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REPORT

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Subject: Preparation of the Council meeting (Transport, Telecommunication and Energy)
on 7 and 8 June 2012
Proposal for a Regulation of the European Parliament and of the Council
establishing the Connecting Europe Facility (first reading)
- *Partial general approach*

I. Introduction

1. On 24 October 2011, the Commission transmitted the above mentioned proposal to the European Parliament and to the Council. The Connecting Europe Facility (hereinafter referred to as the CEF) is part of the package proposed in the context of the next MFF.

2. The CEF lays down the general rules for the granting of Union financial aid in the field of the trans-European transport, energy and telecommunication networks, replacing the existing legal bases. Sectoral policy guidelines (TEN-T Guidelines, TEN-E Guidelines and INFSO Guidelines) determining priorities and complementary measures of implementation were also proposed in each sector.

II. Work within the Council

3. The Danish Presidency established a specific procedure in order to deal with this proposal, with the Budget Committee as responsible for this file. Input was requested from other sectoral Working Parties (on Transport - Intermodal Questions and Networks, on Energy and on Telecommunications and Information Society). The Friends of the Presidency Group is competent for the amounts.
4. The Budget Committee has examined the proposal under the Danish Presidency since February 2012. The above mentioned sectoral Working Parties provided input on sectoral specific issues which were integrated in this report. The Impact Assessment accompanying the CEF Regulation was presented by the Commission on 2 February.
5. The last discussion on the CEF in the Budget Committee took place on 14 May 2012. The changes in the Annex to this report compared to the document examined at that meeting are indicated in **bold** and ~~striketrough~~.

ISSUES OUT OF SCOPE

6. Some budgetary provisions of the CEF relate to the ongoing negotiations on the next MFF and on the new Financial Regulation. Therefore, the Danish Presidency decided to leave them out of the scope of this partial general approach. They appear in the text between square brackets [] and are listed below.

a) Issues discussed at the level of the Friends of the Presidency Group

7. The first issue relates to the amounts allocated in the financial envelope of the CEF (Articles 5 (1) and 5(3)). The percentage of 0.35 % for the ceiling of programme support actions (Article 5(2)) is linked to the global amount of EUR 50 billion.
8. The second issue relates to the EUR 10 billion transferred from the Cohesion Fund, out of the EUR 31.7 billion allocated for the transport sector, to be used under the rules of the CEF exclusively for Member States eligible for Cohesion Fund (Articles 11, 5(1)a, 5(3) and 10(5)). Following discussions at the Budget Committee level, the eligibility of the purchase of land (Article 8(6)) is allowed to the funds transferred from the Cohesion Fund.

b) Issues pending the negotiations on the new Financial Regulation

9. A general reserve was entered on the articles related to the Financial Regulation. The main issue concerns the financial instruments (Articles 14 to 16). Nevertheless, as long as the new Financial Regulation is not adopted, it was decided to include provisions reflecting the Council's position. This regards applicable types of financial instruments (Article 14), the principles and conditions applicable to financial instruments (Article 14a), the annual report on financial instruments (Article 14b), the liability of the Union (Article 15(2b)) and the exit procedure (Article 15(5a)). Moreover, a text on reflows (Article 15(6)) needs to be inserted, pending of the outcome of the negotiations. Finally, the possibility to lay down the main terms, conditions and procedures for each financial instrument in the CEF Annex (Article 14(1)) needs further examination.
10. Other articles covered by this general reserve refer to the choice of financial instruments as an indicator (Article 3(a)), the forms of financial aid (Articles 6(1) and 7(1)), the bodies implementing the CEF (Article 6(2)), the eligibility of VAT (Article 8(7)), the provisions concerning cancellation, reduction, suspension or termination of grants (Article 12) and the annual installments (Article 18).

OUTSTANDING ISSUES

Key issues

a) Delegated acts (Articles 7, 20, 25 and Parts I, II and III of the Annex)

11. The Commission proposed to amend the lists of pre-identified projects and priorities in the sectors of transport, energy and telecommunications enclosed to the CEF Regulation (Parts I, II and III of the Annex) by delegated act, in order to better cope with future market needs.
12. Several Member States questioned Parts I , II and III of the CEF Annex, as the sectoral policy guidelines already included their respective lists of pre-identified projects. Following discussions with the Commission, the possibility to amend the Annex was restricted to the sectors of transport and telecommunications. Part II of the Annex (energy) would not need any amendment in the future in both the CEF and the sectoral Regulation. The Budget Committee decided on 23 April 2012 to keep the three Parts of the Annex (Parts I, II and III) relating to the three sectors in the CEF Regulation.
13. In order to circumscribe the powers delegated to the Commission, Article 20 (delegated acts) was expanded and the missing functional link of Parts II and III of the Annex was respectively added in Articles 7(3) and 7(4). How to establish this functional link with Part III of the Annex (telecommunications) in the CEF Regulation is still subject to further discussions in the Working Party on Telecommunications and Information Society.
14. The Presidency stressed that it was important to maintain the consistency between the different legislative texts (TEN-T Guidelines, TEN-E Guidelines, INFSO Guidelines and the CEF Regulation) and their annexes. So far, the three Working Parties have provided their contributions on Articles 4, 7 and the Annex. The Working Parties on Energy and Telecommunications and Information Society stated that the content of their respective parts in the CEF Annex should be aligned with their finally agreed texts in the Guidelines.

15. The compromise text includes a reference to Article 172 TFEU in Article 20 of the CEF. In addition, it was agreed with the Commission that the alignment of the core network corridors could not be modified in Part I of the Annex (Article 20(c)). Nevertheless, some Member States are still reluctant to empower the Commission to adopt delegated acts, even if its power is circumscribed. The Presidency proposes to keep the possibility to adopt delegated acts concerning the modification of Parts I and III of the Annex.

b) Financing of roads in the transport sector (Articles 2(12), 7(2)(aa), 10(2)(b), 11(3)(b))

16. In its initial proposal, the Commission only envisaged grants for works related to cross-border road sections under the amount transferred from the Cohesion Fund (Article 11(3)(b)).
17. Several Member States requested to broaden the conditions of eligibility through grants applicable to works related to roads. This request concerned Articles 7 (eligibility and conditions for financial assistance), 10 (funding rates as regards grants), 11 (specific calls for funds transferred from the Cohesion Fund) and 2(12) (definition of "bottleneck").
18. Following the input provided by the Working Party on Transport Intermodal Questions and Networks, actions facilitating cross-border traffic flows or removing bottlenecks and contributing to the development of the core network became eligible in the form of grants, up to a ceiling of 5% of the financial envelope allocated to the transport sector (Article 7(2)(aa)).
19. In addition, the Presidency decided to allow the financing through grants of the TEN-T road network in the case of Member States with no rail networks (Article 10(2)(b)(i)). The same exception for Member States with no rail networks was added under Article 11 concerning the funds transferred from the Cohesion Fund.

20. Additional requests not taken on board by the Presidency were the inclusion of the comprehensive TEN-T road network in the case of Member States with no rail networks and the increase of the 5% ceiling of the financial envelope allocated to the transport sector (Article 7(2)(aa)). A third request concerns grants for works for road actions and in particular to address bottlenecks and cross-border sections (Article 10(2)(b)(i)). Other requested exceptions to this Article, not incorporated in the Presidency proposal, relate to other specificities of some Member States (isolated rail networks or no rail freight corridors on their territory). The Presidency proposes to keep the last version of the compromise text as it is.

Other outstanding issues

Apart from the key issues mentioned above, some other issues linked to specific requests or reservations raised by Member States still need to be solved, in particular:

21. Co-financing rates (Article 10). Several Member States expressed that the rates proposed by the Commission for actions funded by grants were, in some cases, low in comparison with the rates of co-financing provided by the Cohesion Fund. Another group of Member States could accept the proposed funding rates, but stated that a 75% of co-financing for some specific actions should be the maximum granted. One Member State preferred to lower the co-financing rates to a maximum of 50%. Following discussions, and as a compromise solution, the Presidency decided to respect the Commission's proposal in the main and to slightly lower the co-financing rate for some energy actions (from 80% to 75%). With the only exception of the Europeana project, the Presidency proposes to keep a 75% of co-financing rate as a general rule.
22. Funding of the Europeana project (Article 10(4a)). As an exception, the Commission proposed to fund core service platforms in the telecommunications sector by grants up to 100% of the eligible costs. Several Member States supported the initial proposal but some Member States preferred to lower this rate to 75%. They even questioned the inclusion of the Europeana project (a single access point to European cultural heritage) within the CEF and asked whether it could be financed elsewhere. The Presidency proposes to maintain the possibility to fund up to 100% for a platform providing a single access point to European cultural heritage.

23. Transfer of appropriations between sectors (Article 5(3)). The Commission proposed to have the possibility to modify the amounts allocated to each sector following the mid-term evaluation. Several Member States requested to be involved in these decisions. As the Financial Regulation applies in any case and as the involvement of the Council regarding transfers depends on the budgetary nomenclature, the Presidency proposed to add a new recital. This recital will relate to the budgetary nomenclature in order to ensure that the transfers between sectors are submitted to the European Parliament and the Council. Moreover, the Presidency took into consideration the suggestion made by some Member States clarifying the respective roles of the European Parliament, the Council and the Commission. The Presidency proposes to accept both the wording on Article 5(3) and the inclusion of a recital.
24. Other concerns were expressed by Member States in Articles 2(12), 8, 8(3), 9(4), 10(3), 10(4), 17(1), 17(3), 17(4), 17(6), 17(7), 17a and 24. In addition, a few Member States had reservations on the content of Part I of the Annex.
25. The Commission fully reserves its position on the entire compromise proposal set out in the Annex. Its reservation relates in particular to the introduction of a ceiling of 0.35% for the administrative expenditure (Article 5(2)), the introduction of the possibility to finance actions on the transport comprehensive network (Article 7(2)aa), the deletion of the reference to studies preparing PPPs (Article 7(2)), the introduction of the possibility to finance road construction even if under limitative conditions (Article 10), the requirement for the Commission to provide an annex detailing the main terms, conditions, procedures for each financial instrument (Article 14), and the introduction of an implementing act for adoption of the Commission award decision of grants (Article 17a).

III. Conclusion

26. The Permanent Representatives Committee is invited to examine the text as set out in the Annex to this report and, if possible, resolve the outstanding issues with a view to allowing the Council to reach a partial general approach on the text at its meeting on 7 June 2012.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing the Connecting Europe Facility**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the proposal 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 procedure,

¹ OJ C , , p. .

² OJ C , , p. .

Whereas:

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- (1) The creation of the Connecting Europe Facility should maximise the potential for growth through the realisation of synergies between transport, energy and telecommunications policies and their implementation, thus enhancing the efficiency of the Union's intervention.
- (2) A fully functioning single market depends on modern, highly performing infrastructure connecting Europe particularly in the areas of transport, energy and telecommunications. These growth enhancing connections would provide better access to the internal market and consequently contribute to a more competitive market economy in line with Europe 2020 Strategy's objectives and targets¹.
- (3) The creation of a Connecting Europe Facility aims at accelerating the investments in the field of trans-European networks and leverage funding from both the public and private sectors.
- (4) The creation of efficient transport and energy infrastructure networks is one of the 12 key actions identified by the Commission in its Communication on a Single Market Act².
- (5) The Commission has committed to mainstream climate change into Union spending programmes and to direct at least 20% of the Union budget to climate-related objectives. It is important to ensure that climate change mitigation and adaptation as well as risk prevention and management are promoted in the preparation, design and implementation of projects of common interest. Infrastructure investments covered by this Regulation should contribute to promoting the transition to a low-carbon and climate- and disaster-resilient economy and society.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “A Digital Agenda for Europe”, 26.8.2010, COM(2010) 245 final/2.

² Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions “Single Market Act Twelve levers to boost growth and strengthen confidence "Working together to create new growth"”, 13.4.2011, COM(2011) 206 final.

