



*Committee on Industry, Research and Energy
Committee on Transport and Tourism*

2018/0228(COD)

13.7.2018

*****I**

DRAFT REPORT

on the 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 (COM(2018)0438 – C8-0255/2018 – 2018/0228(COD))

Committee on Industry, Research and Energy
Committee on Transport and Tourism

Rapporteurs: Marian-Jean Marinescu, Henna Virkkunen, Pavel Telička

(Joint committee procedure – Rule 55 of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	36

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the 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 (COM(2018)0438 – C8-0255/2018 – 2018/0228(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0438),
 - having regard to Article 294(2) and Articles 172 and 194 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0255/2018),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of ¹,
 - having regard to the opinion of the Committee of the Regions of ... ²,
 - having regard to Rule[s] 59 [and 39] of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on Industry, Research and Energy and the Committee on Transport and Tourism under Rule 55 of the Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the Committee on Transport and the opinions of the Subcommittee on Security and Defence, the Committee on Budgets, the Committee on the Environment, Public Health and Food Safety and the Committee on Regional Development (A8-0000/2018),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 1

¹ OJ....

² OJ

Text proposed by the Commission

(1) In order to achieve smart, sustainable and inclusive growth and to stimulate job creation, the Union needs an up-to-date, high-performance infrastructure to help connect and integrate the Union and all its regions, in the transport, **telecommunications** and energy sectors. Those connections should help to improve the free movement of persons, goods, capital and services. The trans-European networks should facilitate cross-border connections, foster greater economic, social and territorial cohesion and contribute to a more competitive social market economy and to combating climate change.

Amendment

(1) In order to achieve smart, sustainable and inclusive growth and to stimulate job creation, the Union needs an up-to-date, high-performance infrastructure to help connect and integrate the Union and all its regions, in the transport, **digital** and energy sectors. Those connections should help to improve the free movement of persons, goods, capital and services. The trans-European networks should facilitate cross-border connections, foster greater economic, social and territorial cohesion and contribute to a more competitive social market economy and to combating climate change.

Or. en

Amendment 2

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) Reflecting the importance of tackling climate change in line with Union's commitments to implement the Paris Agreement, and the commitment to the United Nations Sustainable Development Goals, this Regulation should therefore mainstream climate action and lead to the achievement of an overall target of 25% of the EU budget expenditures supporting climate objectives¹⁸. Actions under this Programme are expected to contribute 60% of the overall financial envelope of the Programme to climate objectives, based inter alia on the following Rio markers: i) 100% for the expenditures relating to railway infrastructure, alternative fuels, clean urban transport, electricity transmission, electricity storage,

Amendment

(4) Reflecting the importance of tackling climate change in line with Union's commitments to implement the Paris Agreement, and the commitment to the United Nations Sustainable Development Goals, this Regulation should therefore mainstream climate action and lead to the achievement of an overall target of 25% of the EU budget expenditures supporting climate objectives¹⁸. Actions under this Programme are expected to contribute 60% of the overall financial envelope of the Programme to climate objectives, based inter alia on the following Rio markers: i) 100% for the expenditures relating to railway infrastructure, alternative **and sustainable** fuels, **energy efficiency**, clean urban transport, electricity

smart grids, CO2 transportation and renewable energy; ii) 40% for inland waterways and multimodal transport, and gas infrastructure - *if* enabling increased use of renewable hydrogen or bio-methane. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes. In order to prevent that infrastructure is vulnerable to potential long term climate change impacts and to ensure that the cost of greenhouse gas emissions arising from the project is included in the project's economic evaluation, projects supported by the Programme should be subject to climate proofing in accordance with guidance that should be developed by the Commission coherently with the guidance developed for other programmes of the Union where relevant.

¹⁸ COM(2018) 321, page 13

transmission, electricity storage, smart grids, CO2 transportation and renewable energy; ii) 40% for inland waterways and multimodal transport, and gas infrastructure — *in particular when* enabling increased use of renewable hydrogen or bio-methane. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes. In order to prevent that infrastructure is vulnerable to potential long term climate change impacts and to ensure that the cost of greenhouse gas emissions arising from the project is included in the project's economic evaluation, projects supported by the Programme should be subject to climate proofing in accordance with guidance that should be developed by the Commission coherently with the guidance developed for other programmes of the Union where relevant.

¹⁸ COM(2018) 321, page 13

Or. en

Amendment 3

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) An important objective of this Programme is to deliver increased synergies between the transport, energy and digital *sector*. For that purpose, the ***Programme should provide for the adoption of cross-sectoral*** work programmes ***that*** could address specific intervention areas, for instance as regards connected and automated mobility or alternative fuels. ***In addition***, the Programme should allow, within each

Amendment

(6) An important objective of this Programme is to deliver increased synergies ***and complementarity*** between the transport, energy and digital ***sectors***. For that purpose, the work programmes could address specific intervention areas, for instance as regards connected and automated mobility or alternative fuels, ***and should provide for increased flexibility to merge the financial support in these sectors. Enabling digital***

sector, the possibility to consider eligible some ancillary components pertaining to another sector, where such an approach improves the socio-economic benefit of the investment. Synergies between sectors should be incentivized through the award criteria for the selection of actions.

