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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: Position of the Council at first reading with a view to the adoption of a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL establishing the Connecting Europe Facility and repealing
Regulations (EU) No 1316/2013 and (EU) No 283/2014
- Adopted by the Council on 14 June 2021

REGULATION (EU) 2021/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

**establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013
and (EU) No 283/2014**

(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 Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 440, 6.12.2018, p. 191.

² OJ C 461, 21.12.2018, p. 173.

³ Position of the European Parliament of 17 April 2019 (not yet published in the Official Journal) and position of the Council at first reading of 14 June 2021 (not yet published in the Official Journal). Position of the European Parliament of ... (not yet published in the Official Journal).

Whereas:

- (1) In order to achieve smart, sustainable and inclusive growth, to stimulate job creation and to respect long-term decarbonisation commitments, the Union needs up-to-date, multimodal, high-performance infrastructure in its transport, energy and digital sectors to help connect and integrate the Union and all its islands and regions, including its remote, outermost, peripheral, mountainous and sparsely populated ones. 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 “CEF”) 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 CEF should enable synergies between the transport, energy and digital sectors to be harnessed to the full, thus enhancing the effectiveness of Union action and enabling the costs of implementation to be minimised.

- (3) The CEF should also contribute to Union action against climate change and support environmentally and socially sustainable projects, including, where appropriate, climate change mitigation and adaptation actions. In particular, the contribution of the CEF to achieving the goals and objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change¹ (“Paris Agreement”), as well as the 2030 climate and energy targets and long-term decarbonisation objective, should be reinforced.
- (4) The CEF should guarantee a high level of transparency and ensure public consultation in compliance with applicable Union and national law.

¹ OJ L 282, 19.10.2016, p. 4.

- (5) Reflecting the importance of tackling climate change in line with the Union’s commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Regulation is intended to contribute to mainstreaming climate actions and to the achievement of an overall target of at least 30 % of Union budget expenditure supporting climate objectives. In addition, this Regulation should contribute to the ambition of committing 7,5 % of annual spending under the Multiannual Financial Framework (the “MFF”) 2021-2027 to biodiversity objectives in the year 2024 and 10 % of annual spending under the MFF 2021-2027 to biodiversity objectives in 2026 and 2027 while taking into consideration the existing overlaps between climate and biodiversity objectives. Through its actions, the CEF should contribute 60 % of its overall financial envelope to climate objectives, based *inter alia* on the following coefficients: (i) 100 % for expenditure relating to railway infrastructure, charging infrastructure, alternative and sustainable fuels, clean urban transport, electricity transmission, electricity storage, smart grids, CO₂ transport and renewable energy; (ii) 40 % for inland waterways and multimodal transport, as well as gas infrastructure, provided that it enables the use of renewable hydrogen or bio-methane to be increased. The detailed climate expenditure tracking coefficients applied should be consistent with those set out in Annex I to Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺, where applicable. Relevant actions will be identified during the preparation and implementation of the CEF, and reassessed in the context of the relevant evaluations and review processes. In order to prevent infrastructure from being vulnerable to potential long term climate change effects, 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 CEF should be subject to climate proofing, where relevant, in accordance with guidance that should be developed by the Commission coherently with the guidance developed for other programmes of the Union.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document st06674/21 (2018/0196 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (6) According to Article 8 of the Treaty on the Functioning of the European Union (TFEU), in all its activities, the Union is to aim to eliminate inequalities, and to promote equality, between men and women. Gender equality, as well as equal rights and opportunities for all, and the mainstreaming of those objectives should be taken into account and promoted throughout the assessment, preparation, implementation and monitoring of the CEF.
- (7) In order to comply with the reporting obligations regarding the uptake of Union funds to support the measures taken with a view to complying with the objectives of Directive (EU) 2016/2284 of the European Parliament and of the Council¹, expenditure related to the reduction of emissions or air pollutants under that Directive should be tracked.
- (8) An important objective of the CEF is to deliver increased synergies and complementarity between the transport, energy and digital sectors. For that purpose, the CEF 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. The enabling of digital communication could constitute an integral part of a project of common interest in the field of energy and transport. In addition, the CEF should allow, within each sector, the possibility to consider as eligible some synergetic elements pertaining to another sector, where such an approach improves the socio-economic benefit of the investment. Synergies between sectors should be incentivised through the award criteria for the selection of actions, as well as through increased co-financing.

¹ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1).

- (9) Regulation (EU) No 1315/2013 of the European Parliament and of the Council¹ lays down guidelines for the trans-European transport network (“TEN-T”) (“TEN-T guidelines”) that identify the infrastructure of the TEN-T, specify the requirements to be fulfilled by it and provide for measures for the implementation of the TEN-T. In particular, the TEN-T guidelines envisage the completion of the core network by 2030 through the creation of new infrastructure and the substantial upgrading and rehabilitation of existing infrastructure necessary in order to ensure network continuity.
- (10) In order to ensure connectivity throughout the Union, actions contributing to the development of projects of common interest in the transport sector which are financed by the CEF should build on the complementarity of all modes of transport to provide for efficient, interconnected and multimodal networks. This should include roads in those Member States where there is still a significant need for investment in order to complete their TEN-T core road network.

¹ 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).

- (11) In accordance with Article 193(2) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹ (“the Financial Regulation”), it is possible to award a grant for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to the signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not eligible, except in duly justified exceptional cases. In order to avoid any disruption in Union support which could be prejudicial to Union’s interests, it should be possible, for a limited period of time at the beginning of the MFF 2021-2027, for costs incurred in respect of actions supported under this Regulation which have already begun to be considered eligible as of 1 January 2021, even if they were incurred before the grant application was submitted.
- (12) In order to achieve the objectives laid down in the TEN-T guidelines, it is necessary to support, as a priority, the ongoing TEN-T projects, as well as the 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 Regulation (EU) No 1315/2013 and with the overall network development regarding performance and interoperability.

¹ 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).

- (13) In particular, the full deployment of the European Rail Traffic Management System (“ERTMS”) on the core network by 2030, as provided for by Regulation (EU) No 1315/2013, requires the support to be increased at Union level and the participation of private investors to be incentivised.
- (14) Moreover, the connection of airports to the TEN-T core network is an important precondition for successful completion of the TEN-T core network and for ensuring effective intermodality. Therefore, priority should be given to establishing such connections where they are missing.
- (15) For the implementation of cross-border actions, a high degree of integration with regard to 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, a framework based on an implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013, or any other form of cooperation. Establishment of integrated management structures, including joint ventures should be encouraged, including through a higher level of co-financing.
- (16) 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.

- (17) In order to reflect increasing transport flows and the evolution of the TEN-T, the alignment of the core network corridors and their pre-identified sections should be adapted. Such 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 provided for by Regulation (EU) No 1315/2013. The review should take into account regional cross-border rail connections on the TEN-T that have been abandoned or dismantled, as well as other changes in the comprehensive network and the impact of the United Kingdom's withdrawal from the Union.
- (18) It is necessary to promote public and private investments in all modes of transport in order to promote smart, interoperable, sustainable, multimodal, inclusive, accessible, safe and secure mobility throughout the Union. In its Communication of 31 May 2017 entitled "Europe on the move: An agenda for a socially fair transition towards clean, competitive and connected mobility for all", the Commission presented a wide-ranging set of initiatives to make traffic safer, to encourage smart road charging, to reduce CO₂ emissions, air pollution and congestion, to promote connected and autonomous mobility and to ensure proper conditions and rest times for workers. Those initiatives should be accompanied by Union financial support through the CEF, where relevant.

- (19) The TEN-T guidelines require, with regard to new technologies and innovation, that the TEN-T enables the decarbonisation of all modes of transport 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 Council¹ 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. That Directive also requires Member States to ensure that recharging or refuelling points accessible to the public are made available by 31 December 2025. As the Commission outlined in its Communication of November 2017 entitled “Delivering on low-emission mobility A European Union that protects the planet, empowers its consumers and defends its industry and workers”, 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.

¹ 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).

- (20) In the context of its Communication of 17 May 2018 entitled “Sustainable Mobility for Europe: safe, connected, and clean”, 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 the amendment of Directive 2008/96/EC of the European Parliament and of the Council¹.

¹ Directive 2008/96/EC of the European Parliament and of the Council of 19 November 2008 on road infrastructure safety management (OJ L 319, 29.11.2008, p. 59).

