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REPORT

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 1)

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Subject: 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
- Partial general approach

I. INTRODUCTION

The Commission presented on 2 May 2018 its proposal for the Multi-annual Financial Framework beyond 2020, including an amount of EUR 42,265 million for the Connecting Europe Facility (CEF).

This proposal aims at establishing the legal basis for the CEF for the period beyond 2020. It shall apply from 1 January 2021.

The proposal aims to:

- a) develop and modernise the trans-European networks in the fields of transport, energy and digital;
- b) facilitate cross-border cooperation in the field of renewable energy;
- c) take into account the long-term decarbonisation commitments;
- d) emphasise synergies among these sectors.

II. WORK WITHIN THE COUNCIL BODIES

Given that there is a significant convergence for the transport, energy and digital sectors and that the synergies between them, in terms of their funding and achieving their objectives, are set out in the proposal, the preparation of the work of the Council needed to be coordinated and structured. To that end the Presidency decided to activate the Friends of Presidency (CEF) group (FoP CEF)¹ The file was assigned to that group and examination of the proposal began with a presentation of the Impact Assessment on 5 September 2018. Horizontal and transport, digital and energy provisions were examined separately within that group.

With the compromise proposal as set out in annex, the Presidency has strived to strike a fine balance between the wants and needs of Member States in the transport, energy and digital sectors of CEF.

1. Transport and Horizontal provisions

- eligible actions (Article 9): Some Member States argued in favour of widening the scope of eligible actions under the Regulation to include projects. The Presidency has tried, in as much as is reasonable, to accommodate Member States wishes in this regard.

¹ ST 10067/1/18

- eligible costs (Article 15): Some Member States are still having difficulty with the fact that eligible costs do not include value added tax. However, with the aim of striking a compromise the Presidency has kept the text of the Commission proposal;
- connectivity: peripheral Member States stressed throughout the discussion that the connectivity of their peripheral and isolated territories, including overseas countries and territories should be better reflected in the Articles. The Presidency has gone a long way to ensure that these concerns are addressed, including the inclusion of such territories in the eligible actions.
- Indicative percentages (Annex, Part 2): The Presidency has taken into account the concerns of the Cohesion Member States by adding a separate category of percentages for those states in Part II of the Annex. The Presidency believes that these percentages are a reasonable compromise and should assuage Cohesion Member States' concerns.
- Military mobility: The Presidency has introduced a new Article 11a on the specific eligibility requirement concerning support to civilian-military dual-use transport infrastructure. With this, the aim is to further clarify the situation regarding military mobility. The Presidency has also aligned the definition in point (gc) of Article 2 to that of the recent Council Decision on military mobility.

2. *Energy*

After a first meeting on 7 September 2018 at which the energy-related parts of the proposal were presented by the Commission and delegations provided initial reactions, this part of the proposal was discussed on 16 November. The Presidency proposes to adapt the text in response to the following main issues raised by delegations:

- many delegations objected to the use of a separate delegated act, (see Art. 7(2)) to be adopted by 31 December 2019 to further specify the selection criteria and selection process for the new cross-border renewable energy projects, preferring instead an implementing act. As a compromise, the Presidency proposes to add more specific provisions in part IV, point 4 of the Annex, addressing in particular the involvement of Member States.
- in response to requests by several delegations, made in the context of the aim to allocate a certain percentage of funding to climate objectives as referred to in recital 4, the Presidency proposes to increase the percentage of the energy part of the financial envelope that shall be

allocated to cross-border renewable energy projects, from "up to 10%" to "between 15 to 20%" (Art. 4(2)(b)).

- several delegations highlighted the need to continue the further integration of the internal energy market, in particular by addressing the situation of peripheral Member States, of Member States with insufficient interconnections, and of outermost regions with a lack of links to the core networks, whilst also referring to the 10% interconnection target. The Presidency proposes to add a new paragraph 3 to Article 19, so that the work programmes can continue to give particular consideration to these issues.
- the definition of cross-border projects in the field of renewable energy in Article 2(h) was adapted to clarify further the requirement for such a project in terms of cooperation between Member States, or between one or more Member States and one or more third countries. In addition, new text in Article 9(3)(b), Annex Part IV point 1, and in a new recital 20a clarifies that eligible cross-border projects in this field may of course include innovative solutions and storage, and specifies that they may be located on the territory of only one involved Member State provided the relevant criteria are respected. An addition to recital 43 refers to the need for a physical link to the EU if the project involves a third country.
- a paragraph 6 was added to Article 7 to enable coordinated funding for cross-border projects in the field of renewable energy with the EU renewable energy financing mechanism referred to in Art. 33 of the Regulation on the Governance of the Energy Union and Climate Action, with specific rules to be set out in the implementing act on the Renewables Financing mechanism.

3. *Digital*

The Presidency compromise proposal also aims to find a balanced solution for provisions related to the digital. After discussing the proposal in detail, the Presidency is of the opinion that the text on digital provisions is futureproof, technology-neutral and serves well the purpose of defining and prioritizing projects of common interest in the area of digital connectivity.

There are sufficient safeguards that make sure that the projects will address areas where the development is not viable on market bases or where the market has failed. I also think that this proposal provides Member States with enough flexibility to address the significant differences in urbanisation, economic development or geography.

- Article 9 - Eligible actions: Member States were divided along the line whether to concentrate the available resources to fewer project areas, with emphasize on the cross-border and common interest nature of them or keeping the possible scope of the projects wider thereby increasing the flexibility in the selection of the projects in favour of less developed geographical areas.
- sub-paragraphs a) and e): Member States disagreed on whether to explicitly mention the action to support the access of households to VHC networks. Alternatively, Paragraph 4(a) on access to VHC networks capable of providing Gigabit connectivity implicitly contains them.
- subparagraph f): Some Member States wish to delete financing connectivity requirements in projects related to transport and energy (ES, SK). The Commission has promised to clarify the relation of DEP and CEF in cases when the transport and energy service support projects are financed from DEP but connectivity, as an ancillary element of these projects is financed from CEF.

III. WORK WITHIN THE EUROPEAN PARLIAMENT

On the EP side, the Rapporteur from ITRE: Henna VIRKKUNEN (EPP) and Co-rapporteurs from TRAN: Marian-Jean MARINESCU (EPP), Pavel TELIČKA (ALDE) were appointed on 18 June 2108. Their amendments have been tabled and they were voted on in the Joint Committee (ITRE, TRAN) on 22 November 2018. The EP could, in theory, get a mandate at plenary the last week of November and be ready for trilogues in December.

IV. MFF NEGOTIATIONS

In the context of the discussions on the MFF 2021-2027, delegations will find in annex the bracketed [...] proposal in subject.

- bracketed provisions/elements are those most likely to form part of horizontal negotiations on the MFF and will feature in the future MFF Negotiating Box (NB).
- this does not prevent the Friends of the Presidency Group on the Connecting Europe Facility (CEF) from clarification discussions on the bracketed provisions. Delegations may refer to such provisions during meetings, but the Presidency will not conclude discussions on those

provisions at the level of the Friends of the Presidency Group on the Connecting Europe Facility (CEF).

- all Presidency compromises prepared at sectorial level, including partial general approaches, will maintain the brackets as long as horizontal negotiations on the MFF are not finalized.
- bracketed provisions may be reviewed if necessary as negotiations progress.
- recitals in general are not bracketed, with few exceptions, and will need to be adjusted in light of the agreement found on the articles.

V. CONCLUSIONS

The Permanent Representatives Committee is invited to endorse the compromise text presented by the Presidency in the Annex to this document. Following this, the text is submitted to the TTE Council (Transport) on 3 December 2018 to reach a general approach.

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**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 172 and 194 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

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

Acting in accordance with the ordinary legislative procedure,

¹ OJ C , , p. .

² OJ C , , p. .

Whereas:

- (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.
- (2) The aim of the Connecting Europe Facility (the ‘Programme’) is to accelerate investment in the field of trans-European networks and to leverage funding from both the public and the private sectors, while increasing legal certainty and respecting the principle of technological neutrality. The Programme should enable synergies between the transport, energy and digital sectors to be harnessed to the full extent, thus enhancing the effectiveness of Union action and enabling implementing costs to be optimised.
- (3) The Programme should aim at supporting climate change, environmentally and socially sustainable projects and, where appropriate, climate change mitigation and adaptation actions. In particular, the contribution of the Programme to achieving the goals and objectives of the Paris Agreement as well as the proposed 2030 climate and energy targets and long-term decarbonisation objective should be reinforced.

- (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 objectives¹. Actions under this Programme ~~are expected to~~ **should** 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, 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.
- (5) In order to comply with the reporting obligations set in Article 11(c) of Directive 2016/2284/EU on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC, regarding the uptake of Union funds to support the measures taken with a view to complying with the objectives of this Directive, expenditure related to the reduction of emissions or air pollutants under this Directive shall be tracked.

¹ COM(2018) 321, page 13

- (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 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.
- (7) The trans-European transport network (TEN-T) guidelines as laid down in Regulation (EU) No 1315/2013 of the European Parliament and of the Council¹ (hereafter ‘TEN-T guidelines’) identify the infrastructure of the TEN-T, specify the requirements to be fulfilled by it and provide for measures for their implementation. Those guidelines envisage, in particular, the completion of the core network by 2030 through the creation of new infrastructure as well as the substantial upgrading and rehabilitation of existing infrastructure **in order to ensure network continuity**.
- (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 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.
- (8a) In particular, the full deployment of ERTMS on the core network by 2030 as foreseen by Regulation (EU) No 1315/2013 requires to scale-up support at European level and to incentivize the participation of private investors.