communication could constitute an integral part of a project of common interest in the field of energy and transport. The Programme should allow, within each sector, the possibility to consider eligible some ancillary components pertaining to another sector, where such an approach improves the socio-economic benefit of the investment. Synergies between sectors should be incentivized through the award criteria for the selection of actions, ***as well as in terms of increased co-financing.***

Or. en

Amendment 4

Proposal for a regulation Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) Actions contributing to the development of projects of common interest in the transport sector, financed by the Programme, should build on the complementarity of all transport modes to provide for efficient, interconnected and multimodal networks, in order to ensure connectivity throughout the Union;

Or. en

Amendment 5

Proposal for a regulation Recital 8

Text proposed by the Commission

Amendment

(8) In order to achieve the objectives laid down in the TEN-T guidelines, it is necessary to support with priority the cross-border links ***and*** the missing links

(8) In order to achieve the objectives laid down in the TEN-T guidelines, it is necessary to support with priority the cross-border links, the missing links ***and***

and to ensure, where applicable, that the supported actions are consistent with the corridor work plans established pursuant to Article 47 of Regulation (EU) No 1315/2013 and to the overall network development regarding performance and interoperability.

urban nodes and to ensure, where applicable, that the supported actions are consistent with the corridor work plans established pursuant to Article 47 of Regulation (EU) No 1315/2013 and to the overall network development regarding performance and interoperability.

Or. en

Amendment 6

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) In order to reflect growing transport flows and the evolution of the network, the alignment of the core network corridors **and** their pre-identified sections should be adapted. These adaptations should be proportionate in order to preserve the consistency and the efficiency of the corridor development and coordination. For that reason the length of the core network corridors should not increase by more than 15%.

Amendment

(9) In order to reflect growing transport flows and the evolution of the network, the alignment of the core network corridors, their pre-identified sections **and their capacity** should be adapted. These adaptations **to the core network should not affect its completion by 2030 and** should be proportionate in order to preserve the consistency and the efficiency of the corridor development and coordination. For that reason the length of the core network corridors should, **if they are to be increased at all**, not increase by more than 15%. **Evolutions on the comprehensive network must be monitored and assessed in order to guarantee the relevance of the sections.**

Or. en

Amendment 7

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Following the Joint Communication

Amendment

(14) Following the Joint Communication

on improving military mobility in the European Union of November 2017²⁴, the Action Plan on Military Mobility adopted on 28 March 2018 by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy²⁵ highlighted that transport infrastructure policy offers a clear opportunity to increase synergies between defence needs and TEN-T. The Action Plan indicates that by mid-2018, the Council is invited to consider and validate the military requirements in relation to transport infrastructure and that, by 2019 the Commission services will identify the parts of the trans-European transport network suitable for military **transport**, including **necessary upgrades of** existing infrastructure. Union funding for the implementation of the dual-use projects should be implemented through the Programme on the basis of **specific** work programmes **specifying** the applicable requirements as defined in the context of the Action Plan.

²⁴ JOIN(2017) 41

²⁵ JOIN(2018) 5

on improving military mobility in the European Union of November 2017, the Action Plan on Military Mobility adopted on 28 March 2018 by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy highlighted that transport infrastructure policy offers a clear opportunity to increase synergies between defence needs and TEN-T, **with the overall view of improving mobility across the Union**. The Action Plan indicates that by mid-2018, the Council is invited to consider and validate the military requirements in relation to transport infrastructure and that, by 2019 the Commission services will identify the parts of the trans-European transport network suitable **also** for military **use of the infrastructure**, including **where there is the possibility to upgrade** existing infrastructure. **The infrastructure will always be for dual use**. Union funding for the implementation of the dual-use projects should be implemented through the Programme on the basis of work programmes **through measureable actions complying with** the applicable requirements as defined in the context of the Action Plan.

²⁴ JOIN(2017) 41

²⁵ JOIN(2018) 5

Or. en

Amendment 8

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) Innovative infrastructure technologies that enable the transition to a low carbon energy and mobility systems and improve security of supply are

Amendment

(20) Innovative infrastructure technologies that enable the transition to a low carbon energy and mobility systems and improve security of supply are

essential in view of the Union's decarbonisation agenda. In particular, in its Communication of 23 November 2017 "Communication on strengthening Europe's energy networks"²⁸, the Commission emphasised that the role of electricity, where renewable energy will constitute half of the electricity generation by 2030, will increasingly be driving the decarbonisation of sectors so far dominated by fossil fuels, such as transport, industry and heating and cooling and that accordingly, the focus under the trans-European energy infrastructure policy is increasingly on electricity interconnections, electricity storages and smart grids projects. To support the Union's decarbonisation objectives, due consideration and priority should be given to technologies and projects contributing to the transition to a low carbon economy. The Commission will aim at increasing the number of cross-border smart grid, innovative storage as well as carbon dioxide transportation projects to be supported under the Programme.

²⁸ COM(2017) 718

essential in view of the Union's decarbonisation agenda. In particular, in its Communication of 23 November 2017 "Communication on strengthening Europe's energy networks"²⁸, the Commission emphasised that the role of electricity, where renewable energy will constitute half of the electricity generation by 2030, will increasingly be driving the decarbonisation of sectors so far dominated by fossil fuels, such as transport, industry and heating and cooling and that accordingly, the focus under the trans-European energy infrastructure policy is increasingly on electricity interconnections, electricity storages and smart grids projects. To support the Union's decarbonisation objectives, ***internal market integration and security of supply***, due consideration and priority should be given to technologies and projects contributing to the transition to a low carbon economy ***and to increasing the interconnection level among Member States. In the energy sector the Programme should contribute to achieving the level of 15 % of interconnections by 2030.*** The Commission will aim at increasing the number of cross-border smart grid, innovative storage as well as carbon dioxide transportation projects to be supported under the Programme.