- (21) In order to improve the completion of transport projects in less developed parts of the network, an allocation from the Cohesion Fund governed by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺ should be transferred to the CEF 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 the greatest possible number of projects located in the Member States eligible for financing from the Cohesion Fund with priority to cross-border links and missing links. Member States should be treated equally, and disadvantages resulting from permanent geographic vulnerabilities should be duly taken into account. The Commission should support Member States eligible for financing from the Cohesion Fund in their efforts to develop an appropriate series of eligible projects, in particular by strengthening the institutional capacity of the public administrations concerned.
- (22) In its conclusions of 21 July 2020, the European Council agreed that, in the broader context of the MFF 2021-2027, EUR 1 384 000 000 (in 2018 prices) from the CEF is to be used for the completion of missing major cross-border railway links between cohesion countries to support the functioning of the internal market and that the co-financing rules of the transfer from the Cohesion Fund to the CEF are to apply to that amount.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... on the European Regional Development Fund and on the Cohesion Fund (OJ ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document st6168/21 (2018/0197 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (23) Following the Joint Communication of 10 November 2017 entitled “Improving Military Mobility in the European Union”, the Joint Communication of 28 March 2018 on Action Plan on Military Mobility highlighted that transport infrastructure policy offers a clear opportunity to increase synergies between defence needs and the TEN-T with the overall aim of improving military mobility across the Union, taking into account geographical balance and the potential benefits for civil protection. In 2018, in accordance with the Action Plan on Military Mobility, the Council considered and validated the military requirements in relation to transport infrastructure and, in 2019, the Commission services identified the parts of the TEN-T which are suitable for dual use, including necessary upgrades of existing infrastructure. Union funding for the dual-use projects should be implemented through the CEF on the basis of work programmes, taking into account the applicable requirements established in the context of the Action Plan on Military Mobility and any further indicative list of priority projects that are identified by Member States in accordance with that Plan.
- (24) The TEN-T guidelines recognise that the comprehensive network ensures the accessibility and connectivity of all islands and regions in the Union, including remote and outermost regions. Furthermore, in its Communication of 24 October 2017 entitled “A stronger and renewed strategic partnership with the EU’s outermost regions”, the Commission highlighted the outermost regions’ specific transport, energy and digital needs and the necessity to provide adequate Union funding to match those needs, including through the CEF by applying co-financing rates up to a maximum of 70 %.

(25) Considering the significant investment needs to be met in order to make progress towards completing the TEN-T core network by 2030 (estimated at EUR 350 billion during 2021-2027), completing 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, thereby maximising the added value of investments supported by the Union. This would be achieved via a streamlined investment process, enhancing visibility on the transport pipeline and consistency across relevant Union programmes, notably the CEF, the European Regional Development Fund (ERDF), the Cohesion Fund and the InvestEU Programme. In particular, the enabling conditions as detailed under Annex IV of Regulation (EU) 2021/...⁺ should be taken into account, where relevant.

⁺ OJ: Please insert in the text the number of the Regulation contained in document st06674/21 (2018/0196 (COD)).

- (26) 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 concerning 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 support. The identification of projects of common interest in accordance with that Regulation will continue to follow the “energy efficiency first” principle, with projects being assessed against energy demand scenarios that are fully consistent with Union energy and climate targets.
- (27) Directive (EU) 2018/2001 of the European Parliament and of the Council² 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.

¹ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (OJ L 115, 25.4.2013, p. 39).

² 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).

- (28) While completion of network infrastructure remains the priority in order to achieve the development of renewable energy, integrating cross-border cooperation on renewable energy and developing a smart and efficient energy system that includes storage and demand response solutions that help balance the grid reflects the approach adopted under the Clean Energy for all Europeans package, with collective responsibility to reach an ambitious target for renewable energy in 2030, and the changed policy context, ensuring a fair and adequate transition, with ambitious long-term decarbonisation objectives.
- (29) Innovative infrastructure technologies that enable the transition to low emission energy and mobility systems and that improve security of supply, while 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 entitled “Strengthening Europe’s energy networks”, the Commission emphasised that, given that renewable energy is to constitute half of the electricity generation by 2030, the role of electricity will increasingly be to drive the decarbonisation of sectors which have so far been 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 to increase the number of cross-border smart grid and innovative storage, as well as CO₂ transport projects to be supported under the CEF.

- (30) Cross-border projects in the field of renewable energy are to enable the cost-effective deployment of renewable energy in the Union and the 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, and are to contribute to the strategic uptake of innovative technologies concerning renewable energy. Illustrative examples of eligible technologies include the generation of renewable energy from on- and offshore wind, solar energy, sustainable biomass, ocean energy, geothermal energy or combinations thereof, their connection to the grid 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 with, for example, heating and cooling, power-to-gas, storage and transport. This list 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. Those projects can be located on the territory of only one of the Member States involved, provided that the general criteria of Part IV of the Annex to this Regulation apply.

- (31) In order to support cross-border cooperation in the area of renewable energy and the market uptake of projects, the 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 projects in the field of renewable energy, unused budget envisaged for cross-border projects in the field of renewable energy should be used to meet the objectives of the trans-European energy networks for actions relating to projects of common interest as set out in Regulation (EU) No 347/2013, before considering a possible use for the Union renewable energy financing mechanism established in Regulation (EU) 2018/1999 of the European Parliament and of the Council¹.
- (32) It is necessary to support smart grid projects that integrate electricity generation, distribution or consumption using real time system management and influencing cross-border energy flows. Support from the CEF for such projects should also reflect the central role of smart grids in the energy transition and should help to overcome funding gaps that are currently hampering investment in the large-scale deployment of smart grid technology.

¹ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (33) In the context of Union support, special consideration should be given to cross-border energy interconnections, including those necessary to reach the 10 % electricity interconnection target for 2020 and the 15 % target for 2030 established by Regulation (EU) 2018/1999. The deployment of electricity interconnectors is crucial for integrating markets and ending energy isolation by allowing more renewable energy into the system and thereby benefiting from their different demand and renewable supply portfolio, as well as from off-shore wind networks and smart grids, and integrating all countries into a liquid and competitive energy market.
- (34) The achievement of the Digital Single Market relies on the underlying digital connectivity infrastructure. The digitalisation of Union 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 in closing economic, social and territorial divides, supporting the modernisation of local economies and underpinning the diversification of economic activities. The scope of the intervention of the CEF in the area of digital connectivity infrastructure should be adjusted to reflect its increasing importance for the economy and for society at large. Therefore, it is necessary to set out the digital connectivity infrastructure projects of common interest needed to meet the Union's Digital Single Market objectives and to repeal Regulation (EU) No 283/2014 of the European Parliament and of the Council¹.

¹ 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).

(35) In its Communication of 14 September 2016 entitled “Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society” (“the Gigabit Society Strategy”), the Commission sets out strategic objectives for 2025 with a view to optimising investment in digital connectivity infrastructure. Directive (EU) 2018/1972 of the European Parliament and of the Council¹ aims inter alia to create 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 and low population density and to various socio-economic factors, and therefore urgently require closer attention. The CEF should therefore be adjusted to contribute to the achievement of those strategic objectives in the Gigabit Society Strategy which aim to contribute to a balance between rural and urban developments, and to complement the support provided for the deployment of very high capacity networks by other programmes, in particular the ERDF, Cohesion Fund and the InvestEU Programme.

¹ 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).

- (36) While all digital connectivity networks that are connected to the Internet are intrinsically trans-European, which is due mainly to the functioning of the applications and services which they enable, priority for support via the CEF 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, as well as on the digital transformation of the economy and society, having regard to market failures and implementation obstacles observed.
- (37) 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 areas in which 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 households, businesses and local communities in the Union. The CEF should support access to very high capacity networks, including 5G systems and other state-of-the-art connectivity capable of providing Gigabit connectivity for those 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.

- (38) Unconnected territories throughout the Union represent bottlenecks and unexploited potential for 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 in 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 CEF should contribute to providing all households in the Union, whether rural or urban, with very high-capacity fixed or wireless connectivity, focusing on those deployments in respect of which a degree of market failure is observed that can be addressed using low intensity grants. The synergies of actions supported by the CEF should be maximised, giving due regard to the level of concentration of socio-economic drivers in a given area and to the level of funding needed to generate coverage. Moreover, the CEF should aim to achieve comprehensive coverage of households and territories, as it is uneconomic at a later stage to address gaps in an area that has already been covered.
- (39) In addition, building on the success of the WiFi4EU initiative, the CEF 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.

- (40) Digital infrastructure is an important springboard for innovation. In order to maximise its impact, the CEF 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 outside the scope of the CEF and instead be addressed through other instruments such as the Digital Europe Programme, established by Regulation (EU) 2021/694 of the European Parliament and of the Council¹, as appropriate. It is also important to maximise the synergies between different programmes.
- (41) The viability of the anticipated next generation of digital services, such as ‘Internet of Things’ services, and digital 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 to allow 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 the CEF.

¹ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

- (42) 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 zones of the Member States, is needed in order to provide necessary redundancy for such vital infrastructure, to increase the capacity and resilience of the Union's digital networks and to contribute 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.
- (43) Actions contributing to projects of common interest in the area of digital connectivity infrastructure should deploy the best available and best suited technology for the specific project, which offers the best balance between state-of-the-art technologies in terms of data flow capacity, transmission security, network resilience and cost efficiency. Such deployments should be prioritised by way of work programmes, taking into account the criteria set out in this Regulation. Deployments of very high capacity networks can include passive infrastructure, with a view to maximise socio-economic as well as environmental benefits. Finally, when prioritising actions, the potential positive spill-overs in terms of connectivity should 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.

