

# Connecting Europe Facility 2021-2027

## Financing key EU infrastructure networks

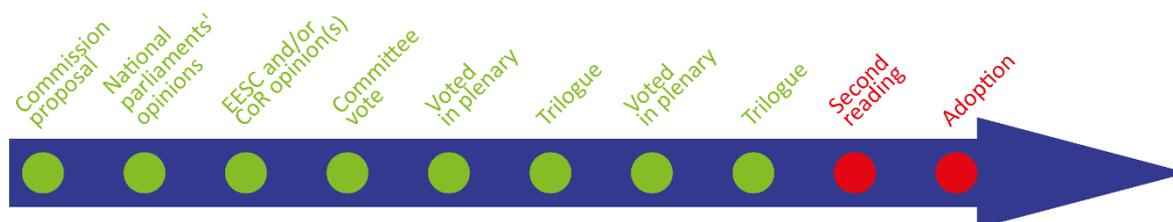
### OVERVIEW

The EU supports the development of high-performing, sustainable and interconnected trans-European networks in the areas of transport, energy and digital infrastructure. It set up the Connecting Europe Facility (CEF) as a dedicated financing instrument for the 2014-2020 period, to channel EU funding into the development of infrastructure networks, help eliminate market failures and attract further investment from the public and private sectors. Following a mid-term evaluation, the European Commission proposed to renew the programme under the long-term EU budget for the 2021-2027 period.

In the 2014-2019 term, the Council and the European Parliament provisionally agreed on the content, leaving aside the budget and the questions relating to third countries. Negotiations resumed in the present term, reflecting the Commission's revised MFF proposal of May 2020 and the European Council conclusions of July 2020. Final details were agreed on 11 March 2021.

The agreement has already been confirmed by the responsible parliamentary committees TRAN and ITRE, and the Council subsequently adopted its first-reading position on 14 June 2021. The Parliament is expected to vote at second reading during the July plenary session. Once adopted, the new CEF regulation will apply retroactively from 1 January 2021.

<b>Proposal for a regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014</b>		
<i>Committees responsible:</i>	Transport and Tourism (TRAN) Industry, Research and Energy (ITRE) (joint committee procedure, Rule 58)	COM(2018) 438 6.6.2018 2018/0228(COD)
<i>Rapporteurs:</i>	Marian-Jean Marinescu (EPP, Romania) Henna Virkkunen (EPP, Finland) Dominique Riquet (Renew, France)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Next steps expected:</i>	Second-reading vote in Parliament	



## Introduction

To secure jobs, growth and competitiveness, the EU needs strong, modern and reliable infrastructure connecting all its regions. It therefore supports the development of trans-European networks (TENs) in the areas of transport, energy and digital infrastructure. The European Commission estimated in 2011 that some [€970 billion](#) of investment in the development of trans-European networks was needed. To address this need and complement other EU funding sources, it set up the Connecting Europe Facility (CEF), a financing instrument meant to channel EU funding towards the development and modernisation of infrastructure networks, help eliminate market failures and attract further investment from the public and private sectors. As the programme has proved its capacity to contribute effectively to EU objectives, the Commission proposed to renew it as part of the next long-term EU budget plan ([multiannual financial framework \(MFF\) for 2021-2027](#)).

*Note: For the 2014-2020 CEF, current prices are used in the text (as in Commission documents) and they refer to EU-28 countries. In contrast, the proposed 2021-2027 CEF refers to EU-27 countries and amounts are indicated in constant prices, as requested by the European Parliament.*

*While current prices make no adjustments for inflation, constant prices adjust for the effects of inflation, as they are expressed in the price terms of a base period (normally a year – 2018 in this briefing). For an overview, the amounts proposed in current and constant 2018 prices are compared in Table 1.*

## Context

Efforts to support the European internal market by developing TENs date back to the 1990s. Twenty years and several enlargements later, with some steady progress achieved, the TEN policy was consolidated in 2013 with a new framework. It strengthened the governance at EU level with new sectoral guidelines and set up the CEF as an instrument to part-finance network deployment.

