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2025/0221 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Connecting Europe Facility for the period 2028-2034, amending Regulation (EU) 2024/1679 and repealing Regulation (EU) 2021/1153

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

On 16 July 2025, the Commission adopted a proposal for the next Multiannual Financial Framework for the period post-2027, including a financial envelope of EUR 81 428 000 000 for the 'Connecting Europe Facility' (CEF) for investments in trans-European networks for transport and energy infrastructure, including military mobility and renewable energy projects. This proposal aims to set the legal basis for CEF for the period 2028-2034.

• Reasons and objectives

To achieve smart, sustainable and inclusive growth, the EU needs an up-to-date, high-performance and resilient infrastructure to help connect and integrate the transport and energy sectors throughout the EU and all its regions. These connections are key for the free movement of persons, goods, capital and services.

The trans-European networks for transport and energy:

- facilitate cross-border connections;
- ensure the EU's security;
- increase the competitiveness of Europe's social market economy;
- contribute to combating climate change; and
- lift isolation and foster greater economic, social and territorial cohesion.

High-capacity trans-European networks are also needed to increase the EU's resilience and military preparedness.

Seamless connections for transport and energy throughout Europe will contribute to the success of the single market. They will provide tangible benefits to all European citizens and businesses, by making it more efficient and sustainable for them to travel, ship goods, and access secure, affordable and decarbonised energy.

For this purpose, the CEF supports investments, both in transport and energy infrastructure through the development of the trans-European networks and in cross-border renewable energy projects. In light of increasing risks linked to natural and technological hazards, evolving security threats, and other disruptions, it is essential to ensure that investments under the CEF are risk-informed and disaster resilient, in line with the objectives of the EU Preparedness Union Strategy.

The CEF focuses on projects of highest added value for the EU and catalyses investments in projects with a cross-border impact and European-wide interoperable systems, which must continued to be funded after 2027. By providing support to cross-border projects directly at EU level, the CEF helps overcome coordination problems that arise from the multi-jurisdictional nature of the projects. With its efficient modus operandi, the CEF addresses market failures and helps leverage further investment and funding from other sources, such as national budgets, national energy tariff systems and the private sector, using the full range of tools available under the Financial Regulation.

For transport, the CEF aims to contribute to the completion of the trans-European transport network ('TEN-T'), with the focus on completing the core and extended core network by

2030 and 2040. The development of a European wide multimodal transport network is a key condition for growth and sustainability in Europe – from the entry points which are the ports to the basic land connections needed for the single market and the connectivity of regions. In this context, the CEF will in particular concentrate on infrastructure projects with a strong cross-border dimension, such as the Rail Baltica project, the Brenner Base Tunnel, the Seine-Escaut inland waterway, Brno-Bratislava, Thessaloniki-Bucharest or the development of hinterland connections of TEN-T ports.

In close coordination with the European Competitiveness Fund and the National and Regional Partnership Plans, the CEF also supports interoperable, safe and smart mobility on the TEN-T network (for example by deploying European traffic management systems such as the European Rail Traffic Management System or the River Information Services for inland waterways), or where appropriate, by ensuring their interconnection through interoperability, standards or user terminals, to the EU space systems such as Galileo, EGNOS and the IRIS², for positioning, navigation and timing and for secure connectivity respectively, and helps the EU transition towards sustainable, decarbonised mobility (for example by providing for onshore power supply for vessels in TEN-T ports).

The CEF can also invest in cross-border connections with third countries implementing the extension of TEN-T corridors to candidate countries. For example, this has been done in the period 2021-2027 for the connections to Ukraine and Moldova, improving the functioning of the Solidarity Lanes, and starting preparatory works to align the rail gauge in these two countries to the EU standard. While this was justified due to the crisis following the Russian war of aggression against Ukraine, and in anticipation of their closer integration into the EU market, such investments divert away resources from projects on the territory of Union.

