - (a) economic, social and environmental impact, **including climate impact** (*project life cycle* benefits and costs), **soundness, comprehensiveness and transparency of the analysis**;
 - (b) innovation **and digitalisation**, safety, interoperability and accessibility aspects, **including persons with reduced mobility**;
 - (c) cross-border dimension, **network integration and territorial accessibility, including for outermost regions and islands**;
 - (cb) **European added value**;
 - (d) synergies between the transport, energy and digital sectors;
 - (e) maturity of the action in the project development;
 - (ea) **soundness of the maintenance strategy proposed for the completed project**;
 - (f) soundness of the implementation plan proposed;

- (g) catalytic effect of Union financial assistance on investment;
 - (h) need to overcome financial obstacles such as **those generated by** insufficient commercial viability, *high upfront costs* or the lack of market finance;
 - (ha) potential of dual-use in the context of military mobility;**
 - (i) consistency with Union and national energy and climate plans, *including the energy efficiency first principle*;
2. The assessment of proposals against the award criteria shall take into account, where relevant, the resilience to the adverse impacts of climate change through a climate vulnerability and risk assessment including the relevant adaptation measures.
 3. The assessment of proposals against the award criteria shall ensure that where relevant, as specified in the work programmes, actions supported by the Programme that include Positioning, Navigation and Timing (PNT) technology are technically compatible with EGNOS/Galileo and Copernicus.
 4. In the transport sector, the assessment of proposals against the award criteria referred to in paragraph 1 shall, where applicable, ensure that proposed actions are consistent with the corridor work plans and implementing acts pursuant to Article 47 of Regulation (EU) No 1315/2013 and take into account the **consultative** opinion of the responsible European Coordinator pursuant to Article 45-(8) thereof. ***The assessment shall also evaluate whether the implementation of actions financed by the CEF risks causing disruption to freight and passenger flows on the section of the line concerned by the project and whether these risks have been mitigated.***
 5. As regards actions relating to cross-border projects in the field of renewable energy, the award criteria defined in the work programmes and the calls for proposals shall take into account the conditions laid down in paragraph 4 of Article 7.

6. As regards actions relating to digital connectivity projects of common interest, the award criteria defined in the work programmes and the calls for proposals shall take into account the conditions laid down in paragraph 3 of Article 8.

Article 14

Co-financing rates

1. For studies, the amount of Union financial assistance shall not exceed 50 % of the total eligible cost. For studies financed with the amounts transferred from the Cohesion Fund, the maximum co-financing rates shall be those applicable to the Cohesion Fund as specified in paragraph 2(b).
2. For works in the transport sector, the following maximum co-financing rates shall apply:
 - (a) for works relating to the specific objectives referred to in Article 3 (2) (a)(i), the amount of Union financial assistance shall not exceed 30 % of the total eligible cost. The co-financing rates may be increased to a maximum of 50 % for actions relating to cross-border links under the conditions specified in point (c) of this paragraph, for actions supporting telematic applications systems, ***for actions supporting inland waterways, railway interoperability***, for actions supporting new technologies and innovation, for actions supporting improvements of infrastructure **for safety and for actions adapting the transport infrastructure for Union external border checks purposes**, in line with relevant Union legislation. For actions located in outermost regions **the co-financing rates shall be set to a maximum of 70%**;
 - (aa) for works relating to the specific objectives referred to in Article 3 (2) (a) (ii), the amount of Union financial assistance shall not exceed 50% of the total eligible cost. The co-financing rates may be increased to a maximum of 85% if the necessary resources are transferred to the Programme pursuant to paragraph 9 of Article 4;

- (b) as regards the amounts transferred from the Cohesion Fund, **and as regards the amount from the European Strategic Investment cluster that will be used for the completion of missing major cross-border railway links between Member states eligible for funding from the Cohesion Fund as of Article 4, paragraph 2, point (a) (i), the maximum co-financing rate shall not exceed 85% of the total eligible costs** ~~shall be those applicable to the Cohesion Fund as referred to in the Regulation (EU) XXX [CPR]. These co-financing rates may be increased to a maximum of 85% for actions relating to cross-border links under the conditions specified in point (c) of this paragraph and actions relating to missing links;~~
- (c) as regards actions relating to cross-border links, the increased maximum co-financing rates as provided for in points (a) and (b) may only apply to actions that demonstrate a high degree of integration in the planning and implementation of the action for the purpose of the award criterion referred to in Article 13(1)(c), **for instance** through the establishment of a single project company, a joint governance structure, a bilateral legal framework or ~~an~~ implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013; ***in addition, the co-financing rate applicable to projects carried out by integrated management structures, including joint ventures, in accordance with point (a) of Article 11(2), may be increased by 5%.***
3. For works in the energy sector, the following maximum co-financing rates shall apply:
- (a) for works relating to the specific objectives referred to in Article 3 (2) (b), the amount of Union financial assistance shall not exceed 50 % of the total eligible cost ***for works in outermost regions the co-financing rates shall be to a maximum of 70%;***
- (b) The co-financing rates may be increased to a maximum of 75 % for actions contributing to the development of projects of common interest which, based on the evidence referred to in Article 14(2) of Regulation (EU) No 347/2013, provide a high degree of regional or Union-wide security of supply, strengthen the solidarity of the Union or comprise highly innovative solutions.