- (44) The Union has developed its own satellite Positioning, Navigation and Timing (PNT) technology (Galileo and EGNOS programmes) and its own Earth observation and monitoring programme (Copernicus). Galileo and EGNOS programmes and Copernicus programme offer advanced services which provide important economic benefits to public and private users. Therefore, any transport, energy or digital infrastructure funded by the CEF, that makes use of PNT or Earth observations services, should be technically compatible with those programmes.
- (45) 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 Union 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 attracting private investment and to providing leverage of the overall public sector contribution, in line with the goals of the InvestEU Programme. The CEF should therefore continue to support actions that can be financed by a combination of Union grants and other sources of financing.
- (46) In the transport sector, the amounts used for blending operations should not exceed 10 % of the amount from Heading 1(2) of the MFF 2021-2027. It should be possible to use blending operations, for instance, for actions relating to smart, interoperable, sustainable, inclusive, accessible, safe and secure mobility.

- (47) The policy objectives of the CEF are also to be addressed through financial instruments and budgetary guarantee under the policy windows of the InvestEU Programme. The CEF actions should be used to boost investment by addressing market failures or sub-optimal investment situations, in a proportionate manner, without duplicating or crowding out private financing, in particular where actions are not commercially viable but where they have a clear Union added value.
- (48) In order to favour the 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 CEF. For this purpose, synergies with the Horizon Europe Programme, established by Regulation (EU) 2021/695 of the European Parliament and of the Council¹, are to ensure that research and innovation needs in the transport, energy and digital sectors within the Union are identified and established during Horizon Europe's strategic planning process. Moreover, synergies with Horizon Europe are to ensure that the CEF 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. Furthermore, synergies with Horizon Europe are to ensure that the exchange of information and data between Horizon Europe and the CEF will be facilitated, for example by highlighting technologies from Horizon Europe with a high market readiness that could be further deployed through the CEF.

¹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

- (49) The duration of the CEF should be aligned to the duration of the MFF. This Regulation should lay down a financial envelope for the entire period 2021-2027 which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources¹ for the European Parliament and the Council during the annual budgetary procedure.
- (50) At Union level, the European Semester of economic policy coordination is the framework within which national reform priorities are identified and their implementation monitored. Member States develop their own national multiannual investment strategies in support of those reform priorities. Those 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 or Union funding, or both. 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 ERDF and Cohesion Fund, the European Investment Stabilisation Function, InvestEU Programme and the CEF, where relevant. Financial support should also be used in a manner consistent with Union and national energy and climate plans, where relevant.

¹ OJ L 433I, 22.12.2020, p. 28.

- (51) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, prizes, procurement and indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (52) 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. When making such choices, consideration should be given to the use of lump sums, of flat rates and of unit costs, as well as of financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

- (53) Legal entities established in the Union should as far as possible be able to participate on a reciprocal basis in equivalent programmes of third countries that participate in the CEF.
- (54) 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 on the European Economic Area¹ (the “EEA Agreement”), which provides for the implementation of the programmes 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 and access required to enable the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences.

¹ OJ L 1, 3.1.1994, p. 3.

- (55) 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 CEF and to ensure consistent implementation among the sectors covered by the CEF, it is necessary to provide additional indications as regards the eligibility and award criteria. The selection of operations and their financing should only be subject to the conditions provided for in this Regulation and the Financial Regulation. Without prejudice to the Financial Regulation, it should be possible for the work programmes to provide for simplified procedures.
- (56) In accordance with the Financial Regulation, selection and award criteria are established in the work programmes. In the transport sector, the quality and relevance of a project should also be assessed taking into account the project's expected impact on European connectivity, its compliance with accessibility requirements and its strategy as regards future maintenance needs.

(57) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹ and Council Regulations (EC, Euratom) No 2988/95², (Euratom, EC) No 2185/96³ and (EU) 2017/1939⁴, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to 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. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

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- ¹ 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).
- ² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).
- ³ 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).
- ⁴ 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).
- ⁵ 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).

- (58) Pursuant to Council Decision 2013/755/EU¹ persons and entities established in overseas countries and Territories (OCTs) are eligible for funding subject to the rules and objectives of the CEF and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.
- (59) The Union should seek coherence and synergies with the Union programmes for external policies, including pre-accession assistance following the engagements undertaken in the context of the Commission Communication of 6 February 2018 entitled “A credible enlargement perspective for and enhanced EU engagement with the Western Balkans”.
- (60) 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 support should only be available if it is indispensable to the achievement of the objectives of those projects. With regard to cross-border projects in the field of renewable energy, cooperation between one or more Member States and a third country (including within the Energy Community) should respect the conditions set out in Directive (EU) 2018/2001 on the need for a physical link to the Union.

¹ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (‘Overseas Association Decision’) (OJ L 344, 19.12.2013, p. 1).

- (61) In its Communication of 3 October 2017 entitled ‘Making Public Procurement work in and for Europe’, the Commission notes that the Union is the world’s most open market for procurement, but that other countries do not always reciprocate by granting access to Union companies to their markets for procurement. Beneficiaries of the CEF should therefore make full use of the strategic procurement possibilities offered by Directive 2014/25/EU of the European Parliament and of the Council¹.
- (62) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making², the CEF should be evaluated on the basis of information collected in accordance with specific monitoring requirements, such as on climate tracking, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the CEF on the ground. 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 CEF and make any adjustments necessary.

¹ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

² OJ L 123, 12.5.2016, p. 1.

- (63) 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 CEF towards the achievement of the general and specific objectives set out in this Regulation. Those measures should also ensure that the achievements of the CEF are recognised. This performance reporting system should ensure that data for monitoring the implementation of the CEF 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 CEF.
- (64) The CEF should be implemented through work programmes. By ... [three months after the date of entry into force of this Regulation], the Commission should adopt the first multiannual work programmes, which should include the timetable of the calls for proposals for the first three years of the CEF, their topics and indicative budget, as well as a prospective framework covering the entire programming period.

(65) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards the laying down of specific rules on co-funding between the parts on cross-border projects in the field of renewable energy; the specifying, where necessary, of the infrastructure requirements applicable to certain categories of dual-use infrastructure actions and the evaluation procedure regarding the actions connected with dual-use infrastructure actions; the adoption of work programmes; and the granting of Union financial support. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.

¹ 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).

- (66) In order to adapt, where necessary, the indicators used for the monitoring of the CEF, 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 TFEU 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 of 13 April 2016 on Better Law-Making. 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.
- (67) Since the objectives of this Regulation, namely to build, develop, modernise and complete the trans-European networks in the transport, energy and digital sectors and to facilitate cross-border cooperation in the field of renewable energy, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

- (68) Regulation (EU) No 1316/2013 of the European Parliament and of the Council¹ and Regulation (EU) No 283/2014 should therefore 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 Council² as regards the list of freight corridors, should be maintained.
- (69) In order to ensure continuity in providing support in the relevant policy areas and to allow implementation to start from the beginning of the MFF 2021-2027, this Regulation should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

¹ Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).

² 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).

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the Connecting Europe Facility (the ‘CEF’) for the period of the Multiannual Financial Framework (the “MFF”) 2021-2027.

This Regulation lays down the objectives of the CEF, its 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 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, point (1), of Directive 2014/94/EU;

- (c) “beneficiary” means an entity with legal personality with which a grant agreement has been signed;
- (d) “blending operation” means actions supported by the Union budget, including within blending facilities pursuant to Article 2(6) of the Financial Regulation combining non-repayable forms of support and/or financial instruments and/or budgetary guarantees from the Union 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 instruments 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;
- (h) “cross border link” means, in the transport sector, a project of common interest which ensures the continuity of the TEN-T between Member States or between a Member State and a third country;

- (i) “missing link” means an all modes of transport missing section of the TEN-T 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 or containing one or more bottlenecks affecting the continuity of the TEN-T;
- (j) “dual-use infrastructure” means a transport network infrastructure that addresses both civilian and defence needs;
- (k) “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 arrangement between two or more Member States or arrangements between one or more Member States and one or more third countries as set out 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;
- (l) “energy efficiency first” means energy efficiency first as defined in point (18) of Article 2 of Regulation (EU) 2018/1999;
- (m) “digital connectivity infrastructure” means very high capacity networks, 5G systems, very high-quality local wireless connectivity and backbone networks, as well as operational digital platforms directly associated with transport and energy infrastructure;

- (n) “5G systems” means a set of digital infrastructure elements based on globally agreed standards for mobile and wireless communications technology used for connectivity and added-value services with advanced performance characteristics such as very high data rates and capacity, low latency communications, ultra-high reliability or support for a high number of connected devices;
- (o) “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;
- (p) “operational digital platforms directly associated with transport and energy infrastructure” means physical and virtual information communication technology resources, operating via the communication infrastructure, which support the flow, storage, processing and analysis of transport or energy infrastructure data, or both;
- (q) “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;

- (r) “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;
- (s) “socio-economic drivers” means entities which by their mission, nature or location can directly or indirectly generate important socio-economic benefits for citizens, business and local communities located in their surrounding territory, or in their area of influence;
- (t) “third country” means a country that is not a Member State of the Union;
- (u) “very high capacity networks” means very high capacity networks as defined in Article 2, point (2), of Directive (EU) 2018/1972;
- (v) “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 general objectives of the CEF are to build, develop, modernise and complete the trans-European networks in the transport, energy and digital sectors and to facilitate cross-border cooperation in the field of renewable energy, taking into account the long-term decarbonisation commitments and the goals of increasing European competitiveness; smart, sustainable and inclusive growth; territorial, social and economic cohesion; and the access to and integration of the internal market, with an emphasis on facilitating the synergies among the transport, energy and digital sectors.
2. The specific objectives of the CEF are:
 - (a) in the transport sector:
 - (i) 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 in accordance with the objectives of Regulation (EU) No 1315/2013; and
 - (ii) to adapt parts of the TEN-T for the dual use of the transport infrastructure with a view to improving both civilian and military mobility;

- (b) in the energy sector:
 - (i) 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
 - (ii) 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 and access to safe and secure very high capacity networks, including 5G systems, and to the increased resilience and capacity of digital backbone networks on Union territories by linking them to neighbouring territories, as well as to the digitalisation of transport and energy networks.