If the TENT-T cross-border projects are not completed, the increase in travel time and travel costs of people and goods will lead to economic losses stemming from reduced total productivity and slower growth of intra-EU trade. This will amount to a reduction in GDP of -0.4% in 2030 and of -0.8% in 2050 relative to a scenario in which the TEN-T cross-border projects are completed. Employment in the Member States would also decrease by -0.08% in 2030 and by -0.13% in 2050 relative to the baseline[1].

The CEF should also provide EU funding for implementing dual-use civilian-military transport projects to enable seamless military mobility throughout the EU. The current transport infrastructure in the EU (including the TEN-T) does not allow for largescale movements of troops and heavy equipment and material at short notice. This is essential for European security and defence, as is recognised in the 'Joint White Paper for European Defence Readiness 2030' adopted on 19 March 2025. CEF also contributes to the overall goal of the "European Preparedness Union Strategy" to create a secure and resilient Union that aims at preserving the vital functions of the society in all circumstances.

The EU has identified four priority multimodal military mobility corridors covering rail, road, rivers, sea and air, that need substantial and urgent investments to facilitate the movement of troops and military equipment. These include widening railway tunnels, reinforcing road and railway bridges, and expanding port and airport terminals. Together with Member States and

[1] European Commission: Directorate-General for Mobility and Transport, Schade, W., Khanna, A., Mader, S., Streif, M. et al., *Support study on the climate adaptation and cross-border investment needs to realise the TEN-T network*, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2832/7839720

the military community priority investments have been identified to remove the most urgent bottlenecks('hotspots').

As an essential tool to complete the Energy Union, the CEF will provide funding to two types of cross-border energy projects:

- energy infrastructure projects in the electricity, hydrogen and carbon dioxide transport sectors that have a significant cross-border impact and have been awarded the status of a project of common interest (PCI) or project of mutual interest (PMI) under the TEN-E Regulation;
- cross-border projects in the field of renewable energy that are based on a cooperation agreement between Member States under the Renewable Energy Directive.

These projects are key to (i) improving the security of energy supply in the EU and in neighbouring third countries; (ii) decarbonising the energy system; (iii) facilitating the integration of renewable energy sources, onshore and offshore; (iv) better integrating energy markets; and (v) giving households and businesses in Europe access to affordable energy; thus contributing to the competitiveness of the European economy and the prosperity of people.

In its conclusions on "Advancing Sustainable Electricity Grid Infrastructure", as approved by the Transport, Telecommunications and Energy Council on 30 May 2024, the Council acknowledged "the unprecedented investment needs in electricity networks at both transmission and distribution level in order to ensure a highly interconnected, integrated and synchronised European power system", invited the Commission "to look for ways to increase overall investments for electricity grid infrastructure" and stressed "the need for a robust CEF in order to adequately respond to and support the increased investment needs in onshore and offshore grid development projects".

- **Consistency with existing policy provisions**

The CEF's overarching objective is to support the achievement of the EU policy objectives in the transport and energy sectors for the trans-European networks and cross-border cooperation on renewable energy, by enabling or accelerating investments in projects of common interest and projects of mutual interest, and by supporting cross-border cooperation on renewable energy generation.

In the transport sector, the CEF contributes to the EU's long-term objectives for the completion of the TEN-T core network by 2030[2], the completion of the extended core network by 2040, and where relevant, progress towards the completion of the TEN-T comprehensive network by 2050 through preparatory studies. In particular for the completion of the core network, the next multiannual financial framework (MFF) will thus be decisive.

CEF-funded investments also support the transition towards clean, interoperable and multimodal mobility. The CEF is also helping to develop a European high-speed rail network aimed at connecting EU capitals (including through night trains), and to accelerate rail freight.

[2] Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network, amending Regulations (EU) 2021/1153 and (EU) No 913/2010 and repealing Regulation (EU) No 1315/2013, OJ L, 2024/1679, 28.6.2024, http://data.europa.eu/eli/reg/2024/1679/oj

In the energy sector, the CEF complements the Trans-European Networks for Energy (TEN-E) framework and the selection of PCIs and PMIs. Under the TEN-E Regulation, the following three-step logic applies to investments in these PCIs and PMIs. First, the market should have the priority to invest. Second, if investments are not made by the market, regulatory solutions should be explored, and the relevant regulatory framework should be adjusted if necessary. Third, where the first two steps are not sufficient to deliver the necessary investments in PCIs, CEF grants may be awarded to eligible PCIs as a last-resort option. The CEF also complements the cooperation mechanisms set out by the Renewable Energy Directive such as statistical transfers, joint projects or joint support schemes.