¹ Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

- (8b) An important precondition for successful completion of the core TEN-T network and ensuring effective intermodality is also connection of airports to the TEN-T network. It is, therefore necessary to give priority to the connection of airports with the core TEN-T network, where these are missing.
- (8c) For the implementation of cross-border actions a high degree of integration in the planning and implementation is needed. Without prioritising any of the following examples, this integration could be demonstrated through the establishment of a single project company, a joint governance structure, a bilateral legal framework, an implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013, or any other form of cooperation.**
- (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%. In due course, the alignment of the core network corridors should take into account the results of the review of the implementation of the core network as foreseen in Article 54 of Regulation (EU) No 1315/2013.
- (10) It is necessary to promote investments in favour of smart, sustainable, inclusive, safe and secure mobility throughout the Union. In 2017, the Commission presented¹ "Europe on the move", a wide-ranging set of initiatives to make traffic safer, encourage smart road charging, reduce CO2 emissions, air pollution and congestion, promote connected and autonomous mobility and ensure proper conditions and rest times for workers. These initiatives should be accompanied by Union financial support, where relevant through this Programme.

¹ Commission Communication "Europe on the move: An agenda for a socially fair transition towards clean, competitive and connected mobility for all" – COM(2017) 283

- (11) The TEN-T guidelines require, with regard to new technologies and innovation, that the TEN-T enables the decarbonisation of all transport modes by stimulating energy efficiency as well as the use of alternative fuels. Directive 2014/94/EU of the European Parliament and of the Council¹ establishes a common framework of measures for the deployment of alternative fuels infrastructure in the Union in order to minimise dependence on oil and to mitigate the environmental impact of transport and requires Member States to ensure that recharging or refuelling points accessible to the public are made available by 31 December 2025. As outlined in the Commission proposals² of November 2017, a comprehensive set of measures to promote low-emission mobility is necessary including financial support where the market conditions do not provide a sufficient incentive.
- (12) In the context of its Communication "Sustainable Mobility for Europe: safe, connected, and clean"³, the Commission highlighted that automated vehicles and advanced connectivity systems will make vehicles safer, easier to share and more accessible for all citizens, including those who may be cut-off from mobility services today, such as the elderly and disabled. In this context, the Commission also proposed an "EU Strategic Action Plan on Road safety" and a revision of Directive 2008/096 on Road Safety infrastructure management.

¹ Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).

² Commission Communication "Delivering on low-emission mobility A European Union that protects the planet, empowers its consumers and defends its industry and workers" – COM(2017) 675

³ COM(2018) 293

- (13) [In order to improve the completion of transport projects in less developed parts of the network, a Cohesion Fund allocation should be transferred to the Programme to finance transport projects in the Member States eligible for financing from the Cohesion Fund. In an initial phase and within a limit of 70% of the transferred envelope, the selection of projects eligible for financing should respect the national allocations under the Cohesion Fund. The remaining 30% of the transferred envelope should be allocated on a competitive basis to projects located in the Member States eligible for financing from the Cohesion Fund with priority to cross-border links and missing links. The Commission should support Member States eligible for financing from the Cohesion Fund in their efforts to develop an appropriate pipeline of projects, in particular by strengthening the institutional capacity of the public administrations concerned.]
- (14) Following the Joint Communication on improving military mobility in the European Union of November 2017¹, 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 Policy² 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.

¹ JOIN(2017) 41

² JOIN(2018) 5

- (15) The TEN-T Guidelines recognise the comprehensive network as ensuring the accessibility and connectivity of all regions in the Union including the remote, insular and outermost regions. Further, in its Communication "A stronger and renewed strategic partnership with the EU's outermost regions"¹, the Commission highlighted the outermost regions' specific transport needs and the necessity to provide Union funding to match these needs, including through the Programme.
- (16) Considering the significant investment needs to progress towards completing the TEN-T core network by 2030 (estimated at EUR 350 billion during 2021-2027), the TEN-T comprehensive network by 2050 and decarbonisation-digitalisation-urban investments (estimated at EUR 700 billion during 2021-2027), it is appropriate to make the most efficient use of the various Union financing programmes and instruments and thus maximise the value-added of investments supported by the Union. This would be achieved via a streamlined investment process, enabling visibility on the transport pipeline and consistency across relevant Union programmes, notably the Connecting Europe Facility, the European Regional Development Fund (ERDF), the Cohesion Fund and InvestEU. In particular, the enabling conditions as detailed under Annex IV of Regulation (EU) XXX [Regulation of the European Parliament and of the Council 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 ('CPR')] should be taken into account where relevant.

¹ COM (2017)623

- (17) Regulation (EU) No 347/2013 of the European Parliament and of the Council¹ identifies the trans-European energy infrastructure priorities which need to be implemented in order to meet the Union's energy and climate policy objectives, identifies projects of common interest necessary to implement those priorities, and lays down measures in the field of the granting of permits, public involvement and regulation to speed up and/or facilitate the implementation of those projects, including criteria for the eligibility of such projects for Union financial assistance.
- (18) Directive [recast Renewables Directive] stresses the need to set up an enabling framework comprising the enhanced use of Union funds, with explicit reference to enabling actions to support cross-border cooperation in the field of renewable energy.
- (19) While completion of network infrastructure remains the priority to achieve the development of renewable energy, integrating cross-border cooperation on renewable energy reflects the approach adopted under the Clean Energy for all Europeans initiative with a collective responsibility to reach an ambitious target for renewable energy in 2030 and the changed policy context with ambitious long-term decarbonisation objectives.

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

(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"¹, 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.

(20a) Cross-border projects in the field of renewable energy shall enable cost-effective deployment for renewables in the Union, achievement of the Union's binding target of at least 32% renewable energy in 2030 as referred to in Article 3 of [recast of Directive 2009/28/EC as proposed by COM(2016) 767] and contribute to the strategic uptake of innovative renewables technologies. Illustrative examples for eligible technologies include renewables generation from on- and offshore wind, solar energy, sustainable biomass, ocean energy, geothermal energy or combinations thereof; their grid connection and additional elements such as storage or conversion facilities. Eligible action is not limited to the electricity sector and can cover other energy carriers and potential sector coupling for example with heating and cooling, power to gas, storage and transport. This listing is non-exhaustive in order to keep flexibility with regard to technological advances and developments. Such projects do not necessarily entail a physical link between the cooperating Member States. These projects can be located on the territory of only one involved Member State provided that the general criteria of Annex part IV apply.

¹ COM(2017) 718

(21) The achievement of the digital single market relies on the underlying digital connectivity infrastructure. The digitalisation of European industry and the modernisation of sectors like transport, energy, healthcare and public administration depend on universal access to reliable, affordable, high and very high capacity networks. Digital connectivity has become one of the decisive factors to close economic, social and territorial divides, supporting the modernisation of local economies and underpinning the diversification of economic activities. The scope of intervention of the Programme in the area of digital connectivity infrastructure should be adjusted to reflect its increasing importance for the economy and the society at large. Therefore, it is necessary to set out the digital connectivity infrastructure projects of common interest needed to meet Union's digital single market objectives, and to repeal Regulation (EU) No 283/2014 of the European Parliament and of the Council¹

¹ Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC (OJ L 86, 21.3.2014, p. 14).

- (22) The Communication on "Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society"¹ (the Gigabit Society Strategy) sets out strategic objectives for 2025, in view of optimising investment in digital connectivity infrastructure. Directive (EU) 2018/XXX of the European Parliament and of the Council² [European Electronic Communications Code] aims inter alia at creating a regulatory environment which incentivises private investments in digital connectivity networks. It is nevertheless clear that network deployments will remain commercially non-viable in many areas throughout the Union, due to various factors such as remoteness and territorial or geographical specificities, low population density, various socio-economic factors. The Programme should therefore be adjusted to contribute to the achievement of these strategic objectives set out in the Gigabit Society Strategy, complementing the support provided for the deployment of very high capacity networks by other programmes, in particular the European Regional Development Fund (ERDF) and Cohesion Fund and the InvestEU fund.
- (23) While all digital connectivity networks which are connected to the Internet are intrinsically trans-European, due mainly to the functioning of the applications and services which they enable, priority for support via the Programme should be given to actions with the highest expected impact on the Digital Single Market, inter alia through their alignment with the objectives of the Gigabit Society Strategy Communication, as well as on the digital transformation of the economy and society, having regard to market failures and implementation obstacles observed.

¹ COM(2016) 587

² Directive (EU) 2018/XXX of the European Parliament and of the Council establishing the European Electronic Communications Code (OJ L, ..., p.).

- (24) Schools, universities, libraries, local, regional or national administrations, main providers of public services, hospitals and medical centres, transport hubs and digitally intensive enterprises are entities and places that can influence important socio-economic developments in the area where they are located. Such socio-economic drivers need to be at the cutting edge of Gigabit connectivity in order to provide access to the best services and applications for European citizens, business and local communities. The Programme should support access to Gigabit connectivity for these socio-economic drivers with a view to maximising their positive spill-over effects on the wider economy and society, including by generating wider demand for connectivity and services.
- (24a) Unconnected territories in all areas of the Union, represent bottlenecks and unexploited potential to the digital single market. In most rural and remote areas, high quality Internet connectivity can play an essential role in preventing digital divide, isolation and depopulation by reducing the costs of delivery of both goods and services and partially compensating for remoteness. High quality Internet connectivity is necessary for new economic opportunities such as precision farming or the development of a bio-economy in rural areas. The Programme should contribute to providing all European households, rural or urban, with very high capacity fixed or wireless connectivity, focusing on those deployments for which a degree of market failure is observed and which can be addressed using low intensity grants. In view of maximising synergies of the actions supported by the Programme, due regard should be given to the level of concentration of socio-economic drivers in a given area and the level of funding needed to generate coverage. Moreover, the Programme should aim at achieving a comprehensive coverage of households and territories, as gaps in an already covered area are uneconomic to address at a later stage.
- (25) In addition, building on the WiFi4EU initiative, the Programme should continue to support the provision of free, high quality, local wireless connectivity in the centres of local public life, including entities with a public mission such as public authorities and providers of public services as well as outdoor spaces accessible to the general public, in order to promote the Union's digital vision in local communities.