²⁸ COM(2017) 718

Or. en

Amendment 9

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) Actions contributing to projects of

Amendment

(29) Actions contributing to projects of

common interest in the area of digital connectivity infrastructure shall deploy the technology best suited for the specific project, while proposing the best balance between state-of-the-art technologies in terms of data flow capacity, transmission security, network resilience and cost efficiency, and should be prioritised by way of work programmes taking into account criteria set out in this Regulation. Deployments of very high capacity networks can include passive infrastructure, in view of maximising socio-economic as well as environmental benefits. Finally, when prioritising actions, the potential positive spill-overs in terms of connectivity shall be taken into account, for example when a project deployed can improve the business case for future deployments leading to further coverage of territories and population in areas which have remained uncovered so far.

common interest in the area of digital connectivity infrastructure shall deploy the technology best suited for the specific project, while proposing the best balance between state-of-the-art technologies in terms of data flow capacity, transmission security, network resilience, **cybersecurity** and cost efficiency, and should be prioritised by way of work programmes taking into account criteria set out in this Regulation. Deployments of very high capacity networks can include passive infrastructure, in view of maximising socio-economic as well as environmental benefits. Finally, when prioritising actions, the potential positive spill-overs in terms of connectivity shall be taken into account, for example when a project deployed can improve the business case for future deployments leading to further coverage of territories and population in areas which have remained uncovered so far.

Or. en

Amendment 10

Proposal for a regulation Recital 31

Text proposed by the Commission

(31) The positive results of the first Blending Call for proposals launched under the current programme in 2017, confirmed the relevance and added value of using EU grants for blending with financing from the European Investment Bank or National Promotional Banks or other development and public financial institutions as well as from private-sector finance institutions and private-sector investors, including through public private partnerships. The Programme should therefore continue to **provide for dedicated Calls** enabling combination between EU grants and other sources of financing.

Amendment

(31) The positive results of the first Blending Call for proposals launched under the current programme in 2017, confirmed the relevance and added value of using EU grants for blending with financing from the European Investment Bank or National Promotional Banks or other development and public financial institutions as well as from private-sector finance institutions and private-sector investors, including through public private partnerships. The Programme should therefore continue to **support actions** enabling combination between EU grants and other sources of financing. **In the transport sector,**

*blending operations should not exceed
10 % of the dedicated envelope.*

Or. en

Amendment 11

Proposal for a regulation Recital 32

Text proposed by the Commission

(32) The policy objectives of this Programme will be also addressed through financial instruments and budgetary guarantee under the policy window(s) [...] of the InvestEU Fund. The Programme's actions should be used to **address market failures or sub-optimal investment situations, in a proportionate manner**, without duplicating or crowding out private financing and have a clear European added value.

Amendment

(32) The policy objectives of this Programme will be also addressed through financial instruments and budgetary guarantee under the policy window(s) of the InvestEU Fund. The Programme's actions should be used to **boost** investment, without duplicating or crowding out private financing and have a clear European added value.

Or. en

Amendment 12

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of

Amendment

(36) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of

Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.

Article 322 TFEU also:

(a) concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding, as provided for in Regulation XXXXX on the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States, and

(b) concern measures linking effectiveness of Funds to sound economic governance as provided for in Regulation XXXXX laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

Or. en

Amendment 13

Proposal for a regulation Recital 40 a (new)

Text proposed by the Commission

Amendment

(40a) Successful implementation of the Programme is highly dependent on the level of cooperation between the entities participating in a common project. Therefore, the establishment of a joint venture structure should be encouraged,

including through a higher level of co-financing.

Or. en

Amendment 14

Proposal for a regulation Recital 45

Text proposed by the Commission

(45) Adequate monitoring and reporting measures including indicators should be implemented in order to report the progress of the Programme towards the achievement of the general and specific objectives set out in this Regulation. This performance reporting system should ensure that data for monitoring implementation of the Programme and its results are collected efficiently, effectively and in a timely manner. It is necessary to impose proportionate reporting requirements on recipients of Union funds in order to collect relevant data for the Programme.

Amendment

(45) Adequate monitoring and reporting measures including *measurable* indicators should be implemented in order to *assess and report on* the progress of the Programme towards the achievement of the general and specific objectives set out in this Regulation, *as well as to promote its achievements*. This performance reporting system should ensure that data for monitoring *the* implementation of the Programme and its results *are suitable for an in-depth analysis of the progress achieved and of the difficulties encountered along the core network corridors and that those data and results* are collected efficiently, effectively and in a timely manner. It is necessary to impose proportionate reporting requirements on recipients of Union funds in order to collect relevant data for the Programme.

Or. en

Amendment 15

Proposal for a regulation Recital 46

Text proposed by the Commission

(46) In order to *ensure uniform conditions for the implementation of this Regulation, implementing powers* should

Amendment

(46) In order to supplement this Regulation, *the power to adopt acts in accordance with Article 290 of the Treaty*

be conferred on the Commission as regards adoption of work programmes. *Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council*⁴⁰.

on the Functioning of the European Union should be *delegated to* the Commission *in respect of the* adoption of work programmes.