Article 4

Budget

1. The financial envelope for the implementation of the CEF for the period from 1 January 2021 to 31 December 2027 shall be EUR 33 710 000 000¹ in current prices.

In line with the Union objective of mainstreaming climate actions into Union sectoral policies and Union funds, the CEF shall contribute, through its actions, 60 % of its overall financial envelope to climate objectives.

2. The distribution of this amount shall be as follows:

- (a) EUR 25 807 000 000 for the specific objectives referred to in Article 3(2), point (a), of which:

- (i) EUR 12 830 000 000 from the MFF 2021-2027, Heading 1(2), European Strategic Investment;

¹ The financial envelope of the CEF for the period 2021-2027 in constant 2018 prices is EUR 29 896 000 000 and is distributed as follows: (a) transport: EUR 22 884 000 000, of which (i) EUR 11 384 000 000 from the MFF 2021-2027, Heading 1(2), European Strategic Investment; (ii) EUR 10 000 000 000 transferred from the Cohesion Fund; (iii) EUR 1 500 000 000 from the MFF 2021-2027, Heading 5(13), Defence; (b) energy: EUR 5 180 000 000; (c) digital: EUR 1 832 000 000.

- (ii) EUR 11 286 000 000 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 from the MFF 2021-2027, Heading 5(13), for the specific objective referred to in Article 3(2), point (a)(ii);
- (b) EUR 5 838 000 000 for the specific objectives referred to in Article 3(2), point (b), of which 15 %, subject to market uptake, for cross-border projects in the field of renewable energy, and if the 15 % threshold is reached, the Commission shall increase that threshold up to 20 %, subject to market uptake;
 - (c) EUR 2 065 000 000 for the specific objectives referred to in Article 3(2), point (c).
3. The Commission shall not depart from the amount referred to in paragraph 2, point (a)(ii).
 4. Up to 1 % of the amount referred to in paragraph 1 may be used to finance technical and administrative assistance for the implementation of the CEF and the sector-specific guidelines, such as preparatory, monitoring, control, audit and evaluation activities including corporate information and technology systems. That amount may also be used to finance accompanying measures to support the preparation of projects, and in particular to provide advisory services to project promoters concerning funding opportunities in order to assist them in the structuring of their project finance.

5. Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments, over two or more years.
6. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation, taking into account the delayed entry into force of this Regulation and in order to ensure continuity, for a limited period, costs incurred in respect of actions supported under this Regulation may be considered eligible as of 1 January 2021, even if they were incurred before the grant application was submitted.
7. The amount transferred from the Cohesion Fund shall be implemented in accordance with this Regulation, subject to paragraph 8 of this Article and without prejudice to Article 15(2), point (c).
8. As regards the amounts transferred from the Cohesion Fund, 30 % of those amounts shall be made available, immediately on a competitive basis, to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with this Regulation, with priority being given to supporting the greatest possible number of 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 CEF 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.

9. In respect of Member States whose gross national income (GNI) per capita, measured in purchasing power standards (PPS) for the period 2015-2017, is less than 60 % of the average GNI per capita of the EU-27, 70 % of 70 % of the amount that those Member States have transferred to the CEF shall be guaranteed until 31 December 2024.
10. Until 31 December 2025, the total amount allocated from the amount referred to in paragraph 2, point (a)(ii), to actions in a Member State eligible for funding from the Cohesion Fund shall not exceed 170 % of the share of that Member State in the total amount transferred from the Cohesion Fund.
11. In order to support Member States which are eligible for funding from the Cohesion Fund and which might experience difficulties in designing projects that are of a sufficient maturity, quality, or both, and that have sufficient Union added value, particular attention shall be given to technical assistance which aims to strengthen the institutional capacity and the efficiency of public administrations and public services in relation to the development and implementation of projects listed in this Regulation.

The Commission shall do its utmost to enable Member States eligible for funding from the Cohesion Fund to attain, by the end of the period 2021-2027, the highest possible absorption of the amount transferred to the CEF, including through the organisation of additional calls.

In addition, particular attention and support shall be given to those Member States whose GNI per capita, measured in PPS for the period 2015- 2017, is less than 60 % of the average GNI per capita of the EU-27.

12. The amount transferred from the Cohesion Fund shall not be used to finance cross-sectoral work programmes and blending operations.
13. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the CEF, subject to the conditions set out in Article 21 of Regulation (EU) 2021/...⁺. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a), of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Those resources shall be used for the benefit of the Member State concerned.
14. Without prejudice to paragraph 13 of this Article, in the digital sector, resources allocated to Member States under shared management may, at the request of those Member States, be transferred to the CEF, including for the purpose of complementing the funding of eligible actions under Article 9(4) of this Regulation, up to 100 % of the total eligible cost, without prejudice to the co-financing principle laid down 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.

⁺ OJ: Please insert in the text the number of the Regulation contained in document st06674/21 (2018/0196 (COD)).

Article 5

Third countries associated to the CEF

1. The CEF shall be open to the participation of the following third countries:
 - (a) members of the European Free Trade Association which are members of the EEA, in accordance with the conditions laid down in the EEA Agreement;
 - (b) acceding countries, candidate countries and potential candidates, 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 Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (c) European Neighbourhood Policy countries, 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 Council decisions or in 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;
 - (iii) does not confer on the third country any decision-making power in respect of the Union programme;
 - (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests;
 - (v) provides for reciprocity in accessing similar programmes in the third country participating in the Union programmes.

The contributions referred to in point (d)(ii) of the first subparagraph shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

2. Without prejudice to Article 8 of Regulation (EU) No 1315/2013, the third countries referred to in paragraph 1 of this Article, and entities established in those 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 or a project in accordance with Article 7(1) of this Regulation and under the conditions set in the work programmes referred to in Article 20 of this Regulation.

Article 6

Implementation and forms of Union funding

1. The CEF shall be implemented in direct management in accordance with the Financial Regulation or in indirect management by bodies referred to in Article 62(1), first subparagraph, point (c), of the Financial Regulation.
2. The CEF 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 Regulation (EU) 2021/523 of the European Parliament and of the Council¹ and Title X of the Financial Regulation. The Union contribution to blending operations in the transport sector shall not exceed 10 % of the budgetary amount indicated in Article 4(2), point (a)(i), of this Regulation. In the transport sector, blending operations may be used for actions relating to smart, interoperable, sustainable, inclusive, accessible, safe and secure mobility as referred to in Article 9(2), point (b), of this Regulation.

¹ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

3. The Commission may delegate power to implement part of the CEF to executive agencies in accordance with Article 69 of the Financial Regulation, with a view to fulfilling the optimum management and efficiency requirements of the CEF 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 to be a sufficient guarantee under the Financial Regulation. Article 33(7) of Regulation (EU) 2021/695 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, to completing the internal energy market and to enhancing the security of supply. Those projects shall be included in a cooperation agreement or in any other kind of arrangement between two or more Member States or arrangements between one or more Member States and one or more third countries as set out in Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001. Those projects shall meet the objectives, the general criteria and the procedure laid down in Part IV of the Annex to this Regulation.

2. By 31 December 2021, the Commission shall adopt delegated acts in accordance with Article 26 laying down, without prejudice to the award criteria set out in Article 14, specific selection criteria and the details of the process for selecting the projects. The Commission shall publish the methodologies for assessing the contribution of the project to the general criteria and for producing the cost-benefit analysis specified in Part IV of the Annex.
3. Studies that aim to develop and identify 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 are eligible for Union funding for works if they meet the following additional criteria:
 - (a) the project specific cost-benefit analysis pursuant to Part IV, point 3, of the Annex is compulsory for all supported projects and takes into account any revenues resulting from support schemes, has been performed in a transparent, comprehensive and complete manner and provides evidence concerning the existence of significant cost savings or benefits, or both, 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.

5. The amount of the grant for works shall:
 - (a) be proportionate to the cost savings or benefits referred to in Part IV, point 2(b), of the Annex, or both;
 - (b) not exceed the amount required to ensure that the project materialises or becomes commercially viable; and
 - (c) comply with Article 15(3).
6. The CEF 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 co-funding with the Union renewable energy financing mechanism referred to in Article 33 of Regulation (EU) 2018/1999.
7. The Commission shall regularly assess the uptake of funds for cross-border projects in the field of renewable energy against the reference amount set out in Article 4(2), point (b), of this Regulation. Following that assessment, in the absence of sufficient market uptake of funds for cross-border projects in the field of renewable energy, the unused budget envisaged for those projects shall be used to meet the objectives of the trans-European energy networks set out in Article 3(2), point (b)(i), of this Regulation for eligible actions referred in Article 9(3) point (a), of this Regulation and, from 2024, may also be used to co-fund the Union renewable energy financing mechanism established under Regulation (EU) 2018/1999.