In **transport (TEN-T)**, the 2013 [guidelines](#) replaced the previous approach of 30 priority projects with a network approach. The network consists of two layers. The [core network](#) of nine multimodal corridors and two horizontal priorities<sup>1</sup> is to be completed by 2030. The comprehensive network of routes feeding into the core network is to be completed by 2050. The guidelines define projects of common interest for creating new or upgrading existing transport infrastructure, closing gaps, removing bottlenecks and eliminating technical barriers to transport flows between Member States.

The trans-European **energy networks (TEN-E)** seek to link the energy infrastructure of EU countries. The intervention logic laid out in the [guidelines](#) is based on nine priority corridors (covering at least two EU countries and developing electricity, gas or oil infrastructure) and three priority thematic areas.<sup>2</sup> Every two years, the Commission draws up a new [list of projects of common interest \(PCIs\)](#), taking the envisaged project's maturity into account. These key infrastructure projects help to connect national energy systems together and contribute to the EU's climate and energy goals by integrating renewables more effectively into electricity markets.

The main objective in the **telecommunications** sector is to remove digital barriers hindering the completion of the [digital single market](#) and to achieve the EU [objectives](#) for connecting European households to the internet. The relevant [guidelines](#) focus on two types of projects: digital service infrastructures (DSIs) and broadband networks for high-speed internet access. Several basic DSIs, bundled together, create reusable '[building blocks](#)', which can be combined with each other and integrated into larger projects (for instance e-Signature, e-Identification and automated translation).

## Existing situation

The **Connecting Europe Facility (Regulation 1316/2013)** is a common, centrally managed programme funding targeted transport, energy and telecommunications infrastructures. Established in 2013 as part of the [Europe 2020 strategy](#), it helps finance the development of trans-

European networks, improve cohesion in the internal market and the EU's competitiveness in the global market. It seeks to bring high European added value and stimulate further investments.

Initially, the programme was given a budget of €33 billion for the 2014-2020 period. The amount of €11.3 billion was transferred from the Cohesion Fund, to be spent only on transport projects in countries eligible for cohesion funding.<sup>3</sup> In 2015, however, the CEF budget was reduced to about €30 billion, in order to establish the European Fund for Strategic Investments (EFSI).

CEF financing takes the form of grants, procurement, financial instruments and support actions helping to prepare quality projects. Most of the CEF budget is implemented by the Innovation and Networks Executive Agency (INEA)<sup>4</sup> on the basis of open and competitive calls for proposal. INEA can optimise budget use by applying the 'use it or lose it' principle.<sup>5</sup> As most of the financing needed for the three TEN sectors is expected to come from public and private funds at the national level, the CEF mainly focuses on cross-border projects where financial markets have little or no interest in investing, but which are important in terms of EU economic, social and territorial cohesion.

The **transport** budget of about €24.1 billion (consisting of the general envelope of €12.8 billion plus the Cohesion Fund contribution of €11.3 billion) can only fund measures contributing to projects of common interest, as identified in the guidelines and programme support actions. Priority is given to creating or improving cross-border connections, completing missing links and removing bottlenecks. The programme also promotes rail interoperability, efficient and sustainable transport systems, enhancing interconnections among transport modes, as well as safety and security. Several co-financing rates are applicable for infrastructure works and telematic systems. The total amount of grants allocated to each Member State is [limited](#) by the number of corridors running through its territory. The programme [funded](#), for example, the Rail Baltica project connecting four countries, and the traffic management systems [ERTMS](#) (rail) and [SESAR](#) (air traffic).

The CEF **energy** budget of about €4.8 billion supports projects advancing integration of the internal energy market and network interoperability. It focuses on improving security of the EU supply as well as the resilience and security of the system through infrastructure. To apply for CEF funding, projects must fulfil requirements specified in the [guidelines](#): bring significant benefits to at least two EU countries, contribute to market integration and further competition, enhance security of supply, and reduce CO<sub>2</sub> emissions. As well as a [number](#) of studies and preparatory actions, the programme financed, for instance, the gas interconnector between [Lithuania and Poland](#), the [Biscay Bay High Voltage Direct Current \(HVDC\)](#), and coordinated management of renewable energies [Sincogrid](#).

The CEF **telecom** strand has a budget of about €1 billion, of which €870 million goes to DSIs, and the rest to broadband networks. [Examples](#) in different sectors include the [Europeana](#) cultural heritage platform, a platform for voluntary cooperation strengthening [preparedness](#) for cyber-attacks, solutions in e-health, and online dispute resolution.