⁴⁰ *Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13)*

Or. en

Amendment 16

Proposal for a regulation

Article 2 – paragraph 1 – point d

Text proposed by the Commission

(d) 'Blending operation' means actions supported by the EU budget, including within blending facilities pursuant to Article [2(6)] of the Regulation (EU, Euratom) 2018/XXX (the 'Financial Regulation'), combining non-repayable forms of support and/or financial instruments from the EU budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;

Amendment

(d) 'Blending operation' means actions supported by the EU budget, including within blending facilities pursuant to Article [2(6)] of the Regulation (EU, Euratom) 2018/XXX (the 'Financial Regulation'), combining non-repayable forms of support and/or financial instruments *and/or budgetary guarantees* from the EU budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;

Or. en

Amendment 17

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

1. The Programme has the general objective to develop and modernise the trans-European networks in the fields of transport, energy and digital and to facilitate cross-border cooperation in the field of renewable energy, taking into account the long-term decarbonisation commitments and with emphasis on synergies among sectors.

Amendment

1. The Programme has the general objective to develop and modernise the trans-European networks in the fields of transport, energy and digital and to facilitate cross-border cooperation in the field of renewable energy, ***in order to contribute to increasing European competitiveness and to smart, sustainable and inclusive growth***, taking into account the long-term decarbonisation commitments and with emphasis on synergies among ***transport, energy and digital*** sectors ***to the full***.

Or. en

Amendment 18

Proposal for a regulation

Article 3 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) to contribute to the development of projects of common interest relating to efficient ***and*** interconnected networks and infrastructure for smart, sustainable, inclusive, safe and secure mobility;

Amendment

(i) to contribute to the development of projects of common interest relating to efficient, interconnected ***and multimodal*** networks and infrastructure for smart, sustainable, inclusive, safe and secure mobility;

Or. en

Amendment 19

Proposal for a regulation

Article 3 – paragraph 2 – point a – point ii

Text proposed by the Commission

Amendment

(ii) to **adapt the TEN-T networks** to military mobility needs;

(ii) to **integrate** military mobility needs **into the TEN-T networks, thus enabling dual use of infrastructure**;

Or. en

Amendment 20

Proposal for a regulation

Article 3 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) In the energy sector, to contribute to the development of projects of common interest relating to further integration of **the** internal energy market, interoperability of networks across borders and sectors, facilitating decarbonisation and ensuring security of supply, and to facilitate cross-border cooperation in the area of renewable energy;

(b) In the energy sector, to contribute to the development of projects of common interest relating to further integration of **an efficient and competitive** internal energy market, interoperability of networks across borders and sectors, facilitating decarbonisation and **energy efficiency and** ensuring security of supply, and to facilitate cross-border cooperation in the area of **energy, including** renewable energy;

Or. en

Amendment 21

Proposal for a regulation

Article 3 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) In the digital sector, to contribute to the deployment of very high capacity digital networks and 5G systems, to the increased resilience and capacity of digital backbone networks on EU territories by linking them to neighbouring territories, as well to the digitalisation of transport and energy networks.

(c) In the digital sector, to contribute to the deployment of very high capacity digital networks and 5G systems, to the increased resilience and capacity of digital backbone networks on EU territories by linking them to neighbouring territories, as well to the digitalisation of transport and energy networks **through projects of**

common interest.

Or. en

Amendment 22

Proposal for a regulation

Article 4 – paragraph 2 – point a – introductory part

Text proposed by the Commission

(a) **up to** EUR 30,615,493,000 for the specific objectives referred to in Article 3(2)(a), of which:

Amendment

(a) EUR 30,615,493,000 for the specific objectives referred to in Article 3(2)(a), of which:

Or. en

Amendment 23

Proposal for a regulation

Article 4 – paragraph 2 – point b

Text proposed by the Commission

(b) **up to** EUR 8,650,000,000 for the specific objectives referred to in Article 3(2)(b), out of which up to 10% for the cross-border projects in the field of renewable energy

Amendment

(b) EUR 8,650,000,000 for the specific objectives referred to in Article 3(2)(b), out of which up to 10% for the cross-border projects in the field of renewable energy

Or. en

Amendment 24

Proposal for a regulation

Article 4 – paragraph 2 – point c

Text proposed by the Commission

(c) **up to** EUR 3,000,000,000 for the specific objectives referred to in Article 3(2)(c).

Amendment

(c) EUR 3,000,000,000 for the specific objectives referred to in Article 3(2)(c).

Amendment 25**Proposal for a regulation
Article 4 – paragraph 9***Text proposed by the Commission*

9. Resources allocated to Member **States** under shared management may, at **their** request, be transferred to the Programme. The Commission shall implement those resources directly in accordance with [point (a) of Article 62(1)] of the Financial Regulation or indirectly in accordance with point (c) of that Article. **Where possible those resources shall be used for the benefit of the Member State concerned.**

Amendment

9. Resources allocated to **a** Member **State** under shared management may, at **its** request, be transferred to the Programme, **in order for them to be used as part of a blending operation or synergy action included in a proposal submitted by the Member State concerned and declared eligible by the Commission under a work programme procedure.** The Commission shall implement those resources directly in accordance with [point (a) of Article 62(1)] of the Financial Regulation or indirectly in accordance with point (c) of that Article.