- **Consistency with other Union policies**

Transport and energy infrastructure and energy generation will be supported to various degrees by different EU financial programmes and instruments, including the CEF, the National and Regional Partnership Plans, the European Competitiveness Fund and Horizon Europe as well as Global Europe.

It is important to make the most efficient use of the various EU financing programmes and instruments and thus maximise the complementarity and added value of investments supported by the EU. This should be achieved via the new structure of the MFF, by maintaining consistency across relevant EU programmes, avoiding overlaps, and focusing on investments with high EU added value.

In this context, the CEF should focus on supporting (i) projects with a cross border dimension on the TEN-T and TEN-E networks, (ii) projects for seamless military mobility across the EU, and (iii) projects in the field of renewable energy cooperation. Investments in the TEN-T network under the National and Regional Partnership Plans should complement investments under the CEF.

The extension of the TEN-T corridors to candidate countries and transport and energy infrastructure in third countries should be supported in close coordination with Global Europe.

A strong co-creation process between R&I and CEF will be pursued in particular for the decarbonisation of all transport modes, but also for energy. Horizon Europe will continue to support Research and Innovation in transport and energy. The European Competitiveness Fund will cover the scale-up and deployment of cutting-edge innovative solutions for the decarbonisation, digitalisation, sustainability and resilience of transport and energy (e.g. new generation of European Air Traffic Management system supported by AI and cloud technologies, civilian-military dual-use and zero-emission ferry of the future). In particular, it should identify the best mix of private and public capital for such investments.

The CEF's actions should be used to address market failures or sub-optimal investment situations, in a proportionate manner, without duplicating or crowding out private financing and should have a clear EU added value. In this respect, the CEF and Savings and Investments Union[3] measures can be mutually supportive, as public funding can be effective to de-risk large infrastructure projects and attract private investments in the EU, creating significant leverage effect. At the same time, the growing availability of efficient collective

[3] COM/2025/124 final

investment vehicles, like the European Long-term Investment Funds (ELTIFs), can efficiently catalyse long-term investments by institutional and other private investors towards infrastructure projects, thereby complementing and amplifying the funding available from CEF. This will also ensure consistency between the actions under the programme and EU State aid rules, including multi-country projects such as Important Projects of Common European Interest (IPCEI), avoiding undue distortions of competition in the single market.

The Union transport and energy objectives must be achieved in way that ensures competitiveness, economic growth, cohesion and security, in consistency with climate and environmental policies. Investments should support climate neutrality by 2050, avoid biodiversity loss, and reduce or eliminate pollution, in line with EU policy and legislation. Where appropriate, nature-based solutions could be integrated into projects, as they can often enhance climate resilience while being cost-effective, and providing benefits to society.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Trans-European networks are covered under Article 170 TFEU, which specifies: ‘The Union shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures’.

The right for the EU to act in the field of infrastructure financing is set out in Article 171 TFEU which provides that the Union ‘may support projects of common interest supported by Member States, (…) particularly through feasibility studies, loan guarantees or interest-rate subsidies’.

Article 172 TFEU specifies that ‘“the guidelines and other measures referred to in Article 171 (1) shall be adopted by the European Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee and the Committee of the Regions.’”

Cross-border cooperation in the field of renewable energy is covered by Article 194(1) TFEU, which provides that, ‘“[i]n the context of the establishment and functioning of the internal market and with regard for the need to preserve and improve the environment, Union policy on energy shall aim, in a spirit of solidarity between Member States, to: (a) ensure the functioning of the energy market; (b) ensure security of energy supply in the Union; [and] (c) promote energy efficiency and energy saving and the development of new and renewable forms of energy’”.