A 2016 [in-depth analysis](#) conducted for the European Parliament and based on a stakeholder survey considered CEF funding insufficient to achieve the infrastructure network objectives and the budget allocation not aligned with the volume of technically eligible proposals. It also highlighted possible bias for large-scale corridor projects, leaving aside smaller projects offering high added value.

The European Court of Auditors highlighted, in its 2018 [special report](#), that the take up of ultra-fast broadband connections is significantly slower than expected and the target of bringing it to half of EU households by 2020 will not be met, in particular in rural areas. To give more support to broadband network infrastructures, the Commission and the European Investment Bank (EIB) launched a [Connecting Europe Broadband Fund](#) in 2016, with the aim of receiving €100 million from the CEF to fund high-capacity networks in underserved areas. In June 2018, the Commission, EIB and three other banks announced they have already pooled [€420 million](#) and aim to mobilise at least €1 billion in investment over five years.

For the years 2021-2030, the Commission [estimated](#) TEN **transport** investment needs as between €550 billion for the core network only and €1.5 trillion when the comprehensive network and urban

transport are included. In **energy**, €179 billion is needed for projects of common interest, mostly related to electricity. The **digital** sector would need about €500 billion beyond the current levels of funding to reach the EU connectivity targets for institutions, households and partial 5G coverage.

## Parliament's starting position

In June 2017, welcoming the Broadband Fund, the Parliament [called](#) on the Commission to ensure the long-term financing needed for the network modernisation in the next MFF.

In March 2018, the Parliament [stressed](#) the importance of an updated and more effective CEF programme for the sustainable transport sector and called for continued CEF support for digital service infrastructures and high-speed broadband networks, as well as for energy security, independence, efficiency and the use of renewable energy.

In May 2018, the Parliament [urged](#) the Commission to raise the proposed funding in the transport pillar of the new CEF, arguing that an insufficient budget would put the completion of the TEN-T network at risk and depreciate the investments already made. Parliament urged the Commission to preserve the integrity of the CEF, considering any cut in favour of other programmes unacceptable.

## Council starting position

In its 2017 [conclusions](#) on the progress of TEN-T and CEF, the Council recognised the importance of transport infrastructure and services in delivering on the single European transport area, the energy union and digital single market. Noting that the demand for CEF funding considerably exceeded the available resources, it called for CEF to be reinforced, and for better synergies between the three sectors to address the shortcomings identified. Recognising the complementarity with other EU funds and instruments, it reaffirmed the key role of grants for timely TEN-T implementation.

## Preparation of the proposal

On 13 February 2018, the Commission presented a mid-term evaluation [report](#) assessing the programme's progress. It is based on an online public consultation and interviews with high-level stakeholders. Overall, CEF is considered an effective and targeted instrument, bringing real EU added value. After three and a half years of implementation, the programme distributed €25 billion, resulting in an estimated €50 billion of overall infrastructure investment in the EU.

The direct management of grants, based on a competitive selection process, proved efficient. INEA allocated grants swiftly and has flexibly redirected money unspent in some areas to new actions. The use of financial instruments, however, has been limited, partly due to parallel opportunities offered by [EFSI](#). By mid-term, [91 %](#) from the **transport** budget available for grants had already been awarded. In the **energy** budget, 34 % has been allocated, through grants only. A number of **digital** services have been funded, notably in healthcare. Broadband deployment has been limited, due to budget constraints.

The Commission concluded that both the sectoral policy guidelines and the CEF programme need more flexibility to address new technological developments such as digitalisation, decarbonisation and cybersecurity. Concerning climate-related spending, about 80 % of the transport envelope had supported lower emission modes (in particular rail and inland waterways), while 40 % of the energy budget went to climate-friendly actions (mainly electricity generation), but most to gas projects.

The legislative proposal was accompanied by an [impact assessment](#), building on data collected during the mid-term evaluation. The document also analysed the results of another eight week online [public consultation](#) (spring 2018). Overall, stakeholders confirmed the importance of the CEF for infrastructure funding, asked for more flexibility for synergies in the three sectors, and for more money, in particular for connectivity and 5G.