8. The Commission shall adopt an implementing act, laying down specific rules on co-funding between the parts on cross-border projects in the field of renewable energy under the CEF and the Union renewable energy financing mechanism established under Article 33 of Regulation (EU) 2018/1999. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 24(2) of this Regulation.

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 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 Union's Digital Single Market.
2. Projects of common interest in the area of digital connectivity infrastructure shall meet the following criteria:
 - (a) the project contributes to the specific objective provided for in Article 3(2), point (c);
and
 - (b) the project deploys the best available and best suited technology for that specific project, which proposes the best balance in terms of data flow capacity, transmission security, network resilience, cyber security and cost efficiency.

3. Studies that aim to develop and identify projects of common interest in the area of digital connectivity infrastructure shall be eligible for funding under this Regulation.
4. Without prejudice to the award criteria laid down in Article 14, 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 systems and other state-of-the-art connectivity, in accordance with Union strategic connectivity targets in areas where socio-economic drivers are located shall be prioritised, taking into account the connectivity needs of those areas and the additional area coverage generated, including for households, in accordance with Part V, point 1, of the Annex; stand-alone deployments to socio-economic drivers shall be eligible for funding, provided that those deployments are economically proportionate and physically practicable;
 - (b) actions contributing to the provision of very high-quality local wireless connectivity in local communities shall be prioritised in accordance with Part V, point 2, of the Annex;

- (c) actions contributing to the deployment of 5G corridors along major transport paths, including on the TEN-T, such as those listed in Part V, point 3, of the Annex, shall be prioritised to ensure coverage along those 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;
- (d) projects of common interest which aim to deploy or significantly upgrade cross-border backbone networks linking the Union to third countries and to reinforce 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;
- (e) projects of common interest deploying operational digital platforms shall prioritise actions based on state-of-the-art technologies, taking into account aspects such as interoperability, cybersecurity, data privacy and re-use.

CHAPTER II

ELIGIBILITY

Article 9

Eligible actions

1. Only actions which contribute to the achievement of the objectives referred to in Article 3, whilst taking into account long-term decarbonisation commitments, shall be eligible for funding. Such actions include studies, works and other accompanying measures necessary for the management and implementation of the CEF and the sector-specific guidelines. Studies shall be eligible only if they relate to projects eligible under the CEF.

2. In the transport sector, only the following actions shall be eligible to receive Union financial support 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 in 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 optimise the investment and according to modalities specified in the work programmes referred to in Article 20 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, point 2, of the Annex to this Regulation, actions referred to in Part III, point 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;
- (iii) actions to re-establish missing regional cross-border rail connections on the TEN-T that have been abandoned or dismantled;
- (iv) 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 in Annex II to Regulation (EU) No 1315/2013;
- (v) 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 modes of transport, including in particular:
 - for railways: ERTMS,
 - for inland waterways: River Information Services (RIS),
 - for road transport: Intelligent Transport Systems (ITS),
 - for maritime transport: Vessel Traffic Monitoring and Information Systems (VTMIS) 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 Single European Sky ATM Research (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 barriers to interoperability as defined in Article 3, point (o), of Regulation (EU) No 1315/2013, notably barriers when delivering corridor/network effects, including actions promoting an increase in rail freight traffic and automatic gauge-change facilities;
- (vi) actions to remove barriers to interoperability, in particular in urban nodes within the meaning of Article 30 of Regulation (EU) No 1315/2013;
- (vii) actions implementing safe and secure infrastructure and mobility, including road safety, in accordance with Article 34 of Regulation (EU) No 1315/2013;
- (viii) actions improving transport infrastructure resilience, in particular its resilience to climate change and natural disasters and to cyber security threats;

- (ix) 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;
 - (x) 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), point (a)(ii), and in accordance with Article 12, actions or specific activities within an action, supporting parts, new or existing, of the TEN-T suitable for military transport, in order to adapt the TEN-T to dual-use infrastructure requirements.
3. In the energy sector, only the following actions shall be eligible to receive Union financial support 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, subject to the fulfilment of the conditions laid down in Article 7.

4. In the digital sector, only the following actions shall be eligible to receive Union financial support 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 socio-economic 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 the uninterrupted coverage with 5G systems of all major transport paths, including the TEN-T, such as the actions listed in Part V, point 3, of the Annex;
- (d) actions supporting the deployment of new or the significant upgrading of existing backbone networks including submarine cables, within and between Member States and between the Union and third countries, such as the actions listed in Part V, point 3, of the Annex, as well as other actions supporting the deployment of backbone networks referred to in that point;
- (e) actions implementing digital connectivity infrastructure requirements related to cross-border projects in the areas of transport or energy or supporting operational digital platforms directly associated to transport or energy infrastructures, or both.

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), points (a), (b) and (c), shall be eligible to receive Union financial support under this Regulation and to benefit from a higher co-funding rate, in accordance with Article 15. Such actions shall be implemented through work programmes addressing at least two sectors and including specific award criteria, and shall be 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 to any of the other sectors, which are not related to eligible actions provided for in Article 9(2), (3) or (4) respectively, provided that they comply with all of the following requirements:
 - (a) the cost of the synergetic elements does not exceed 20 % of the total eligible costs of the action;
 - (b) the synergetic elements relate to the transport, energy or digital sector; and
 - (c) the synergetic elements enable the socio-economic, climate or environmental benefits of the action to be significantly improved.

Article 11
Eligible entities

1. As regards entities, 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 shall be eligible:
 - (a) legal entities established in:
 - (i) a Member State including joint ventures;
 - (ii) a third country associated to the CEF; or
 - (iii) an overseas country or territory;
 - (b) legal entities created under Union law and, if provided for in the work programmes, international organisations.
3. Natural persons shall not be eligible.

4. The work programmes may provide that legal entities established in third countries associated to the CEF in accordance with Article 5, and legal entities established in the Union but directly or indirectly controlled by third countries or nationals of third countries or by entities established in third countries, are not eligible to participate in all or some of the actions under the specific objectives set out in Article 3(2), point (c), for duly justified security reasons. In such cases, calls for proposals and calls for tenders shall be restricted to entities established, or deemed to be established, in Member States and directly or indirectly controlled by Member States or by nationals of Member States.
5. Legal entities established in a third country which is not associated to the CEF shall exceptionally be eligible to receive Union financial support under the CEF where this is indispensable for the achievement of the objectives of a given project of common interest in the transport, energy and digital sectors or of a cross-border project in the field of renewable energy.
6. To be eligible, proposals shall be submitted:
 - (a) by one or more Member States; or
 - (b) with the agreement of the Member States concerned, by international organisations, joint undertakings, or by public or private undertakings or bodies, including regional or local authorities.

If the Member State concerned does not agree with a submission under point (b) of the first subparagraph, it shall communicate that information accordingly.

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

Article 12

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

1. Actions contributing to the adaptation of the TEN-T core network or comprehensive network as defined by Regulation (EU) No 1315/2013, with the purpose of enabling civilian-defence dual use of the infrastructure, shall be subject to the following additional eligibility rules:
 - (a) the 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 2018, or any subsequent list adopted thereafter, and to any further indicative list of priority projects that are identified by Member States in accordance with the Military Mobility Action Plan;
- (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 referred to in paragraph 2 of this Article;
- (d) actions implementing a level of infrastructure requirement going beyond the level required for dual use shall be 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(2), point (a)(iii), of this Regulation.

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 dual-use infrastructure actions. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 24(2).

3. Following the interim evaluation of the CEF provided for in Article 23(2), the Commission may propose to the budgetary authority that it transfer the money that has not been committed from Article 4(2), point (a)(iii), to Article 4(2), point (a)(i).

CHAPTER III

GRANTS

Article 13

Grants

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

Article 14

Award criteria

1. Transparent award criteria shall be laid down in the work programmes referred to in Article 20 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 for persons with reduced mobility;
- (c) cross-border dimension, network integration and territorial accessibility, including for European islands and outermost regions;
- (d) Union added value;
- (e) synergies between the transport, energy and digital sectors;
- (f) maturity of the action in the light of the development of the project;
- (g) soundness of the maintenance strategy proposed for the project upon completion;
- (h) soundness of the implementation plan proposed;
- (i) catalytic effect of Union financial support on investment;
- (j) need to overcome financial obstacles such as those caused by insufficient commercial viability, high upfront costs or the lack of market finance;
- (k) potential for dual use in the context of military mobility;
- (l) 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, where relevant, as specified in the work programmes, ensure that actions supported by the CEF that include PNT technology are technically compatible with Galileo and EGNOS programmes and with the Copernicus programme.
4. As regards actions relating to the transport sector, the assessment of proposals against the award criteria 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 that they take into account the consultative opinion of the responsible European Coordinator pursuant to Article 45(8) thereof. The assessment shall also consider 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 those risks have been mitigated.
5. As regards actions relating to cross-border projects in the field of renewable energy, the award criteria shall take into account the conditions laid down in Article 7(4).
6. As regards actions relating to projects of common interest in the field of digital connectivity, the award criteria set out in the work programmes and the calls for proposals shall take into account the criteria laid down in Article 8(4).