4. For works in the digital sector, the following maximum co-financing rates shall apply: for works relating to the specific objectives referred to in Article 3 (2) (c), the amount of Union financial assistance shall not exceed 30% of the total eligible cost. ***For works in outermost regions the co-financing rates shall be set to a maximum of 70%.*** The co-financing rates may be increased up to 50% for actions with a strong cross-border dimension, such as uninterrupted coverage with 5G systems along major transport paths or deployment of backbone networks between Member States and between the Union and third countries, and up to 75% for actions implementing the Gigabit connectivity of socio-economic drivers. Actions in the field of providing local wireless connectivity in local communities, **when implemented via low value grants may be funded** by Union financial assistance covering up to 100 % of the eligible costs, without prejudice to the principle of co-financing.
5. The maximum co-funding rate applicable to actions referred to in Article 10 (1) shall be the highest maximum co-funding rate applicable to the sectors concerned. ***In addition, the co-financing rate applicable to these actions may be increased by 10%.***

Article 15

Eligible costs

The following cost-eligibility criteria shall apply, in addition to the criteria set out in Article [186] of the Financial Regulation:

- (a) only expenditure incurred in Member States may be eligible, except where the project of common interest or cross-border projects in the field of renewable energy involves the territory of one or more third countries as referred to in Article 5 or Article 11 paragraph 4 of this Regulation or international waters and where the action is indispensable to the achievement of the objectives of the project concerned;
- (b) the cost of equipment, facilities and infrastructure which is treated as capital expenditure by the beneficiary may be eligible up to its entirety;

- (c) expenditure related to the purchase of land shall not be an eligible cost, **except for funds transferred from the Cohesion Fund in the transport sector in accordance with Article 58 of Regulation (EU) XXX laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument;**
- (d) eligible costs shall not include value added tax ("VAT").

Article 16

Combination of grants with other sources of financing

1. Grants may be used for combination with financing from the European Investment Bank or National Promotional Banks or other development and public financial institutions as well as from private-sector finance institutions and private-sector investors, including through Public Private Partnerships.
2. The use of grants referred to in paragraph 1 may be implemented through dedicated calls for proposals.

Article 17

Reduction or termination of the grants

1. In addition to the grounds specified in [paragraph 4 of Article 131] of the Financial Regulation, the amount of the grant, ***except in duly justified cases***, may be reduced on the following grounds
 - (a) the action has not started within one year **for studies, or two years for works**, following the starting date indicated in the grant agreement;
 - (b) following a review of the progress of the action, it is established that the implementation of the action has suffered such major delays that the objectives of the action are likely not to be achieved;

2. The grant agreement may be **amended or** terminated on the basis of the grounds specified in paragraph 1.
3. **Before any decision regarding the reduction or termination of a grant is taken, the case shall be examined comprehensively and the beneficiaries concerned shall be provided with the possibility to present their observations within a reasonable time-frame.**
- 3a. **Available commitment appropriations *resulting from the application of paragraph 1 or paragraph 2 shall be distributed to other work programmes proposed under the corresponding financial envelope as laid out in Article 4.2.***

Article 18

Cumulative and Alternative funding

1. An action that has received a contribution under the Programme may also receive a contribution from any other Union programme, including Funds under shared management, provided that the contributions do not cover the same costs. ***The implementation shall respect the rules provided in Article 62 of the Financial Regulation.*** The cumulative funding shall not exceed the total eligible costs of the action and the support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.
2. Actions **awarded a Seal of Excellence certification,** which comply with the following cumulative **comparative** conditions:
 - (a) they have been assessed in a call for proposals under the Programme;
 - (b) they comply with the minimum quality requirements of that call for proposals;
 - (c) they may not be financed under that call for proposals due to budgetary constraints;may receive support from the **[European Regional Development Fund] or the Cohesion Fund** in accordance with [paragraph 5 of Article 67] of Regulation (EU) XXX [CPR], **without any further assessment, and provided that such actions are consistent with the objectives of the programme concerned. The rules of the Fund providing support shall apply.**

CHAPTER IV

PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 19

Work programmes

1. The Programme shall be implemented by work programmes referred to in Article 110 of the Financial Regulation.
- 1a. ***In order to provide transparency and predictability and to enhance the quality of the projects, the Commission shall adopt by 31 December 2020 the first multiannual work programmes that will include the timetable of the calls for proposals for the first three years of the programme, their topics and indicative budget as well as a prospective framework covering the entire programming period.***
2. The work programmes shall be adopted by the Commission by means of an implementing act. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22 of this Regulation.
3. **In the energy sector, particular consideration shall be given to projects of common interest and related actions aimed at further integrating the internal market for energy, ending energy isolation and eliminating electricity interconnection bottlenecks with emphasis on those projects contributing to the achievement of the interconnection target of at least 10% by 2020 and 15% by 2030 and projects contributing to synchronisation of electricity systems with the EU networks.**

2a. In accordance with the Article 200.2 of the Regulation (EU, Euratom) 2018/1046, the authorising officer responsible may, where appropriate, organise the selection procedure in two stages as follows:

- (a) Applicants shall submit a simplified dossier containing relatively brief information for the purposes of project preselection based on a limited set of criteria.**
- (b) Applicants short-listed at the first stage shall submit a complete dossier after closure of the first stage.**