## The changes the proposal would bring<sup>6</sup>

*Note: The amounts in this section are those proposed initially by the Commission. In reaction to the coronavirus crisis, the Commission proposed adapted amounts (see Legislative process section below).*

The Commission proposal on the new CEF (based on Articles [171](#), [172](#) and [194](#) of the Treaty on the Functioning of the EU) aligned spending on transport, digital and energy infrastructure with priorities on decarbonisation and digitalisation. The proposed instrument aimed to contribute to EU climate objectives (60 % of its envelope) and support economic growth, jobs and the use of new technologies. The Commission estimated that completing the TEN-T core network by 2030 would generate [7.5 million](#) job-years and an additional GDP increase of 1.6 % by 2030.

The programme was to target synergies among the three sectors, for instance in the areas of connected and autonomous mobility, clean mobility based on alternative fuels, energy storage and smart grids. This should be done by joint work programmes addressing at least two sectors, specifying award criteria and budget contributions from the sectors involved. Moreover, projects funded within each of the sectors could include 'ancillary elements' beyond the specified eligible actions, for instance a transport project including a renewable energy generation element. However, these ancillary elements would have to relate to the transport, energy or digital sector and 'significantly' improve the project's impact without exceeding 20 % of its total eligible costs. The new CEF should have 'simpler but more robust' monitoring. Project beneficiaries would have to provide data to the overall monitoring carried out by INEA. Administrative requirements for small grants would be reduced. The Commission would perform an interim and an ex-post evaluation.

In **transport**, the focus shifted to decarbonisation, and making transport connected, sustainable, inclusive, safe and secure. The proposed budget reflected this [rebalancing](#): 60 % of transport resources would go to the development of basic infrastructure and 40 % to modernising the existing network. Co-financing rates would be simplified and priority given to cross-border sections.<sup>7</sup> To reflect growing transport flows and improve connectivity, the core network corridors would be adapted. Several core maritime ports, cross-border and inland waterway sections would be [integrated](#) into the core network corridors, which were further aligned with [rail freight corridors](#).

The proposed **transport budget** consisted of three parts. As in the first CEF, a general transport envelope of €11.4 billion and a Cohesion Fund contribution of €10 billion would be implemented under the CEF. An additional €5.8 billion, earmarked in the security and defence budget, would also be implemented under the CEF, on projects adapting parts of the transport network to enable **dual civilian-military use**. The aim was to facilitate potential movement of military personnel and equipment, while improving civilian transport conditions. For instance, by increasing the weight capacity of a particular bridge, a shorter itinerary could be made available to standard trucks. Based on the [action plan](#) on military mobility published by the Commission in March 2018 and the identified [requirements](#) for military transport, these projects would have to follow the CEF eligibility and procedural rules.

The **energy** budget of €7.7 billion should help the transition towards clean energy and complete the [energy union](#), making EU energy systems more interconnected, digitalised, and smarter. Through projects of common interest, the proposed CEF sought to make networks more interoperable and further integrate the internal energy market (90 % of its budget), helping to decarbonise the economy. The remaining 10 % would support cross-border renewable energy projects, either between Member States or with a third country, seeking to lower the cost of renewables and stimulating their uptake. Co-financing rates would remain the same as under the current CEF.<sup>8</sup>

Following the strategic objectives set out in the 2016 [gigabit society strategy](#), the **digital** envelope of €2.7 billion would now support only infrastructure development. Repealing the relevant sectoral telecommunications [guidelines](#), the regulation would set new criteria for projects of common

interest. The focus shifted to improving digital connectivity, increasing resilience and the capacity of backbone networks, and enhancing digitalisation of transport and energy networks.

The programme would finance projects in six areas: providing gigabit connectivity to socio-economic drivers (institutions like hospitals, schools and research centres); wireless connectivity to [local communities](#); 5G coverage on important transport axes; very high capacity networks to households; key international links (such as submarine cables); and digital operational platforms. Co-financing rates would depend on the area and be complemented by financial instruments.<sup>9</sup>

The CEF programme would be implemented by work programmes adopted by the Commission.