- (26) The viability of the anticipated next generation digital services, such as Internet of Things services and applications which are expected to bring significant benefits across various sectors and for society as a whole, will require uninterrupted cross-border coverage with 5G systems networks, in particular in view of allowing users and objects to remain connected while on the move. However, the cost sharing scenarios for 5G deployment across these sectors remain unclear and the perceived risks of commercial deployment in some key areas are very high. Road corridors and train connections are expected to be key areas for the first phase of new applications in the area of connected mobility and therefore constitute vital cross-border projects for funding under this Programme.
- (27) [...]
- (28) The deployment of backbone electronic communications networks, including submarine cables connecting European territories to third countries on other continents or connecting European islands, outermost regions or overseas countries and territories, including via Union territorial waters and the Exclusive Economic Zone of the Member States is needed in order to provide necessary redundancy for such vital infrastructure, and to increase the capacity and resilience of the Union's digital networks, also contributing to territorial cohesion. However, such projects are often commercially non-viable without public support. In addition, support should be available to complement European high-performance computing resources with adequate terabit-capacity connections.
- (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.

- (30) The Union has developed its own satellite Positioning, Navigation and Timing (PNT) technology (EGNOS/Galileo) and its own Earth observation system (Copernicus). Both EGNOS/Galileo and Copernicus offer advanced services which provide important economic benefits to public and private users. Therefore any transport, energy or digital infrastructure funded by the Programme - that makes use of PNT or Earth observations services - should be technically compatible with EGNOS/Galileo and Copernicus.
- (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.
- (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 particular where actions are not commercially viable**, in a proportionate manner, without duplicating or crowding out private financing and have a clear European added value.

- (33) In order to favour an integrated development of the innovation cycle, it is necessary to ensure complementarity between the innovative solutions developed in the context of the Union Research and Innovation framework programmes and the innovative solutions deployed with support from the Connecting Europe Facility. For this purpose, synergies with Horizon Europe will ensure that: (a) research and innovation needs in the areas of transport, energy and in the digital sector within the EU are identified and established during Horizon Europe's strategic planning process; (b) the Connecting Europe Facility supports large-scale roll-out and deployment of innovative technologies and solutions in the fields of transport, energy and digital infrastructure, in particular those resulting from Horizon Europe; (c) the exchange of information and data between Horizon Europe and the Connecting Europe Facility will be facilitated, for example by highlighting technologies from Horizon Europe with a high market readiness that could be further deployed through the Connecting Europe Facility.
- (34) This Regulation lays down a financial envelope for the entire period 2021-2027 which is to constitute the prime reference amount, within the meaning of [reference to be updated as appropriate according to the new inter-institutional agreement: point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹ for the European Parliament and the Council during the annual budgetary procedure].

¹ OJ C 373, 20.12.2013, p. 1

- (35) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of these reform priorities. These strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the European Regional Development Fund (ERDF) and Cohesion Fund, the European Investment Stabilisation Function, InvestEU and the Connecting Europe Facility, where relevant. Financial support should also be used in a manner consistent with Union and national energy and climate plans where relevant.
- (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.]
- (37) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

- (38) Third countries which are members of the European Economic Area (EEA) may participate in Union programmes in the framework of the cooperation established under the EEA agreement, which provides for the implementation of the programmes by a decision under that agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation to grant the necessary rights for and access to the authorizing officer responsible, the European Anti-Fraud Office (OLAF) as well as the European Court of Auditors to comprehensively exert their respective competences.
- (39) The Financial Regulation establishes the rules concerning the award of grants. In order to take into account the specificity of the actions supported by the Programme and to ensure a consistent implementation among the sectors covered by the Programme, it is necessary to provide additional indications as regards eligibility and award criteria.

(40) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹, Council Regulation (Euratom, EC) No 2988/95², Council Regulation (Euratom, EC) No 2185/96³ and Council Regulation (EU) 2017/193⁴, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. 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 Council⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the European Public Prosecutor's Office (EPPO) and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L248, 18.9.2013, p. 1)

² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L292, 15.11.1996, p.2).

⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L283, 31.10.2017, p.1).

⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (41) Pursuant to [reference to be updated as appropriate according to the new decision on OCTs: Article 94 of Council Decision 2013/755/EU¹] persons and entities established in overseas countries and Territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.
- (42) The Union should seek coherence and synergies with the Union programmes for external policies, including pre-accession assistance following the engagements taken in the context of the Communication "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans"².
- (43) When third countries or entities established in third countries participate in actions contributing to projects of common interest or to cross-border projects in the field of renewable energy, financial assistance should only be available if it is indispensable to the achievement of the objectives of these projects. **With regard to the part on cross-border projects in the field of renewables, the cooperation between one or several Member States and a third country (including Energy Community) should respect the conditions set out in Art 11 of Directive (EU) 2018/XXX of the European Parliament and of the Council [Renewable Energy Directive] on the need for a physical link to the EU.**

¹ OJ L 344, 19.12.2013, p.1

² COM(2018) 65

- (44) Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016¹, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. Evaluations should be carried out by the Commission and communicated to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions in order to assess the effectiveness and efficiency of the funding and its impact on the overall goals of the Programme.
- (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.
- (46) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should 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 Council².

¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016; OJ L 123, 12.5.2016, p. 1–14

² 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)

- (47) In order to adapt, where necessary, the indicators used for the monitoring of the Programme, the indicative percentages of budgetary resources allocated to each specific objective in the transport sector and the definition of the transport core network corridors, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amendments to Parts I, II and III of the Annex to this Regulation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (48) Regulations (EU) No 1316/2013 and (EU) No 283/2014 should, for reasons of clarity, be repealed. However, the effects of Article 29 of Regulation (EU) No 1316/2013, which amends the Annex to Regulation (EU) No 913/2010 of the European Parliament and of the Council¹ as regards the list of freight corridors, should be preserved.
- (49) In order to allow for the timely adoption of the implementing acts provided for by this Regulation, it is necessary that it enters into force immediately upon its publication,

HAVE ADOPTED THIS REGULATION:

¹ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight (OJ L 276, 20.10.2010, p. 22).

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the Connecting Europe Facility (the ‘Programme’).

It lays down the objectives of the Programme, the budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

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

- (a) "action" means any activity which has been identified as financially and technically independent, has a set time-frame and is necessary for the implementation of a project;
- (b) "alternative fuels" means alternative fuels as defined in Article 2(1) of Directive 2014/94/EU;
- (c) [...]
- (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;

- (e) "comprehensive network" means the transport infrastructure identified in accordance with Chapter II of Regulation (EU) No 1315/2013;
- (f) "core network" means the transport infrastructure identified in accordance with Chapter III of Regulation (EU) No 1315/2013;
- (g) "core network corridors" means an instrument to facilitate the coordinated implementation of the core network as provided for in Chapter IV of Regulation (EU) No 1315/2013 and listed in Part III of the Annex to this Regulation;
- (ga) "cross border link" in the transport sector means a project of common interest which ensures the continuity of the TEN-T network between two Member States or between a Member State and a neighbouring country;
- (gb) "missing link" in the transport sector means a missing infrastructure component of the TEN-T network which hampers the continuity of the TEN-T network and requires investment in **an** infrastructure component;
- (gc) "dual-use infrastructure" means a transport network infrastructure that addresses the needs of both defence and civil communities;
- (h) "cross-border project in the field of renewable energy" means a project selected or eligible to be selected under a cooperation agreement or any other kind of arrangements between **at least two** Member States or arrangements between **at least one** Member States and **a third country or** countries as defined in Directive (EU) 2018/XXX of the European Parliament and of the Council¹[Renewable Energy Directive] in the planning or deployment of renewable energy, in accordance with the criteria set out in Part IV of the Annex to this Regulation;
- (i) "digital connectivity infrastructure" means very high capacity networks, 5G systems, very high quality local wireless connectivity, backbone networks, as well as operational digital platforms directly associated with transport and energy infrastructure;

¹ Directive (EU) 2018/XXX of the European Parliament and of the Council of ...on the promotion of the use of energy from renewable sources (OJ C , , p.).

- (j) "5G systems" means a set of digital infrastructure elements based on globally agreed standards for mobile and wireless communications technology used for connectivity and value-added services with advanced performance characteristics such as very high data rates and capacity, low latency communications, ultra-high reliability, or supporting a high number of connected devices;
- (k) "5G corridor" means a transport path, road, railway or inland waterway, fully covered with digital connectivity infrastructure and in particular 5G systems, enabling the uninterrupted provision of synergy digital services such as connected and automated mobility or similar smart mobility services for railways;
- (l) "operational digital platforms directly associated with transport and energy infrastructure" means physical and virtual information communication technology ("ICT") resources, operating on top of the communication infrastructure, which support the flow, storage, processing and analysis of transport and/or energy infrastructure data;
- (m) "project of common interest" means a project identified in Regulation (EU) No 1315/2013 or Regulation (EU) No 347/2013 or in Article 8 of this Regulation;
- (n) "studies" means activities needed to prepare project implementation, such as preparatory, mapping, feasibility, evaluation, testing and validation studies, including in the form of software, and any other technical support measure, including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package;
- (o) "socio-economic drivers" means entities which by their mission, nature or location can directly or indirectly generate important socio-economic benefits to citizens, business and local communities located in their surrounding territory;
- (p) "third country" means a country that is not member of the European Union;

- (q) "very high capacity networks" means very high capacity networks as defined in Article [2(2)] of Directive (EU) 2018/XXX [the European Electronic Communications Code]
- (r) "works" means the purchase, supply and deployment of components, systems and services including software, the carrying-out of development and construction and installation activities relating to a project, the acceptance of installations and the launching of a project.

Article 3

Objectives

1. The Programme has the general objective to develop, modernise and complete 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, territorial cohesion and integration of the internal market and with emphasis on synergies among sectors.
2. The Programme has the following specific objectives:
 - (a) In the transport sector:
 - (i) in compliance with the objectives of Regulation (EU) No 1315/2013, 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;
 - (ii) to contribute to the development of civilian-military dual-use transport infrastructure in view of improving military mobility within and beyond the EU;
 - (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;

- (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 as well to the digitalisation of transport and energy networks.