Article 19a

Granting of Union financial assistance

- 1. Following every call for proposals based on work programme referred to in Article 19, the Commission, acting in accordance with the examination procedure referred to in Article 22 by means of an implementing act, shall decide on the amount of financial assistance to be granted to the projects selected or to parts thereof. The Commission shall specify the conditions and methods for their implementation.**
- 2. During the implementation of the grant agreements the beneficiaries and the Member States concerned shall be informed by the Commission regarding changes to the grant amounts and the final amounts paid**
- 3. The beneficiaries shall submit reports as defined in the respective grant agreements without prior approval of the Member States. The Commission shall provide Member States with access to the reports regarding actions located on their territories**

Article 20

Monitoring and reporting

1. Indicators to report progress of the Programme towards the achievement of the general and specific objectives set out in Article 3 are set in Part I of the Annex.
 2. To ensure effective assessment of progress of the Programme towards the achievement of its objectives, the Commission shall be empowered to adopt delegated acts, in accordance with Article 24, to amend Part I of the Annex to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
 3. The performance reporting system shall ensure that data for monitoring programme implementation and results are ***suitable for an in-depth analysis of the progress achieved, including for climate tracking***, collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where relevant, Member States.
- 3a. The Commission shall improve the dedicated internet site to publish in real time a map with the projects in implementation together with relevant data (impact assessments, value, beneficiary, implementing entity, state of play) and shall present biennial progress reports. Those progress reports shall mention the implementation of the Programme, according to its general and sectorial objectives as laid out in Article 3, clarifying whether the different sectors are on the track, if the total budgetary commitment is in line with the total amount allocated, if the on-going projects reached a sufficient degree of completeness, if they are still feasible and convenient to be delivered.***

Article 21

Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
2. The interim evaluation of the Programme shall be performed once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the programme implementation.
3. At the end of the implementation of the Programme, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.
4. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 22

Committee procedure

1. The Commission shall be assisted by the CEF Coordination Committee-, **which can meet in different formations depending on the respective topic.** The 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.

Article 23

Delegated acts

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 24 of this Regulation:
 - (a) to establish a monitoring and evaluation framework **based on the indicators as set out in Part I of the Annex;**
 - (d) **to supplement** Part IV of the Annex regarding the identification of cross-border projects in the field of renewable energy; **to establish and update the list of selected cross-border projects in the field of renewable energy.**
2. **Subject to the second paragraph of Article 172 TFEU, the Commission shall be empowered to adopt delegated acts in accordance with Article 24 of this Regulation:**
 - (a) **to amend Part III of the Annex regarding the definition of the transport core network corridors; and pre-identified sections on the comprehensive network;**
 - (b) **to amend Part V of the Annex regarding the identification of digital connectivity projects of common interest.**

Article 24

Exercise of the 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 23 shall be conferred on the Commission until 31 December 2028.

3. The delegation of power referred to in Article 23 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. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 23 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 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 25

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

3. ***Transparency and public consultation shall be ensured in compliance with the applicable Union and national legislation.***

Article 26

Protection of the financial interest of the Union

Where a third country participates in the programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors to comprehensively exert their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF).

CHAPTER VI TRANSITIONAL AND FINAL PROVISIONS

Article 27

Repeal and transitional provisions

1. Regulations (EU) No 1316/2013 and (EU) No 283/2014 shall be repealed.
2. Without prejudice to paragraph 1, this Regulation shall not affect the continuation or modification of the actions concerned, until their closure, pursuant to Regulation (EU) No 1316/2013, which shall continue to apply to the actions concerned until their closure.

The Commission shall evaluate the effectiveness and policy coherence of Regulation (EU) No 347/2013 and submit an evaluation to the European Parliament and to the Council with the result of this review by 31 December 2020. In that evaluation the Commission shall consider, inter alia, the Union energy and climate targets for 2030, the EU long-term decarbonisation commitment, and the energy efficiency first principle. The evaluation may, where appropriate, be accompanied by a legislative proposal to revise that Regulation.

3. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, the Connecting Europe Facility under Regulation (EU) No 1316/2013.

4. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 4(5) of this Regulation, to enable the management of actions not completed by 31 December 2027.

Article 28

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

The President

For the Council

The President

PART I – INDICATORS

The Programme will be monitored closely on the basis of a set of indicators intended to measure the extent to which the general and specific objectives of the Programme have been achieved and with a view to minimising administrative burdens and costs. To that end, data will be collected as regards the following set of key indicators:

Sectors	Specific Objectives	Indicators
Transport	Efficient, interconnected and multimodal networks and infrastructure for smart, interoperable , sustainable, inclusive, accessible , safe and secure mobility	Number of cross-border and missing links addressed with the support of CEF (including actions relating to urban nodes, regional cross-border rail connections , multimodal platforms , maritime ports, inland ports, connections to airports and rail-road terminals of the TEN-T core and comprehensive network)
		Number of CEF supported actions contributing to the digitalisation of transport, in particular through the deployment of ERTMS, RIS, ITS, VTMS/e-Maritime services and SESAR
		Number of alternative fuel supply points built or upgraded with the support of CEF
		Number of CEF supported actions contributing to the safety of transport
		Number of CEF actions contributing to transport accessibility for persons with reduced mobility
		Number of CEF supported actions contributing to reduce rail freight noise
	Adaptation to civilian-military dual use transport infrastructure	<i>Number of transport infrastructure components adapted to civilian-military dual-use requirements</i>