## Advisory committees

Given the [legal basis](#), consultation of both committees is mandatory. The European Economic and Social Committee (EESC) in its [opinion](#) of 19 September 2018 (rapporteur: Aurel Laurențiu Plosceanu, Group I – Employers, Romania; co-rapporteur Graham Watson, Group III – Diversity Europe, United Kingdom) advocated a stronger budget for the post-2020 CEF, with grants as the main component. The EESC recommended encouraging synergies at project level between the three sectors, further simplifying administrative requirements and maintaining the focus of the energy budget on electricity projects, and asked the Commission to continue providing technical support to projects.

The European Committee of the Regions (CoR) in its [opinion](#) of 10 October 2018 (rapporteur: Isabelle Boudineau, PES, France) suggested using European Groupings of Territorial Cooperation (EGTCs) in cross-border projects, and stressed the connectivity needs of peripheral, outermost and island as well as demographically challenged regions.

## National parliaments

No reasoned opinion on subsidiarity issues was submitted by the [13 September 2018](#) deadline. The Czech Senate, in its [contribution](#), disagreed with the proposed transfer of resources from the Cohesion Fund to the CEF, convinced that they would bring better results under the cohesion policy.

## Stakeholder views<sup>10</sup>

As for the **transport** sector, more than 40 European associations representing transport stakeholders adopted a common [declaration](#) on 24 April 2018, calling on the Commission to increase the budget for the new CEF to facilitate the completion of the core network. Considering investments into better and more innovative transport as key to the EU remaining competitive, mobile and an attractive place to live, they urged the Commission to continue providing grants as the conventional tool for funding transport projects.

In the **energy** sector, the [Electrification Alliance](#), representing the electricity industry, suggested in an open letter to the Commission published in March 2018, a revision of the TEN-E regulatory framework. In particular, the letter claimed that synergy projects between transport and energy should get better financing and eligibility conditions, and called for improvements in project selection through defining clear objectives for projects of common interest. Arguing for better use of financial instruments to help meet the EU 2030 renewable energy target across Europe, they urged the Commission to allocate public money only to projects supporting EU climate and energy goals.

## Legislative process

In the Parliament, the Committee on Transport and Tourism (TRAN) and the Committee on Industry, Research and Energy (ITRE) are jointly responsible for the file under Rule 58 (formerly Rule 55), while the committees on Foreign Affairs (AFET), Budgets (BUDG), Environment, Public Health and Energy (ENVI), and Regional Development (REGI) have given opinions.

In their [draft report](#) published on 13 July 2018, the rapporteurs regretted the reductions in the general and cohesion envelopes. After the Parliament had agreed its position on the overall EU multiannual financial framework, the TRAN and ITRE committees adopted the joint [legislative report](#) on CEF on [22 November 2018](#). Based on this report, the Parliament adopted its [position](#) for negotiations with the Council on [12 December 2018](#), with 433 votes in favour, 134 against and 37 abstentions.<sup>11</sup>

Parliament called for an increase in the overall CEF budget to €43.85 billion (constant 2018 prices), with €33.51 billion for transport, including the envisaged transfer from the Cohesion Fund. CEF transport funds should go towards the completion of the TEN-T corridors, to improve connectivity and accessibility for EU citizens. The report also spelled out the conditions for the adaptation of TEN-T networks to civilian-defence dual use, and measures facilitating coordination among Member States on cross-border projects. Furthermore, it called for higher financing rates for projects of inter-sectoral synergies and those in outermost regions. Members also called on the Commission to present a framework programme for the entire 2021-2027 period, including a timetable for work programmes and calls for proposals, to provide predictability and transparency, so that Member States could prepare mature project proposals.

The Transport Council of 3 December 2018 agreed a [partial general approach](#), leaving out financial and horizontal issues, still under discussion as part of the next multiannual financial framework. Interinstitutional negotiations (trilogues) concluded on 8 March 2019 with a [partial provisional agreement](#), not covering the budget section nor the questions relating to third countries.

It was agreed that in transport, while the EU could in general support projects with grants up to 30 % of costs, cross-border links could be co-financed up to 50 % in certain cases (mostly on inland waterways and railways), and actions in outermost regions up to 70 %. Projects promoting synergies in at least two of the three areas (transport, energy, digital) could obtain a higher co-financing rate, as could cross-border projects managed by a joint undertaking. Blending operations may not exceed 10 % of the transport envelope. As for military mobility, the programme could only support dual-use infrastructure, not infrastructure used solely for military purposes.