- (6) The European Parliament in its 8 June 2011 Resolution on "Investing in the future: a new Multiannual Financial Framework ("MFF") for a competitive, sustainable and inclusive Europe" stressed the importance of ensuring the rapid execution of the Union's Digital Agenda and of continuing efforts towards reaching by 2020 the targets of making the access to high-speed internet available to all Union citizens, also in less developed regions.¹ The Parliament also underlined that investing in effective transport infrastructure had a key role for Europe to defend its competitiveness and pave the way for post crisis, long term economic growth and that the trans-European transport network ("TEN-T") was vital in order to guarantee the proper functioning of the internal market and provide important Union added value. The Parliament expressed that it strongly believed that TEN-T should, accordingly, be a key priority in the next MFF and that an increase in TEN-T funds is necessary in the next MFF. In addition, the Parliament emphasised the need to maximise the impact of Union funding and the opportunity offered by the Cohesion and Structural Funds and financial instruments to fund key national and cross-border European priority energy infrastructure projects and stressed the need for a substantial allocation from the Union budget for financial instruments in this field.
- (7) On 28 March 2011, the Commission adopted the White Paper "A Roadmap to a Single Transport Area — Towards a competitive and resource-efficient transport system"². The White Paper aims at reducing by at least 60% the greenhouse gas emissions ("GHG") of the transport sector by 2050 with respect to 1990. As far as infrastructure is concerned, the White Paper aims at establishing a fully functional and Union-wide multimodal TEN-T 'core network' by 2030. The White Paper also aims at optimising the performance of multimodal logistic chains, including by making greater use of more energy-efficient modes. Therefore, it sets the following relevant targets for TEN-T policy: 30% of road freight over 300 km should shift to other modes by 2030, and more than 50% by 2050; the length of the existing high-speed rail network should triple by 2030 and by 2050 the majority of medium-distance passenger transport should go by rail; by 2050, all core network airports should be connected to the rail network; all seaports to the rail freight and, where possible, to the inland waterway system.

¹ European Parliament resolution 2010/2211(INI)

² A Roadmap to a Single Transport Area (COM(2011) 144).

- (8) The European Parliament in its Resolution of 6 July 2010 on a sustainable future for transport¹ emphasised that an efficient transport policy required a financial framework that was appropriate to the challenges arising and that, to that end, the current resources for transport and mobility should be increased; it further considered necessary the creation of a facility to coordinate the use of different sources of transport funding, funds available under cohesion policy, public-private partnerships ("PPPs") or other financial instruments such as guarantees.
- (9) The Transport, Telecommunication and Energy (TTE) Council, in its conclusions of 11 June 2009 on the TEN-T policy review² reaffirmed the need to continue investing in transport infrastructure to ensure proper development of the TEN-T in all transport modes, as a basis for the internal market and competitiveness, economic, social and territorial cohesion of the Union and its connection to neighbouring countries, focusing on the European added value. The Council underlined the need for the Community to make available the financial resources necessary to stimulate investment in TEN-T projects and, in particular, the need to reconcile adequate financing support from the TEN-T budget to the priority projects which involve relevant cross-border sections and the implementation of which would extend beyond 2013 within the institutional constraints of the financial programming framework. In the view of the Council, public-private partnership approaches should be further developed and supported in this context where appropriate.
- (10) On the basis of the objectives set by the White Paper, the TEN-T guidelines as laid down in Regulation (EU) No XXX/2012 of the European Parliament and of the Council of ...³ identify the infrastructure of the trans-European transport network, specify the requirements to be fulfilled by it and provide for measures for their implementation. The Guidelines envisage in particular the completion of the core network by 2030.

¹ European Parliament resolution 2009/2096(INI)

² Council document 10850/09

³ OJ L..., p.

- (11) Based on an analysis of the transport infrastructure plans of Member States, the Commission estimates that investment needs in transport amount to EUR 500 billion in the entirety of the TEN-T network for the period 2014-2020, of which an estimated EUR 250 billion will need to be invested in the core network of the TEN-T. Given the resources available at Union level, concentration on the projects with the highest European added value is necessary to achieve the desired impact. Support should therefore be focussed on the core network (in particular, the core network corridors) and on the projects of common interest in the field of traffic management systems (notably the air traffic management systems resulting from SESAR which require Union budgetary resources of about EUR 3 billion).
- (12) Within the framework of the TEN-T policy review launched in February 2009, a dedicated expert group was created to support the Commission and look into the issue of the funding strategy and financing perspectives for the TEN-T. Expert Group No 5 drew from the experience of external experts from various fields: infrastructure managers, infrastructure planners, national, regional and local representatives, environmental experts, academia, and private sector representatives. The final report of Expert Group No 5¹ adopted in July 2010 contains 40 recommendations, some of which have been taken into account in this proposal.
- (13) Experience with the current financial framework shows that many Member States, which are eligible to the Cohesion Fund, are facing significant obstacles in delivering on time complex cross-border transport infrastructure projects with a high Union added value. Therefore, in order to improve the delivery of transport projects, in particular cross-border ones, with a high Union added value, part of the Cohesion Fund allocation (EUR 10 billion²) should be transferred to finance transport projects on the transport core network in the Member States eligible to the Cohesion Fund under the Connecting Europe Facility. The Commission should support Member States eligible to the Cohesion Fund to develop an adequate pipeline of projects in order to give greatest possible priority to the national allocations under the Cohesion Fund.

¹ http://ec.europa.eu/transport/infrastructure/ten-t-policy/review/doc/expert-groups/expert_group_5_final_report.pdf

² In 2011 prices.

- (14) In the Communication on "Energy infrastructure priorities for 2020 and beyond – a Blueprint for an integrated energy network" adopted in November 2010¹, the Commission identified the priority corridors, which are necessary to allow the Union to meet its ambitious energy and climate targets by 2020 for completing the internal energy market, ensuring security of supply, enabling the integration of renewable sources of energy and to prepare the networks for further decarbonisation of the energy system beyond 2020.
- (15) Major investments are needed to modernise and expand Europe's energy infrastructure and to interconnect networks across borders to meet the Union's energy and climate policy objectives of competitiveness, sustainability and security of supply in a cost-effective way. The estimated investment needs in energy infrastructure up to 2020 amount to EUR 1 trillion, of which ca. EUR 200 billion in electricity and gas transmission and storage infrastructures considered of European relevance. Among projects of European relevance, approximately EUR 100 billion of investments is at risk of not being delivered due to obstacles related to permit granting, regulation and financing.
- (16) The urgency to build the energy infrastructure of the future and the significant increase in investment volumes compared to past trends requires a step change in the way energy infrastructure is supported at EU level. In its conclusions² the Transport, Telecommunication and Energy (TTE) Council of 28 February 2011 endorsed the energy corridors as priorities for Europe.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Energy infrastructure priorities for 2020 and beyond – a Blueprint for an integrated energy network", 17.11.2010, COM(2010) 677 final.

² Council document 6950/11

- (17) The 4 February 2011 European Council¹ called upon the Commission to streamline and improve authorisation procedures and to promote a regulatory framework attractive to investment. The European Council underlined that the bulk of the investment would have to be delivered by the market with costs recovered through tariffs. The European Council recognised that public finance was needed for projects required from a security of supply or solidarity perspective, which were unable to attract market based financing.
- (18) Regulation (EU) No XXX/2012 of the European Parliament and of the Council of ... [Guidelines for trans-European energy infrastructure]² defines trans-European energy infrastructure priorities, which should be implemented by 2020 to meet the Union's energy and climate policy objectives; sets rules to identify projects of common interest necessary to implement these priorities, introduces measures in the field of permit granting, public involvement and regulation to speed up and/or facilitate the implementation of these projects, including criteria for general eligibility of such projects for Union financial aid.
- (19) Telecommunications are increasingly becoming internet-based infrastructures, with broadband networks and digital services closely interrelated. The internet is becoming the dominant platform for communication, offering services, and doing business. Therefore the trans-European availability of fast Internet access and digital services is essential for economic growth and the Single Market.
- (20) Modern, fibre-based internet networks are a crucial infrastructure for the future in terms of connectivity for European companies, in particular SMEs that want to use cloud computing in order to improve cost-efficiency.

¹ EUCO 2/1/11

² OJ L..., p.

- (21) The Europe 2020 Strategy¹ calls for the implementation of the Digital Agenda for Europe² that establishes a stable legal framework to stimulate investments in an open and competitive high speed internet infrastructure and in related services. The June 2010 European Council endorsed the Digital Agenda for Europe and called upon all institutions to engage in its full implementation.³
- (22) On 31 May 2010, the Council concluded that Europe should put the necessary resources into the development of a digital single market based on fast and ultra fast internet and interoperable applications and acknowledged that efficient and competitive investment in next generation broadband networks would be important for innovation, consumer choice and for the competitiveness of the Union and could provide better quality of life through better health care, safer transport, new media opportunities and easier access to goods and services in particular across borders.⁴
- (23) The private incentives to invest in very fast broadband networks appear to be lower than benefits for the society as a whole. The investment needs for achieving the Digital Agenda objective of providing fast Internet access for all European citizens and businesses are estimated to reach up to EUR 270 billion. However, in the absence of Union intervention, private sector investment is expected to be not more than EUR 50 billion for the period until 2020. The resulting investment gap represents a major bottleneck to infrastructure provision, while at the same time the Digital Single Market relies on all citizens to be connected via the infrastructure of the future.

¹ COM(2010) 2020 final 03.03.2010.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A Digital Agenda for Europe", 26.8.2010, COM(2010) 245 final/2.

³ European Council conclusions on a new European strategy for growth and jobs – Finalising and implementing the Europe 2020 strategy, 17 June 2010

⁴ Council conclusions on Digital Agenda for Europe - 3017th Transport, Telecommunications and Energy Council meeting Brussels, 31 May 2010

- (24) It is necessary to develop strong and coherent EU-wide networks for the digital delivery of public-good actions, involving both public and civil society actors at national and regional level, and to this end it is essential to ensure the structured EU financing of the costs of the system and software design, as well as maintenance of a resilient hub for such networks, leaving only in-country costs for national operator budgets.
- (25) Several methods of implementation are necessary and require different funding rates to increase the efficiency and impact of the Union financial aid, to encourage private investment, and to respond to the specific requirements of individual projects.
- (26) In the area of telecommunications certain core service platforms which ensure trans-European interoperability will need a higher funding rate from the Union, in particular in the start-up phase, while respecting the co-financing principle.
- (27) Ensuring cross-border interoperability in the deployment of large scale infrastructure projects, in particular at the level of core services, may require simultaneous procurement and installation of equipment by the Commission, Member State and/or their beneficiaries. In such cases, Union financial aid may need to be allocated to procurements executed by infrastructure providers in Member States, either on their own behalf or in cooperation with the Commission. Provisions also enable multiple sourcing, which may be needed, inter alia, to provide for multi-language arrangements, to ensure security of supply and/or to implement network redundancy that is required to eliminate infrastructure network downtime that could be caused by a single point of failure.

- (28) Generic services in areas of public interest (as core services) are often affected by a strong degree of market failures. Indeed, the areas to be funded relate to public service delivery (eHealth, eIdentity, eProcurement large scale deployment and interoperability) hence not commercial by definition at a starting level. In addition, if only core services are funded, the challenge would be to create the right incentives at Member State and regional level to actually deploy services of public interest: this is due particularly to lack of incentive at national level to link national systems to the core systems (hence develop conditions for interoperability and cross-border services) as well as to the fact that private investors would not alone ensure service deployment within interoperable frameworks.
- (29) The digital guidelines as laid down in Regulation (EU) No XXX/2012 of the European Parliament and of the Council of ...¹ [INFSO guidelines] identify the process and criteria for financing and also the various categories for investments.
- (30) Horizon 2020 – the future Framework Programme for Research and Innovation will focus among others on tackling societal challenges (e.g. smart, green and integrated transport, and secure, clean and efficient energy, and information and communication technology-enabled health, government and sustainable development) in order to respond directly to the challenges identified in the Europe 2020 Strategy by supporting activities covering the entire spectrum from research to market. Horizon 2020 will support all stages in the innovation chain, especially activities closer to the market including innovative financial instruments. With the aim to achieve a greater impact of the Union funding and in order to ensure coherence, the Connecting Europe Facility will develop close synergies with Horizon 2020.