For that purpose, as specified in Article 194(2) TFEU, ‘the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish the measures necessary to achieve the objectives in Article 194(1).’

- **Subsidiarity (for non-exclusive competence)**

The scale and the type of the problems targeted by the CEF specifically require EU action since they are by nature EU-wide and can be more efficiently resolved at EU level, leading to overall greater benefits, more accelerated implementation and reduction of costs if the Commission coordinates Member States’ actions.

EU funding is also the appropriate means to address the financing challenges that cross-border projects typically face. The unequal distribution of project benefits and project costs between the different Member States concerned makes it more difficult to finance these projects from national funding sources alone.

- **Proportionality**

The proposal complies with the proportionality principle and falls within the scope for action in the field of the trans-European networks, as defined in Article 170 TFEU, and Article 194 TFEU for cross-border projects in the field of renewable energy. The action envisaged by this proposal is specifically limited to the EU dimension of transport and energy infrastructure and cross-border deployment of renewable energy sources.

- **Choice of the instrument**

The legislative instrument and the type of measure (i.e. funding) are both set out in the TFEU, which provides the legal basis for the CEF, and states that the tasks, priority objectives and the organisation of the trans-European networks may be set out in Regulations.

3. RESULTS OF RETROSPECTIVE EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Retrospective evaluations/fitness checks of existing legislation**

The *ex post* evaluation of CEF 2014-2020 and the interim evaluation of CEF 2021-2027 are being conducted in parallel and work is well advanced.

For the CEF 2014-2020, in the transport sector all grant agreements have ended at the end of 2024 and projects are in the process of closing. So far, more than half of the projects have been closed. Those have an absorption rate of 91.3% of the allocated budget, compared to the amount of the latest grant agreement in force. Given this high absorption rate, a very large part of the closed projects achieved their objectives as laid out in the grant agreement (for example: progress on the implementation of cross-border sections, deployment of ERTMS, improved hinterland connections for ports, improved inland waterways, etc.).

For the CEF 2014-2020 in the energy sector, the portfolio consisted of 149 actions, of which 141 actions have already been finalised. Some 8 actions, including large construction projects in the electricity sector are ongoing. The overall financial progress of the entire CEF-1 portfolio at the end of 2024 was 58%.

Most of the transport budget and the larger share of the energy budget for the current CEF 2021-2027, has been allocated to projects. The CEF Transport military mobility budget (EUR 1.7 billion) was frontloaded after Russia's full-scale invasion of Ukraine and is fully allocated. The last funds were allocated in the beginning of 2024, leaving no resources for the four remaining years of the current MFF. By the end of 2024, a few projects were finalised (e.g. alternative fuels infrastructure, safe and secure parking areas). Under CEF Energy, some 166 PCIs and PMIs were selected under the first PCI/PMI list, out of which 41 were awarded funding in the 2024 call, demonstrating the significant funding needs for cross-border energy infrastructure.

Given that investment in infrastructure is a long-term process it is too early to measure results of the CEF 2021-2027. The CEF has secured EUR 1.5 billion in non-reimbursable grant support, enhancing EU-Ukraine cross-border connectivity and increased capacities via the Solidarity Lanes and TEN-T corridors.

The preliminary findings of both CEF evaluations confirm that the programme has performed well to date. The design of the instrument is appropriate to address a historic lack of funding into cross-border infrastructure with high EU added value by ringfencing funding for these projects into a dedicated instrument. It is consistent with other EU funding instruments and policies, particularly on decarbonisation and environmental sustainability. Its governance model (using competitive calls for proposals and direct management of funds through a centralised agency) is well-suited to address the programme's needs and provide a level playing field for applicants.

CEF funding is consistently deemed indispensable, enabling crucial transport projects that would otherwise face significant delays, reduced scope, or not be carried out at all due to insufficient national or private funding. Beyond direct financial support, the CEF also provides significant leverage, attracting additional public and private capital and acting as a strategic anchor for investment.