As regards energy, if there were not enough cross-border projects in the field of renewable energy, the unused budget was to be used on other projects on the trans-European energy network. Among the criteria for allocating funds is the consistency of the projects with national and EU plans on energy and climate, including the 'energy efficiency first' principle.

This partial provisional agreement was approved by EU Permanent Representatives (Coreper) on 14 March 2019 and endorsed by Parliament's TRAN and ITRE committees (meeting jointly) on 25 March 2019. The Parliament then adopted a [legislative resolution](#) at first reading on 17 April 2019, approving the partial agreement, by 430 votes to 146, with 31 abstentions. All remaining issues were to be agreed at the second-reading stage. On 4 December 2019, the EP TRAN and ITRE Committees voted jointly in favour of further interinstitutional negotiations with the Council on the basis of the first-reading position, to resolve the outstanding issues.

Council's position on the CEF budget was part of the discussion of the EU's overall 2021-2027 budget. Discussions in the Council resumed after the Finnish Presidency of the Council published its 'negotiating box' in December 2019 and again with the proposal put forward in February 2020 by the President of the European Council Charles Michel. However, Member States had not reached an agreement when the coronavirus pandemic broke out. Consequently, budgetary priorities were realigned.

In reaction to the coronavirus crisis and to the demand of the European Council of 23 April 2020, the Commission adopted an adjusted multiannual financial framework proposal on 27 May 2020, which also modified the CEF budget. The Commission increased its proposal for CEF-Transport, but still for a lower amount than the EP had demanded. This increase was accompanied by larger cuts to CEF-military mobility, CEF-Energy and CEF-Digital. The adjusted amounts proposed (in 2018 constant prices) were as follows: transport €12.9 billion (+ €1.5 billion more than the original Commission

proposal), energy €5.2 billion (- €2.5 billion), digital €1.8 billion (- €0.9 billion), military mobility €1.5 billion (- €4.3 billion), while the contribution from the Cohesion Fund remained at €10 billion. The Commission specified that the increase in the transport envelope was to be used to finance high-performance transport infrastructure to facilitate cross-border connections.

The EP TRAN committee [discussed](#) the EU recovery plan, budgetary issues and the amended CEF proposal with Henrik Hololei, Director-General of DG MOVE of the European Commission, on 8 June 2020. The following day, 45 MEPs sent a [letter](#) to the Commission calling for adequate funding for post-2020 military mobility, which they saw as a flagship area of EU-NATO cooperation.

At its special meeting on [17-21 July 2020](#), the European Council decided, among other matters, new rules for the distribution of the €10 billion transferred from the Cohesion Fund. In parallel, it ring-fenced €1.4 billion for the completion of missing major cross-border railway links between cohesion countries. Consequently, the Council negotiating mandate was [revised](#).

After three informal trilogue meetings with the Parliament, a [provisional agreement](#) was reached on 11 March 2021, along the lines of the July 2020 decisions. This was confirmed by Coreper on 24 March.

The new CEF will support key infrastructure projects with about €30 billion (constant 2018 prices, for details see Table 1 below). In transport (€22.9 billion), a new objective is to adapt parts of the transport network to dual civilian and military needs, thus improving military mobility in the EU. For their part, energy networks (€5.2 billion) should become more interoperable to support an integrated EU energy market and ensure security of supply. Alignment with EU and national climate and energy plans is key. Newly, funding will be available for cross-border projects for renewable energy generation. In the digital sector (€1.8 billion), the focus is on projects advancing safe and secure very high capacity digital networks and 5G systems, as well as the digitalisation of transport and energy.

Table 1 – CEF budgets comparison (in commitments; € billion)

	2018 constant prices			Current prices		
	CEF 2014-2020 (EU-27, estimated)	Proposed CEF 2021-2027 (EU-27)	Final agreed CEF 2021-2027 (EU-27)	CEF 2014-2020 (EU-27, estimated)	Proposed CEF 2021-2027 (EU-27)	Final agreed CEF 2021-2027 (EU-27)
CEF Transport	12 393	11 384	11 384	12 281	12 830	12 830
CEF Energy	4 185	7 675	5 180	4 163	8 650	5 838
CEF Telecom/Digital	1 001	2 662	1 832	0 991	3 000	2 065
<i>Total CEF headings</i>	<i>17 579</i>	<i>21 721</i>	<i>18 396</i>	<i>17 435</i>	<i>24 480</i>	<i>20 733</i>
Cohesion Fund contribution to CEF transport	11 487	10 000	10 000	11 306	11 285	11 286
Military mobility (security and defence)	-	5 767	1 500	-	6 500	1 691
<b>Total</b>	<b>29 066</b>	<b>31 721</b>	<b>29 896</b>	<b>28 741</b>	<b>42 265</b>	<b>33 710</b>