Or. en

Amendment 26**Proposal for a regulation
Article 6 – paragraph 2***Text proposed by the Commission*

2. The Programme may provide funding in **any of** the forms laid down in the Financial Regulation, **in particular grants and procurement. It may also provide financing in the form of financial instruments** within blending operations. Blending operations decided under this Programme shall be implemented in accordance with the InvestEU Regulation and Title X of the Financial Regulation.

Amendment

2. The Programme may provide funding in the forms **of grants and procurement as** laid down in the Financial Regulation.

Funding provided by the Programme may be used within blending operations. **In the transport sector, blending operations shall**

not exceed 10 % of the dedicated envelope. Blending operations decided under this Programme shall be implemented in accordance with the InvestEU Regulation and Title X of the Financial Regulation.

Or. en

Amendment 27

Proposal for a regulation Article 6 a (new)

Text proposed by the Commission

Amendment

Article 6 a

Integration of military mobility needs into the TEN-T networks

1. Projects of common interest shall contribute to the integration of military mobility needs into TEN-T networks, with the purpose of enabling a civilian-military dual use of infrastructure, in accordance with the military mobility requirements and priority projects identified in paragraph 3 of this Article.

2. Studies with the aim of developing and identifying projects of common interest, which will be always based on existing TEN-T feasibility studies, projects and implementation, shall include also the actions necessary to comply with military mobility requirements validated by the Council and military transport priority projects identified by the Commission.

All proposed projects shall include measurable actions to integrate the military mobility requirements validated by the Council.

Proposals including only actions connected with military mobility shall be eligible only in case of adding to an existing civil infrastructure.

All actions connected with completion of military requirements shall be financed from the funds provided in Article 4 (2)(a)(iii).

3. By 31 December 2019, the Commission shall adopt delegated acts in accordance with Article 24 of this Regulation in order to further specify the military requirements, list of priority projects and the assessments procedure regarding the eligibility of the actions connected with military mobility.

Or. en

Amendment 28

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

1. Cross-border projects in the field of renewable energy shall involve at least two Member States and shall be included in a cooperation agreement or any other kind of arrangement between Member States or arrangements between Member States and third countries as set out in Articles 6, 7, 9 or 11 of Directive 2009/28/EC. These projects shall be identified in accordance with the criteria and **procedure** laid down in Part IV of the Annex to this Regulation.

Amendment

1. Cross-border projects in the field of renewable energy shall involve at least two Member States and shall be included in a cooperation agreement or any other kind of arrangement between Member States or arrangements between Member States and third countries as set out in Articles 6, 7, 9 or 11 of Directive 2009/28/EC. These projects shall be identified in accordance with the **general** criteria and **process** laid down in Part IV of the Annex to this Regulation.

Or. en

Amendment 29

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

2. By 31 December 2019, the

Amendment

2. By 31 December 2019, the

Commission shall adopt **a** delegated act in accordance with Article 23(d) of this Regulation to further specify **the** selection criteria and lay down details of the selection process of the projects and shall publish the methodologies for assessing the contribution of the projects to the general criteria and for assessing the **overall costs and benefits** specified in Part IV of the Annex.

Commission shall adopt delegated act in accordance with Article 23(d) of this Regulation to further specify, **without prejudice to the award criteria laid down in Article 13, the specific** selection criteria and lay down details of the selection process of the projects and shall publish the methodologies for assessing the contribution of the projects to the general criteria and for assessing the **cost-benefit analysis** specified in Part IV of the Annex.

Or. en

Amendment 30

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

1. Projects of common interest in the area of digital connectivity infrastructure **shall contribute to the specific objective provided for in Article 3(2)(c).**

Amendment

1. Projects of common interest in the area of digital connectivity infrastructure **are those projects that make a significant contribution:**

(a) to completing the European Digital Single Market

(b) to the Union's strategic connectivity objectives and

(c) provide the underlying network infrastructure supporting the digital transformation of the economy and society.

Or. en

Amendment 31

Proposal for a regulation Article 8 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. Projects of common interest in the

area of digital connectivity infrastructure shall comply with the criteria below:

(a) contribute to the specific objective provided for in point (c) of Article 3(2);

(b) deploy the technology which is best suited for the specific project, while proposing the best balance between state-of-the-art technologies in terms of data flow capacity, transmission security, network resilience, cybersecurity and cost efficiency.

Or. en

Amendment 32

Proposal for a regulation Article 8 – paragraph 3 – point g

Text proposed by the Commission

Amendment

(g) the extent to which the deployed technology is best suited for the specific project, while proposing the best balance between state-of-the-art technologies in terms of data flow capacity, transmission security, network resilience and cost efficiency.

deleted

Or. en

Amendment 33

Proposal for a regulation Article 9 – paragraph 2 – point a – introductory part

Text proposed by the Commission

Amendment

*(a) Actions relating to efficient **and** interconnected networks:*

*(a) Actions relating to efficient, interconnected **and multimodal** networks:*

Or. en

Amendment 34

Proposal for a regulation

Article 9 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) actions implementing the core network in accordance with Chapter III of Regulation (EU) No 1315/2013, including actions relating to urban nodes, maritime ports, inland ports and rail-road terminals of the core network as defined at Annex II to Regulation (EU) No 1315/2013. Actions implementing the core network may include related elements located on the comprehensive network when necessary to optimize the investment and according to modalities specified in the work programmes referred to in Article 19 of this Regulation;