¹ OJ L..., p.

- (31) The European Union and most Member States are party to the United Nations Convention on the Rights of Persons with Disabilities while the remaining Member States are in the process of ratifying it. It is important in the implementation of the relevant projects that accessibility for persons with disabilities as mentioned in article 9 of the Convention is considered in the specification of the projects.
- (32) The financial instruments to be implemented under this Regulation should reflect the rules provided in Title VIII of Regulation (EU) No XXX/2012 [New financial regulation] and the Delegated Act and in line with best practice rules applicable to financial instruments.¹
- (33) Fiscal measures in many Member States will drive or have already driven public authorities to reassess their infrastructure investment programmes. In this context, PPPs have been viewed as an effective means of delivering infrastructure projects ensuring the achievement of policy objectives such as combating climate change; promoting alternative energy sources as well as energy and resource efficiency, supporting sustainable transport and the deployment of broadband networks. The Commission committed in its PPP Communication of 19 November 2009² to improving access to finance for PPPs by broadening the scope of existing financial instruments.
- (34) Even though the bulk of the investment under Europe 2020 Strategy can be delivered by markets and regulatory measures, the financing challenge requires public interventions and Union support by grants and innovative financial instruments. Financial instruments should be used to address specific market needs, in line with the objectives of the Connecting Europe Facility, and should not crowd out private financing. Before deciding to use financial instruments, the Commission should carry out ex-ante assessments of these instruments.

¹ COM(2011)xxx, A framework for the next generation of financial instruments

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Mobilising private and public investment for recovery and long term structural change: developing Public Private Partnerships”, COM(2009) 615 final.

- (35) The EU Budget Review¹ emphasised that the norm for projects with long-term commercial potential should be the use of Union funds in partnership with the financial and banking sectors, particularly the European Investment Bank ("EIB") and Member States' public financial institutions, but also with other international financial institutions and the private financial sector.
- (36) In the Europe 2020 Strategy, the Commission pledged to mobilise Union financial instruments as part of a consistent funding strategy, that pulls together Union and national public and private funding for infrastructures. This is based on the rationale that in many cases sub-optimal investment situations and market imperfections may be more efficiently tackled by financial instruments than by grants.
- (37) The Connecting Europe Facility should propose financial instruments to promote substantial participation by the private sector investors and financial institutions in infrastructure investment. To be sufficiently attractive to the private sector, financial instruments should be designed and implemented with due regard to simplification and reduction of administrative burden, while with a level of flexibility in mind to be able to respond to identified financing needs in a flexible manner. The design of these instruments should draw from the experience gained in the implementation of financial instruments in the 2007-2013 Multi-Annual Financial Framework, such as the Loan Guarantee instrument for TEN-T projects (LGTT), the Risk Sharing Finance Facility (RSFF) and the 2020 European Fund for Energy, Climate Change, and Infrastructure (the "Marguerite Fund").
- (38) While most financial instruments should be common for all sectors, some may be specific for individual sectors. Commission services estimate that while the financial support for broadband would primarily rely on financial instruments, for transport and energy the volume of Union budgetary resources required for financial instruments should not exceed EUR 2 billion and EUR 1 billion respectively.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the National Parliaments "The EU Budget Review", 19.10.2010, COM(2010) 700 final.

- (39) In order to ensure sectorial diversification of beneficiaries of financial instruments as well as encourage gradual geographical diversification across the Member States, the Commission in partnership with the EIB, through joint initiatives such as the European PPP Expertise Centre (EPEC) and Jaspers, should provide support to the Member States in developing an appropriate pipeline of projects that could be considered for project financing.
- (40) With respect to the conditions for the financial instruments, it might be necessary to add additional requirements in the Work Programmes, for example to ensure competitive markets in view of the development of the Union's policies, technological developments and other factors that may become relevant.
- (41) Multi-annual programming for support from the Facility should be directed towards supporting the Union's priorities by ensuring the availability of the necessary financial resources and the consistency and continuity of joint action by the Union and the Member States. For proposals submitted following the implementation of the first multiannual work programme in the sector of transport, eligibility of cost should start on 1 January 2014 to ensure the continuity of projects already covered by Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks¹.
- (42) Due to the high budget needed for the implementation of some infrastructure projects, there should be a possibility to divide budgetary commitments relative to the financial assistance for some actions into annual instalments.
- (43) Mid-term and ex-post evaluations should be carried out by the Commission in order to assess the effectiveness and efficiency of the funding and its impact on the overall goals of the Facility and the Europe 2020 Strategy's priorities.

¹ OJ L 162, 22.6.2007, p. 1.

- (44) On the basis of the sector specific guidelines laid down in separate Regulations, a list of priority areas for which this Regulation should apply has been drawn up and should be included in the Annex. In order to take into account possible changes in political priorities and technological capabilities, as well as traffic flows, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of adopting amendments to the Annex. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (45) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards multi-annual and annual work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers¹.
- (46) Council Regulation (EC) 2236/95 of 18 September 1995² laying down general rules for the granting of Community financial aid in the field of trans-European networks and Regulation (EC) No 680/2007 of the European Parliament and of the Council should accordingly be repealed.
- (47) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.

¹ OJ L 55, 28.2.2011, p. 13.

² OJ L 228, 23.9.1995, p. 1.

- (48) Some of the infrastructure projects of Union interest might need to link with and pass through neighbourhood, pre-accession and other third countries. The Connecting Europe Facility should offer simplified means of linking and financing these infrastructures, in order to ensure coherence between internal and external instruments of the Union budget.
- (49) Since the objectives of the action to be taken, and in particular the coordinated, development and financing of the trans-European networks, cannot be sufficiently achieved by the Member States and can therefore, by reason of the need for coordination of these objectives, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as also set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,]¹

HAVE ADOPTED THIS REGULATION:

¹ Recitals to be revised in the light of the changes made to the articles.

TITLE I

COMMON PROVISIONS

CHAPTER I

THE CONNECTING EUROPE FACILITY

Article 1

Subject matter

This Regulation establishes the Connecting Europe Facility (the "CEF") which determines the conditions, methods and procedures for providing Union financial aid to trans-European networks in order to support projects in the sector of transport, energy and telecommunications infrastructures.

Article 2

Definitions

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

- (1) *"project of common interest"* means a project identified in Regulation (EU) No XXXX/2012 of the European Parliament and of the Council of [to be completed when adopted including date of adoption and full title] [TEN-T Guidelines]¹, Regulation (EU) No XXXX/2012 of the European Parliament and of the Council of [to be completed when adopted including date of adoption and full title] [Guidelines for trans-European energy infrastructure]² or Regulation (EU) No XXXX/2012 [INFSO Guidelines] of the European Parliament and of the Council of [to be completed when adopted including date of adoption and full title]³;

¹ OJ L ... , p.

² OJ L ... , p.

³ OJ L ... , p.

- (2) *"cross-border section"* means the section, which ensures the continuity of a project of common interest in the transport sector between at least two Member States or between a Member State and a neighbouring country;
- (3) *"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;
- (4) *"studies"* means activities needed to prepare project implementation, such as preparatory, feasibility, evaluation, testing and validation studies, including those 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;
- (5) *"programme support actions"* means accompanying measures necessary for the implementation of the CEF and individual sector specific guidelines, such as services (notably technical assistance), as well as preparatory, feasibility, coordination, monitoring, control, audit and evaluation activities which are required directly for the management of this facility and the achievement of its objectives, and in particular studies, meetings, information, infrastructure mapping, twinning, dissemination, awareness raising and communication actions, expenses linked to IT tools and networks focusing on information exchange, together with all other technical and administrative assistance expenses incurred by the Commission that may be required for the management of this facility or implementation of the individual sector specific guidelines;
- (6) *"action"* means any activity that is necessary to implement a project of common interest and is independent financially, technically or over time;
- (7) *"eligible costs"* have the same meaning as in Regulation (EU) No XXXX/2012 [New Financial Regulation];

- (8) *"beneficiary"* means a Member State, an international organisation, a public or private undertaking or body that has been selected to receive Union financial aid under this Regulation and in accordance with the arrangements established in the relevant work programme referred to in Article 17.
- (9) *"implementing body"* means a public or private undertaking or body designated by a beneficiary, where the latter is a Member State or an international organisation, to implement the action. Such designation shall be decided upon by the beneficiary under its own responsibility and, if it requires the award of a procurement contract, in compliance with the applicable public procurement rules;
- (10) *"core network"* means the transport infrastructure identified according to Chapter III of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
- (11) *"core network corridors"* means an instrument to facilitate the coordinated implementation of the core network as provided for in Chapter IV of Regulation (EU) No XXXX/2012 [TEN-T Guidelines] [and listed in Part I of the Annex to this Regulation];
- (12) *"bottleneck"* in the transport sector means a physical or technical barrier that leads to a system break affecting the continuity and disruption of transport capacity of long-distance and cross-border flows. Such a barrier can be absorbed by creating new or substantially modernising existing infrastructure in order to increase its capacity such as bridges, locks, groynes, bottom sills or tunnels that address problems as for example gradients, curve radii, gauge, fairway depth or by upgrading intermediate lower classified sections of infrastructure to the level of the rest of the network;
- (13) *"priority"* means any of the energy infrastructure priorities 1 to 8 and 10 to 12 as designated in Annex I to Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure];

- (13b) "*telematic applications*" means the applications as defined in Article 3 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
- (14) "*energy infrastructure*" means the infrastructure as defined in Article 2 of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure];
- (14a) "*telecommunications networks*" means the networks as defined in Article 3 of Regulation (EU) No XXXX/2012 [INFSO Guidelines];
- (15) "*broadband networks*" means the networks as defined in Article 3 of Regulation (EU) No XXXX/2012 [INFSO Guidelines];
- (16) "*digital service infrastructures*" means networked services as defined in Article 3 of Regulation (EU) No XXXX/2012 [INFSO Guidelines];
- (17) "*core service platforms*" means services identified in the Annex to Regulation (EU) No XXXX/2012 [INFSO Guidelines];
- (18) "*generic services*" means services identified in the Annex to Regulation (EU) No XXXX/2012 [INFSO Guidelines].
- (19) [...]
- (20) [...]

Article 3
General objectives

The CEF shall enable the preparation and implementation of projects of common interest within the framework of the trans-European networks policy in the sectors of energy, transport and telecommunications. The CEF shall support the implementation of those projects of common interest aiming at the development and construction of new infrastructures and services or at the upgrading of existing infrastructures and services. The following objectives apply to the three sectors identified in the CEF:

- (a) contributing to smart, sustainable and inclusive growth by developing modern and high performing trans-European networks, thus benefiting the entire European Union in terms of competitiveness and economic, social and territorial cohesion within the Single Market and creating an environment more conducive to private and public investment by appropriately exploiting synergies across the sectors. The achievement of this objective will be measured by the volume of public and private investment in projects of common interest, and in particular the volume of private investments in projects of common interest achieved [through the financial instruments]¹ under this Regulation. Special focus will be on the efficient use of public investment.
- (b) contributing to the efforts of the Union to achieve its targets of a 20 % reduction of greenhouse gas emissions², a 20 % increase in energy efficiency and raising the share of renewable energy to 20 % by 2020³, while ensuring greater solidarity among Member States.

¹ Reservation on this indicator pending the negotiations on the new Financial Regulation (FR).