Energy	<i>Contribution</i> to interconnectivity and integration of markets	Number of CEF actions contributing to projects interconnecting MS networks and removing internal constraints
	Security of energy supply	Number of CEF actions contributing to projects ensuring resilient gas network
		Number of CEF actions contributing to the smartening and digitalisation of grids and increasing energy storage capacity
	Sustainable development through <i>enabling</i> decarbonisation	Number of CEF actions contributing to projects enabling increased penetration of renewable energy in the energy systems
		Number of CEF actions contributing to cross-border cooperation in the area of renewables
Digital	Contribution to the deployment of digital connectivity infrastructure throughout the European Union	New connections to very high capacity networks for socio-economic drivers and very high quality connections for local communities
		Number of CEF actions enabling 5G connectivity along transport paths
		Number of CEF actions enabling new connections to very high capacity networks
		Number of CEF actions contributing to the digitalisation of energy and transport sectors

PART II: INDICATIVE PERCENTAGES FOR THE TRANSPORT SECTOR

The budgetary resources referred to in Article 4 paragraph 2 (a) (i) shall be distributed as follows:

- 60% for the actions listed at Article 9 paragraph 2 (a): "Actions relating to efficient, interconnected and multimodal networks";
- 40% for the actions listed at Article 9 paragraph 2 (b): "Actions relating to smart, sustainable, inclusive, safe and secure mobility".

The budgetary resources referred to in Article 4 paragraph 2(a) (ii) shall be distributed as follows:

- **85% for the actions listed at Article 9 paragraph 2(a): "Actions relating to efficient, interconnected and multimodal networks";**
- **15% for the actions listed at Article 9 paragraph 2(b): "Actions relating to smart, sustainable, inclusive, safe and secure mobility".**

For the actions listed at Article 9 paragraph 2(a), **85%** of the budgetary resources should be allocated to actions on the core network and 15% to actions on the comprehensive network.

PART III: TRANSPORT CORE NETWORK CORRIDORS AND CROSS-BORDER LINKS ON THE COMPREHENSIVE NETWORK

- Core network corridors and indicative list of pre-identified cross-border links and missing links

Core network corridor "Atlantic"		
Alignment	Gijón – León – Valladolid A Coruña – Vigo – Orense – León Zaragoza – Pamplona/Logroño – Bilbao Tenerife/Gran Canaria – Huelva/Sanlúcar de Barrameda – Sevilla – Córdoba Algeciras – Bobadilla – Madrid Sines/Lisboa – Madrid – Valladolid Lisboa – Aveiro – Leixões/Porto – Douro river Shannon Foynes/Dublin/Cork – Le Havre – Rouen – Paris Aveiro – Valladolid – Vitoria-Gasteiz – Bergara – Bilbao/Bordeaux – <i>Toulouse</i>/Tours – Paris – Metz – Mannheim/Strasbourg <i>Shannon Foynes/Dublin/Cork</i> – Saint Nazaire – Nantes – Tours – <i>Dijon</i>	
Cross-border links	Evora – Merida	Rail
	Vitoria-Gasteiz – San Sebastián – Bayonne – Bordeaux	
	Aveiro – Salamanca	
	Douro river (Via Navegável do Douro)	Inland waterways
Missing links	Non-UIC gauge interoperable lines on the Iberian Peninsula	Rail

Core network corridor "Baltic – Adriatic"		
Alignment	Gdynia – Gdańsk – Katowice/Ślawków Gdańsk – Warszawa – Katowice/Kraków Katowice – Ostrava – Brno – Wien Szczecin/Świnoujście – Poznań – Wrocław – Ostrava Katowice – Bielsko-Biala – Žilina – Bratislava – Wien Wien – Graz – Villach – Udine – Trieste Udine – Venezia – Padova – Bologna – Ravenna – Ancona Graz – Maribor – Ljubljana – Koper/Trieste	
Cross-border links	Katowice/Opole – Ostrava – Brno Katowice – Žilina Bratislava – Wien Graz – Maribor Venezia – Trieste – Divaca – Ljubljana	Rail
	Katowice – Žilina Brno – Wien	Road
Missing links	Gloggnitz – Mürzzuschlag: Semmering Base tunnel Graz – Klagenfurt: Koralm railway line and tunnel Koper – Divača	Rail

Core network corridor "Mediterranean"		
Alignment	Algeciras – Bobadilla – Madrid – Zaragoza – Tarragona Madrid – Valencia – Sagunto – Teruel – Zaragoza Sevilla – Bobadilla – Murcia Cartagena – Murcia – Valencia – Tarragona/Palma de Mallorca – Barcelona Tarragona – Barcelona – Perpignan – <i>Narbonne - Toulouse</i>/Marseille – Genova/Lyon – La Spezia/Torino – Novara – Milano – Bologna/Verona – Padova – Venezia – Ravenna/Trieste/Koper – Ljubljana – Budapest Ljubljana/Rijeka – Zagreb – Budapest – UA border	
Cross-border links	Barcelona – Perpignan	Rail
	Lyon – Torino: base tunnel and access routes	
	Nice – Ventimiglia	
	Venezia – Trieste – Divača – Ljubljana	
	Ljubljana – Zagreb	
	Zagreb – Budapest	
	Budapest – Miskolc – UA border	
	Lendava – Letenye	Road
	Vásárosnamény – UA border	
Missing links	Almería – Murcia	Rail
	Non-UIC gauge interoperable lines on the Iberian Peninsula	
	Perpignan – Montpellier	
	Koper – Divača	
	Rijeka – Zagreb	
	Milano – Cremona – Mantova – Porto Levante/Venezia – Ravenna/Trieste	Inland Waterways