Amendment

(i) actions implementing the core network in accordance with Chapter III of Regulation (EU) No 1315/2013, including actions relating to urban nodes, **airports**, maritime ports, inland ports and rail-road terminals of the core network as defined at Annex II to Regulation (EU) No 1315/2013, **mainly actions listed in Part III, heading 1 of the Annex to this Regulation**. Actions implementing the core network may include related elements located on the comprehensive network when necessary to optimize the investment and according to modalities specified in the work programmes referred to in Article 19 of this Regulation;

Or. en

Amendment 35

Proposal for a regulation

Article 9 – paragraph 2 – point a – point ii

Text proposed by the Commission

(ii) actions implementing cross-border links of the comprehensive network in accordance with Chapter II of Regulation (EU) No 1315/2013, notably the sections listed in Part III of the Annex to this Regulation;

Amendment

(ii) actions implementing **and stimulating** cross-border links of the comprehensive network in accordance with Chapter II of Regulation (EU) No 1315/2013, notably the sections listed in Part III **(2)** of the Annex to this Regulation;

Or. en

Amendment 36

Proposal for a regulation

Article 9 – paragraph 2 – point a – point iii

Text proposed by the Commission

(iii) actions implementing sections of the comprehensive network located in outermost regions in accordance with Chapter II of Regulation (EU) No 1315/2013, including actions relating to the relevant urban nodes, maritime ports, inland ports and rail-road terminals of the comprehensive network as defined at Annex II to Regulation (EU) No 1315/2013;

Amendment

(iii) actions implementing sections of the comprehensive network located in outermost regions in accordance with Chapter II of Regulation (EU) No 1315/2013, including actions relating to the relevant urban nodes, **airports**, maritime ports, inland ports and rail-road terminals of the comprehensive network as defined at Annex II to Regulation (EU) No 1315/2013;

Or. en

Amendment 37

Proposal for a regulation

Article 9 – paragraph 2 – point c

Text proposed by the Commission

(c) Under the specific objective referred to in Article 3(2)(a)(ii): **actions, or** specific activities within an action, supporting transport infrastructure on the TEN-T Network in order to **adapt it to** military mobility requirements with the purpose of enabling a civilian-military dual-use of the infrastructure.

Amendment

(c) Under the specific objective referred to in Article 3(2)(a)(ii): specific activities within an action, supporting transport infrastructure on the TEN-T Network in order to **integrate the** military mobility requirements with the purpose of enabling a civilian-military dual-use of the infrastructure.

Or. en

Amendment 38

Proposal for a regulation

Article 10 – paragraph 1

Text proposed by the Commission

1. Actions contributing to the

PE625.415v01-00

Amendment

1. Actions contributing to the

26/38

PR1158816EN.docx

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

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

Or. en

Amendment 39

Proposal for a regulation Article 11 – paragraph 2 – point a

Text proposed by the Commission

(a) legal entities established in a Member State;

Amendment

(a) legal entities established in a Member State, *including joint ventures*.

Or. en

Amendment 40

Proposal for a regulation Article 13 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(c a) Connectivity

Or. en

Amendment 41

Proposal for a regulation Article 13 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(c b) Union added value

Or. en

Amendment 42

Proposal for a regulation

Article 13 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(h a) contribution to the integration of military mobility requirements

Or. en

Amendment 43

Proposal for a regulation

Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. For studies, the amount of Union financial assistance shall not exceed **50 %** of the total eligible cost. For studies financed with the amounts transferred from the Cohesion Fund, the maximum co-financing rates shall be those applicable to the Cohesion Fund as specified in paragraph 2 (b).

1. For studies, the amount of Union financial assistance shall not exceed **30 %** of the total eligible cost. For studies financed with the amounts transferred from the Cohesion Fund, the maximum co-financing rates shall be those applicable to the Cohesion Fund as specified in paragraph 2 (b).

Or. en

Amendment 44

Proposal for a regulation

Article 14 – paragraph 2 – point c

Text proposed by the Commission

(c) as regards actions relating to cross-border links, the increased maximum co-financing rates as provided for in points (a) and (b) may only apply to actions that demonstrate a particularly high degree of integration in the planning and implementation of the action for the purpose of the award criterion referred to in Article 13(1)(c), notably through the establishment of a single project company, a joint governance structure and a bilateral legal framework or implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013.

Amendment

(c) as regards actions relating to cross-border links, the increased maximum co-financing rates as provided for in points (a) and (b) may only apply to actions that demonstrate a particularly high degree of integration in the planning and implementation of the action for the purpose of the award criterion referred to in Article 13(1)(c), notably through the establishment of a single project company, a joint governance structure and a bilateral legal framework or implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013; ***in addition, the co-financing rate applicable to projects carried out by a joint venture, in accordance with point (a) of Article 11(2), may be increased by 10 %; the co-financing rate shall not be higher than 90 % of the total eligible cost.***

Or. en

Amendment 45

**Proposal for a regulation
Article 14 – paragraph 5**

Text proposed by the Commission

5. The maximum co-funding rate applicable to actions ***selected under cross-sectoral work programmes*** referred to in Article 10 shall be the highest maximum co-funding rate applicable to the sectors concerned.