² A new recital will be introduced in order to indicate this possible target and making explicit the conditions to be fulfilled, taking into account the latest stage of the negotiations on this issue.

³ The following text will be added at the end of recital 5: "... by contributing to the 2020 objectives and taking into account **the emission reduction objective** for the 2050 objective."

Article 4
Specific sectoral objectives

Without prejudice to the general objectives set out in Article 3, the CEF shall contribute to achieving the following specific sectoral objectives:

- (a) In the transport sector, the CEF shall support projects of common interest as identified in Article 7(2) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines] pursuing the objectives set out below, as further specified under Articles 2a and 4 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines]:
- (i) removing bottlenecks and bridging missing links. The achievement of this objective shall be measured by the number of new or improved cross-border connections, removed bottlenecks and sections of increased capacity on transport routes which have benefited from the CEF;
 - (ii) ensuring sustainable and efficient transport systems in the long run. The achievement of this objective shall be measured by the length of the railway network in the EU-27 complying with the requirements set out in Article 45(2) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], the length of high-speed railway network in the EU-27, the length of inland waterway network by class in the EU-27, and the reduction in casualties on the road network in the EU-27;
 - (iii) optimising multimodality, efficiency and sustainability through the integration and interconnection of transport modes and enhancing interoperability of transport services. The achievement of this objective shall be measured by the number of ports and airports connected to the railway network, the number of maritime ports connected to the inland waterway network, the number of improved connections through motorways of the sea as provided for in Article 25 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], the number of improved hinterland connections, the number of improved logistic platforms as defined in Article 3 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], and the length of the network equipped with ERTMS.

The indicators referred to in this paragraph shall not apply to Member States which do not have a rail network or an inland waterway network, as appropriate.

These indicators shall not be understood to constitute selection or eligibility criteria of actions for support from the CEF.

- (b) In the energy sector, the CEF shall support projects of common interest pursuing one or more of the following objectives:
- (i) promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders;
 - (ii) enhancing Union security of energy supply;
 - (iii) contributing to sustainable development and protection of the environment.

The conditions for eligibility for Union financial assistance for projects of common interest are set out in Article 15 of Regulation (EU) No xxxx/2012 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC, whilst the selection criteria for projects of common interest are set out in Article 4 of that Regulation.

- (ba) (i) The achievement of the objective set out in point (b)(i) of this Article shall be measured *ex post* by:
- the number of projects effectively interconnecting Member states' networks and removing internal constraints;
 - the reduction or elimination of Member States' energy isolation;
 - the percentage of electricity cross border transmission power in relation to installed electricity generation capacity in the relevant Member States; and
 - the percentage of the highest peak demand of the two Member States concerned covered by reversible flow interconnections for gas.

(ii) The achievement of the objective set out in point (b)(ii) of this Article shall be measured *ex post* by:

- the number of projects allowing diversification of supply sources, supplying counterparts and routes;
- the number of projects increasing storage capacity;
- the number of disruptions and their duration;
- the amount of avoidable spillage of renewable energy due to a lack of crossborder connections;
- the connections of isolated markets with more diversified supply sources.

(iii) The achievement of the objective set out in point (b)(iii) of this Article shall be measured *ex post* by:

- the transmission of renewable electricity from generation to major consumption centers and storage sites;
- the sum of CO₂ emissions prevented by the construction of the projects which benefited from the CEF.

These elements serve for the *ex post* measurement of the achievement of the objectives and shall not constitute selection or eligibility criteria for actions of support from the CEF.

(c) In the telecommunications sector the CEF shall provide for actions to support projects of common interest pursuing the objectives specified in Article 2 of Regulation (EU) No XXXX/2012 [INFSO Guidelines].

Article 5

Budget¹

1. The financial envelope of the CEF for the period 2014 to 2020 shall be [EUR 50 000 000 000²]. That amount shall be distributed as follows:
 - (a) transport sector: [EUR 31 694 000 000][, out of which EUR 10 000 000 000 shall be transferred from the Cohesion Fund to be spent in line with this Regulation in Member States eligible for funding from the Cohesion Fund];
 - (b) energy sector: [EUR 9 121 000 000];
 - (c) telecommunications sector: [EUR 9 185 000 000].
2. The CEF may cover expenses incurred by the Commission in programme support actions, as defined in Article 2(5), up to a ceiling of [0.35 %]³ of the financial envelope. This financial allocation may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Regulation (EC) No 680/2007⁴.

¹ Amounts in this article are dealt with by FoP. General reservation on this article pending the decision on the transfer of funds from the Cohesion Fund.

² All figures in constant 2011 prices. The corresponding amounts, expressed in current prices, can be found in the Legislative Financial Statement.

³ Reservation pending the final decision on the global amount: 0.35% linked to EUR 50 billion.

⁴ Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy network (OJ L 162, 22.6.2007, p. 1).

3. Following the mid-term evaluation referred to in Article 26(1), the ~~Commission~~ **European Parliament and the Council** may **upon a proposal by the Commission** transfer appropriations between the sectors of the allocation set out in paragraph 1[, with the exception of the EUR 10 000 000 000 transferred from the Cohesion Fund to finance transport sector projects in the Cohesion Fund eligible Member States]^{1 2}.
4. The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

CHAPTER II

FORMS OF FINANCING AND FINANCIAL PROVISIONS

[Article 6 *Forms of financial aid*]³

1. The CEF shall be implemented by one or several of the forms of financial aid, provided for by Regulation (EU) No XXXX/2012 [New Financial Regulation], in particular, grants, procurements and financial instruments.
2. The Commission may entrust part of the implementation of the CEF to the bodies set out in Article 55(1)(c) of Regulation (EU) No XXXX/2012 [New Financial Regulation].⁴

¹ Reservation on this sentence pending the decision on the transfer of funds from the Cohesion Fund.

² A new recital will be added indicating that the budgetary nomenclature should ensure that the transfers between sectors be submitted to the European Parliament and the Council.

³ Reservation on this article pending the negotiations on the new FR.

⁴ If Article 55(1)(c) is not adopted, a list of bodies will be provided.

Article 7

Eligibility and conditions for financial assistance

1. Only actions contributing to projects of common interest according to Regulations (EU) No XXXX/2012 [TEN-T Guidelines], (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure] and No (EU) XXXX/2012 [INFSO Guidelines] as well as programme support actions as defined in Article 2(5) shall be eligible for support through Union financial aid in the form of [grants, financial instruments and procurement]¹.
2. In the field of transport, only actions contributing to projects of common interest according to Regulation (EU) No XXXX/2012 [TEN-T Guidelines] and programme support actions, shall be eligible for support through Union financial aid in the form of procurement and financial instruments under this Regulation. In the form of grants, only the following actions shall be eligible to receive Union financial aid under this Regulation:
 - (a) actions implementing the core network according to Chapter III of Regulation (EU) No XXXX/2012 [TEN-T Guidelines], including the deployment of new technologies and innovation according to Article 39 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
 - (aa) actions implementing the comprehensive network according to Chapter II of Regulation (EU) No XXXX/2012 [TEN-T Guidelines] when such actions contribute to facilitating cross-border traffic flows or removing bottlenecks and when these actions also contribute to the development of the core network, up to a ceiling of 5% of the financial envelope for transport as specified in Article 5 of this Regulation;
 - (b) studies for projects of common interest as defined in Article 8(1)(b) and (c) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];

¹ Reservation on the forms of financial aid pending the negotiations on the new FR.

- (c) actions supporting projects of common interest as defined in Article 8(1)(a), (d) and (e) of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
- (d) actions supporting telematic applications systems in accordance with Article 37 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
- (e) actions supporting freight transport services in accordance with Article 38 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
- (f) actions targeting the reduction of rail noise including by retrofitting of existing rolling stock in order to ensure viable use of the TEN-T network respecting noise level requirements;
- (g) programme support actions;
- (h) actions implementing safe and secure infrastructure in accordance with Article 40 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
- (i) actions supporting motorways of the sea as provided for in Article 25 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines].

Transport-related actions involving a cross-border section or a part of such a section shall be eligible to receive Union financial aid only if there is a written agreement between the Member States concerned or between the Member States and third countries concerned relating to the completion of the cross-border section. Exceptionally, when a project is necessary to establish a link to the network of a neighbouring Member State or a third country but does not actually cross the border, the written agreement referred to above shall not be required.

[...] ¹

¹ The following sentence could be added in recital (3): "The Connecting Europe Facility should support studies that explore alternative financing models for infrastructure projects, including PPP."

3. In the field of energy, all actions implementing those projects of common interest that relate to the priority corridors and areas referred to in Part II of the Annex to this Regulation are eligible for Union financial aid in the form of financial instruments and grants under this Regulation provided they meet the conditions set out in Article 15 of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure].
4. In the telecommunications sector, all actions implementing the projects of common interest and programme support actions set out in the Annex of Regulation (EU) No XXXX/2012 [INFSO Guidelines] shall be eligible to receive Union financial aid in the form of a [grant, procurement and financial instruments under this Regulation]¹.

[[At least xx %] of the amount of the financial envelope referred to in Article 5(1)(c) shall be allocated to the support of pre-identified priorities and areas of intervention as listed in Part III of the Annex to this Regulation.]^{2 3}.

CHAPTER III

GRANTS

Article 8

Forms of grants and eligible costs

1. Grants under this Regulation may take any of the forms provided for by Regulation (EU) No XXXX/2012 [New Financial Regulation].

The work programmes referred to in Article 17 shall establish the forms of grants that may be used to fund the actions concerned.

¹ Reservation pending the negotiations on the new FR.

² The previously missing functional links to Parts II and III of the Annex have been established in paragraphs (3) and (4) of this article and they have to be respected by the sectoral Working Parties.

³ Consistency between the Guidelines and the CEF to be assured. The issue of the functional link will be subject to further discussions in the Telecom Working Party.

2. Without prejudice to the Financial Regulation, expenditure for actions resulting from projects included in the first multiannual and annual work programmes may be eligible as from 1 January 2014.
3. Only expenditure incurred in Member States may be eligible, except where the project of common interest involves the territory of third countries and where the action is indispensable to achieve the objectives of the given project.
4. The cost of equipment and infrastructure which is treated as capital expenditure by the beneficiary may be eligible up to its entirety.
5. Expenditure related to environmental studies on the protection of the environment and on compliance with the relevant Union legislation may be eligible.
- [6. Expenditure related to the purchase of land shall not be an eligible cost, except for funds transferred from the Cohesion Fund in the field of transport in accordance with Article 59 point 3 (b) of Regulation (EU) No XXXX/2012 [Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provision on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006].]¹
- [7. VAT shall not be an eligible cost.]²
8. Rules on the eligibility of costs incurred by beneficiaries shall apply *mutatis mutandis* to costs incurred by implementing bodies.

¹ Reservation pending the final decision on the transfer of EUR 10 billion from the Cohesion Fund.

² Discussions on this issue are postponed pending the negotiations on the new FR.

Article 9
Conditions for participation

1. Proposals shall be submitted by one or more Member States or, with the agreement of the Member States concerned, by international organisations, joint undertakings, or public or private undertakings or bodies established in Member States.
2. The proposals may be submitted by entities which do not have legal personality under the applicable national law, provided that their representatives have the capacity to undertake legal obligations on their behalf and offer guarantee for the protection of the Union's financial interests equivalent to that offered by legal persons.
3. The proposals submitted by natural persons shall not be eligible.
4. Where it is necessary to achieve the objectives of a given project of common interest, third countries and entities established in third countries may participate in actions contributing to the projects of common interest.

They may not receive funding under this Regulation, except where it is indispensable to achieve the objectives of a given project of common interest.

Where necessary in order to implement more effectively relevant actions contributing to projects of common interest in third countries under Regulations (EU) No XXXX/2012 [TEN-T Guidelines], (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure] and (EU) No XXXX/2012 [INFSO Guidelines], funding under this Regulation may be pooled together with funding covered by other relevant Union regulations. In such a case the Commission may decide, through an implementing act adopted in accordance with the examination procedure referred to in Article 24(2), on a single set of rules that should apply for implementation.