Article 4

Budget

1. The financial envelope for the implementation of the Programme for the period 2021-2027 is set at [EUR 42,265,493,000 in current prices].
2. The distribution of this amount shall be as follows:
 - (a) [EUR 30,615,493,000] for the specific objectives referred to in Article 3(2)(a), of which:
 - (i) [EUR 12,830,000,000] from the European Strategic Investment cluster;
 - (ii) [EUR 11,285,493,000] [transferred from the Cohesion Fund to be spent in line with this Regulation exclusively in Member States eligible for funding from the Cohesion Fund];
 - (iii) [EUR 6,500,000,000] from the Defence cluster for the specific objective referred to in Article 3(2)(a)(ii);
 - (b) [EUR 8,650,000,000] for the specific objectives referred to in Article 3(2)(b), out of which ~~up to 10~~ **between 15 to 20** % for the cross-border projects in the field of renewable energy
 - (c) [EUR 3,000,000,000] for the specific objectives referred to in Article 3(2)(c).
3. The Commission shall not depart from the amount referred to in subparagraph 2 (a) (ii).

4. Up to 1% of the amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Programme and the sector-specific guidelines, such as preparatory, monitoring, control, audit and evaluation activities including corporate information and technology systems. This amount may also be used to finance accompanying measures to support the preparation of projects.
5. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.
6. Without prejudice to the Financial Regulation, expenditure for actions resulting from projects included in the first work programme may be eligible as from 1 January 2021.
7. [The amount transferred from the Cohesion Fund shall be implemented in accordance with this Regulation, subject to paragraph 8 and without prejudice to Article 14(2)(b).]
8. [As regards the amounts transferred from the Cohesion Fund, 30% of these amounts shall be made available immediately to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with this Regulation, with priority to cross-border and missing links. Until 31 December 2023, the selection of projects eligible for financing shall respect the national allocations under the Cohesion Fund with regard to 70% of the resources transferred. As of 1 January 2024, resources transferred to the Programme which have not been committed to a transport infrastructure project shall be made available to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with this Regulation.]
- 8a. The amount transferred from the Cohesion Fund shall not be used to finance cross-sectoral work programmes and blending operations.

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. Those resources shall be used for the benefit of the Member State concerned.

Article 5

Third countries associated to the Programme

1. The Programme shall be open to the following third countries:
- (a) European Free Trade Association (EFTA) members which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA agreement;
 - (b) acceding countries, candidates and potential candidates, in accordance with the general principles and general terms and conditions for their participation in Union programmes established in the respective framework agreements and association council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and them;
 - (c) countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and association council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (d) [other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:

- ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
- lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article [21(5)] of the Financial Regulation;
- does not confer to the third country a decisional power on the programme;
- guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.]

2. Without prejudice to Article 8 of Regulation (EU) No 1315/2013, the third countries referred to in paragraph 1, and entities established in these countries, may not receive financial assistance under this Regulation except where it is indispensable to the achievement of the objectives of a given project of common interest and under the conditions set in the work programmes referred to in Article 19.

Article 6

Implementation and forms of EU funding

1. The Programme shall be implemented in direct management in accordance with the Financial Regulation or, in indirect management with bodies referred to in Article [62(1)(c)] of the Financial Regulation.
2. The Programme may provide Union contributions in any of the forms laid down in the Financial Regulation, in particular grants and procurement. It may contribute to blending operations in accordance with the InvestEU Regulation and Title X of the Financial Regulation. The Union contribution to blending operations shall not exceed 10% of the budgetary amounts indicated in Article 4(1) with the exemption of the amount transferred from the Cohesion fund.

3. The Commission may delegate power to implement part of the Programme to executive agencies in accordance with Article [69] of the Financial Regulation with a view to the optimum management and efficiency requirements of the Programme in the transport, energy and digital sectors.
4. Contributions to a mutual insurance mechanism may cover the risk associated with the recovery of funds due by recipients and shall be considered a sufficient guarantee under the Financial Regulation. The provisions laid down in [Article X of] Regulation XXX [successor of the Regulation on the Guarantee Fund] shall apply.

Article 7

Cross-border projects in the field of renewable energy

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 Directive (EU) 2018/XXX [Renewable Energy Directive]. These projects shall be identified in accordance with the criteria and procedure laid down in Part IV of the Annex to this Regulation.
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.
3. Studies aiming at the development and identification of cross-border projects in the field of renewable energy shall be eligible for funding under this Regulation.

4. Cross-border projects in the field of renewable energy shall be eligible for Union funding for works if they meet the following additional criteria:
- (a) the project specific cost-benefit analysis pursuant to point 3 of Part IV of the Annex provides evidence concerning the existence of significant cost savings and/or benefits in terms of system integration, security of supply or innovation, and;
 - (b) the applicant demonstrates, that the project would not materialise in the absence of the grant, or that the project cannot be commercially viable in the absence of the grant. This analysis shall take into account any revenues resulting from support schemes.
5. The amount of the grant for works shall be proportionate to the cost savings and/or benefits referred to in point 2(b) of Part IV of the Annex and shall not exceed the amount required to ensure that the project materialises or becomes commercially viable.
- 6. In facilitating cross-border projects in the field of renewable energy, the Programme shall provide for the possibility of coordinated funding with the enabling framework for renewable energy deployment referred to in Article 3(5) of [Renewable Energy Directive (EU) 2018/XXXX] and the EU renewable energy financing mechanism referred to in Article 33 of [Regulation (EU) 2018/XXXX on the Governance of the Energy Union]. The amount referred to in Article 4, paragraph 2(b) distributed to renewable energy objectives, in particular funds available for this purpose, may be used to cofund the EU renewable energy financing mechanism established under [Regulation (EU) 2018/XXXX on the Governance of the Energy Union]. Specific rules on cofunding between the part on cross-border projects in the field of renewables under CEF and the Union renewable energy financing mechanism referred to in Article 33 of Regulation [Governance] shall be specified in the implementing act on the Renewables Financing mechanism and in time for the entry into force of the CEF Regulation.**

Article 8

Projects of common interest in the area of digital connectivity infrastructure

1. Projects of common interest in the area of digital connectivity infrastructure shall contribute to the specific objective provided for in Article 3(2)(c).
2. Studies aiming at the development and identification of projects of common interest in the area of digital connectivity infrastructure shall be eligible for funding under this Regulation.
3. Without prejudice to the award criteria laid down in Article 13, priority for funding shall be determined taking into account the following criteria:
 - (a) actions contributing to deployment of and access to very high capacity **networks** and 5G ~~systems~~**networks** capable of providing Gigabit connectivity in areas where socio-economic drivers are located shall be prioritised taking into account their connectivity needs and the additional area coverage generated in accordance with Part V of the Annex. Stand-alone deployments to socio-economic drivers can be supported unless economically disproportionate or physically impracticable.
 - (b) actions contributing to the provision of very high-quality local wireless connectivity in local communities in accordance with Part V of the Annex;
 - (c) with regard to actions contributing to the deployment of 5G systems, priority shall be given to deployment of 5G corridors, including on the trans-European transport networks, taking into account its socio-economic relevance relative to any currently installed technological solutions in a forward looking approach. The extent to which the action contributes to ensuring coverage along major transport paths, enabling the uninterrupted provision of synergy digital services, shall also be taken into account. An indicative list of projects that could benefit from support is included in Part V of the Annex;

- (d) projects aiming at the deployment or reinforcement of cross-border backbone networks linking the Union to third countries and reinforcing links between electronic communications networks within the Union territory, including submarine cables, shall be prioritised according to the extent to which they significantly contribute to increasing the performance, resilience and capacity of those electronic communications networks;
- (e) [...]
- (f) with regard to projects deploying operational digital platforms, priority shall be given to actions based on state-of-the-art technologies, taking into account aspects such as interoperability, cybersecurity, data privacy and re-use;
- (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.

CHAPTER II

ELIGIBILITY

Article 9

Eligible actions

1. Only actions contributing to the achievement of the objectives referred to in Article 3 are eligible for funding. Such actions include studies, works and other accompanying measures necessary for the management and implementation of the Programme and the sector-specific guidelines.
2. In the transport sector the following actions shall be eligible to receive Union financial assistance under this Regulation:
 - (a) Actions relating to efficient, interconnected and multimodal networks for the development of railway, road, inland waterway and maritime infrastructure:
 - (i) actions implementing the core network in accordance with Chapter III of Regulation (EU) No 1315/2013, including actions relating to cross border links and missing links, such as those listed in Part III of the Annex to this Regulation, as well as urban nodes, 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;

- (ii) actions relating to cross-border links of the comprehensive network in accordance with Chapter II of Regulation (EU) No 1315/2013, such as those listed in Part III of the Annex to this Regulation, ~~and~~ actions relating to components of the comprehensive network located in Member States which do not have a land border with another Member State, and actions relating to studies for the development of the comprehensive network;
 - (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;
 - (iv) actions supporting projects of common interest in order to connect the trans-European network with infrastructure networks of neighbouring countries as defined in Article 8(1) of Regulation (EU) No 1315/2013;
 - (v) actions relating to maritime and inland ports of the comprehensive network in accordance with Chapter II of Regulation (EU) No 1315/2013.
- (b) Actions relating to smart, sustainable, inclusive, safe and secure mobility:
- (i) actions supporting motorways of the sea as provided for in Article 21 of Regulation (EU) No 1315/2013;
 - (ii) actions supporting telematic applications systems, in accordance with Article 31 of Regulation (EU) No 1315/2013, for the respective transport modes, including in particular:
 - for railways: ERTMS;
 - for inland waterways: RIS;
 - for road transport: ITS;
 - for maritime transport: VTMS and e-Maritime services, including single-window services such as the maritime single window, port community systems and relevant customs information systems;

- for air transport: air traffic management systems, in particular those resulting from the SESAR system;
- (iii) actions supporting sustainable freight transport services in accordance with Article 32 of Regulation (EU) No 1315/2013 and actions to reduce rail freight noise at its source, including by retrofitting existing rolling stock;
- (iv) actions supporting new technologies and innovation, including automation, enhanced transport services, modal integration and alternative fuels infrastructure, in accordance with Article 33 of Regulation (EU) No 1315/2013;
- (v) actions to remove interoperability barriers, notably when delivering corridor/network effects, in accordance with Article 3 (o) of Regulation (EU) No 1315/2013;
- (vi) actions implementing safe and secure infrastructure and mobility, including road safety, in accordance with Article 34 of Regulation (EU) No 1315/2013;
- (vii) actions improving transport infrastructure resilience, including to climate change and natural disasters;
- (viii) actions improving transport infrastructure accessibility for all users in accordance with Article 37 of Regulation (EU) No 1315/2013;
- (ix) actions adapting the transport infrastructure for security and border checks purposes.