Amendment

5. The maximum co-funding rate applicable to actions referred to in Article 10 shall be the highest maximum co-funding rate applicable to the sectors concerned. ***In addition, the co-financing rate applicable to these actions may be increased by 10 %; the co-financing rate shall not be higher than 90 % of the total eligible cost.***

Or. en

Amendment 46

Proposal for a regulation

Article 17 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The amount resulting from the application of paragraph 1 or paragraph 2 shall be distributed to other work programmes.

Or. en

Amendment 47

Proposal for a regulation

Article 18 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. Actions which comply with the following cumulative, **comparative**, conditions:

2. Actions which comply with the following cumulative conditions:

Or. en

Amendment 48

Proposal for a regulation

Article 19 – paragraph 1

Text proposed by the Commission

Amendment

1. The Programme shall be implemented by work programmes referred to in Article 110 of the Financial Regulation. **Work programmes shall set out, where applicable, the overall amount reserved for blending operations.**

1. The Programme shall be implemented by work programmes referred to in Article 110 of the Financial Regulation.

Or. en

Amendment 49

Proposal for a regulation Article 19 – paragraph 2

Text proposed by the Commission

2. ***The work programmes shall be adopted by the Commission by means of an implementing act. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22 of this Regulation.***

Amendment

2. ***The Commission shall adopt delegated acts in accordance with Article 24, establishing the work programmes.***

Or. en

Amendment 50

Proposal for a regulation Article 20 – paragraph 3

Text proposed by the Commission

3. The performance reporting system shall ensure that data for monitoring programme implementation and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where relevant, Member States.

Amendment

3. The performance reporting system shall ensure that data for monitoring programme implementation and results ***are suitable for an in-depth analysis of the progress achieved and the difficulties encountered along the core network corridors and*** are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where relevant, Member States.

Or. en

Amendment 51

Proposal for a regulation Article 21 – paragraph 2

Text proposed by the Commission

2. The interim evaluation of the Programme shall be performed once there

Amendment

2. The interim evaluation of the Programme shall be performed once there

is sufficient information available about the implementation of the Programme, but no later than four years after the start of the programme implementation.

is sufficient information available about the implementation of the Programme ***on the basis of the monitoring conducted in accordance with Article 20***, but no later than four years after the start of the programme implementation.

Or. en

Amendment 52

Proposal for a regulation Article 23 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) to amend Part II of the Annex regarding the indicative percentages of budgetary resources allocated to the specific objective set out in Article 3(a)(i);

deleted

Or. en

Amendment 53

Proposal for a regulation Article 23 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

(f) to adopt work programmes

Or. en

Amendment 54

Proposal for a regulation Article 23 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

(g) to specify or amend the military requirements, to establish or amend the

list of priority projects and the assessment procedure regarding the eligibility of the actions connected with military mobility set out in Article 6a;

Or. en

Amendment 55

Proposal for a regulation Article 26 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council.

Or. en

Amendment 56

Proposal for a regulation Annex – part II – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

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

The budgetary resources referred to in Article 4 paragraph 2 (a) (i) and (ii) shall be distributed ***in a way that ensures a balance between actions listed in Article 9 paragraph 2 (a) and (b)***

Or. en

Amendment 57

Proposal for a regulation

Annex – part II – paragraph 1 – indent 1

Text proposed by the Commission

Amendment

– **60% for the actions listed at Article 9 paragraph 2 (a): "Actions relating to efficient and interconnected networks";**

deleted

Or. en

Amendment 58

Proposal for a regulation

Annex – part II – paragraph 1 – indent 2

Text proposed by the Commission

Amendment

– **40% for the actions listed at Article 9 paragraph 2 (b): "Actions relating to smart, sustainable, inclusive, safe and secure mobility".**

Deleted

Or. en

Amendment 59

Proposal for a regulation

Annex – part II – paragraph 2

Text proposed by the Commission

Amendment

For the actions listed at Article 9 paragraph 2 (a), **75% of the budgetary resources** should be allocated to actions on the core network corridors, 10% to actions on the core network outside the core network corridors and 15% to actions on the comprehensive network.

Budgetary resources used to finance actions listed at Article 9 paragraph 2 (a) **shall be distributed as follows: 75 %** should be allocated to actions on the core network corridors, 10 % to actions on the core network outside the core network corridors and 15 % to actions on the comprehensive network.

Or. en

Amendment 60

Proposal for a regulation
Annex – part III – title

Text proposed by the Commission

PART III: TRANSPORT CORE
NETWORK CORRIDORS AND PRE-
IDENTIFIED SECTIONS; PRE-
IDENTIFIED SECTIONS ON THE
COMPREHENSIVE NETWORK

Amendment

PART III: **HORIZONTAL PRIORITIES**,
TRANSPORT CORE NETWORK
CORRIDORS AND PRE-IDENTIFIED
SECTIONS; PRE-IDENTIFIED
SECTIONS ON THE COMPREHENSIVE
NETWORK

Or. en

Amendment 61

Proposal for a regulation
Annex – part III – point -1 (new)

Text proposed by the Commission

Amendment

-1. Horizontal priorities
SESAR, ERTMS

Or. en

EXPLANATORY STATEMENT

Commission proposal

Since 2014, the Connecting Europe Facility (CEF) has supported investments in the trans-European networks (TEN) in the transport, energy and the telecommunications sectors. The Commission proposal extends the CEF programme beyond 2020 with a view to accelerating investment in the field of the TEN and to leveraging funding from both public and private sectors. The new CEF aims to further develop and modernise the networks in transport, energy and digital and to facilitate cross-border cooperation in the field of renewable energy, taking into account the long-term decarbonisation commitments and emphasising synergies among sectors. The Commission also proposes to enhance the environmental dimension of the CEF, by setting the target of 60% of its budgetary envelope to climate objectives, in line with the EU's commitments to the Paris COP21 agreement.