The latest indication from the number and value of actions funded by topic and subprogramme, as well as from the Programme Performance Statement for CEF 2021-2027, is that the CEF is also on track to achieve most of its output targets, with a strong performance in meeting expected outputs. While the full results and impacts will take time to materialise, the programme's current trajectory suggests positive outcomes in line with its objectives.

As provided under Article 22(4) of Regulation (EU) 2021/1153 establishing the CEF[4] and currently in force, the Commission will publish a progress report in autumn this year on the implementation of the programme from 2021 to 2024. It will present for each sector: the different calls for proposals, the main areas of investment and how CEF was able to react to recent crises.

- **Stakeholder consultations**

A series of public consultations covering the entire spectrum of future EU funding was launched on 12 February and remained open until 6 May 2025. One consultation covered EU funds implemented with Member States and regions and covered trans-European networks, cohesion policy, common agricultural policy, fisheries policy, maritime policy and home affairs.

On trans-European networks, stakeholders underline the critical importance of maintaining a dedicated EU-level instrument for transport infrastructure, (such as CEF), separate from national investment envelopes.

Public authorities from Central and Eastern Europe advocate for dedicated EU support to upgrade and expand key TEN-T corridors, citing delays in electrification, bottlenecks in freight capacity, and gaps in multimodal connectivity. For example, Polish and Romanian respondents point to the need for better east-west links and interoperable signalling systems to improve cross-border mobility.

In the energy domain, stakeholders highlight several persistent challenges that undermine the effectiveness and inclusiveness of EU support for energy infrastructure. Public authorities

[4] Article 22(4) of Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (Text with EEA relevance) of 7 July 2021.

from Romania, Poland, Germany, and Spain stress that outdated grid infrastructure, especially in rural and coal-dependent areas, acts as a bottleneck for deploying renewable energy. These regions often lack sufficient transmission capacity or face delays in grid modernisation, leading to stalled projects and missed climate targets. Regional and municipal actors, particularly from Finland and the Baltic states, raise concerns about the slow progress of cross-border interconnectors and fragmented planning between national and EU levels. This is seen as weakening the resilience and interoperability of the European energy system, particularly in the context of geopolitical tensions.

From March to May 2025, the Commission organised a European Citizens' Panel on a New European Budget as a way for citizens to engage with EU institutions and have their say on the EU policymaking process. The event included three sessions gathering 150 randomly selected citizens, including an in-person session from 28-30 March, a second online session (April 25-27), and a third and final session in Brussels (May 16-18). The participants, coming from all 27 EU countries and representing the EU's diversity, reflected on where the EU Budget could bring the most added-value to Europeans and also highlighted the importance of cross-border infrastructure, notably in transport. A considerable number of Member States were asking for additional budget for military mobility during the mid-term review of the current MFF in 2024, because of the exhausted CEF envelope. Many Member States also regularly call for military mobility to be set as a priority for EU investments in transport infrastructure, considering the overall geopolitical context and evolving security developments in Council meetings and in formats related to security and defence.

- **Impact assessment**

The proposal is supported by the impact assessment nationally pre-allocated envelopes within the post-2027 MFF, submitted to the Regulatory Scrutiny Board on 7 July 20205. The Board issued its opinion on 10 July.

The impact assessment focused on the design and scope of National and Regional Partnership Plans to implement future nationally pre-allocated envelopes. For investments in trans-European transport (including military mobility), energy infrastructure and cross-border cooperation in renewable energy, it assessed two options for financing cross-border projects: implementation under nationally pre-allocated envelopes or a dedicated instrument for cross-border projects.

The impact assessment compared experience gathered from implementing cross-border projects under current national and regional plans (e.g. cohesion policy, the Recovery and Resilience Facility) and experience within the CEF. It also assessed the administrative burden for Member States' authorities and project promoters for both options and discussed the optimal use of EU funds.

The impact assessment concluded that directly-managed EU support would ensure the predictability and stability needed by complex cross-border projects. Allocating grants through a competitive and phased approach would make it possible to focus on the most mature projects.