Article 15
Co-financing rates

1. For studies, the amount of Union financial support 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, point (c).
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), point (a)(i), the amount of Union financial support shall not exceed 30 % of the total eligible cost; however, the co-financing rates may be increased to a maximum of 50 % for the actions:
 - (i) relating to cross-border links under the conditions specified in point (e) of this paragraph;
 - (ii) supporting telematic applications systems;
 - (iii) supporting inland waterways or railway interoperability;
 - (iv) supporting new technologies and innovation;

- (v) supporting improvements in infrastructure for safety; and
 - (vi) adapting the transport infrastructure for Union external border checks purposes, in accordance with relevant Union law;
- (b) for works relating to the specific objectives referred to in Article 3(2), point (a)(ii), the amount of Union financial support shall not exceed 50 % of the total eligible cost; however, the co-financing rates may be increased to a maximum of 85 % if the necessary resources are transferred to the CEF pursuant to Article 4(13);
- (c) as regards the amounts transferred from the Cohesion Fund, the maximum co-financing rates shall not exceed 85 % of the total eligible costs;
- (d) as regards the amounts from the European Strategic Investment heading of EUR 1 559 800 000, as referred to in Part II, first paragraph, first indent, of the Annex, for the completion of missing major cross-border railway links between Member States eligible for funding from the Cohesion Fund, the maximum co-financing rates shall not exceed 85 % of the total eligible costs;

(e) as regards actions relating to cross-border links, the increased maximum co-financing rates provided for in points (a), (c) and (d) of this paragraph 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 14(1), point (c), for instance through the establishment of a single project company, a joint governance structure, a bilateral legal framework or by 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 Article 11(2), point (a), 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), point(b), the amount of Union financial support shall not exceed 50 % of the total eligible cost;
- (b) the co-financing rates may be increased to a maximum of 75 % of the total eligible cost 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 offer 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), point (c), the amount of Union financial support shall not exceed 30 % of the total eligible cost.

The co-financing rates may be increased:

- (a) 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
- (b) up to 75 % for actions implementing the Gigabit connectivity of socio-economic drivers.

Actions providing local wireless connectivity in local communities, when implemented via low value grants, may be funded by Union financial support 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 those actions may be increased by 10 %.
6. In each of the transport, energy and digital sectors, as regards works undertaken in outermost regions, a specific maximum co-funding rate of 70 % shall apply.

Article 16
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 is 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(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 is eligible up to its entirety;
- (c) expenditure related to the purchase of land is not an eligible cost, except for funds transferred from the Cohesion Fund in the transport sector in accordance with Article 64 of Regulation (EU) 2021/...⁺;
- (d) eligible costs shall not include value added tax.

⁺ OJ: Please insert in the text the number of the Regulation contained in document st06674/21 (2018/0196 (COD)).

Article 17

Combination of grants with other sources of financing

1. Grants may be used in 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 18

Reduction or termination of the grants

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation, the amount of the grant may, except in duly justified cases, be reduced on the following grounds:
 - (a) for studies, the action has not started within one year following the starting date indicated in the grant agreement;
 - (b) for works, the action has not started within two years following the starting date indicated in the grant agreement;

- (c) 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 unlikely 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 given the possibility to submit their observations within a reasonable time-frame.
 4. Available commitment appropriations resulting from the application of paragraph 1 or 2 of this Article shall be distributed to other work programmes proposed under the corresponding financial envelope set out in Article 4(2).

Article 19

Cumulative and alternative funding

1. An action that has received a contribution under the CEF may also receive a contribution from another Union programme, including Funds under shared management, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative funding shall not exceed the total eligible costs of the action. 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. The Seal of Excellence label shall be awarded to actions which comply with the following cumulative conditions:

- (a) they have been assessed in a call for proposals under the CEF;
- (b) they comply with the minimum quality requirements of that call for proposals;
- (c) they cannot be financed under that call for proposals due to budgetary constraints.

It shall be possible for actions that have been awarded a Seal of Excellence label in accordance with the first subparagraph to receive support from the ERDF in accordance with Article 67(5) of Regulation (EU) 2021/...⁺ or from the Cohesion Fund, without any further assessment, and provided that such actions are consistent with the objectives and rules of the Fund concerned.

⁺ OJ: Please insert in the text the number of the Regulation contained in document st06674/21 (2018/0196 (COD)).

CHAPTER IV

PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 20

Work programmes

1. The CEF shall be implemented by work programmes referred to in Article 110 of the Financial Regulation.
2. In order to provide transparency and predictability and to enhance the quality of the projects, the Commission shall adopt by ... [three months after the date of entry into force of this Regulation] the first multiannual work programmes. Those first multiannual work programmes shall include the timetable of the calls for proposals for the first three years of the CEF, their topics and indicative budget as well as a prospective framework covering the entire programming period.
3. The work programmes shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).

4. When adopting work programmes in the energy sector, the Commission shall give particular consideration to projects of common interest and related actions that aim to further integrate the internal market for energy, ending energy isolation and eliminating electricity interconnection bottlenecks, with an emphasis on those projects contributing to the achievement of the interconnection target of at least 10 % by 2020 and 15 % by 2030, as well as to projects contributing to synchronisation of electricity systems with Union networks.
5. In accordance with Article 200(2) of the Financial Regulation, 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 21

Granting of Union financial support

1. Following every call for proposals based on the work programmes referred to in Article 20, the Commission shall adopt an implementing act setting the amount of financial support to be granted to the projects selected or to parts thereof and specifying the conditions and methods for their implementation. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 24(2).
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 22

Monitoring and reporting

1. Indicators to report on the progress of the CEF towards the achievement of the general and specific objectives laid down in Article 3 are set out in Part I of the Annex.

2. To ensure effective assessment of the CEF's progress towards the achievement of its objectives, the Commission is empowered to adopt delegated acts, in accordance with Article 26, to amend Part I of the Annex with regard to the indicators where considered necessary as well as 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 the implementation and the results of the CEF are suitable for an in-depth analysis of the progress achieved, including for climate tracking, and that they are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where appropriate, on Member States.
4. The Commission shall improve the dedicated internet site, by publishing, in real time, a map with the projects that are being implemented, together with relevant information, including impact assessments and the value, beneficiary, implementing entity and state of play of the project. The Commission shall also present progress reports every two years. Those progress reports shall include the information on the implementation of the CEF, in accordance with the general and specific objectives laid down in Article 3, clarifying whether the different sectors are on track, whether the total budgetary commitment is in line with the total amount allocated, whether the on-going projects are sufficiently complete, and whether it is still feasible and appropriate deliver them.

Article 23
Evaluation

1. Evaluations shall be carried out in a timely manner so that their results can be fed into the decision-making process.
2. An interim evaluation of the CEF shall be carried out once there is sufficient information available about the implementation of the CEF, but no later than four years after the start of implementation of the CEF.
3. At the end of the implementation of the CEF, but no later than four years after the end of the period specified in Article 1, the Commission shall carry out a final evaluation of the CEF.
4. The Commission shall submit 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 24
Committee procedure

1. The Commission shall be assisted by the CEF Coordination Committee, which may meet in different formations depending on the respective topic. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 25

Delegated acts

1. The Commission is empowered to adopt delegated acts in accordance with Article 26, supplementing this Regulation by:
- (a) establishing a monitoring and evaluation framework based on the indicators as set out in Part I of the Annex;
 - (b) laying down rules regarding the selection of cross-border projects in the field of renewable energy additional to those in Part IV of the Annex, and establishing and updating a list of selected cross-border projects in the field of renewable energy.
2. Subject to Article 172, second subparagraph, TFEU, the Commission is empowered to adopt delegated acts in accordance with Article 26 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 26
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 22(2) and Article 25 shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in Article 7(2), Article 22(2) and Article 25 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 of 13 April 2016 on Better Law-Making.
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 7(2), Article 22(2) and Article 25 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 27

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin of those funds 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 CEF, to actions taken pursuant to the CEF and to the results obtained. Financial resources allocated to the CEF shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities 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 law.

Article 28

Protection of the financial interest of the Union

Where a third country participates in the CEF by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise 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, as provided for in Regulation (EU, Euratom) No 883/2013.

CHAPTER V

TRANSITIONAL AND FINAL PROVISIONS

Article 29

Repeal and transitional provisions

1. Regulations (EU) No 1316/2013 and (EU) No 283/2014 are repealed.

2. Without prejudice to paragraph 1, this Regulation shall not affect the continuation of or modification of actions initiated pursuant to Regulation (EU) No 1316/2013, which shall continue to apply to those actions until their closure.
3. The financial envelope for the CEF may also cover the technical and administrative assistance expenses necessary to ensure the transition between the CEF and the measures adopted pursuant to Regulation (EU) No 1316/2013.
4. If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the expenses provided for in Article 4(5), to enable the management of actions not completed by 31 December 2027, in accordance with this Regulation.