- (c) Under the specific objective referred to in Article 3(2)(a)(ii): actions, or specific activities within an action, supporting the development of civilian-military dual-use transport infrastructure.

3. In the energy sector, the following actions shall be eligible to receive Union financial assistance under this Regulation:

- (a) actions relating to projects of common interest as set out at Article 14 of Regulation (EU) No 347/2013;
- (b) actions supporting cross-border projects in the field of renewable energy **including innovative solutions as well as storage of renewable energy**, ~~including~~ **and** their conception, as defined in Part IV of the Annex to this Regulation, subject to the fulfilment of the conditions laid down in Article 7 of this Regulation.

4. In the digital sector, the following actions shall be eligible to receive Union financial assistance under this Regulation:

- (a) actions supporting the deployment of and access to very high-capacity networks and 5G systems capable of providing Gigabit connectivity in areas where socio-economic drivers are located;
- (b) actions supporting the provision of very high-quality local wireless connectivity in local communities that is free of charge and without discriminatory conditions;
- (c) actions implementing uninterrupted coverage with 5G systems of all major transport paths, including the trans-European transport networks;
- (d) actions supporting deployment of backbone networks including submarine cables, within and between Member States and between the Union and third countries;
- (e) [...]
- (f) actions implementing digital connectivity infrastructure requirements related to cross-border projects in the areas of transport or energy and/or supporting operational digital platforms directly associated to transport or energy infrastructures.

An indicative list of eligible projects in the digital sector is provided for in Part V of the Annex.

Article 10

Synergies

1. Actions contributing to the 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.
2. Within each of the transport, energy or digital sectors, actions eligible in accordance with Article 9 may include ancillary elements, which may not relate to eligible actions as provided for in Article 9(2), (3) or (4) respectively, provided that they comply with all of the following requirements:
 - (a) the cost of these ancillary elements does not exceed 20% of the total eligible costs of the action; and
 - (b) these ancillary elements relate to the transport, energy or digital sector; and
 - (c) these ancillary elements allow to significantly improve the socio-economic, climate or environmental benefits of the action.

Article 11

Eligible entities

1. The eligibility criteria set out in this Article shall apply in addition to the criteria set out in Article [197] of the Financial Regulation.
2. The following entities are eligible:
 - (a) legal entities established in a Member State;
 - (b) legal entities established in a third country associated to the Programme or overseas countries and territories;

(c) legal entities created under Union law and international organisations where provided for in the work programmes.

3. Natural persons are not eligible.
4. Legal entities established in a third country which is not associated to the Programme are exceptionally eligible to receive support under the Programme where this is indispensable for the achievement of the objectives of a given project of common interest or of a cross-border project in the field of renewable energy.
5. Only proposals submitted by one or more Member States or, with the agreement of the Member States concerned, by international organisations, joint undertakings, or public or private undertakings or bodies are eligible. A Member State may decide that, for a specific work programme or for specific categories of applications, proposals can be submitted without its agreement. In such case, upon the request of the Member State concerned, this is indicated in the relevant work programme and call for such proposals.

Article 11a

Specific eligibility requirements concerning support to civilian-military dual-use transport infrastructure

1. Actions concerning civilian-military dual-use transport infrastructure referred to at Article 9 paragraph 2(c) shall be subject to the following additional eligibility requirements:
 - (a) Proposals shall be submitted by one or more Member States or, with the agreement of the Member States concerned, by legal entities established in Member States;

- (b) The actions shall be located on the TEN-T core or comprehensive networks and shall correspond with the sections or nodes identified by Member States in **the Annexes to the Military Requirements for Military Mobility** within and beyond the EU as adopted by the Council on 20 November 2018¹ or any subsequent document adopted thereafter by the Council for the same purpose;
- (c) The actions may relate both to the upgrading of existing infrastructure components or to the construction of new infrastructure components in order to improve the military mobility on the TEN-T network taking into account the infrastructure requirements defined in the **Annexes to the Military Requirements for Military Mobility within and beyond the EU**, technical and economic feasibility and the potential for dual-use;
- (d) [...]
- (e) Without prejudice to Article 15, the full cost of a dual-use infrastructure is eligible for support from the amount defined at Article 4 paragraph 2 (a) (iii). Actions implementing a level of infrastructure requirement going beyond the level required for dual-use are eligible; however, their cost shall only be eligible up to the level of costs corresponding to the level of requirements necessary for dual-use. Actions relating to infrastructure used only for military purposes shall not be eligible.
- (f) Actions under this article shall only be funded from the amount in accordance with Article 4 paragraph 2 (a) (iii).

2. The Commission shall adopt an implementing act specifying, where necessary, the infrastructure requirements applicable to certain categories of dual-use infrastructure actions.

¹ ST 13674/18

CHAPTER III

GRANTS

Article 12

Grants

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

Article 13

Award criteria

1. Transparent award criteria shall be defined in the work programmes referred to in Article 19 and in the calls for proposals taking into account, to the extent applicable, the following elements:
 - (a) economic, social and environmental impact (benefits and costs);
 - (b) innovation, safety, interoperability and accessibility aspects;
 - (c) cross-border dimension;
 - (d) synergies between the transport, energy and digital sectors;
 - (e) maturity of the action in the project development;
 - (f) soundness of the implementation plan proposed;
 - (g) catalytic effect of Union financial assistance on investment;
 - (h) need to overcome financial obstacles such as insufficient commercial viability or the lack of market finance;

- (i) consistency with Union and national energy and climate plans.
2. The assessment of proposals against the award criteria shall take into account, where relevant, the resilience to the adverse impacts of climate change through a climate vulnerability and risk assessment including the relevant adaptation measures.
3. The assessment of proposals against the award criteria shall ensure that where relevant, as specified in the work programmes, actions supported by the Programme that include Positioning, Navigation and Timing (PNT) technology are technically compatible with EGNOS/Galileo and Copernicus.
4. In the transport sector, the assessment of proposals against the award criteria referred to in paragraph 1 shall, where applicable, ensure that proposed actions are consistent with the corridor work plans and implementing acts pursuant to Article 47 of Regulation (EU) No 1315/2013 and take into account the consultative opinion of the responsible European Coordinator pursuant to Article 45 (8) thereof.
5. As regards actions relating to cross-border projects in the field of renewable energy, the award criteria defined in the work programmes and the calls for proposals shall take into account the conditions laid down in paragraph 4 of Article 7.
6. As regards actions relating to digital connectivity projects of common interest, the award criteria defined in the work programmes and the calls for proposals shall take into account the conditions laid down in paragraph 3 of Article 8.

Article 14

Co-financing rates

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).

2. For works in the transport sector, the following maximum co-financing rates shall apply:
- (a) for works relating to the specific objectives referred to in Article 3 (2) (a)(i), the amount of Union financial assistance shall not exceed 30 % of the total eligible cost. The co-financing rates may be increased to a maximum of 50 % for actions relating to cross-border links under the conditions specified in point (c) of this paragraph, for actions supporting telematic applications systems, for actions supporting new technologies and innovation, for actions supporting improvements of infrastructure **for safety, and security and border checks purposes**, in line with relevant Union legislation and for actions located in outermost regions;
 - (aa) for works relating to the specific objectives referred to in Article 3 (2) (a) (ii), the amount of Union financial assistance shall not exceed 50% of the total eligible cost. The co-financing rates may be increased to a maximum of 85% if the necessary resources are transferred to the Programme pursuant to **paragraph 9 of Article 4** ~~paragraph 9~~.
 - (b) as regards the amounts transferred from the Cohesion Fund, the maximum co-financing rates shall be those applicable to the Cohesion Fund as referred to in the Regulation (EU) XXX [CPR]. These co-financing rates may be increased to a maximum of 85% for actions relating to cross-border links under the conditions specified in point (c) of this paragraph and actions relating to missing links;
 - (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), for instance through the establishment of a single project company, a joint governance structure, a bilateral legal framework or an implementing act pursuant to Article 47 of Regulation (EU) No 1315/2013.

3. For works in the energy sector, the following maximum co-financing rates shall apply:
 - (a) for works relating to the specific objectives referred to in Article 3 (2) (b), the amount of Union financial assistance shall not exceed 50 % of the total eligible cost;
 - (b) The co-financing rates may be increased to a maximum of 75 % for actions contributing to the development of projects of common interest which, based on the evidence referred to in Article 14(2) of Regulation (EU) No 347/2013, provide a high degree of regional or Union-wide security of supply, strengthen the solidarity of the Union or comprise highly innovative solutions.
4. For works in the digital sector, the following maximum co-financing rates shall apply: for works relating to the specific objectives referred to in Article 3 (2) (c), the amount of Union financial assistance shall not exceed 30% of the total eligible cost. The co-financing rates may be increased up to 50% for actions with a strong cross-border dimension, such as uninterrupted coverage with 5G systems along major transport paths or deployment of backbone networks between Member States and between the Union and third countries, and up to 75% for actions implementing the Gigabit connectivity of socio-economic drivers. Actions in the field of providing local wireless connectivity in local communities, ~~in exceptional cases~~ when implemented via low value grants may be funded with funded by Union financial assistance covering up to 100 % of the eligible costs, without prejudice to the principle of co-financing.
5. The maximum co-funding rate applicable to actions selected under cross-sectoral work programmes referred to in Article 10 shall be the highest maximum co-funding rate applicable to the sectors concerned.

Article 15

Eligible costs

The following cost-eligibility criteria shall apply, in addition to the criteria set out in Article [186] of the Financial Regulation:

- (a) only expenditure incurred in Member States may be eligible, except where the project of common interest or cross-border projects in the field of renewable energy involves the territory of one or more third countries as referred to in Article 5 or Article 11 paragraph 4 of this Regulation or international waters and where the action is indispensable to the achievement of the objectives of the project concerned;
- (b) the cost of equipment, facilities and infrastructure which is treated as capital expenditure by the beneficiary may be eligible up to its entirety;
- (c) expenditure related to the purchase of land shall not be an eligible cost, except for funds transferred from the Cohesion Fund in the transport sector in accordance with Article 58 of Regulation (EU) XXX 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;
- (d) eligible costs shall not include value added tax ("VAT").