Closer links between EU funding and policy priorities of the national plans would enhance their cross-border dimension. However, implementing cross-border infrastructure projects through the plans would be more complex and costly for both Member States' authorities and project promoters. For the Member States to align their investment agendas with those of neighbouring countries would be a lengthy process, both during the initial plan negotiations and if there are any amendments. For example, Germany would have to coordinate its national plan with eight neighbouring Member States; Hungary with five. In cases where the process is delayed in one or more Member States, this could cause knock-on delays. The Commission could support these coordination efforts (both during the negotiations and through the provision of technical assistance via the plans), but the burden for Member States' authorities would remain significant. This could also significantly increase the administrative burden for project promoters, who would need to implement their cross-border projects under several national plans and report within separate reporting and audit schemes (one per Member State).

However, the impact assessment underscored that the National and Regional Partnership Plans could cater for complementary investments for cross-border sections and for projects of high EU relevance. These could include sections of national interest on the trans-European networks and certain energy projects, such as national grid reinforcements that support cross-border interconnections. Since these projects would be carried out within the territory of a single Member State, their implementation would not entail the additional costs mentioned above for cross-border projects involving more than one Member State. Allocations for these projects could also be very relevant when combined with EU funding as part of centrally-managed, cross-border, renewable energy auctions (auction-as-a-service model).

Directly managed EU support would ensure the predictability and stability needed by complex cross-border projects. Awarding funding directly at EU level would make it possible to maintain the long-term political commitment to strategic projects, to create sufficient certainty, predictability and stability for other investors. Direct management would also facilitate a coordinated implementation of military mobility projects to facilitate the seamless and rapid transport of troops and military equipment across the EU.

Allocating grants in a competitive and phased approach under direct management would ensure predictability of funding and make it possible to focus on the most mature (phases of) projects. Furthermore, if there are significant delays during implementation or if project costs are lower than initially anticipated (for instance through successful public procurement procedures), any amounts not used by beneficiaries could be re-allocated to other projects. The 'use it or lose it' principle of the CEF has ensured that funds are optimised within the programme and are reallocated to other projects offering the best EU added value. For CEF 2014-2020, the 'use it or lose it' approach will make it possible to increase programme absorption from about 80% to 90% based on current estimates.

Direct management of complex cross-border projects would also reduce administrative costs for Member States' authorities. Economies of scale under a cost-based delivery model help keep the overall cost of direct management low. This is confirmed by the high productivity ratio with each full-time equivalent staff member handling an average budget of EUR 25 million per year. This covers the entire lifecycle of programme management from the publication of the call until audit, including feedback to policy and reporting. The direct management of cross-border projects in transport and energy is cost-efficient and represents 0.39% of the EU funds over the 2021-2027 period, including all coordination and management costs incurred in the Commission.

Having a separate instrument would however require efforts to ensure consistency with the transport and energy investments that would be included in the plans.

The Commission proposal reflects the benefits of a dedicated instrument for cross-border projects identified in the impact assessment.

- **Simplification**

The Commission's global simplification efforts under the post-MFF 2027 will also apply to the CEF programme delivery.

The CEF is designed to reduce overlaps and complexity. For transport and energy infrastructure, the CEF will thus focus on projects with a clear cross-border dimension that are complementary to investments under the National and Regional Partnership Plans.

The rules of the National and Regional Partnership Plans and CEF are aligned as much as possible. Clear delimitation between CEF and National and Regional Partnership Plans and alignment of rules will reduce the current complexities of the EU funding landscape and benefit both Member State authorities and beneficiaries.

For further simplification, the CEF will rely, where appropriate, on simplified cost options (lump sums, unit costs) when allocating grants. The regulation will also provide for a further simplified legal framework for the CEF through the possibility to move provisions and conditions to work programmes.

Regulation (EU) [XXX]* of the European Parliament and of the Council [Performance Regulation] proposed as part of the MFF for the period post-2027 aims to reduce the inconsistency and complexity of monitoring and reporting requirements. Monitoring, evaluation and reporting arrangements will not be individually set for every financing instrument such as the CEF, but simplified and streamlined throughout the whole MFF, including for information, communication and visibility.

