



Cyprus Oct 2013

S. Committee Development & Business Environment

- **Connecting Europe Facility:**
- **Initial provisions**
- **Council and European Parliament agreement**
Brussels, 10 July 2013



Connecting Europe Facility: Commission adopts plan for €50 billion boost to European networks

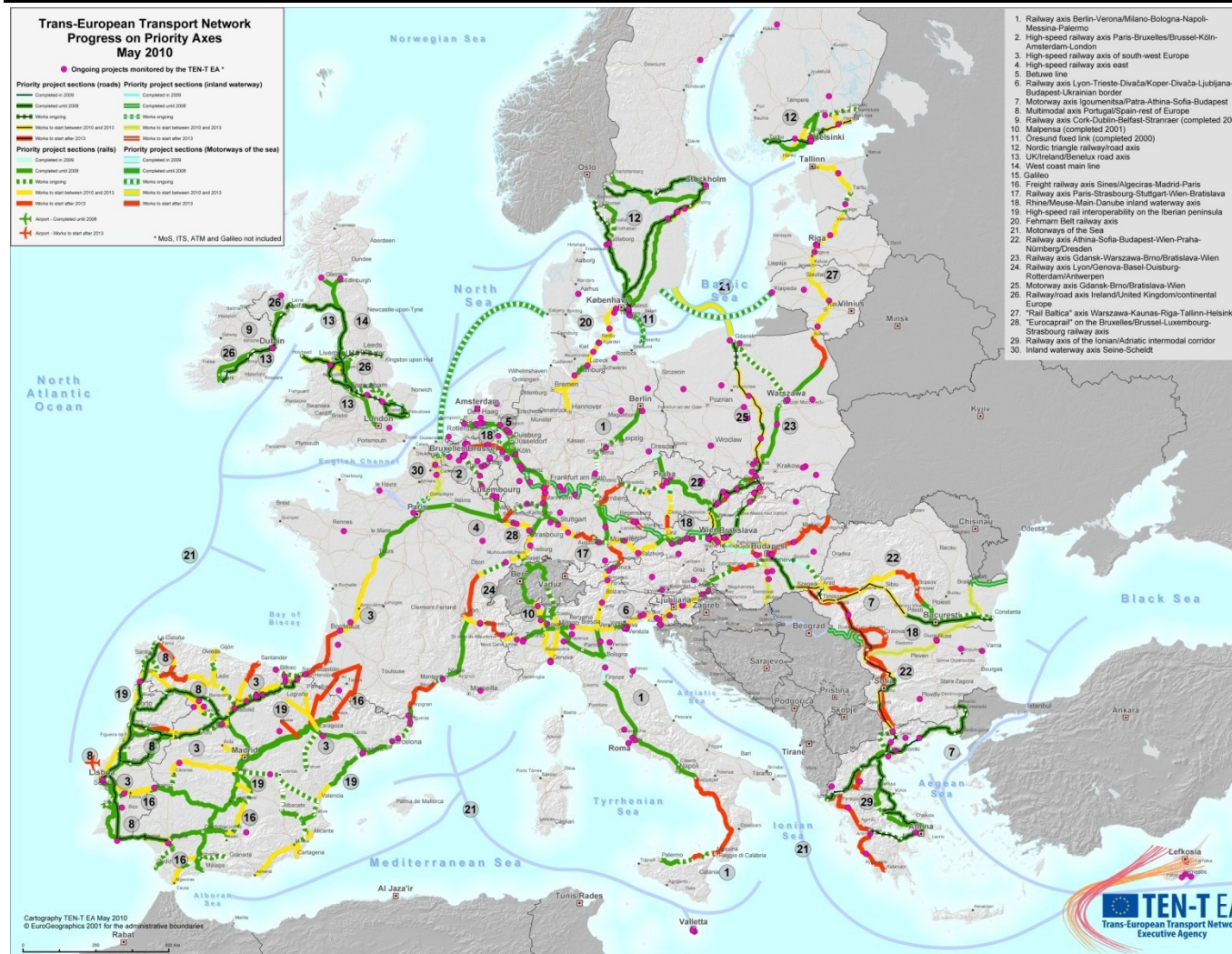
- In October 2011 The European Commission has tabled a plan which will fund €50 billion worth of investment to improve Europe's transport, energy and digital networks. Targeted investments in key infrastructures will help to create jobs and boost Europe's competitiveness at a time when Europe needs this most.
- The "Connecting Europe Facility" will finance projects which fill the missing links in Europe's energy, transport and digital backbone. It will also make Europe's economy greener by promoting cleaner transport modes, high speed broadband connections and facilitating the use of renewable energy in line with the Europe 2020 Strategy. In addition the funding for energy networks will further integrate the internal energy market, reduce the EU's energy dependency and bolster the security of supply.
- To assist with the financing of the Connecting Europe Facility, the Commission has also adopted the terms for the Europe 2020 Project Bond Initiative which will be one of a number of risk-sharing instruments upon which the facility may draw in order to attract private finance in projects. The pilot phase will start already next year.