5. [...]
6. Multiannual and annual work programmes may provide additional specific rules on the submission of proposals.

Article 10
Funding rates

1. Except in those cases referred to in Regulation (EU) No XXXX/2012 [New Financial Regulation], proposals shall be selected through calls for proposals based on the work programmes referred to in Article 17.
2. In the transport sector, the amount of Union financial aid shall not exceed:
 - (a) with regard to grants for studies, 50 % of the eligible costs;
 - (b) with regard to grants for works:
 - (i) for rail and inland waterways and for road networks in the case of Member States with no railway network established in their territory, 20 % of the eligible cost; the funding rate may be increased up to 30 % for actions addressing bottlenecks; the funding rate may be increased up to 40 % for actions concerning cross-border sections and enhancing rail interoperability actions;
 - (ii) for inland transport connections to ports and airports, actions to reduce rail noise including by retrofitting existing rolling stock, as well as development of ports and multi-modal platforms, 20 % of the eligible cost;
 - (iii) for actions supporting new technologies and innovation for all modes of transport, 20 % of the eligible cost;

(c) with regard to grants for telematic applications systems and services:

(i) for the European Rail Traffic Management System (ERTMS), the River Information Services (RIS) and the Vessel Traffic Monitoring and Information System (VTMIS), 50 % of the eligible cost;

(ii) for telematic applications systems, freight transport services, secure parkings on the road core network, as well as actions to support the development of Motorways of the Seas, 20 % of the eligible cost.

3. In the energy sector:

(a) the amount of Union financial aid shall not exceed 50 % of the eligible cost of studies and/or works;

(b) co-financing rates may be increased to a maximum of 75 % for actions which are based on the evidence referred to in Article 15(2) of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure], and which provide a high degree of regional or Union-wide security of supply, or strengthen the solidarity of the Union or comprise highly innovative solutions.

4. In the telecommunications sector, the amount of Union financial aid shall not exceed:

(a) for actions in the field of broadband networks, 50 % of the eligible cost;

(b) for actions in the field of generic services, 75 % of the eligible costs;

(c) [...]

(d) for horizontal priorities including infrastructure mapping, twinning and technical assistance, 75 % of the eligible costs.

- 4a. In the telecommunications sector, core service platforms shall typically be funded by procurement. In exceptional cases, they may be funded by a grant covering up to 75 % of eligible costs and up to 100% for **the** platforms providing a single access point to European cultural heritage.
5. The co-financing rates mentioned above may be increased by up to 10 percentage points for actions having cross-sector synergies, reaching climate mitigation objectives, enhancing climate resilience or reducing the greenhouse gas emissions. [This increase should not apply to co-financing rates referred to in Article 11]¹.
6. The amount of financial aid to be granted to the actions selected will be modulated based on a cost-benefit analysis of each project², the availability of Union budget resources, and the need to maximise the leverage of Union funding.

[Article 11

*Specific calls for funds transferred from the Cohesion Fund in the field of transport sector]*³

- [1. As regards the EUR 10 000 000 000 transferred from the Cohesion Fund [Regulation XXXX Article XX] to be spent in Member States eligible for funding from the Cohesion Fund, specific calls shall be launched for projects implementing the core network exclusively in Member States eligible for funding from the Cohesion Fund.
2. The relevant provisions of this Regulation concerning the transport sector shall apply to those specific calls. When implementing those calls, the greatest possible priority shall be given to projects which abide by the national allocations under the Cohesion Fund.]⁴

¹ Reservation pending the final decision on the transfer of EUR 10 billion from the Cohesion Fund.

² To be elaborated in a recital that an *ex ante* assessment of market imperfections has to be included in the cost-benefit analysis of each project.

³ General reservation on this article pending the final decision on the transfer of EUR 10 billion from the Cohesion Fund.

⁴ The subject matter of Article 11(1) and (2) is dealt with by FoP.

3. Notwithstanding Article 10, and as regards the [EUR 10 000 000 000] transferred from the Cohesion Fund [Regulation XXXX Article XX] to be spent in Member States eligible for funding from the Cohesion Fund, the maximum funding rates shall be those applicable to the Cohesion Fund referred to in Article 22 and Article 110(3) of Regulation (EU) No XXXX/2012 [Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006]¹ for the following actions:
- (a) with regard to grants for studies;
 - (b) with regard to grants for works:
 - (i) rail and inland waterways;
 - (ii) actions to support cross-border road sections and, in the case of Member States with no rail networks, the TEN-T road network;
 - (iii) inland transport connections to ports and airports, development of multi-modal platforms and of ports including ice-breaking capacities;
 - (c) with regard to grants for telematic applications systems and services:
 - (i) the European Rail Traffic Management System (ERTMS), the River Information Services (RIS) and the Vessel Traffic Monitoring and Information System (VTMIS);
 - (ii) telematic applications systems.

¹ COM(2011) 615 final.

Article 12

Cancellation, reduction, suspension and termination of the grant¹

1. The Commission shall cancel, except in duly justified cases, financial aid granted for actions which have not been started within two years following the start date of the action established in the conditions governing the granting of aid.
2. The Commission may suspend, reduce, recover or terminate the financial aid according to the conditions set out in Regulation (EU) No XXXX/2012 [New Financial Regulation] or following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action.
3. The Commission may request the complete or partial reimbursement of the financial aid granted if, within two years of the finishing date established in the conditions governing the granting of aid, the implementation of the action receiving the financial aid has not been completed.
4. Before the Commission takes any of the decisions provided for in paragraphs 1, 2 and 3, it shall examine the case comprehensively in coordination with the respective bodies mentioned in Article 6(2) and consult the beneficiaries concerned so that they may present their observations within a reasonable timeframe.

¹ Wording of this Article to be harmonised with the provisions of the new FR and its delegated act.

CHAPTER IV

PROCUREMENT

Article 13 *Procurement*¹

1. Public procurement procedures carried out by the Commission or one of the bodies referred to in Article 6(2) on its own behalf or jointly with Member States:
 - (a) may provide for specific conditions such as the place of performance of the procured activities, where duly justified by the objectives of the actions and provided such conditions do not infringe public procurement principles;
 - (b) may authorise multiple award of contracts within the same procedure ("multiple sourcing").
2. Where duly justified and required by the implementation of the actions, paragraph 1 may also apply to procurement procedures carried out by beneficiaries of grants.

¹ The inclusion of environmental criteria in public procurement procedures will be elaborated in a recital.

[CHAPTER V FINANCIAL INSTRUMENTS]¹

Article 14

Type of financial instruments

1. Financial instruments set up in accordance with Title VIII of Regulation (EU) No XXXX/2012 [New Financial Regulation], may be used to facilitate access to finance by entities implementing actions contributing to projects of common interest as defined in Regulations (EU) No XXXX/2012 [TEN-T Guidelines], (EU) No XXXX/2012 [Guidelines for Trans-European energy infrastructure], and (EU) No XXXX/2012 [INFSO Guidelines], and to the achievement of their objectives. The financial instruments shall be based on ex-ante assessments of market imperfections or sub-optimal investment situations and investment needs. [The main terms, conditions and procedures for each financial instrument are laid down in the Annex.]
2. Financial instruments established under Regulation (EC) No 680/2007 may be merged, if applicable and subject to a prior evaluation, to those created under this Regulation.

The merger of project bonds is subject to the interim report to be carried out in the second half of 2013 as defined in Regulation (EC) No 680/2007. The continuation of the Project Bond Initiative is subject to the independent full evaluation to be carried out in 2015 as defined in Regulation (EC) No 680/2007.

¹ General reservation on this chapter pending the negotiations on the new FR.

3. The following financial instruments may be used:

- (a) equity instruments, such as investment funds with a focus on providing risk capital for actions contributing to projects of common interest;
- (b) loans and/or guarantees facilitated by risk-sharing instruments, including enhancement mechanism to project bonds, issued by a financial institution from its own resources with a Union contribution to the provisioning and/or capital allocation.
- (c) [...].

Article 14a¹

Principles and conditions applicable to financial instruments

Financial instruments shall comply with the following:

- (a) they shall address sub-optimal investment situations, which have proven to be financially viable but do not give rise to sufficient funding from market sources;
- (b) additionality: financial instruments of the Union shall not aim at replacing those of a Member State, private funding or another financial Union intervention;
- (c) the non-distortion of competition in the internal market;
- (d) multiplier effect: the Union contribution to a financial instrument shall aim at mobilising a global investment exceeding the size of the Union contribution according to the indicators defined in advance;

¹ To be retained in this regulation as long as the new FR is not adopted.

- (e) the alignment of interest: when implementing financial instruments, the Commission shall ensure that there is a common interest in achieving the policy objectives defined for a financial instrument, possibly fostered by provisions such as co-investment, risk sharing requirements or financial incentives, while preventing conflict of interest with other activities of the entrusted entity;
- (g) financial instruments shall be established on the basis of on an *ex ante* evaluation.

Article 14b¹

Annual report on financial instruments

The Commission shall report annually to the European Parliament and the Council on the activities on financial instruments. The report shall include, for each financial instrument supported:

- (a) an identification of the financial instrument;
- (b) a description of the financial instrument, the relevant implementation arrangements and the added value of the Union contribution;
- (c) the financial institutions involved in the implementation;
- (d) the aggregate budgetary commitments and payments from the Union's budget for each financial instrument;
- (e) the performance of the financial instrument, including the investments made;
- (f) the balance on the trust account;

¹ To be retained in this regulation as long as the new FR is not adopted.

- (g) the additional resources, including interest, capital resources paid back to the financial instrument, guarantee fees, dividends, capital gains or any other income receipts attributable to the support from the Union budget;
- (h) the value of equity investments, with respect to previous years;
- (i) the accumulated figures on impairments of assets of equity/risk-sharing instruments, and on called guarantees for guarantee instruments;
- (j) the target multiplier effect, and the achieved one;
- (k) the contribution of the financial instrument to the achievement of the objectives of the programme concerned as measured by the established indicators, including, where applicable, the geographical diversification.

Article 15

Conditions for granting financial aid through financial instruments

1. Actions supported by means of financial instruments shall be selected on a basis of maturity and shall seek sectoral diversification in accordance with Articles 3 and 4 as well as geographical balance across the Member States.
2. The Union, any Member State and other investors may provide financial aid in addition to contributions received by the use of financial instruments, provided that the Commission agrees to any changes to eligibility criteria of actions and/or the investment strategy of the instrument which may be necessary due to the additional contribution.

- 2b. The budgetary expenditure linked to a financial instrument and the financial liability of the Union shall in no case exceed the amount of the relevant budgetary commitment made for it, thus excluding contingent liabilities for the Union budget.¹
3. The financial instruments shall aim to preserve the value of assets provided by the Union budget;
4. Financial instruments provided under this Regulation may be combined with grants funded from the Union budget.
5. The Commission may establish additional conditions in the work programmes according to the specific needs of the sectors.
- 5a. Where the European Parliament and/or the Council consider that a financial instrument has not achieved its objectives effectively, they may request that the Commission submit a proposal for a revised basic act with a view to discontinue appropriations for that financial instrument or, where appropriate, with a view to the winding down of the instrument.¹
6. [...] ²

Article 16

Actions in third countries

Actions in third countries may be supported by means of the financial instruments if those actions are necessary for the implementation of a project of common interest.

¹ To be retained in this regulation as long as the new FR is not adopted. This wording reflects the current state of negotiations on the new FR.

² Text on reflows to be inserted, depending on the negotiations on the new FR.