Article 30
Entry into force

This Regulation shall enter into force on the day 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 ...,

For the European Parliament
The President

For the Council
The President

ANNEX

PART I INDICATORS

The CEF 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 CEF 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	Key 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 the CEF (including actions relating to urban nodes, regional cross-border rail connections, multimodal logistics platforms, maritime ports, inland ports, connections to airports and rail-road terminals of the TEN-T core network and comprehensive network)
		Number of actions supported by the CEF 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 the CEF

Sectors	Specific Objectives	Key Indicators
		Number of actions supported by the CEF contributing to the safety of transport
		Number of actions supported by the CEF contributing to transport accessibility for persons with reduced mobility
		Number of actions supported by the CEF contributing to the reduction in rail freight noise
	Adaptation for the dual-use of transport infrastructure	Number of transport infrastructure components adapted to dual-use requirements
Energy	Contribution to interconnectivity and integration of markets	Number of actions supported by the CEF contributing to projects interconnecting MS networks and removing internal constraints
	Security of supply	Number of actions supported by the CEF contributing to projects ensuring resilient gas network
		Number of actions supported by the CEF contributing to the smartening and digitalisation of grids and increasing energy storage capacity
	Sustainable development through enabling decarbonisation	Number of actions supported by the CEF contributing to projects enabling increased penetration of renewable energy in energy systems
		Number of actions supported by the CEF contributing to cross-border cooperation in the field of renewable energy

Sectors	Specific Objectives	Key Indicators
Digital	Contribution to the deployment of digital connectivity infrastructure throughout the Union	New connections to very high capacity networks for socio-economic drivers and very high-quality connections for local communities
		Number of actions supported by the CEF enabling 5G coverage along major transport paths
		Number of actions supported by the CEF enabling new connections to very high capacity networks
		Number of actions supported by the CEF 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(2), point (a)(i), shall be distributed as follows:

- 60 % for the actions listed in Article 9(2), point (a): “Actions relating to efficient, interconnected, interoperable and multimodal networks” out of which EUR 1 559 800 000¹ to be allocated, in priority and on a competitive basis, to the completion of missing major cross-border railway links between Member States eligible for funding from the Cohesion Fund;

¹ EUR 1 384 000 000 in 2018 prices.

- 40 % for the actions listed in Article 9(2), point (b): “Actions relating to smart, interoperable, sustainable, multimodal, inclusive, accessible, safe and secure mobility”.

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

- 85 % for the actions listed in Article 9(2), point (a): “Actions relating to efficient, interconnected, interoperable and multimodal networks”;
- 15 % for the actions listed in Article 9(2), point (b): “Actions relating to smart, interoperable, sustainable, multimodal, inclusive, accessible, safe and secure mobility”.

For the actions listed in Article 9(2), point (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

1. 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 Sionainn Faing or Shannon Foynes/Baile Átha Cliath or Dublin/Corcaigh or Cork – Le Havre – Rouen – Paris Aveiro – Valladolid – Vitoria-Gasteiz – Bergara – Bilbao/Bordeaux – Toulouse/Tours – Paris – Metz – Mannheim/Strasbourg Sionainn Faing or Shannon Foynes/Baile Átha Cliath or Dublin/ Corcaigh or Cork – Saint Nazaire – Nantes – Tours – Dijon	
Cross-border links	Évora – Mérida	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/Sławków Gdańsk – Warszawa – Katowice/Kraków Katowice – Ostrava – Brno – Wien Szczecin/Świnoujście – Poznań – Wrocław – Ostrava Katowice – Bielsko-Biała – 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 – Divača – Ljubljana	Rail
	Katowice – Žilina Brno – Wien	Road
Missing links	Gloggnitz – Mürzzuschlag: Semmering base tunnel Graz – Klagenfurt: Koralm railway line and tunnel Koper – Divača	

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 – Narbonne - Toulouse/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 – Rīga Ventspils – Rīga Rīga – 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 and 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	
	Nord-Ostsee-Kanal	Inland waterways
	Berlin – Magdeburg – Hannover; Mittellandkanal; western German canals	
	Rhine, Waal	
	Noordzeekanaal, IJssel, Twentekanaal	

Core network corridor “North Sea – Mediterranean		
Alignment	UK border – Baile Átha Cliath or Dublin – Sionainn Faing or Shannon Foynes/Corcaigh or Cork Sionainn Faing or Shannon Foynes/Baile Átha Cliath or Dublin/Corcaigh or Cork – Le Havre/Calais/Dunkerque/Zeebrugge/Terneuzen/Gent/Antwerpen/Rotterdam/Amsterdam UK border – Lille – Brussel or Bruxelles Amsterdam – Rotterdam – Antwerpen – Brussel or 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 or Bruxelles – Luxembourg – Strasbourg	Rail
	Terneuzen – Gent	Inland waterways
	Seine – Scheldt Network and the related Seine, Scheldt and Meuse river basins	
	Rhine-Scheldt corridor	
Missing links	Albertkanaal/Canal Albert and Kanaal Bocholt-Herentals	Inland waterways

Core network corridor “Orient/East-Med”		
Alignment	<p>Hamburg – Berlin</p> <p>Rostock – Berlin – Dresden</p> <p>Bremerhaven/Wilhelmshaven – Magdeburg – Dresden</p> <p>Dresden – Ústí nad Labem – Mělník/Praha – Lysá nad Labem/Poříčany – Kolín</p> <p>Kolín – Pardubice – Brno – Wien/Bratislava – Budapest – Arad – Timișoara – Craiova – Calafat – Vidin – Sofia</p> <p>Sofia – RS border/MK border</p> <p>Sofia – Plovdiv – Burgas/TR border</p> <p>TR border – Alexandroupoli – Kavala – Thessaloniki – Ioannina – Kakavia/Igoumenitsa</p> <p>MK border – Thessaloniki</p> <p>Sofia – Thessaloniki – Athina – Piraeus/Ikonio – Irakleio – Lemesos (Vasiliko) – Lefkosia/Larnaka</p> <p>Athina – Patra/Igoumenitsa</p>	
Cross-border links	Dresden – Praha/Kolín	Rail
	Wien/Bratislava – Budapest	
	Békéscsaba – Arad – Timișoara	
	Craiova – Calafat – Vidin – Sofia – Thessaloniki	
	Sofia – RS border/MK border	
	TR border – Alexandroupoli	
	MK border – Thessaloniki	
	Ioannina – Kakavia (AL border)	Road
	Drobeta Turnu Severin/Craiova – Vidin – Montana	
	Sofia – RS border	
Hamburg – Dresden – Praha – Pardubice	Inland waterways	
Missing links	<p>Igoumenitsa – Ioannina</p> <p>Praha – Brno</p> <p>Thessaloniki – Kavala – Alexandroupoli</p> <p>Timișoara – Craiova</p>	Rail

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 – Brussel or Bruxelles – Gent Liège – Antwerpen – Gent – Zeebrugge	
Cross-border links	Zevenaar – Emmerich – Oberhausen	Rail
	Karlsruhe – Basel	
	Milano/Novara – CH border	Inland waterways
	Basel – Antwerpen/Rotterdam – Amsterdam	
Missing links	Genova – Tortona/Novi Ligure	Rail
	Zeebrugge – Gent	

Core network corridor “Rhine – Danube”		
Alignment	<p>Strasbourg – Stuttgart – München – Wels/Linz</p> <p>Strasbourg – Mannheim – Frankfurt am Main – Würzburg – Nürnberg – Regensburg – Passau – Wels/Linz</p> <p>München/Nürnberg – Praha – Ostrava/Přerov – Žilina – Košice – UA border</p> <p>Wels/Linz – Wien – Bratislava – Budapest – Vukovar</p> <p>Wien/Bratislava – Budapest – Arad – Moravita/Braşov/Craiova – Bucureşti – Giurgiu/Constanta – Sulina</p>	
Cross-border links	München – Praha	Rail
	Nürnberg – Plzeň	
	München – Mühldorf – Freilassing - Salzburg	
	Strasbourg – Kehl Appenweier	
	Hranice – Žilina	
	Košice – UA border	
	Wien – Bratislava/Budapest	Rail
	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	
Missing links	Stuttgart – Ulm	Rail
	Salzburg – Linz	
	Craiova – Bucureşti	
	Arad - Sighișoara – Braşov- Predeal	

Core network corridor “Scandinavian – Mediterranean”		
Alignment	<p>RU border – Hamina/Kotka – Helsinki – Turku/Naantali – Stockholm – Örebro(Hallsberg)/Linköping – Malmö</p> <p>Narvik/Oulu – Luleå – Umeå – Stockholm/Örebro (Hallsberg)</p> <p>Oslo – Göteborg – Malmö – Trelleborg</p> <p>Malmö – København – Fredericia – Aarhus – Aalborg - Hirtshals/Frederikshavn</p> <p>København – Kolding/Lübeck – Hamburg – Hannover</p> <p>Bremerhaven – Bremen – Hannover – Nürnberg</p> <p>Rostock – Berlin – Halle/Leipzig – Erfurt - München</p> <p>Nürnberg – München – Innsbruck – Verona – Bologna – Ancona/Firenze</p> <p>Livorno/La Spezia – Firenze – Roma – Napoli – Bari – Taranto – Valletta/Marsaxlokk</p> <p>Cagliari – Napoli – Gioia Tauro – Palermo/Augusta – Valletta/Marsaxlokk</p>	
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 in Article 9(2), point (a)(ii), include notably the following sections:

Baile Átha Cliath or 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
Praha – 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 (BA 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

SELECTION 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 cross-border cooperation between Member States in the field of planning, development and the 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) the project shall be included in a cooperation agreement or any other kind of arrangement between two or more Member States or between one or more Member States and one or more third countries as set out in Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001;

- (b) the project shall provide cost savings in the deployment of renewable energy or benefits for system integration, security of supply or innovation, or both, 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 of this Part and applying the methodologies referred to in Article 7(2) of this Regulation.