Article 16

Combination of grants with other sources of financing

1. Grants may be used for combination with financing from the European Investment Bank or National Promotional Banks or other development and public financial institutions as well as from private-sector finance institutions and private-sector investors, including through Public Private Partnerships.
2. The use of grants referred to in paragraph 1 may be implemented through dedicated calls for proposals.

Article 17

Reduction or termination of the grants

1. In addition to the grounds specified in [paragraph 4 of Article 131] of the Financial Regulation, the amount of the grant may be reduced on the following grounds:
 - (a) the action has not started within one year for studies, or two years for works, following the starting date indicated in the grant agreement;
 - (b) following a review of the progress of the action, it is established that the implementation of the action has suffered such major delays that the objectives of the action are likely not to be achieved;
2. The grant agreement may be amended or terminated on the basis of the grounds specified in paragraph 1.
3. Before any decision regarding the reduction or termination of a grant is taken, the case shall be examined comprehensively and the beneficiaries concerned shall be provided with the possibility to present their observations within a reasonable time-frame.

Article 18

Cumulative, complementary and combined funding

1. An action that has received a contribution under the Programme may also receive a contribution from any other Union programme, including Funds under shared management, provided that the contributions do not cover the same costs. The rules of each contributing Union programme shall apply to its respective contribution to the action. The cumulative funding shall not exceed the total eligible costs of the action and the support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

2. Actions which comply with the following cumulative, comparative, conditions:
- (a) they have been assessed in a call for proposals under the Programme;
 - (b) they comply with the minimum quality requirements of that call for proposals;
 - (c) they may not be financed under that call for proposals due to budgetary constraints;

may receive support from the European Regional Development Fund or the Cohesion Fund in accordance with [paragraph 5 of Article 67] of Regulation (EU) XXX [CPR], provided that such actions are consistent with the objectives of the programme concerned. The rules of the Fund providing support shall apply.

CHAPTER IV

PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 19

Work programmes

1. The Programme shall be implemented by work programmes referred to in Article 110 of the Financial Regulation.
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.
- 3. In the energy sector, particular consideration shall be given to projects of common interest and related actions aimed at further integrating the internal market for energy, ending energy isolation and eliminating electricity interconnection bottlenecks, with emphasis on those projects contributing to the achievement of the interconnection target of at least 10%.**

Article 19a

Granting of Union financial assistance

1. Following every call for proposals based on work programme referred to in Article 19, the Commission, acting in accordance with the examination procedure referred to in Article 22, shall decide on the amount of financial assistance to be granted to the projects selected or to parts thereof. The Commission shall specify the conditions and methods for their implementation.
2. The beneficiaries and the Member States concerned shall be informed by the Commission of any financial assistance to be granted. This includes changes to the grant amounts during implementation of the grant agreements and the final amounts paid.

3. For actions located on their territories, the Commission shall provide Member States with access to the reports submitted by the beneficiaries, as defined in the respective grant agreements.

Article 20
Monitoring and reporting

1. Indicators to report progress of the Programme towards the achievement of the general and specific objectives set out in Article 3 are set in Part I of the Annex.
2. To ensure effective assessment of progress of the Programme towards the achievement of its objectives, the Commission shall be empowered to adopt delegated acts, in accordance with Article 24, to amend Part I of the Annex to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
3. The performance reporting system shall ensure that data for monitoring 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.

Article 21
Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
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.
3. At the end of the implementation of the Programme, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.

4. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 22

Committee procedure

1. The Commission shall be assisted by the CEF Coordination Committee, which can meet in different formations depending on the respective topic. The Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 23

Delegated acts

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 24 of this Regulation:

- (a) to establish a monitoring and evaluation framework based on the indicators as set out in Part I of the Annex;
- (b) [...]
- ~~(c) to amend Part III of the Annex regarding the definition of the transport core network corridors and pre-identified sections; and pre-identified sections on the comprehensive network;~~
- (d) to ~~amend~~ **supplement** Part IV of the Annex regarding the identification of cross-border projects in the field of renewable energy; **to establish and update the list of selected cross-border projects in the field of renewable energy.**

2. Subject to the second paragraph of Article 172 TFEU, the Commission shall be empowered to adopt delegated acts in accordance with Article 24 of this Regulation:

- (c) to amend Part III of the Annex regarding the definition of the transport core network corridors and pre-identified sections; and pre-identified sections on the comprehensive network;
- (e) to amend Part V of the Annex regarding the identification of digital connectivity projects of common interest.

Article 24

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 23 shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in Article 23 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 23 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 25

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Article 26

Protection of the financial interests of the Union

Where a third country participates in the programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors to comprehensively exert their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF).

CHAPTER VI

TRANSITIONAL AND FINAL PROVISIONS

Article 27

Repeal and transitional provisions

1. Regulations (EU) No 1316/2013 and (EU) No 283/2014 shall be repealed.
2. Without prejudice to paragraph 1, this Regulation shall not affect the continuation or modification of the actions concerned, until their closure, pursuant to Regulation (EU) No 1316/2013, which shall continue to apply to the actions concerned until their closure.
3. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, the Connecting Europe Facility under Regulation (EU) No 1316/2013.
4. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 4(5) of this Regulation, to enable the management of actions not completed by 31 December 2027.

Article 28

Entry into force

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

It shall apply from 1 January 2021.

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

Done at Brussels,

For the European Parliament

The President

For the Council

The President

PART I – INDICATORS

The Programme will be monitored closely on the basis of a set of indicators intended to measure the extent to which the general and specific objectives of the Programme have been achieved and with a view to minimising administrative burdens and costs. To that end, data will be collected as regards the following set of key indicators:

Sectors	Specific Objectives	Indicators
Transport	Efficient and interconnected networks and infrastructure for smart, sustainable, inclusive, safe and secure mobility	Number of cross-border and missing links addressed with the support of CEF (including actions relating to urban nodes, maritime ports, inland ports and rail-road terminals of the TEN-T core network)
		Number of CEF supported actions contributing to the digitalisation of transport, in particular through the deployment of ERTMS, RIS, ITS, VTMS/e-Maritime services and SESAR
		Number of alternative fuel supply points built or upgraded with the support of CEF
		Number of CEF supported actions contributing to the safety of transport
	Development of civilian-military dual-use transport infrastructure	Number of transport infrastructure components adapted to civilian-military dual-use requirements

Energy	Contribution to interconnectivity and integration of markets	Number of CEF actions contributing to projects interconnecting MS networks and removing internal constraints
	Security of energy supply	Number of CEF actions contributing to projects ensuring resilient gas network
		Number of CEF actions contributing to the smartening and digitalisation of grids and increasing energy storage capacity
	Sustainable development through enabling decarbonisation	Number of CEF actions contributing to projects enabling increased penetration of renewable energy in the energy systems
		Number of CEF actions contributing to cross-border cooperation in the area of renewables
Digital	Contribution to the deployment of digital connectivity infrastructure throughout the European Union	New connections to very high capacity networks for socio-economic drivers and very high quality connections for local communities
		Number of CEF actions enabling 5G connectivity along transport paths
		Number of CEF actions enabling new connections to very high capacity networks
		Number of CEF actions contributing to the digitalisation of energy and transport sectors

PART II: INDICATIVE PERCENTAGES FOR THE TRANSPORT SECTOR

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

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

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

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

80% for the actions listed at Article 9 paragraph 2(a): "Actions relating to efficient, interconnected and multimodal networks";

20% for the actions listed at Article 9 paragraph 2(b): "Actions relating to smart, sustainable, inclusive, safe and secure mobility".

For the actions listed at Article 9 paragraph 2(a), 85% of the budgetary resources should be allocated to actions on the core network and 15% to actions on the comprehensive network.

**PART III: TRANSPORT CORE NETWORK CORRIDORS AND CROSS-BORDER LINKS
ON THE COMPREHENSIVE NETWORK**

Core network corridors and indicative list of cross-border links and missing links

Core network corridor "Atlantic"		
Alignment	<p>Gijón – León – Valladolid</p> <p>A Coruña – Vigo – Orense – León–</p> <p>Zaragoza – Pamplona/Logroño – Bilbao</p> <p>Tenerife/Gran Canaria – Huelva/Sanlúcar de Barrameda – Sevilla – Córdoba</p> <p>Algeciras – Bobadilla – Madrid</p> <p>Sines/Lisboa – Madrid – Valladolid</p> <p>Lisboa – Aveiro – Leixões/Porto – Douro river</p> <p>Shannon Foynes/Dublin/Cork – Le Havre – Rouen – Paris</p> <p>Aveiro – Valladolid – Vitoria-Gasteiz – Bergara – Bilbao/Bordeaux – Tours – Paris – Metz – Mannheim/Strasbourg</p> <p>Saint Nazaire – Nantes – Tours</p>	
Cross-border links	Evora – Merida	Rail
	Vitoria-Gasteiz – San Sebastián – Bayonne – Bordeaux	
	Aveiro – Salamanca	
	Douro river (Via Navegável do Douro)	Inland waterways
Missing links	<u>Non-UIC gauge interoperable lines on the Iberian Peninsula</u> Mérida – Madrid	Rail
	Burgos – Vitoria/Gasteiz	