CHAPTER VI

PROGRAMMING, IMPLEMENTATION AND CONTROL

Article 17

Multiannual and/or annual work programmes

1. The Commission shall adopt multiannual and annual work programmes for each of the transport, energy and telecommunications sectors. The Commission may also adopt multiannual and annual work programmes that cover more than one sector. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).
2. The multiannual work programmes shall be reviewed at least at mid-term. If necessary, the Commission shall revise the multiannual work programme by means of an implementing act. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).
3. Multiannual work programmes in the transport sector shall be adopted for projects of common interest as listed in Part I of the Annex to this Regulation.

The amount of the financial envelope shall lie within a range of 80 % to 85 % of the budgetary resources referred to in Article 5(1)(a).

The projects detailed in Part I of the Annex are not binding on the Member States for their programming decisions. The decision to implement these projects is a competence of Member States and will depend on public financing capacities, and on their socio-economic viability in accordance with the provisions of Article 7 of Regulation (EU) No XXXX/2012 [TEN-T Guidelines].

4. The multiannual work programmes for the energy and telecommunications sectors shall provide strategic orientation for projects of common interest and may include specific projects of common interest consistent with the guidelines set out in Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure] and in Regulation (EU) No XXXX/2012 [INFSO Guidelines].
5. The annual work programmes, for the transport, energy and telecommunications sectors, shall be adopted for projects of common interest not included in the multiannual work programmes.
6. The Commission, when establishing multiannual and sectoral annual work programmes, shall establish the selection and award criteria in line with the objectives and priorities laid down:
 - (a) for transport in Regulation (EU) No XXXX/2012 [TEN-T Guidelines];
 - (b) for energy in Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure];
 - (c) for telecommunications in Regulation (EU) No XXXX/2012 [INFSO Guidelines].
7. Work programmes shall be coordinated in order to exploit the synergies between transport, energy and telecommunications, notably in such areas as smart energy grids, electric mobility, intelligent and sustainable transport systems. Multi-sectoral calls for proposals can be adopted.

Article 17a
Granting of Union financial aid

1. Following every call for proposals, based on a multiannual or annual work programme referred to in article 17, the Commission, acting in accordance with the examination procedure referred to in Article 24, shall decide on the amount of financial aid to be granted to the projects or parts of projects selected. The Commission shall specify the conditions and methods for their implementation.
2. The beneficiaries and the Member States concerned shall be informed by the Commission of any financial aid to be granted.

Article 18
Annual instalments

The Commission may divide budgetary commitments into annual instalments. In that case, it shall commit the annual instalments taking into account the progress of the actions receiving financial aid, their estimated needs and the budget available.

The Commission shall communicate to the beneficiaries of grants, to the Member States concerned and, [if applicable for financial instruments,] to the financial institutions concerned an indicative timetable covering the commitment of the individual annual instalments.

Article 19
Carry-over of annual appropriations

Appropriations which have not been used at the end of the financial year for which they were entered shall be carried- over in accordance with Regulation (EU) No XXXX/2012 [New Financial Regulation].

Article 20
*Delegated acts*¹

Subject to the approval of the Member State(s) concerned provided for in the second paragraph of Article 172 TFEU, the Commission shall be empowered to adopt delegated acts in accordance with Article 25 concerning the modification of Parts I and III of the Annex, to take account of changing financing priorities in the trans-European networks and of changes relating to projects of common interest identified in [Regulation (EU) No XXXX/2012 [TEN-T Guidelines] and Regulation (EU) No XXXX/2012 [INFSO Guidelines]. When amending Parts I and III of the Annex, the Commission shall ensure:

- (a) that the projects of common interest according to Regulation (EU) No XXXX/2012 [TEN-T Guidelines] and Regulation (EU) No XXXX/2012 [INFSO Guidelines], are likely to be realised fully or partly under the multiannual financial framework 2014-2020;
- (b) that the modifications comply with the eligibility criteria set out under Article 7 of this Regulation;
- (c) as regards Part I of the Annex, that all sections include infrastructure projects whose realisation will necessitate their inclusion in a multi-annual work programme under Article 17(3) of this Regulation, without changing the alignment of the core network corridors;
- (d) as regards Part III of the Annex, that new priorities and areas of intervention meet the criteria of Article 3 and Article 4(c) of this Regulation.²

¹ [If case an Annex on financial instruments (Art. 14) is to be amended by means of delegated act, the powers delegated to the Commission should be circumscribed in this Article.]

² Consistency between the Guidelines and the CEF to be assured. The inclusion of the reference to Part III of the Annex to the CEF Regulation in Article 20 is closely linked to the issue of the functional link (see second footnote related to Article 7(4) paragraph 2), Part III of the Annex (see footnote in Part III of the Annex), and to the discussions on the INFSO guidelines. Therefore, it should be subject to further discussions in the Telecom Working Party.

Article 21
Responsibility of beneficiaries and Member States

Within the respective spheres of their responsibilities, and without prejudice to the obligations incumbent on beneficiaries under the conditions governing the grants, beneficiaries and Member States shall make every effort to implement the projects of common interest which receive Union financial aid granted under this Regulation.

Member States shall undertake the technical monitoring and financial control of actions in close cooperation with the Commission and shall certify that the expenditure incurred in respect of projects or parts of projects has been disbursed and that the disbursement was in conformity with the relevant rules. The Member States may request the participation of the Commission during on-the-spot checks and inspections.

Member States shall inform the Commission annually, if relevant through the interactive geographical and technical information systems, about the progress made in implementing projects of common interest and the investments made for this purpose including the amount of support used for climate change objectives.

Article 22
Compliance with Union policies and Union law

Only actions in conformity with Union law and which are in line with the relevant Union policies shall be financed under this Regulation.

Article 23

Protection of the Union's financial interests

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, [implementing bodies]¹, contractors and subcontractors who have received Union funds under this Regulation.
3. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)² and 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 irregularities³ with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under this Regulation.

¹ ~~To decide on the inclusion of "implementing bodies".~~

² OJ L 136, 31.5.1999, p.1.

³ OJ L 292, 15.11.1996, p. 2.

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grants decisions and contracts resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

TITLE II

GENERAL AND FINAL PROVISIONS

Article 24

Committees

1. The Commission shall be assisted by the CEF Coordination Committee. The Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. The Committee shall ensure a horizontal overview of the work programmes referred to in Article 17 to ensure consistency and that synergies are identified and exploited between sectors.

Article 25

Exercise of delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Article 20 shall be conferred on the Commission from the date of entry into force of this Regulation until the end of the multiannual financial framework period.

3. The delegation of power referred to in Article 20 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 20 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 26

Evaluation

1. At the end of 2017, the Commission, in cooperation with the Member States and beneficiaries concerned, shall establish an evaluation report on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and its European added value, in view of a decision on the renewal, modification or suspension of the measures. The evaluation shall also address the scope for simplification, the internal and external coherence of the measures, the continued relevance of all objectives, and their contribution to the Union priorities of smart, sustainable and inclusive growth. The report shall take into account evaluation results on the long-term impact of the predecessor measures.

2. The Commission shall carry out *ex post* evaluation in close cooperation with the Member States and beneficiaries. The *ex post* evaluation shall examine the effectiveness and efficiency of the CEF and its impact on economic, social and territorial cohesion as well as its contribution to the Union priorities of smart, sustainable and inclusive growth and the scale and results of support used for climate change objectives.
3. Evaluations shall take account of progress against performance indicators as referred to in Articles 3 and 4.
4. The Commission shall communicate the conclusions of these evaluations to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.
5. The Commission and the Member States, assisted by the other possible beneficiaries, may undertake an evaluation of the methods of carrying out projects as well as the impact of their implementation, in order to assess whether the objectives, including those relating to environmental protection, have been attained.
6. The Commission may request a Member State concerned by a project of common interest to provide a specific evaluation of the actions and the linked projects financed under this Regulation or, where appropriate, to supply it with the information and assistance required to undertake an evaluation of such projects.

Article 27

Information, communication and publicity

1. Beneficiaries shall ensure that suitable publicity is given to aid granted under this Regulation in order to inform the public of the role of the Union in the implementation of the projects.

2. The Commission shall implement information and communication actions on the CEF projects and results. Resources allocated to communication actions under Article 5(2) of this Regulation shall also contribute to cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.

Article 28

Transitional provisions

This Regulation shall not affect the continuation or modification, including the total or partial cancellation, of the projects concerned, until their closure, or of financial aid awarded by the Commission on the basis of Regulations (EC) No 680/2007 and No 67/2010, or any other legislation applying to that assistance on 31 December 2013, which shall continue to apply to the actions concerned until their closure.

Article 29

Repeal

Notwithstanding Article 28 of this Regulation, Regulations (EC) No 680/2007 and No 67/2010 are repealed with effect from 1 January 2014.

Article 30
Entry into force

This Regulation shall enter into force on the 20th day following the publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

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

Done at Brussels, [...]

For the European Parliament
The President

For the Council
The President

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

1) Horizontal Priorities

Innovative Management & Services	<i>Single European Sky – SESAR</i>
Innovative Management & Services	<i>Telematic Applications Systems for Road, Rail, Inland Waterways and Vessels (ITS, ERTMS, RIS and VTMS)</i>
Innovative Management & Services	<i>Core Network Ports, Motorways of the Sea (MoS) and Airports, safe and secure infrastructure</i>

2) Core Network Corridors

Baltic – Adriatic Corridor

ALIGNMENT:

Helsinki – Tallinn – Riga – Kaunas – Warszawa – Katowice

Gdynia – Gdańsk – Katowice/Ślawków

Gdańsk – Warszawa

Katowice – Ostrava – *Brno* – Wien

Szczecin/Świnoujście – Poznań – Wrocław – Ostrava

Katowice – *Žilina* – Bratislava – Wien

Wien – Graz– *Villach* – *Udine* – Trieste

Udine – Venezia – Padova – Bologna – Ravenna

Graz – *Maribor* –Ljubljana – Koper/Trieste

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Helsinki - Tallinn	Ports, MoS	port interconnections, (further) development of multimodal platforms and their interconnections, icebreaking capacity, MoS
Tallinn - Riga - Kaunas - Warszawa	Rail	(detailed) studies for new UIC gauge fully interoperable line; works for new line to start before 2020; rail – airports/ports interconnections, rail-road terminals, MoS
Via Baltica Corridor	Road	works for cross-border sections (EE, LV, LT, PL)
Gdynia - Katowice	Rail	upgrading works
Gdynia, Gdańsk	Ports	port interconnections, (further) development of multimodal platforms
Warszawa - Katowice	Rail	Upgrading works
Wrocław – Poznań – Szczecin/Świnoujście	Rail	upgrading works
Bielsko Biala – Žilina	Road	works
Katowice - Ostrava - Brno - Wien & Katowice - Žilina - Bratislava - Wien	Rail	upgrading, in particular cross-border sections PL-CZ, PL-SK and SK-AT; (further) development of multimodal platforms and airport-rail interconnections
Wien - Graz - Klagenfurt - Udine - Venezia - Ravenna	Rail	partially construction of new lines (Semmering Base Tunnel and Koralm Railway line), rail upgrading; works on-going; (further) development of multimodal platforms; upgrading of existing two-track line between Udine - Cervignano and Trieste
Graz - Maribor - Pragersko	Rail	studies and works for second track
Trieste, Venice, Ravenna, Koper	Ports	port interconnections, (further) development of multimodal platforms

ALIGNMENT:

BY border – Warszawa – Poznań – *Frankfurt/Oder* – Berlin – Magdeburg – Braunschweig –
Hannover

Hannover – Bremen – Bremerhaven

Hannover – *Osnabrück* – Hengelo – Almelo – Deventer – Utrecht

Utrecht – Amsterdam

Utrecht – Rotterdam – Antwerpen – Felixstowe – Birmingham – Manchester – Liverpool