3. Cost-benefit analysis

- (a) energy generation costs;
- (b) system integration costs;
- (c) support costs;
- (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. Procedure

- (a) Promoters, including Member States, of a project that is 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 two or more Member States or between one or more Member States and one or more third countries as set out in Articles 8, 9, 11 and 13 of Directive (EU) 2018/2001 and that seeks to obtain the status of cross-border project in the field of renewable energy, shall submit an application for selection as a cross-border project 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 of this Part, in line with the methodologies referred to in Article 7(2) of this Regulation.

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

- (b) The Commission shall set up and chair a group for cross-border-projects in the field of renewable energy, composed of one representative of each Member State and one from the Commission. The group shall adopt its own rules of procedure.
- (c) At least once a year, the Commission shall organise the process for selection as cross-border projects. Following the evaluation of the projects, the Commission shall submit to the group referred to in point (b) of this point a list of eligible projects in the field of renewable energy that comply with the criteria set out in Article 7 and in point (d) of this point.

- (d) The group referred to in point (b) shall be given relevant information, unless commercially sensitive, on the eligible projects included in the list submitted by the Commission regarding the following criteria:
 - (i) a confirmation of the compliance with the eligibility and selection criteria for all projects;
 - (ii) information on the cooperation mechanism that a project pertains to and information regarding the extent to which a project has the support of one or several Member States;
 - (iii) 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 the total project costs and eligible costs referred, in euro;
 - (iv) information on the expected Union added value in accordance with point 2, (b), of this Part and on the expected costs and benefits and the expected Union added value in accordance with point 2, (c), of this Part.
- (e) The group may invite to its meetings, as appropriate, promoters of eligible projects, representatives of third countries involved in eligible projects and any other relevant stakeholders.
- (f) On the basis of the evaluation results, the group shall agree on a draft list of cross-border projects in the field of renewable energy, to be adopted in accordance with point (g).

- (g) 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 point (f) and taking into account point (i). The Commission shall also publish on its website the list of selected cross-border projects in the field of renewable energy. That list shall be reviewed as necessary and at least every two years.
- (h) 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.
- (i) The Commission shall, when selecting the cross-border projects in the field of renewable energy, aim to ensure an appropriate geographical balance in the selection of such projects. Regional groupings may be used for the selection of projects.
- (j) A project shall not be selected as a cross-border project in the field of renewable energy, or, if selected, shall have such status withdrawn, if information which was a determining factor in the evaluation, was incorrect, or if the project does not comply with Union law.

PART V

DIGITAL CONNECTIVITY INFRASTRUCTURE PROJECTS OF COMMON INTEREST

1. Gigabit connectivity, including 5G systems and other state-of-the-art connectivity, for 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 in terms of households. The available budget shall be allocated in a geographically balanced manner across Member States.

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

- (a) hospitals and medical centres, in line with the efforts to digitalise the healthcare system, with a view to increasing the well-being of Union citizens and changing the way health and care services are delivered to patients;
- (b) education and research centres, in the context of the efforts to facilitate the use inter alia of 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 efficiency;
- (c) uninterrupted 5G wireless broadband coverage to all urban areas by 2025.

2. Wireless connectivity in local communities

Actions that aim to provide local wireless connectivity 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 fulfil the following conditions in order to receive funding:

- (a) they are implemented by a public sector body as referred to in the second paragraph, 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;
- (b) they build on very high capacity digital networks enabling the delivery of very high-quality internet experience to users that:
 - (i) is free of charge and without discriminatory conditions, easy to access, secured and uses most recent and best available equipment, and is capable of delivering high-speed connectivity to its users; and
 - (ii) supports widespread and non-discriminatory access to innovative digital services;
- (c) they use the common visual identity to be provided by the Commission and link to the associated multi-lingual online tools;

- (d) in view of achieving synergies and increasing capacity and improving user experience, they facilitate the deployment of 5G ready small-area wireless access points, as defined in Directive (EU) 2018/1972; and
- (e) they 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.

Union financial support shall be available to public sector bodies as defined in Article 3, point (1), of Directive (EU) 2016/2102 of the European Parliament and of the Council¹ 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.

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 the actions supported by the CEF that promote access of socio-economic drivers to very high capacity networks capable of providing Gigabit connectivity, including 5G systems and other state-of-the-art connectivity.

¹ 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).

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 2025, actions implementing uninterrupted coverage with 5G systems pursuant to Article 9(4), point (c), include, as a first step, actions on the cross-border sections for connected automated mobility (CAM) 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 corridors¹.

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), point (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.

¹ Sections in italics are located outside of the TEN-T core network corridors but included in the 5G corridors.

Core network corridor “Atlantic”	
Cross-border sections for CAM experimentation	Porto - Vigo
	Mérida - Évora
	Paris - Amsterdam - Frankfurt am Main
	Aveiro – Salamanca
	San Sebastián - Biarritz
More extensive section for larger scale deployment of CAM	Metz – Paris - Bordeaux – Bilbao – Vigo – Porto – Lisboa
	Bilbao – Madrid – Lisboa
	Madrid - Mérida - Sevilla - Tarifa
Deployment of backbone networks, including with submarine cables	Açores/Madeira Islands - Lisboa
Core network corridor “Baltic – Adriatic”	
Cross-border sections for CAM experimentation	
More extensive section for larger scale deployment of CAM	Gdańsk – Warszawa – Brno – Wien – 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 – Split – Dubrovnik
	Ljubljana – Zagreb – Slavonski Brod – Bajakovo (RS border)
	Slavonski Brod – Đakovo – Osijek
	Montpellier – Narbonne – Perpignan – Barcelona – Valencia – Málaga – Tarifa with an extension to Narbonne – Toulouse
Deployment of backbone networks, including with submarine cables	Submarine cable networks Lisboa – Marseille – Milano

Core network corridor “North Sea – Baltic”	
Cross-border sections for CAM experimentation	Warszawa – Kaunas – Vilnius
	Kaunas – Klaipėda
More extensive section for larger scale deployment of CAM	Tallinn - Rīga - Kaunas - LT/PL border - Warszawa
	BY/LT border - Vilnius - Kaunas - Klaipėda
	Via Carpathia: Klaipėda - Kaunas – Ełk - Białystok - Lublin - Rzeszów – Barwinek – Košice
Core network corridor “North Sea – Mediterranean”	
Cross-border sections for CAM experimentation	Metz – Merzig – Luxembourg
	Rotterdam – Antwerp – Eindhoven
More extensive section for larger scale deployment of CAM	Amsterdam – Rotterdam – Breda – Lille – Paris
	Brussel or Bruxelles – Metz – Basel
	Mulhouse – Lyon – Marseille
Core network corridor “Orient/East-Med”	
Cross-border sections for CAM experimentation	Sofia – Thessaloniki – Beograd
More extensive section for larger scale deployment of CAM	Berlin – Praha – Brno – Bratislava – Timișoara – Sofia – TR border
	Bratislava – Košice
	Sofia – Thessaloniki – Athina

Core network corridor “Rhine – Alpine”	
Cross-border sections for CAM experimentation	Bologna – Innsbruck – München (Brenner corridor)
More extensive section for larger scale deployment of CAM	Rotterdam – Oberhausen – Frankfurt am Main
	Basel – Milano – Genova
Core network corridor “Rhine – Danube”	
Cross-border sections for CAM experimentation	
More extensive section for larger scale deployment of CAM	Frankfurt am Main – Passau – Wien – Bratislava – Budapest – Osijek - Vukovar - Bucureşti – Constanta
	Bucureşti – Iasi
	Karlsruhe – München – Salzburg – Wels
	Frankfurt am Main – Strasbourg
Core network corridor “Scandinavian – Mediterranean”	
Cross-border sections for CAM experimentation	Oulu – Tromsø
	Oslo – Stockholm – Helsinki
More extensive section for larger scale deployment of CAM	Turku – Helsinki – RU border
	Oslo – Malmö - København – Hamburg – Würzburg - Nürnberg – München – Rosenheim - Verona - Bologna - Napoli - Catania - Palermo
	Stockholm – Malmö
	Napoli – Bari – Taranto
	Aarhus – Esbjerg – Padborg