Core network corridor "Baltic – Adriatic"		
Alignment	<p>Gdynia – Gdańsk – Katowice/Sławków</p> <p>Gdańsk – Warszawa – Katowice/<u>Kraków</u></p> <p>Katowice – Ostrava – Brno – Wien</p> <p>Szczecin/Świnoujście – Poznań – Wrocław – Ostrava</p> <p>Katowice – <u>Bielsko-Biala</u> – Žilina – Bratislava – Wien</p> <p>Wien – Graz– Villach – Udine – Trieste</p> <p>Udine – Venezia – Padova – Bologna – Ravenna – Ancona</p> <p>Graz – Maribor –Ljubljana – Koper/Trieste</p>	
Cross-border links	<p>Katowice/Opole – Ostrava – Brno</p> <p>Katowice – Žilina</p> <p>Bratislava – Wien</p> <p>Graz – Maribor</p> <p>Trieste – Divaca – Ljubljana</p>	Rail
	<p>Katowice – Žilina</p> <p>Brno – Wien</p>	Road
Missing links	<p>Gloggnitz – Mürzzuschlag: Semmering Base tunnel</p> <p>Graz – Klagenfurt: Koralm railway line and tunnel</p> <p>Koper – Divača</p>	

Core network corridor "Mediterranean"		
Alignment	<p>Algeciras – Bobadilla – Madrid – Zaragoza – Tarragona</p> <p>Madrid – Valencia – Sagunto – Teruel – Zaragoza</p> <p>Sevilla – Bobadilla – Murcia</p> <p>Cartagena – Murcia – Valencia – Tarragona/Palma de Mallorca – Barcelona</p> <p>Tarragona – Barcelona – Perpignan – Marseille – Genova/Lyon – La Spezia/Torino – Novara – Milano – Bologna/Verona – Padova – Venezia – Ravenna/Trieste/Koper – Ljubljana – Budapest</p> <p>Ljubljana/Rijeka – Zagreb – Budapest – UA border</p>	
Cross-border links	Barcelona – Perpignan	Rail
	Lyon – Torino: base tunnel and access routes	
	Nice – Ventimiglia	
	Trieste – Divača – Ljubljana	
	Ljubljana – Zagreb	
	Zagreb – Budapest	
	Budapest – Miskolc – UA border	
	Lendava – Letenye	Road
	Vásárosnamény – UA border	
Missing links	Almería – Murcia	Rail
	<u>Non-UIC gauge interoperable lines on the Iberian Peninsula</u>	
	Perpignan – Montpellier	
	Koper – Divača	
	Rijeka – Zagreb	
	Milano – Cremona – Mantova – Porto Levante/Venezia – Ravenna/Trieste	Inland Waterways

Core network corridor "North Sea – Baltic"		
Alignment	Luleå – Helsinki – Tallinn – Riga Ventspils – Riga Riga – Kaunas Klaipeda – Kaunas – Vilnius Kaunas – Warszawa BY border – Warszawa – Łódź/Poznań – Frankfurt/Oder – Berlin – Hamburg – Kiel Łódź – Katowice/Wrocław UA border – Rzeszów – Katowice – Wrocław – Falkenberg – Magdeburg Szczecin/Świnoujście – Berlin – Magdeburg – Braunschweig – Hannover Hannover – Bremen – Bremerhaven/Wilhelmshaven Hannover – Osnabrück – Hengelo – Almelo – Deventer – Utrecht Utrecht – Amsterdam Utrecht – Rotterdam – Antwerpen Hannover – Köln – Antwerpen	
Cross-border links	Tallinn – Rīga – Kaunas – Warszawa: Rail Baltic new UIC gauge fully interoperable line	Rail
	Świnoujście/Szczecin – Berlin	Rail/Inland Waterways
	Via Baltica Corridor EE-LV-LT-PL	Road
Missing links	Kaunas – Vilnius	Rail
	Warszawa/Idzikowice – Poznań/Wrocław, incl. connections to the planned Central Transport Hub	
	Kiel Kanal	Inland waterways
	Berlin – Magdeburg – Hannover; Mittellandkanal; western German canals	
	Rhine, Waal	
	Noordzeekanaal, IJssel, Twentekanaal	

Core network corridor "North Sea – Mediterranean"		
Alignment	<p>Belfast – Dublin – Shannon Foynes/Cork</p> <p>Shannon Foynes/Dublin/Cork – Le Havre/Calais/Dunkerque/Zeebrugge/Terneuzen/Gent/Antwerpen/Rotterdam/Amsterdam</p> <p>Glasgow/Edinburgh – Liverpool/Manchester – Birmingham</p> <p>Birmingham – Felixstowe/London/Southampton</p> <p>London – Lille – Brussel/Bruxelles</p> <p>Amsterdam – Rotterdam – Antwerp – Brussel/Bruxelles – Luxembourg</p> <p>Luxembourg – Metz – Dijon – Macon – Lyon – Marseille</p> <p>Luxembourg – Metz – Strasbourg – Basel</p> <p>Antwerpen/Zeebrugge – Gent – Calais/Dunkerque/Lille – Paris– Rouen– Le Havre</p>	
Cross-border links	Brussel/Bruxelles – Luxembourg – Strasbourg	Rail
	Terneuzen – Gent	Inland waterways
	Seine – Escaut Network and the related Seine, Escaut and Meuse river basins	
	Rhine-Scheldt corridor	
Missing links	Albertkanaal/Canal Albert and Canal Bocholt-Herentals	Inland waterways
	Dunkerque – Lille	

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

Missing links	Igoumenitsa - Ioannina	Rail
	<u>Praha – Brno</u>	
	Thessaloniki – Kavala – Alexandroupoli	
	<u>Timișoara – Craiova</u>	

Core network corridor " Rhine – Alpine"		
Alignment	Genova – Milano – Lugano – Basel	
	Genova – Novara – Brig – Bern – Basel – Karlsruhe – Mannheim – Mainz – Koblenz – Köln	
	Köln – Düsseldorf – Duisburg – Nijmegen/Arnhem – Utrecht – Amsterdam	
	Nijmegen – Rotterdam – Vlissingen	
	Köln – Liège – Bruxelles/Brussel – Gent	
	Liège – Antwerpen – Gent – Zeebrugge	
Cross-border links	Zevenaar – Emmerich – Oberhausen	Rail
	Karlsruhe – Basel	
	Milano/Novara – CH border	
	Basel – Antwerpen/Rotterdam – Amsterdam	Inland waterways
Missing links	Genova – Tortona/Novi Ligure	Rail
	<u>Zeebrugge – Gent</u>	

Core network corridor "Rhine – Danube"		
Alignment	Strasbourg – Stuttgart – München – Wels/Linz	
	Strasbourg – Mannheim – Frankfurt – Würzburg – Nürnberg – Regensburg – Passau – Wels/Linz	
	München/Nürnberg – Praha – Ostrava/Prerov – Žilina – Košice – UA border	
	Wels/Linz – Wien – Bratislava – Budapest – Vukovar	
	Wien/Bratislava – Budapest – Arad – Brașov/Craiova – București – Constanta – Sulina	

Cross-border links	München – Praha	Rail
	Nürnberg – Plzen	
	München – Mühldorf – Freilassing - Salzburg	
	Strasbourg – Kehl Appenweier	
	Hranice – Žilina	
	Košice – UA border	
	Wien – Bratislava/Budapest	
	Bratislava – Budapest	
	Békéscsaba – Arad – Timișoara	
	Danube (Kehlheim - Constanța/Midia/Sulina) and the related Váh, Sava and Tisza river basins	Inland Waterways
Zlín – Žilina	Road	
Missing links	Stuttgart – Ulm	Rail
	Salzburg – Linz	
	Arad – Craiova – <u>București</u>	
	<u>Sighișoara – Predeal</u>	
	București – Constanța	

Core network corridor "Scandinavian – Mediterranean"	
Alignment	<p>RU border – Hamina/Kotka – Helsinki – Turku/Naantali – Stockholm – Örebro(Hallsberg)/Linköping – Malmö</p> <p>Narvik/Oulu – Luleå – Umeå – Stockholm/Örebro(Hallsberg)</p> <p>Oslo – Goteburg – Malmö – Trelleborg</p> <p>Malmö – København – Fredericia – Aarhus – Aalborg – Hirtshals/Frederikshavn</p> <p>København – Kolding/Lübeck – Hamburg – Hannover</p> <p>Bremerhaven – Bremen – Hannover – Nürnberg</p>

	Rostock – Berlin – Leipzig – München	
	Nürnberg – München – Innsbruck – Verona – Bologna – Ancona/Firenze	
	Livorno/La Spezia – Firenze – Roma – Napoli – Bari – Taranto – Valletta/ <u>Marsaxlokk</u>	
	Cagliari – Napoli – Gioia Tauro – Palermo/Augusta – Valletta/ <u>Marsaxlokk</u>	
Cross-border links	RU border – Helsinki	Rail
	København – Hamburg: Fehmarn belt fixed link access routes	
	München – Wörgl – Innsbruck – Fortezza – Bolzano – Trento – Verona: Brenner base tunnel and its access routes	
	København – Hamburg: Fehmarn belt fixed link	Rail/Road

Indicative list of cross-border links on the comprehensive network

The cross-border sections of the comprehensive network referred to at Article 9(2)(a)(ii) of this Regulation include notably the following sections:

Dublin – Strabane – Letterkenny	Road
Pau – Huesca	Rail
Lyon – CH border	Rail
Athus – Mont-Saint-Martin	Rail
Breda – Venlo – <u>Viersen</u> – Duisburg	Rail
Antwerpen – Duisburg	Rail
Mons - Valenciennes	Rail
Gent – Terneuzen	Rail
Heerlen – Aachen	Rail
Groningen – Bremen	Rail
Stuttgart – CH border	Rail
Gallarate/Sesto Calende – CH border	Rail
Berlin – Rzepin/Horka – Wrocław	Rail

Prague – Linz	Rail
Villach – Ljubljana	Rail
Pivka – Rijeka	Rail
Plzeň – České Budějovice – Wien	Rail
Wien - Győr	Rail
Graz - Celldömök – Győr	Rail
Neumarkt-Kallham - Mühldorf	Rail
Amber Corridor PL-SK-HU	Rail
Via Carpathia Corridor BY/UA border-PL-SK-HU-RO	Road
Focșani – MD border	Road
Budapest – Osijek – Svilaj (BiH border)	Road
Faro – Huelva	Rail
Porto – Vigo	Rail
Giurgiu – Varna/Bourgas	Rail
Svilengrad – Pithio	Rail

PART IV: IDENTIFICATION OF CROSS-BORDER PROJECTS IN THE FIELD OF RENEWABLE ENERGY

1. Objective of cross-border projects in the field of renewable energy

Cross-border projects in the field of renewable energy shall promote the cross-border cooperation between Member States in the field of planning, development and cost-effective exploitation of renewable energy sources **as well as facilitate their integration through energy storage facilities**.