Sources: EPRS, [2021-2027 multiannual financial framework and new own resources](#), July 2018, based on data from the Secretariat of the Committee on Budgets, European Parliament. [Position of the Council at first reading on Regulation establishing the Connecting Europe Facility](#), 14 June 2021. Totals do not tally due to rounding.

The agreement was jointly confirmed by the TRAN and ITRE committees on 15 April 2021. The Council adopted its [position](#) at first reading on 14 June 2021. The Parliament's TRAN and ITRE committees' recommendation for the second-reading vote was formally adopted on 24 June 2021 and the second-reading vote in Parliament's plenary is planned for the July part-session. Once adopted, the [new CEF regulation](#) will apply retroactively from 1 January 2021.

## EP SUPPORTING ANALYSIS

[Assessment of Connecting Europe Facility](#), Policy Department for Budgetary Affairs, European Parliament, January 2016.

[Energy and the MFF](#), Policy Department for Economic and Scientific Policy, European Parliament, February 2018.

Negreiro M., [Towards a European gigabit society](#), EPRS, European Parliament, June 2017.

Parry M., Pape M., Wilson A., [Connecting Europe Facility](#), EPRS, European Parliament, September 2015.

## OTHER SOURCES

Bodewig K., Secchi C., [Making the best use of new financial schemes for European transport infrastructure projects, progress report](#), January 2018.

[Connecting Europe facility 2021–2027](#), European Parliament, Legislative Observatory (OEIL).

[Investment needs in trans-European energy infrastructure up to 2030 and beyond](#), Ecofys, July 2017.

## ENDNOTES

- <sup>1</sup> TEN-T horizontal priorities: the [European rail traffic management system](#) and the [Motorways of the sea](#).
- <sup>2</sup> TEN-E priority thematic areas: grids deployment, electricity highways, and a cross-border CO<sub>2</sub> network.
- <sup>3</sup> The [Cohesion Fund](#) is aimed at Member States whose gross national income (GNI) per inhabitant is less than 90 % of the EU average. For the 2014-2020 period, the cohesion funding concerns Bulgaria, Czechia, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia.
- <sup>4</sup> [INEA](#) is the successor of the Trans-European Transport Network Executive Agency (TEN-T EA) and also manages the Horizon 2020 programme and two legacy programmes from the 2007-2013 financing period.
- <sup>5</sup> INEA may close a grant agreement if the action has not begun by an agreed date (study: one year, works: two years).
- <sup>6</sup> Amounts in this and the following sections are expressed in constant 2018 prices.
- <sup>7</sup> Transport grants: general envelope and military mobility projects in all modes funded up to 30 % (or up to 50 % in case of studies, cross-border links, telematic applications systems, new technology and innovation, safety and outermost regions); cohesion envelope projects funded as under the [Cohesion Fund 2021-2027](#) (proposed level [70 %](#), cross-border projects up to 85 %) of the eligible costs.
- <sup>8</sup> Energy grants: up to 50 % for studies and works, or up to 75 % in exceptional cases for projects that bring a high degree of security of supply, strengthen EU solidarity or include highly innovative solutions.
- <sup>9</sup> Digital grants: socio-economic drivers (schools, medical centres etc.) up to 75 %, wireless connectivity to local communities up to 100 %, 5G corridors along important transport axes up to 50 %, very high capacity networks to households up to 30 %, key international networks up to 50 %; while with digital operational platforms, the co-funding depends on the synergy regime.
- <sup>10</sup> This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.
- <sup>11</sup> In parallel, on 11 December 2018, the Parliament adopted a [resolution](#) on military mobility, prepared by the AFET committee (rapporteur: Tunne Kelam, EPP, Estonia) an issue which is part of the proposed CEF.

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