For the transport sector, the CEF contributes to the completion of both layers of the trans-European transport network, the TEN-T core network by 2030 and the TEN-T comprehensive network by 2050. In addition it supports the deployment of European traffic management systems for all traffic modes, in particular for air transport and railways (SESAR, ERMTS), and supports the transition towards smart, sustainable, inclusive, safe and secure mobility (for example regarding a European network of charging infrastructure for alternative fuels). Part of the budget is reserved for Member States eligible for support from the Cohesion Fund.

With a view to adapting the European transport network to military requirements and improving military mobility in the EU, the programme is to support dual-use civil and military transport infrastructure.

For the energy sector, the Commission propose to put emphasis in the CEF on the completion of the TEN-E through the development of projects of common interest which should relate to further integration of the internal energy market and interoperability of networks across borders and sectors. In addition, the security of supply should be strengthened by, among others, making infrastructures smarter and digitalising them. In order to promote the strategic uptake of renewable energy technologies the programmes aims to enhance cooperation between Member States on cross-border renewable energy projects to promote strategic uptake of marketable renewable energy technologies.

For the digital sector, the CEF aims to support the development of access of European households to very high capacity networks and to ensure that that all key institutions such as schools, hospitals, transport hubs, main providers of public services and digitally intensive enterprises have access to future-oriented broadband connections (1 Gbit/second) by 2025. The programme should also contribute to the overall connectivity of the European territories, including that of the outermost regions, to the Internet. Furthermore actions in support of the deployment of backbone electronic communications networks, including submarine cables connecting European territories to third countries on other continents or connecting European islands or overseas territories to the mainland, should be eligible under the programme.

The proposed budget for the CEF as a whole is EUR 42.265 billion in current prices for the period 2021-2027. This includes for transport EUR 30.615 billion (including a general envelope of EUR 12.830 billion and a contribution from the Cohesion Fund of EUR 11.285 billion, and support for military mobility of EUR 6.5 billion), for energy EUR 8.65 billion, for

digital EUR 3 billion.

Views of the Rapporteurs

Your Rapporteurs overall welcome the Commission's proposal to renew the CEF for the next multi-annual financial period, as the EU urgently needs modern and efficient infrastructures that contribute to the connecting citizens and businesses and integrate markets across its Member States and all its regions in the transport, digital and energy sectors. Trans-European networks and full cross-border cooperation are essential for the functioning of the single market. They are moreover strategic for the achievement of energy unification, the completion of the digital single market and the development of sustainable modes of transport.

In view of the enormous investment needs and long-lasting benefits of the TENs, your Rapporteurs regret the lack of ambition in the budgetary allocation to the general and cohesion envelopes of CEF transport. In fact, the Commission has effectively proposed a reduction of these envelopes compared to the current programme for 2014-2020. In order for the CEF to boost investments, the resources for transport should be reinforced to at least the same level as before, that is, to 12.3 billion Euro for the general envelope and 11.5 billion Euro for the cohesion envelope. As for all MFF sectoral programmes, the eventual allocations are to be determined in the MFF negotiations and as such beyond the scope of this legislative report on the CEF.

Regarding the specific provisions of the CEF, your Rapporteurs in this draft report propose amendments to strengthen the Commission's proposal with the aim to

- further simplify the rules of the programme with a view to beneficiaries,
- clarify the coherence and complementarity with other EU programmes that support investments in the transport, energy and digital sectors including in particular the InvestEU Fund and the Cohesion Fund and the European Fund for Regional Development,
- further anchor blending based on grants in the programme, including a clear cap in the transport sector,
- facilitate and incentivise cooperation between entities participating in a same project,
- reinforce parliamentary scrutiny on programme priorities and monitoring,
- better measure the progress and the implementation of the programme,
- put further emphasis on achieving synergies between sectors, in order to reach European Union climate and energy targets and long-term decarbonisation objectives, by enabling deployment of new technologies, such as connected and automated mobility,
- make explicit horizontal objectives and priorities in the TEN-T such as multimodality and European traffic management systems such as SESAR and ERMTS,
- make explicit the concept of projects of common interest in the fields of energy and digital and set critical milestones such as regards interconnectors.

In addition, the Commission proposal needs to be amended in order to set clear rules on the integration of military mobility needs into the programme. The respective needs will flow Action Plan on Military Mobility of 28 March 2018 (JOIN(2018)5), that is military requirements are to be set by the Council mid-2018 and priority projects in the TEN-T are to be identified by the Commission by 2019. Your Rapporteurs propose amendments for the CEF proposal with a view to ensuring that this new task can be implemented effectively,

follows strictly the purpose of enabling a civilian-military dual use of TEN-T infrastructure, and can be properly scrutinized by Parliament.