Core network corridor "North Sea – Baltic"		
Alignment	Luleå – Helsinki – Tallinn – Riga Ventspils – Riga Riga – Kaunas Klaipeda – Kaunas – Vilnius Kaunas – Warszawa BY border – Warszawa – Łódź/Poznań – Frankfurt/Oder – Berlin – Hamburg – Kiel Łódź – Katowice/Wrocław UA border – Rzeszów – Katowice – Wrocław – Falkenberg – Magdeburg Szczecin/Świnoujście – Berlin – Magdeburg – Braunschweig – Hannover Hannover – Bremen – Bremerhaven/Wilhelmshaven Hannover – Osnabrück – Hengelo – Almelo – Deventer – Utrecht Utrecht – Amsterdam Utrecht – Rotterdam – Antwerpen Hannover/Osnabrück – Köln – Antwerpen	
Cross-border links	Tallinn – Rīga – Kaunas – Warszawa: Rail Baltic new UIC gauge fully interoperable line	Rail
	Świnoujście/Szczecin – Berlin	Rail/Inland Waterways
	Via Baltica Corridor EE-LV-LT-PL	Road
Missing links	Kaunas – Vilnius: part of Rail Baltic new UIC gauge fully interoperable line	Rail
	Warszawa/Idzikowice – Poznań/Wrocław, incl. connections to the planned Central Transport Hub	

	Kiel Kanal	Inland waterways
	Berlin – Magdeburg – Hannover; Mittellandkanal; western German canals	
	Rhine, Waal	
	Noordzeekanaal, IJssel, Twentekanaal	
Core network corridor "North Sea – Mediterranean		
Alignment	Belfast UK border – Dublin – Shannon Foynes/Cork Shannon Foynes/Dublin/Cork – Le Havre/Calais/ Dunkerque/Zeebrugge/Terneuzen/Gent/ Antwerpen/Rotterdam/Amsterdam Glasgow/Edinburgh – Liverpool/ Manchester – Birmingham Birmingham – Felixstowe/ London/Southampton London UK border – Lille – Brussel/Bruxelles Amsterdam – Rotterdam – Antwerp – Brussel/Bruxelles – Luxembourg Luxembourg – Metz – Dijon – Macon – Lyon – Marseille Luxembourg – Metz – Strasbourg – Basel Antwerpen/Zeebrugge – Gent – Calais/Dunkerque/Lille – Paris– Rouen – Le Havre	
Cross-border links	Brussel/Bruxelles – Luxembourg – Strasbourg	Rail
	Terneuzen – Gent	Inland waterways
	Seine – Escaut Network and the related Seine, Escaut and Meuse river basins	
	Rhine-Scheldt corridor	
Missing links	Albertkanaal/ Canal Albert and Canal Bocholt-Herentals	Inland waterways

Core network corridor "Orient/East-Med"		
Alignment	Hamburg – Berlin Rostock – Berlin – Dresden Bremerhaven/Wilhelmshaven – Magdeburg – Dresden Dresden – Ústí nad Labem – Melník/Praha – Lysá nad Labem/Poříčany – Kolin Kolin – Pardubice – Brno – Wien/Bratislava – Budapest – Arad – Timișoara – Craiova – Calafat – Vidin – Sofia Sofia – RS border/North Macedonia border Sofia – Plovdiv – Burgas/TR border TR border – Alexandroupoli – Kavala – Thessaloniki – Ioannina – Kakavia/Igoumenitsa North Macedonia border – Thessaloniki Sofia – Thessaloniki – Athina – Piraeus/Ikonio – Heraklion – Lemesos (Vasiliko) – Lefkosia/Larnaka Athina – Patras/Igoumenitsa	
Cross-border links	Dresden – Praha/ Kolín	Rail
	Wien/Bratislava – Budapest	
	Békéscsaba – Arad – Timișoara	
	Craiova – Calafat – Vidin – Sofia – Thessaloniki	
	Sofia – RS border/ North Macedonia border	
	TR border – Alexandroupoli	
	North Macedonia border – Thessaloniki	
	Ioannina – Kakavia (AL border)	Road
	Drobeta Turnu Severin/Craiova – Vidin – Montana	
	Sofia – RS border	
	Hamburg – Dresden – Praha – Pardubice	Inland waterways

Missing links	Igoumenitsa - Ioannina	Rail
	Praha – Brno	
	Thessaloniki – Kavala – Alexandroupoli	
	Timișoara – Craiova	

Core network corridor " Rhine – Alpine"		
Alignment	Genova – Milano – Lugano – Basel Genova – Novara – Brig – Bern – Basel – Karlsruhe – Mannheim – Mainz – Koblenz – Köln Köln – Düsseldorf – Duisburg – Nijmegen/Arnhem – Utrecht – Amsterdam Nijmegen – Rotterdam – Vlissingen Köln – Liège – Bruxelles/Brussel – Gent Liège – Antwerpen – Gent – Zeebrugge	
Cross-border links	Zevenaar – Emmerich – Oberhausen	Rail
	Karlsruhe – Basel	
	Milano/Novara – CH border	
	Basel – Antwerpen/Rotterdam – Amsterdam	Inland waterways
Missing link	Genova – Tortona/Novi Ligure	Rail
	Zeebrugge – Gent	