2. General criteria

In order to qualify as a cross-border project in the field of renewable energy, a project shall meet all of the following general criteria:

- (a) it shall be included in a cooperation agreement or any other kind of arrangement between Member States and/or between Member States and third countries as set out in ~~Articles 6, 7, 9 or 11 of Directive 2009/28/EC~~ **Directive [(EU) 2018/XXXX of the European Parliament and of the Council (Renewable Energy Directive)]**;
- (b) it shall provide cost savings in the deployment of renewables ~~and/or~~ benefits for system integration, security of supply or innovation ~~in comparison to a similar project implemented by one of the participating Member States alone~~;
- (c) the potential overall benefits of cooperation outweigh its costs, including in the longer term, as assessed on the basis of the cost-benefit analysis as referred to in point 3 and applying the methodology referred to in Article [7]

3. Cost-benefit analysis

The cost-benefit analysis referred to in point 2(c) above shall take into account for each of the participating Member States or third countries the impact inter alia on the following aspects:

- (a) costs of electricity generation;
- (b) system integration costs;
- (c) cost of support;
- (d) greenhouse gas emissions;

- (e) security of supply;
- (f) **reduction of** air and other local pollution;
- (g) innovation.

4. Process

Promoters of a project, including Member States, potentially eligible for selection as a cross-border project in the field of renewable energy under a cooperation agreement or any other kind of arrangement between Member States and/or between Member States and third countries as set out in Articles 6, 7, 9, or 11 of Directive 2009/28/EC and seeking to obtain the status of cross-border projects in the field of renewable energy, shall submit an application for selection as a cross-border projects in the field of renewable energy to the Commission. The application shall include the relevant information to allow the Commission to evaluate the project against the criteria laid down in points 2 and 3, in line with the methodologies referred to in Article 7.

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

The Commission shall conduct appropriate consultations on the list of projects submitted to become cross-border projects in the field of renewable energy. **The Member States will be part of the decision on the list of selected cross-border projects in the field of renewable energy and shall be given the following information for all submitted project proposals:**

- **a confirmation of the compliance with the eligibility and selection criteria for all projects;**
- **information on the cooperation mechanism that a project pertains to and information regarding to what extent a project has the support of one or several Member States;**
- **description of the objective of the project, including the estimated capacity (in kW) and, where available, renewable energy production (in kWh per annum), as well as its total project costs and eligible costs referred, in euro;**
- **information on the expected EU-added value in line with paragraph 2 (b) of this Annex and on the expected costs and benefits and the expected EU-added value in line with paragraph 2 (c) of this Annex.**

The Commission shall adopt the final list of selected cross-border projects in the field of renewable energy by delegated act on the basis of a draft list proposed by Member States agreed on in the competent group, and shall publish on its website the list of selected cross-border projects in the field of renewable energy.

The Commission shall evaluate the applications against the criteria laid down in points 2 and 3.

The Commission shall, when selecting the cross-border projects in the field of renewable energy, aim for a manageable total number. ~~The Commission shall endeavour~~ to ensure an appropriate geographical balance in the identification of cross-border projects in the field of renewable energy. Regional groupings may be used for the identification of projects.

A project shall not be selected as a cross-border projects in the field of renewable energy, or have the status withdrawn, if its evaluation was based on incorrect information which was a determining factor in the evaluation, or if the project does not comply with Union law.

The Commission shall publish on its website the list of selected cross border projects in the field of renewable energy.

PART V – DIGITAL CONNECTIVITY INFRASTRUCTURE PROJECTS OF COMMON INTEREST

1. Gigabit connectivity to socio-economic drivers

Actions shall be prioritised taking into account the function of the socio-economic drivers, the relevance of the digital services and applications enabled by providing the underlying connectivity, and the potential socio-economic benefits to citizens, business and local communities, including the potential spill-overs in terms of connectivity. The available budget shall be allocated in a geographically balanced manner across Member States.

Priority shall be given to actions contributing to:

Gigabit connectivity for hospitals and medical centres, in line with the efforts to digitalise the healthcare system, with a view to increasing the well-being of EU citizens and changing the way health and care services are delivered to patients³¹;

- Gigabit Connectivity for education and research centres, in the context of the efforts to close digital divides and to innovate in education systems, to improve learning outcomes, enhance equity and improve efficiency.³²

2. Wireless connectivity in local communities

Actions aiming at the provision of local wireless connectivity that is free of charge and without discriminatory conditions in centres of local public life, including outdoor spaces accessible to the general public that play a major role in the public life of local communities shall be subject to the following conditions in order to receive funding:

³¹ See also COM(2018) 233 final - Commission Communication on enabling the digital transformation of health and care in the Digital Single Market; empowering citizens and building a healthier society.

³² See also COM(2018) 22 final - Commission Communication on the Digital Education Action Plan

- are implemented by a public sector body as referred to in the paragraph below which is capable of planning and supervising the installation, as well as ensuring for a minimum of three years the financing of operating costs, of indoor or outdoor local wireless access points in public spaces;
- build on very high capacity digital networks enabling delivery of very high quality internet experience to users that:
- is free of charge and without discriminatory conditions, easy to access, secured, and uses most recent and best available equipment, capable of delivering high-speed connectivity to its users; and
- supports access to innovative digital services;
- use the common visual identity to be provided by the Commission and link to the associated online tools;
- commit to procure the necessary equipment and/or related installation services in accordance with applicable law to ensure that projects do not unduly distort competition.

Financial assistance shall be available to public sector bodies as defined in point (1) of Article 3 of Directive (EU) 2016/2102 of the European Parliament and of the Council³³ undertaking to provide, in accordance with national law, local wireless connectivity that is free of charge and without discriminatory conditions through the installation of local wireless access points.

Funded actions shall not duplicate existing free private or public offers of similar characteristics, including quality, in the same public space.

³³ Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

The available budget shall be allocated in a geographically balanced manner across Member States.

Wherever relevant, coordination and coherence will be ensured with CEF actions supporting access of socio-economic drivers to very high capacity networks capable of providing Gigabit connectivity.

Indicative list of 5G corridors eligible for funding

In line with the Gigabit society objectives set out by the Commission to ensure that major terrestrial transport paths have uninterrupted 5G coverage by 2025³⁴, actions implementing uninterrupted coverage with 5G systems pursuant to Article 9 paragraph 4 (c) include, as a first step, actions on the cross-border sections for CAM³⁵ experimentation, and, as a second step, actions on more extensive sections in view of a larger scale deployment of CAM along the corridors, as indicated in the table below (indicative list). The TEN-T corridors are used as a basis for this purpose but the deployment of 5G is not necessarily confined to those corridors³⁶.

Core network corridor "Atlantic"	
Cross-border sections for CAM experimentation	Porto-Vigo and Merida-Evora <u>and Aveiro – Salamanca</u>
More extensive section for larger scale deployment of CAM	Metz – Paris - Bordeaux – Bilbao – Vigo – Porto – Lisbon -Bilbao – Madrid – Lisbon
Core network corridor "Baltic – Adriatic"	
Cross-border sections for CAM experimentation	-
More extensive section for larger scale deployment of CAM	Gdansk – Warsaw – Brno – Vienna – Graz – Ljubljana – <u>Koper</u> – Trieste

³⁴ Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society - COM(2016)587

³⁵ Connected and Automated Mobility

³⁶ Sections in italics are located outside of the TEN-T core network corridors but included in the 5G corridors

Core network corridor "Mediterranean"	
Cross-border sections for CAM experimentation	-
More extensive section for larger scale deployment of CAM	Budapest – Zagreb – Ljubljana / Rijeka / <i>Split</i>
Core network corridor "North Sea – Baltic"	
Cross-border sections for CAM experimentation	<u>Warsaw – Kaunas – Vilnius/Klaipėda</u> Baltic corridor (to be defined)
More extensive section for larger scale deployment of CAM	Tallinn – <u>Riga</u> – Kaunas – <u>LT/PL border – Warsaw</u> <u>BY/LT border – Vilnius – Kaunas – Klaipėda</u>
Core network corridor "North Sea – Mediterranean"	
Cross-border sections for CAM experimentation	Metz-Merzig-Luxembourg Rotterdam- <i>Antwerp-Eindhoven</i>
More extensive section for larger scale deployment of CAM	Amsterdam - Rotterdam – Breda – Lille – Paris Brussels – Metz – Basel Mulhouse – Lyon – Marseille
Core network corridor "Orient/East-Med"	
Cross-border sections for CAM experimentation	Sofia-Thessaloniki-Belgrade
More extensive section for larger scale deployment of CAM	Berlin – Prague – Brno – <u>Košice</u> – Bratislava Timisoara – Sofia – TR border -Sofia – Thessaloniki – Athens

Core network corridor " Rhine – Alpine"	
Cross-border sections for CAM experimentation	Bologna-Innsbrück-München (Brenner corridor)
More extensive section for larger scale deployment of CAM	Rotterdam – Oberhausen – Frankfurt (M) Basel – Milan – Genova
Core network corridor "Rhine – Danube"	
Cross-border sections for CAM experimentation	-
More extensive section for larger scale deployment of CAM	Frankfurt (M) – Passau – Wien – <u>Bratislava</u> – Budapest – <u>Osijek - Vukovar</u> - Bucharest – Constanta Karlsruhe – München – Salzburg – Wels Frankfurt (M) – Strasbourg
Core network corridor "Scandinavian – Mediterranean"	
Cross-border sections for CAM experimentation	Oulu-Tromsø <i>Oslo- Stockholm-Helsinki</i>
More extensive section for larger scale deployment of CAM	Turku – Helsinki –Russian border Stockholm / Oslo – Malmo Malmo – Copenhagen – Hamburg – Würzburg Nürnberg – München – Verona Rosenheim – Bologna – Napoli – Catania – Palermo Napoli – Bari – Taranto