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

BY border - Warszawa - Poznań - DE border	Rail	upgrading works on existing line, studies for high speed rail
PL Border - Berlin - Hannover - Amsterdam/Rotterdam	Rail	studies and upgrading of several sections (Amsterdam – Utrecht – Arnhem; Hannover – Berlin)
Bremerhaven - Bremen	Rail	Works and studies ongoing
Berlin - Magdeburg – Hannover, Mittellandkanal, West-German Canals, Rhine, Waal, Noordzeekanaal, IJssel, Twentekanaal	IWW	studies, works for better navigability and upgrading waterways and locks
Amsterdam locks & Amsterdam - Rijnkanaal	IWW	locks studies ongoing; port: interconnections (studies and works, including Beatrix lock upgrade)
Felixstowe – Midlands	Rail, port, multimodal platforms	rail upgrading, interconnections port and multimodal platforms
Manchester – Liverpool	Rail	Upgrading, including Northern Hub

Mediterranean Corridor

ALIGNMENT:

Algeciras – Bobadilla – Madrid – Zaragoza – Tarragona

Sevilla – Bobadilla – Murcia

Cartagena – Murcia – Valencia – Tarragona

Tarragona – Barcelona – *Perpignan* – Lyon – Torino – Novara – Milano – Verona – Padova –

Venezia – Ravenna/Trieste/Koper - Ljubljana – Budapest – UA border

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Algeciras - Madrid	Rail	studies ongoing, works to be launched before 2015, to be completed 2020
Sevilla - Antequera - Granada - Almería - Cartagena - Murcia - Alicante - Valencia	Rail	studies and works
Valencia - Tarragona - Barcelona	Rail	construction between 2014 - 2020
Barcelona	Port	interconnections rail with port and airport
Barcelona - Perpignan	Rail	cross-border section, works ongoing, new line completed by 2015, upgrading existing line
Perpignan - Montpellier	Rail	bypass Nîmes - Montpellier to be operational in 2017, Montpellier - Perpignan for 2020
Lyon	Rail	South-Eastern bypass: studies and works
Lyon - Torino	Rail	cross-border section, works base tunnel to be launched before 2020; studies access routes
Milano - Brescia	Rail	partially upgrading, partially new high-speed line
Brescia - Venezia - Trieste	Rail	works to start before 2014 on several sections
Milano – Cremona- Mantova – Porto Levante /Venezia – Ravenna/Trieste	IWW	Studies, upgrading, works
Cremona, Mantova, Venezia, Ravenna, Trieste	Inland Ports	Port interconnections, (further) development of multimodal platforms
Trieste - Divača	Rail	studies and partial upgrading ongoing; cross-border section to be realised until after 2020
Koper - Divača - Ljubljana – Pragersko	Rail	studies and upgrading/partially new line

Ljubljana node	Rail	rail node Ljubljana, including multi-modal platform; rail airport interconnection
Pragersko - Zalalövö	Rail	cross-border section: studies, works to start before 2020
Lendava - Letenye	Road	cross-border upgrading
Boba- Székesfehérvár	Rail	upgrading
Budapest-Miskolc-UA border	Rail	upgrading
Vásárosnamény-UA border	Road	cross-border upgrading

Hamburg/Rostock – Burgas – Piraeus – Lefkosia

ALIGNMENT:

Hamburg – Berlin

Rostock – Berlin – *Dresden* – Ústí nad Labem – Melnik/Praha - Kolin

Praha – Ostrava/Prerov – Žilina – Košice – UA Border

Kolin – Pardubice – *Brno* – Wien/Bratislava – Budapest – *Arad* – Timișoara – Craiova – Calafat –

Vidin – Sofia

Sofia – Plovdiv – Burgas

Plovdiv – TR border

Sofia – Thessaloniki – Athina – Piraeus – Lemesos – Lefkosia

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Dresden - Praha	Rail	studies for high-speed rail
Praha	Rail	upgrading, freight bypass; rail connection airport
Praha – Breclav	Rail	upgrading
Ostrava/Prerov – Žilina – Kosice	Rail	upgrading, multimodal platforms
Zlín – Žilina	Road	cross-border road section
Hamburg – Dresden – Praha – Pardubice	IWW	Elbe and Vltava studies, works for better navigability and upgrading
Děčín locks	IWW	studies

Breclav – Bratislava	Rail	cross-border, upgrading
Bratislava – Hegyeshalom	Rail	cross-border, upgrading
Mosonmagyaróvár – SK Border	Road	cross border upgrading
Tata – Bátorbágy	Rail	upgrading
Budapest – Arad – Timișoara – Calafat	Rail	upgrading in HU nearly completed, ongoing in RO
Vidin – Sofia – Burgas/TR border Sofia – Thessaloniki – Athens/Piraeus	Rail	studies and works Vidin – Sofia – Thessaloniki - Athens; upgrading Sofia – Burgas/TR border
Vidin – Craiova	Road	Cross-border upgrading
Athens/Piraeus – Lemesos	Port, MoS	port capacity and multimodal interconnections
Lemesos – Lefkosia	Ports, multimodal platforms	upgrading of modal interconnection, including Lefkosia South Orbital, studies and works, traffic management systems
Lefkosia – Larnaca	Multimodal platforms	Multimodal interconnections and telematic applications systems

Helsinki – Valletta

ALIGNMENT:

RU border – HaminaKotka – Helsinki – Turku/Naantali – Stockholm – Malmö – København –
Lübeck – Hamburg – Hannover

Bremen – Hannover – Nürnberg – München – *Innsbruck* – Verona – Bologna – Firenze – Roma –
Napoli – Bari – Taranto – Valletta

Napoli – Gioia Tauro – Palermo – Valletta

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

HaminaKotka - Helsinki	Port, rail	port interconnections, rail upgrading, icebreaking capacities
Helsinki	Rail	airport-rail connection
RU border - Helsinki	Rail	works ongoing

Helsinki – Turku	Rail	upgrading
Turku/Naantali - Stockholm	Ports, MoS	port interconnections, icebraking capacity
Stockholm - Malmö (Nordic Triangle)	Rail	works ongoing on specific sections
Fehmarn	Rail	studies ongoing, construction works Fehmarn Belt fixed link between 2014 and 2020 to start in 2015
København - Hamburg via Fehmarn: access routes	Rail	access routes DK to be completed by 2020, access routes Germany to be completed in 2 steps: one track electrification with the completion of the fixed link and two-track seven years later
Hamburg/Bremen - Hannover	Rail	studies ongoing
München - Wörgl	Rail	access to Brenner Base Tunnel and cross-border section: studies
Brenner Base Tunnel	Rail	studies and works
Fortezza - Verona	Rail	studies and works
Napoli - Bari	Rail	studies and works
Napoli – Reggio Calabria	Rail	Upgrading
Verona – Bologna	Rail	Upgrading ongoing
Napoli, Bari	Ports	Port interconnections, (further) development of multimodal platforms
Messina - Catania - Palermo	Rail	upgrading (remaining sections)
Palermo/Taranto - Valletta/Marsaxlokk	Ports, MoS	port interconnections
Valletta - Marsaxlokk	Port, airport	upgrading of modal interconnection, including Marsaxlokk-Luqa-Valletta, telematic applications systems

Genova – Rotterdam

ALIGNMENT:

Genova – Milano – *Lugano* – Basel

Genova – Novara – *Brig* – Bern – Basel – Karlsruhe – Mannheim – Mainz – Koblenz – Köln

Köln – Düsseldorf – Duisburg – Nijmegen/Arnhem – Utrecht – Amsterdam

Nijmegen – Rotterdam

Köln – Liège – Bruxelles/Brussel – Gent – Zeebrugge

Liège – Antwerpen

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Genova	Port	Port interconnections
Genova - Milano/Novara - CH border	Rail	studies; works starting before 2020
Basel – Antwerpen/Rotterdam - Amsterdam	IWW	upgrading, works for better navigability
Karlsruhe - Basel	Rail	works ongoing
Frankfurt - Mannheim	Rail	studies ongoing
Liège	Rail	port and airport rail connection
Rotterdam – Zevenaar	Rail	studies ongoing
Zevenaar - Emmerich - Oberhausen	Rail	works ongoing
Zeebrugge – Gent – Antwerp - DE border	Rail	upgrading
Zeebrugge	Port	locks: studies, interconnections (studies and works)

Lisboa - Strasbourg

ALIGNMENT:

Sines / Lisboa – Madrid – Valladolid

Lisboa – *Aveiro* – Leixões/Porto

Aveiro – Valladolid – *Vitoria* – *Bergara* – Bilbao/Bordeaux – Paris – Metz - Mannheim/Strasbourg

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

High Speed rail Sines/Lisboa - Madrid	Rail, ports	studies and works ongoing, upgrading of modal interconnection ports of Sines/Lisboa
High speed rail Porto - Lisboa	Rail	studies ongoing
Rail connection Aveiro – Salamanca – Medina del Campo	Rail	cross-border: works ongoing
Rail Connection Bergara - San Sebastián - Bayonne	Rail	completion expected in ES by 2016, in FR by 2020
Bayonne - Bordeaux	Rail	ongoing public consultation
Bordeaux - Tours	Rail	works ongoing
Paris	Rail	southern high-speed bypass
Baudrecourt - Mannheim	Rail	upgrading
Baudrecourt - Strasbourg	Rail	works ongoing, to be completed 2016

Dublin – London – Paris – Brussel/Bruxelles

ALIGNMENT:

Belfast – Dublin – Birmingham

Glasgow/Edinburgh – Liverpool/Manchester – Birmingham

Birmingham – London – Lille – Brussel/Bruxelles

Dublin/Cork/Southampton – Le Havre – Rouen – Paris

London – Dover – Calais – Paris

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Cork - Dublin - Belfast	Rail	Studies and works; Belfast multimodal connections ; Dublin Interconnector (DART);
Glasgow - Edinburgh	Rail	upgrading
Manchester – Liverpool	Rail	Upgrading and electrification
High Speed 2	Rail	Studies & works for a high speed line London - Midlands
Birmingham – Reading – Southampton	Rail	Upgrading of the freight line
Cardiff - Bristol - London	Rail	Upgrading, including Crossrail
Dublin, Cork, Southampton, Le Havre	Ports, Rail	Studies and works on port capacity, MoS and interconnections
Le Havre - Paris	IWW	upgrading
Le Havre - Paris	Rail	studies
Calais - Paris	Rail	preliminary studies
Bruxelles/Brussel	Rail	studies and works (North-South connection for conventional and high-speed)

Amsterdam – Basel/Lyon – Marseille

ALIGNMENT:

Amsterdam – Rotterdam – Antwerp – Brussel/Bruxelles – Luxembourg

Luxembourg – Metz – Dijon – Macon – Lyon – Marseille

Luxembourg – Metz – Strasbourg – Basel

Antwerpen/Zeebrugge – Gent – Dunkerque/Lille – Paris

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Maas, including Maaswerken	IWW	upgrading
Albertkanaal/ Canal Bochoolt-Herentals	IWW	upgrading
Rhine-Scheldt corridor	IWW	locks: studies ongoing
Terneuzen	Maritime	locks: studies ongoing; works
Terneuzen - Gent	IWW	studies, upgrading
Antwerp	Maritime, port, rail	locks: studies ongoing; port: interconnections (including second rail access to the port of Antwerp)
Canal Seine Nord; Seine - Escaut	IWW	design completed, competitive dialogue launched, overall completion by 2018 ; upgrading including cross-border connections
Dunkerque – Lille	IWW	studies ongoing
Antwerpen, Bruxelles/Brussels, Charleroi	IWW	upgrading
Waterways upgrade in Wallonia	IWW	studies, upgrading, intermodal connections
Brussel/Bruxelles - Luxembourg - Strasbourg	Rail	works ongoing
Antwerp – Namur - LUX border – FR border	Rail	upgrading of rail freight line
Strasbourg - Mulhouse - Basel	Rail	upgrading
Rail Connections Luxembourg - Dijon - Lyon (TGV Rhin - Rhône)	Rail	studies and works
Lyon	Rail	eastern bypass: studies and works
Canal Saône - Moselle/Rhin	IWW	preliminary studies ongoing
Rhône	IWW	upgrading
Port of Marseille-Fos	Port	interconnections and multimodal terminals