Core network corridor "Rhine – Danube"		
Alignment	Strasbourg – Stuttgart – München – Wels/Linz Strasbourg – Mannheim – Frankfurt – Würzburg – Nürnberg – Regensburg – Passau – Wels/Linz München/Nürnberg – Praha – Ostrava/Přerov – Žilina – Košice – UA border Wels/Linz – Wien – Bratislava – Budapest – Vukovar Wien/Bratislava – Budapest – Arad – <i>Moravita</i>/Braşov/Craiova – Bucureşti – <i>Giurgiu</i>/Constanta – Sulina	
Cross-border links	München – Praha	Rail
	Nürnberg – Plzen	
	München – Mühldorf – Freilassing - Salzburg	
	Strasbourg – Kehl Appenweier	
	Hranice – Žilina	
	Košice – UA border	
	Wien – Bratislava/Budapest	
	Bratislava – Budapest	
	Békéscsaba – Arad– Timișoara - RS border	
	Bucureşti – Giurgiu - Rousse	
	Danube (Kehlheim - Constanța/Midia/Sulina) and the related Váh , Sava and Tisza river basins	Inland Waterways
	Zlín – Žilina	Road
	Timișoara - RS border	Road
Missing links	Stuttgart – Ulm	Rail
	Salzburg – Linz	
	Craiova – Bucureşti	

	<i>Arad - Sighișoara – Brasov - Predeal</i>	
Core network corridor "Scandinavian – Mediterranean"		
Alignment	RU border – Hamina/Kotka – Helsinki – Turku/Naantali – Stockholm – Örebro(Hallsberg)/Linköping – Malmö Narvik/Oulu – Luleå – Umeå – Stockholm/Örebro(Hallsberg) Oslo – Göteborg – Malmö – Trelleborg Malmö – København – Fredericia – Aarhus – Aalborg - Hirtshals/Frederikshavn København – Kolding/Lübeck – Hamburg – Hannover Bremerhaven – Bremen – Hannover – Nürnberg Rostock – Berlin – Halle/Leipzig – Erfurt - München Nürnberg – München – Innsbruck – Verona – Bologna – Ancona/Firenze Livorno/La Spezia – Firenze – Roma – Napoli – Bari – Taranto – Valletta/Marsaxlokk Cagliari – Napoli – Gioia Tauro – Palermo/Augusta – Valletta/Marsaxlokk	
Cross-border links	RU border – Helsinki	Rail
	København – Hamburg: Fehmarn belt fixed link access routes	
	München – Wörgl – Innsbruck – Fortezza – Bolzano – Trento – Verona: Brenner base tunnel and its access routes	
	Göteborg-Oslo	
	København – Hamburg: Fehmarn belt fixed link	Rail/Road

2. Indicative list of pre-identified cross-border links on the comprehensive network

The cross-border sections of the comprehensive network referred to at Article 9(2)(a)(ii) of this Regulation include notably the following sections:

Dublin/Letterkenny – UK border	Road
Pau – Huesca	Rail
Lyon – CH border	Rail
Athus – Mont-Saint-Martin	Rail
Breda – Venlo – Viersen – Duisburg	Rail
Antwerpen – Duisburg	Rail
Mons - Valenciennes	Rail
Gent – Terneuzen	Rail
Heerlen – Aachen	Rail
Groningen – Bremen	Rail
Stuttgart – CH border	Rail
Gallarate/Sesto Calende – CH border	Rail
Berlin – Rzepin/Horka – Wrocław	Rail
Prague – Linz	Rail
Villach – Ljubljana	Rail
Pivka – Rijeka	Rail
Plzeň – České Budějovice – Wien	Rail
Wien - Győr	Rail
Graz - Celldömölk – Győr	Rail
Neumarkt-Kallham - Mühldorf	Rail
Amber Corridor PL-SK-HU	Rail
Via Carpathia Corridor BY/UA border-PL-SK-HU-RO	Road
Focșani – MD border	Road

Budapest – Osijek – Svilaj (BiH border)	Road
Faro – Huelva	Rail
Porto – Vigo	Rail
Giurgiu – Varna	Rail
Svilengrad – Pithio	Rail

3. Components of the comprehensive network located in Member States which do not have a land border with another Member State.

PART IV: IDENTIFICATION OF CROSS-BORDER PROJECTS IN THE FIELD OF RENEWABLE ENERGY

1. Objective of cross-border projects in the field of renewable energy

Cross-border projects in the field of renewable energy shall promote the cross-border cooperation between Member States in the field of planning, development and cost-effective exploitation of renewable energy sources **as well as facilitate their integration through energy storage facilities and with the aim of contributing to the Union's long term decarbonisation strategy.**

2. General criteria

In order to qualify as a cross-border project in the field of renewable energy, a project shall meet all of the following general criteria:

- (a) it shall be included in a cooperation agreement or any other kind of arrangement between **at least two** Member States and/or between **at least one** Member State and a third **country or** countries as set out in **Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001.**
- (b) it shall provide cost savings in the deployment of renewables and/or benefits for system integration, security of supply or innovation in comparison to **a similar project or renewable energy project** implemented by one of the participating Member States alone;
- (c) the potential overall benefits of cooperation outweigh its costs, including in the longer term, as assessed on the basis of the cost-benefit analysis as referred to in point 3 and applying the methodology referred to in Article [7].

3. Cost-benefit analysis

- (a) costs of electricity generation;
- (b) system integration costs;
- (c) cost of support;
- (d) greenhouse gas emissions;
- (e) security of supply;
- (f) air and other local pollution, **such as effects on local nature and the environment;**
- (g) innovation.