Connecting Europe: Transport

- The Connecting Europe Facility will invest €31.7 billion to upgrade Europe's transport infrastructure, build missing links and remove bottlenecks. This includes €10 billion ring fenced in the Cohesion Fund for transport projects in the cohesion countries, with the remaining 21.7 billion available for all Member States for investing in transport infrastructure. The idea is to improve links between different parts of the EU, to make it easier for different countries to exchange goods and people with each other.
- By focussing on transport modes that are less polluting, the Connecting Europe Facility will push our transport system to become more sustainable. It will also give consumers more choice about how they want to travel.
- Transport systems in Europe have traditionally developed along national lines. The EU has a crucial role to play in coordinating between Member States when planning, managing and funding cross-border projects. A well-functioning network is essential to the smooth operation of the single market and will boost competitiveness. The Commission proposed to create corridors to cover the most important cross-border projects. It has estimated that by 2020, €500 billion will be needed to realise a real European network, including €250 billion for removing bottlenecks and completing missing links in the core network.

Connecting Europe: Transport



Aris Chatzidakis 24-10-2013

The core network





Connecting Europe: Energy

- The energy sector can look forward to €9.1 billion being invested in trans-European infrastructure, helping to meet the EU 2020 energy and climate objectives. The CEF will also help to remove financial gaps and network bottlenecks. The internal market for energy will be further developed through better interconnections, leading to security of supply and the possibility to transport renewable energy in a cost effective manner across the EU. Both citizens and companies need to be able to rely on energy being available at all times and at an affordable price. The money from Connecting Europe will act as a leverage for more funding from other private and public investors.



Connecting Europe: Telecommunications and ICT

- The "Connecting Europe Facility" foresees almost €9.2 billion to support investment in fast and very fast broadband networks and pan-European digital services.
- The CEF finance will leverage other private and public money, by giving infrastructure projects credibility and lowering their risk profiles. On the basis of conservative estimates, the Commission considers that the network infrastructure finance could stimulate investment worth more than €50 billion. [The Digital Agenda for Europe](#) set targets for 2020 of broadband access for all at speeds of at least 30 Mbps, with at least 50% of households subscribing to speeds above 100Mbps.
- As regards digital services, the money would be used for grants to build infrastructure needed to roll-out e-ID, e-Procurement, electronic health care records, [Europeana](#), e-Justice and customs-related services. The money would serve to ensure interoperability and meet the costs of running the infrastructure at European level, linking up Member States' infrastructures.



Council and European Parliament reach agreement on the Connecting Europe Facility

Brussels, 10 July 2013

- The final budget figures still need to be determined in the light of the outcome of the negotiations with the Parliament on the next multi-annual financial framework (MFF), for the years 2014-2020.
- However, they are likely to correspond more or less to those set by the February European Council,
- namely an overall CEF budget of EUR 29 299 million,
- with EUR 23 174 million (including EUR 10 billion earmarked in the Cohesion Fund) allocated to the transport sector,
- EUR 5 126 million to the energy sector and
- EUR 1 billion to the telecommunications sector.
- Moreover, additional investment from private and public sources may be leveraged through the use of innovative financial instruments such as project bonds.



Considerable cut of the budget

- The EU will contribute to the financing of projects at different rates depending on the sector and the type of action concerned. To be eligible for aid from the CEF, the projects must be in line with the requirements set out in the CEF regulation and in the sector specific guidelines.
- The guidelines for the energy sector have already been adopted and published in the EU's Official Journal (regulation 347/2013).
- The Council and the Parliament have also reached agreement on the **transport guidelines**.
- The guidelines for the telecommunications sector, however, still need to be discussed with the European Parliament.



Transport sector

- As regards **the transport sector**, co-financing will be extended to components of the new air traffic management system SESAR and actions improving accessibility to transport infrastructure for disabled persons.
- Moreover, the list of eligible projects will also include actions implementing transport infrastructure in nodes of the core network, studies for cross-border priority projects as well as actions concerning the comprehensive network that are intended to bridge missing links or contribute to the deployment of the European Rail Traffic Management System (ERTMS) on principal routes of rail freight corridors.
- In addition, indicative percentages have been set for the distribution of funds to specific transport objectives.
- The text agreed also provides for the alignment of core network corridors with the existing rail freight corridors.



Energy and telecommunications

- As regards the **energy sector**, EU financial assistance is to be provided as a priority in the form of financial instruments, where appropriate, so as to enhance the multiplier effect of this aid.
- Furthermore, ending energy isolation, eliminating energy bottlenecks and completing the internal energy market will be priorities in the first two annual work programs. The particular importance of electricity projects has also been underscored.
- The provisions on **telecommunication** have been adapted to reflect the amended proposal for guidelines on telecommunication networks (10201/13), *adopted by the Commission at the end of May* to take account of the budgetary cuts agreed by the European Council for this sector.