Strasbourg – Danube Corridor

ALIGNMENT:

Strasbourg – Stuttgart – München – Wels/*Linz*

Strasbourg – Mannheim – Frankfurt – Würzburg – Nürnberg – Regensburg – *Passau* – Wels/*Linz*

Wels/*Linz* – Wien – Bratislava

Wien/Bratislava – Budapest – *Arad* – *Braşov* – Bucureşti – Constanta – *Sulina*

PRE-IDENTIFIED SECTIONS INCLUDING PROJECTS:

Rail connection Strasbourg - Kehl Appenweier	Rail	works interconnection Appenweier
Karlsruhe - Stuttgart - München	Rail	studies and works ongoing
München - Mühldorf - Freilassing - Salzburg	Rail	studies and works ongoing
Salzburg - Wels	Rail	studies
Nürnberg - Regensburg - Passau - Wels	Rail	Studies and works
Rail connection Wels - Wien	Rail	completion expected by 2017
Wien – Bratislava / Wien – Budapest / Bratislava – Budapest	Rail	studies high speed rail (including the alignment of the connections between the three cities)
Komárom – Komárno	IWW	Studies and works for cross-border bridge
Arad - Braşov - Bucureşti - Constanta	Rail	upgrading of specific sections; studies high-speed
Main – Main-Donau-Canal	IWW	studies and works on several sections and bottlenecks; inland waterway ports:multimodal interconnections
Danube	IWW	studies and works on several sections and bottlenecks; inland waterway ports:multimodal interconnections
Bucharest – Danube Canal	IWW	Studies & works
Constanta	Port	port interconnections

3) Other Sections on the Core Network

Sofia to FYROM border	Cross-Border	Rail	studies ongoing
Sofia to Serbian border	Cross-Border	Rail	studies ongoing
Timișoara – Serbia border	Cross-Border	Rail	studies ongoing
München – Praha	Cross-Border	Rail	studies and works
Nürnberg – Praha	Cross-Border	Rail	studies
Wrocław – Praha	Cross-Border	Rail	studies
Nowa Sól – Hradec Králové	Cross-Border	Road	works
Ljubljana - HR border	Cross-Border	Rail	studies
Brno – AT border	Cross-Border	Road	upgrading
Budapest – Zvolen	Cross-Border	Road	upgrading
Budapest – HR Border	Cross-border	Rail	studies
Budapest – SRB Border	Cross-Border	Rail	studies
Bothnian Corridor: Lulea – Oulu	Cross-Border	Rail	studies and works
TarguNeamt–Ungheni	Cross-Border	Road	Upgrading
Zalau-Halmeu	Cross-Border	Road	Upgrading
Marijampole-Kybartai (LT/RU border)	Cross-Border	Road	Upgrading
Vilnius-LT/BY border	Cross-Border	Road	Upgrading
North-West Spain	Bottleneck	Rail	works ongoing
Frankfurt – Fulda – Erfurt – Berlin	Bottleneck	Rail	studies
Halle – Leipzig – Nürnberg	Bottleneck	Rail	works ongoing, to be completed by 2017
Rail Egnatia	Bottleneck	Rail	studies ongoing
Sundsvall – Umea – Lulea	Bottleneck	Rail	studies and works
Malmö - Göteborg	Other Core Network	Rail	works
Stockholm – Gävle – Sundsvall	Other Core Network	Rail	Upgrading, works
Mjölby – Hallsberg – Gävle	Other Core Network	Rail	Upgrading, works

Bothnian – Kiruna – NO border	Other Core Network	Rail	studies and works
Milford Haven – Swansea – Cardiff	Other Core Network	Rail	Upgrading
Rail connection Shannon Foynes - Limerick junction	Other Core Network	Rail	studies
Rail connection to Wilhelmshaven and Bremerhaven	Other Core Network	Rail	studies ongoing
UA Border – Kraków – Katowice – Wrocław – Dresden	Other Core Network	Rail	upgrading
Zilina – UA border	Other Core Network	Rail	upgrading
Ventspils – Riga – RU/BY border	Other Core Network	Rail	Upgrading, port interconnections, MoS
Klaipeda – Kaunas – Vilnius – BY border	Other Core Network	Rail	Upgrading, airport interconnection
Kybartai – Kaunas	Other Core Network	Rail	upgrading
Tallinn – Tartu - Koidula – RU border	Other Core Network	Rail	upgrading
Marseille – Toulon – Nice – Ventimiglia - Genova	Other Core Network	Rail	studies high-speed
Bordeaux – Toulouse	Other Core Network	Rail	studies high-speed
Helsinki – Oulu	Other Core Network	Rail	upgrading of sections
Pamplona – Zaragoza - Sagunto	Other Core Network	Rail	studies and works
Athens – Patras	Other Core Network	Rail	studies and works, port interconnections
Brunsbüttel - Kiel (Kiel-canal)	Other Core Network	IWW	Optimisation of navigation status

PART II: LIST OF INFRASTRUCTURE PRIORITY CORRIDORS AND AREAS IN THE ENERGY SECTOR¹

a) Priority Corridors		
	Objective	Member States concerned
1. Northern Seas offshore grid ("NSOG")	Developing an integrated offshore electricity grid in the North Sea, the Irish Sea, the English Channel, the Baltic Sea and neighbouring waters to transport electricity from renewable offshore energy sources to centres of consumption and storage and to increase cross-border electricity exchange	Belgium, Denmark, France, Germany, Ireland, Luxemburg, the Netherlands, Sweden, the United Kingdom
2. North-South electricity interconnections in South-Western Europe ("NSI West Electricity")	Developing interconnections between Member States of the region and with Mediterranean third countries, notably to integrate electricity from renewable energy sources	Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Malta, Portugal, Spain, the United Kingdom
3. North-South gas interconnections in Western Europe ("NSI West Gas"):	Increasing interconnection capacities for North-South gas flows in Western Europe to further diversify routes of supply and increase short-term gas deliverability	Belgium, Ireland, Luxembourg, France, Germany, Italy, Malta, the Netherlands, Portugal, Spain, the United Kingdom

¹ Before this Regulation is adopted, the text of Part II of the Annex will be aligned with the final text of the Annex I of Regulation XXXX/2012 on guidelines for trans-European energy infrastructure, and repealing Decision No 1364/2006/EC, with the exception of the Priority Oil Corridor.

4. North-South electricity interconnections in Central Eastern and South Eastern Europe ("NSI East Electricity"):	Strengthening interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources	Austria, Bulgaria, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia
5. North-South gas interconnections in Central Eastern and South Eastern Europe ("NSI East Gas"):	Strengthening regional gas connections between the Baltic Sea region, the Adriatic and Aegean Seas and the Black Sea, notably to enhance diversification and security of gas supply	Austria, Bulgaria, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia
6. Baltic Energy Market Interconnection Plan in electricity ("BEMIP Electricity"):	Developing interconnections between Member States in the Baltic region and reinforcing internal grid infrastructures accordingly, to end isolation of the Baltic States and to foster market integration in the region	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden
7. Baltic Energy Market Interconnection Plan in gas ("BEMIP Gas"):	Ending the isolation of the three Baltic States and Finland by ending single supplier dependency and increasing diversification of supplies in the Baltic Sea region	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden

8. Southern Gas Corridor ("SGC"):	Transmission of gas from the Caspian Basin, Central Asia, the Middle East and the East Mediterranean Basin to the Union to enhance diversification of gas supply	Austria, Bulgaria, Czech Republic, Cyprus, France, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia
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b) Priority Areas		
	Objective	Member States concerned
Smart grids deployment:	Accelerating the adoption of smart grid technologies across the Union to efficiently integrate the behaviour and actions of all users connected to the electricity network	all
Electricity highways	Developing the first electricity highways up to 2020, in view of building an electricity highways system across the Union	all
Cross-border carbon dioxide network	Preparing the construction of carbon dioxide transport infrastructure between Member States in view of the deployment of carbon dioxide capture and storage	all

PART III: LIST OF PRE-IDENTIFIED PRIORITITES AND AREAS OF INTERVENTION
IN THE TELECOMMUNICATIONS SECTOR¹

[a) Horizontal priorities

Innovative Management, Mapping & Services	Technical assistance and project replication measures, where necessary for deployment and governance, including project and investment planning and feasibility studies. Mapping of pan-European broadband infrastructure to develop an on-going detailed physical surveying and documentation of relevant sites, analysis of rights of way, assessments of potential for upgrading existing facilities, etc. Analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience
Support actions and other technical support measures	Actions needed to prepare implementation of projects of common interest or actions contributing to that purpose, including preparatory, feasibility, evaluation and validation studies, and any other technical support measure, including prior action to define and develop an action fully.

¹ Since the content of the Annex is closely linked to the issue of the functional link (see footnote for Article 7(4) as well as to the discussions on the Commission proposal for a Regulation on guidelines for trans-European telecommunications networks and repealing Decion No 1336/97/EC (hereinafter "INFSO guidelines"), Part III of the Annex will be subject to further discussions in the Telecom Working Party.

b) Broadband networks

Intervention in the field of broadband shall contribute to smart and inclusive growth through building a balanced and geographically diversified portfolio of broadband projects, including both 30Mbps and 100Mbps plus projects; with urban/suburban and rural projects, in order to reach a satisfactory level of connectivity in all the Member States.

Characteristics of the intervention	Description
The intervention in the field of broadband networks shall include:	Investments in broadband networks capable of achieving the Digital Agenda 2020 target of universal coverage at 30Mbps; or
	Investments in broadband networks capable of achieving the Digital Agenda 2020 target and having at least 50% of households subscribing to speeds above 100Mbps;
The intervention in the field of broadband networks shall consist in particular of one or more of the following elements:	The deployment of passive physical infrastructure or the deployment of combined passive and active physical infrastructure and ancillary infrastructure elements, complete with services necessary to operate such infrastructure;
	Associated facilities and associated services, such as building wiring, antennae, towers and other supporting constructions, ducts, conduits, masts, manholes, and cabinets;
	Exploitation of potential synergies between the roll-out of broadband networks and other utilities networks (energy, transport, water, sewage, etc), in particular those related to smart electricity distribution.

c) Digital service infrastructures

The following areas of intervention in the field of Digital service infrastructures shall be supported.

Digital Service	Description
<i>Trans-European high-speed backbone connections for public administrations</i>	Public trans-European backbone service infrastructure that shall provide high speed connectivity between public institutions in areas such as public administration, culture, education and health.
<i>Cross-border delivery of eGovernment services</i>	Standardised, cross-border, and user-friendly interaction platforms, which shall generate efficiency gains both throughout the economy and in the public sector, and shall contribute to the Single Market. Such platforms enable electronic procurement, online health services, standardised business reporting, electronic exchange of judicial information, trans-European online company registration, e-Government services for businesses, including trans-European online company registration.
<i>Enabling access to public sector information and multilingual services</i>	Digitalization of large collections of European cultural resources and fostering their re-use by third parties. Achieving full access for re-use to all disclosable information held by the public sector in the EU by 2020. Enabling any business in the EU to offer online services in its own language that shall be seamlessly accessible and usable in any EU language
<i>Safety and security</i>	Shared computing facilities, databases and software tools for the Safer Internet Centres (SICs) in the Member States, as well as back-office operations to handle the reporting on sex abuse content Critical service infrastructures, including communication channels and platforms developed and deployed in order to enhance the EU-wide capability for preparedness, information sharing, coordination and response.

<i>Deployment of information and communication technology solutions for intelligent energy networks and for the provision of Smart Energy Services</i>	Modern information and communication technologies in the field of smart energy services to meet the needs of citizens (who can be producers as well as consumers of energy), energy providers and public authorities.
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