4. Process

- (1) Promoters of a project, including Member States, potentially eligible for selection as a cross-border project in the field of renewable energy under a cooperation agreement or any other kind of arrangement between **at least two** Member States and/or between **at least one** Member State and **a third country or countries** as set out [...] **in Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001** and seeking to obtain the status of cross-border projects in the field of renewable energy, shall submit an application for selection as a cross-border projects in the field of renewable energy to the Commission. The application shall include the relevant information to allow the Commission to evaluate the project against the criteria laid down in points 2 and 3, in line with the methodologies referred to in Article 7.

The Commission shall ensure that promoters are given the opportunity to apply for the status of cross-border projects in the field of renewable energy at least once a year.

- (3) **The Commission shall set up and chair a group for cross-border-projects in the field of renewables, composed of one representative of each Member State and one from the Commission. The group shall adopt its own rules of procedure.**

- (4) At least once a year, the Commission shall organise the process for selection as cross-border projects and, following evaluation, and submit to the group mentioned in paragraph 3 a list of eligible projects in the field of renewable energy that comply with the criteria set out in Article 7 and paragraph 5 to the group.**
- (5) The group referred to in paragraph 3 shall be given relevant information, unless commercially sensitive, on the eligible projects included in the list submitted by the Commission regarding the following criteria:**
- a confirmation of the compliance with the eligibility and selection criteria for all projects;
 - information on the cooperation mechanism that a project pertains to and information regarding to what extent a project has the support of one or several Member States;
 - description of the objective of the project, including the estimated capacity (in kW) and, where available, renewable energy production (in kWh per annum), as well as its total project costs and eligible costs referred, in euro;
 - information on the expected EU-added value in line with paragraph 2 (b) of this Annex and on the expected costs and benefits and the expected EU-added value in line with paragraph 2 (c) of this Annex.
- (6) The group may invite to its meetings, as appropriate, promoters of eligible projects, third countries involved in eligible projects and any other relevant stakeholders.**
- (7) On the basis of the evaluation results, the group shall agree on a draft list of projects to become cross-border projects in the field of renewable energy to be adopted in accordance with paragraph 8.**

- (8) The Commission shall adopt the final list of selected cross-border projects in the field of renewable energy by delegated act on the basis of a draft list **referred to in paragraph (7) and taking into account paragraph (10)**, and shall publish on its website the list of selected cross-border projects in the field of renewable energy. **This list shall be reviewed as necessary at least every two years.**
- (9) **The group shall monitor the implementation of the projects on the final list and make recommendations on how to overcome possible delays in their implementation. For this purpose, project promoters of the selected projects shall provide information on the implementation of their projects.**
- (10) The Commission shall, when selecting the cross-border projects in the field of renewable energy, aim to ensure an appropriate geographical balance in the identification of **such** projects. Regional groupings may be used for the identification of projects.
- (11) A project shall not be selected as a cross-border projects in the field of renewable energy, or have the status withdrawn, if its evaluation was based on incorrect information which was a determining factor in the evaluation, or if the project does not comply with Union law.

PART V – DIGITAL CONNECTIVITY INFRASTRUCTURE PROJECTS OF COMMON INTEREST

1. Gigabit connectivity *including 5G and other state-of-the-art* to socio-economic drivers.

Actions shall be prioritised taking into account the function of the socio-economic drivers, the relevance of the digital services and applications enabled by providing the underlying connectivity, and the potential socio-economic benefits to citizens, business and local communities, including the **additional area coverage generated, including households**. The available budget shall be allocated in a geographically balanced manner across Member States.

Priority shall be given to actions contributing to **Gigabit including 5G and other state-of-art connectivity** for:

- hospitals and medical centres, in line with the efforts to digitalise the healthcare system, with a view to increasing the well-being of EU citizens and changing the way health and care services are delivered to patients³³ ;
- education and research centres, in the context of the efforts to *facilitate the use of inter alia high-speed computing, cloud applications and big data*, close digital divides and to innovate in education systems, to improve learning outcomes, enhance equity and improve efficiency³⁴
- ***uninterrupted 5G wireless broadband coverage to all urban areas by 2025***

³³ See also COM(2018) 233 final - Commission Communication on enabling the digital transformation of health and care in the Digital Single Market; empowering citizens and building a healthier society.

³⁴ See also COM(2018) 22 final - Commission Communication on the Digital Education Action Plan

2. Wireless connectivity in local communities

Actions aiming at the provision of local wireless connectivity that is free of charge and without discriminatory conditions in centres of local public life, including outdoor spaces accessible to the general public that play a major role in the public life of local communities shall be subject to the following conditions in order to receive funding:

- are implemented by a public sector body as referred to in the paragraph below which is capable of planning and supervising the installation, as well as ensuring for a minimum of three years the financing of operating costs, of indoor or outdoor local wireless access points in public spaces;
- build on very high capacity digital networks enabling delivery of very high quality internet experience to users that:
- is free of charge and without discriminatory conditions, easy to access, secured, and uses most recent and best available equipment, capable of delivering high-speed connectivity to its users; and
- supports **widespread and non-discriminatory** access to innovative digital services;
- use the common visual identity to be provided by the Commission and link to the associated **multi-lingual** online tools;
- in view of achieving synergies and increasing capacity and improving user experience, these actions shall facilitate the deployment of 5G ready small-area wireless access points, as defined in Directive EU/2018/1972;
- commit to procure the necessary equipment and/or related installation services in accordance with applicable law to ensure that projects do not unduly distort competition.

Financial assistance shall be available to public sector bodies as defined in point (1) of Article 3 of Directive (EU) 2016/2102 of the European Parliament and of the Council³⁵ undertaking to provide, in accordance with national law, local wireless connectivity that is free of charge and without discriminatory conditions through the installation of local wireless access points.

³⁵ Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

Funded actions shall not duplicate existing free private or public offers of similar characteristics, including quality, in the same public space.

The available budget shall be allocated in a geographically balanced manner across Member States.

Wherever relevant, coordination and coherence will be ensured with CEF actions supporting access of socio-economic drivers to very high capacity networks capable of providing Gigabit ***including 5G and other state-of-the-art*** connectivity.

3. Indicative list of 5G corridors ***and cross-border backbone connections*** eligible for funding

In line with the Gigabit society objectives set out by the Commission to ensure that major terrestrial transport paths have uninterrupted 5G coverage by 2025⁴, actions implementing uninterrupted coverage with 5G systems pursuant to Article 9 paragraph 4 (c) include, as a first step, actions on the cross-border sections for CAM⁵ experimentation, and, as a second step, actions on more extensive sections in view of a larger scale deployment of CAM along the corridors, as indicated in the table below (indicative list). The TEN-T corridors are used as a basis for this purpose but the deployment of 5G is not necessarily confined to those corridors.

Furthermore, actions supporting deployment of backbone networks, including with submarine cables across Member States and between the Union and third countries or connecting European islands, pursuant to Article 9(4)(d), are also supported in order to provide necessary redundancy for such vital infrastructure, and to increase the capacity and resilience of the Union's digital networks.

Core network corridor "Atlantic"	
Cross-border sections for CAM experimentation	Porto - Vigo
	Merida - Evora
	<i>Paris - Amsterdam - Frankfurt</i>
	Aveiro – Salamanca
	San Sebastian - Biarritz
More extensive section for larger scale deployment of CAM	Metz – Paris - Bordeaux – Bilbao – Vigo – Porto – Lisbon
	Bilbao – Madrid – Lisbon
	Madrid - Merida - Sevilla - Tarifa
<i>Deployment of backbone networks, including with submarine cables</i>	<i>Azores/Madeira Islands - Lisbon</i>
Core network corridor "Baltic – Adriatic"	
Cross-border sections for CAM experimentation	
More extensive section for larger scale deployment of CAM	Gdansk – Warsaw – Brno – Vienna – Graz – Ljubljana - Koper / Trieste

Core network corridor "Mediterranean"	
Cross-border sections for CAM experimentation	
More extensive section for larger scale deployment of CAM	Budapest – Zagreb – Ljubljana - Rijeka - <i>Split - Dubrovnik</i>
	Ljubljana - Zagreb – Slavonski Brod – Bajakovo (border with Serbia)
	Slavonski Brod - - Đakovo - Osijek
	Montpellier - Narbonne - Perpignan - Barcelona - Valencia - Malaga - Tarifa with an extension to Narbonne - Toulouse
<i>Deployment of backbone networks, including with submarine cables</i>	<i>Submarine cable networks Lisbon – Marseille – Milan</i>
Core network corridor "North Sea – Baltic"	
Cross-border sections for CAM experimentation	Warsaw – Kaunas – Vilnius
	Kaunas – Klaipėda
More extensive section for larger scale deployment of CAM	Tallinn – Riga – Kaunas – LT/PL border – Warsaw
	BY/LT border – Vilnius – Kaunas – Klaipėda
	<i>Via Carpathia:</i> Klaipėda – Kaunas - Elk – Białystok – Lublin – Rzeszów - Barwinek - Košice
Core network corridor "North Sea – Mediterranean"	
Cross-border sections for CAM experimentation	Metz-Merzig-Luxembourg
	Rotterdam- <i>Antwerp-Eindhoven</i>
More extensive section for larger scale deployment of CAM	Amsterdam - Rotterdam – Breda – Lille – Paris
	Brussels – Metz – Basel
	Mulhouse – Lyon – Marseille

Core network corridor "Orient/East-Med"	
Cross-border sections for CAM experimentation	Sofia-Thessaloniki-Belgrade
More extensive section for larger scale deployment of CAM	Berlin – Prague – Brno – Bratislava – Timisoara – Sofia – TR border
	Bratislava – Košice
	Sofia – Thessaloniki – Athens
Core network corridor " Rhine – Alpine"	
Cross-border sections for CAM experimentation	Bologna-Innsbrück-München (Brenner corridor)
More extensive section for larger scale deployment of CAM	Rotterdam – Oberhausen – Frankfurt (M)
	Basel – Milan – Genova
Core network corridor "Rhine – Danube"	
Cross-border sections for CAM experimentation	
More extensive section for larger scale deployment of CAM	Frankfurt (M) – Passau – Wien – Bratislava – Budapest – Osijek - Vukovar - Bucharest – Constanta
	Bucharest – Iasi
	Karlsruhe – München – Salzburg – Wels
	Frankfurt (M) – Strasbourg

Core network corridor "Scandinavian – Mediterranean"	
Cross-border sections for CAM experimentation	Oulu-Tromsø <i>Oslo- Stockholm-Helsinki</i>
More extensive section for larger scale deployment of CAM	Turku – Helsinki –Russian border
	Oslo – Malmo - Copenhagen – Hamburg – Würzburg - Nürnberg – München – Rosenheim – Verona – Bologna – Napoli – Catania – Palermo
	Stockholm-Malmo
	Napoli – Bari – Taranto
	Aarhus - Esbjerg - Padborg