4. BUDGETARY IMPLICATIONS

The Commission’s proposal for the CEF includes the following amount: EUR 81 428 000 000 (in current prices).

Based on the positive experience from the implementation of the previous CEF programmes, the Commission proposes to continue the implementation of the new programme, for both CEF sectors, with direct management by the Commission and an executive agency.

As detailed in the Legislative Financial and Digital Statement, the proposed budget will cover all the necessary operational expenditure for the implementation of the CEF programme, plus the cost of human resources and other administrative expenditure in connection with the management of the programme.

5. OTHER ELEMENTS

- **Detailed explanation of the specific provisions of the proposal**

Article 1 – Subject matter

This article introduces the subject matter of the Regulation, which is to establish the Connecting Europe Facility programme.

Article 2 – Definitions

This article sets out the definitions relating to the Regulation.

Article 3 – Programme objectives

This article sets out the general objective of the programme and the specific objectives for each sector.

Article 4 – Budget

This article sets outs the indicative financial allocation for the programme.

The article includes a provision to cover all the necessary expenses pertaining to preparatory, monitoring, control, audit, evaluation and other activities; necessary studies, meetings of experts, corporate IT tools and any other technical and administrative assistance needed in connection with the management of the programme.

Article 5 – Additional resources

This article sets the conditions for the additional financial contributions to the programme.

Article 6 – Alternative, combined and cumulative funding

This article ensures that an action that has received a contribution under the programme may also receive a contribution from any other EU programme, if the contributions do not cover the same costs.

Article 7 – Third Countries associated to the programme

This article sets the conditions under which third countries may participate in the programme.

Article 8 – Implementation and forms of Union funding

This article sets out the management mode of CEF as direct management. All forms of funding and financial support envisaged under the Financial Regulation can be used. Support to Financial Instruments or budgetary guarantees shall be channelled through the ECF (European Competitiveness Fund) investment instrument or the GE (Global Europe) delivery mechanism.

Article 9 – Eligibility

This article sets out the criteria for persons and entities to be eligible for the programme.

Article 10 –Complementary rules of grants

This article sets out the conditions for reduction, suspension, termination or transfer of the grants to ensure sound financial management and to mitigate the risks linked with significant delays that can occur in the case of major infrastructure projects. It provides that grants may be reduced or terminated if the action for which the grant was made has not started within one year following the starting date indicated in the grant agreement or if a review of the progress of the action finds that the implementation of the action has suffered such major delays that the objectives of the action are likely not to be achieved. The article provides for simplifications of grant agreements relating to a global project.

This article also sets the maximum co-financing rates applicable to each sector.

Article 11 – Cross-border projects in the field of renewable energy

This article sets out the objectives and conditions for cross-border projects in the field of renewable energy. It provides general criteria and procedural requirements to select these projects and empowers the Commission to lay down specific criteria and the details of the process for such projects by means of a delegated act. This article also provides for a possibility to transfer funds towards the Union renewable energy financing mechanism set up under Regulation (EU) 2018/1999.

Article 12 – Work programme

This article provides that the programme will be implemented by work programmes referred to in the Article 110 of the Regulation (EU, Euratom) 2024/2509.

Article 13 – Delegated acts

This article allows the Commission to adopt delegated acts relating to the annex to this Regulation.

Article 14 – Exercise of the delegation

This article contains standard provisions on the delegation of powers.

Article 15 – Committee procedure

This article covers the CEF committee within the meaning of Regulation (EU) No 182/2011. It specifies that the advisory procedure set out in Article 4 of Regulation (EU) No 182/2011 will apply.

Article 16 – Amendments to Regulation (EU) 2024/1679

This article provides for an amendment to Article 48 of Regulation (EU) 2024/1679 on Union guidelines for the development of the trans-European transport network. The aim is to shift the legal base of the Commission Implementing Act on dual-use infrastructure standards currently provided for in the CEF Regulation (Article 12(2) of Regulation (EU) 2024/1679). For this implementing act, Regulation (EU) 2024/1679 laying down the infrastructure standards for the TEN-T network is a more appropriate legal base than a CEF spending programme. However, the Commission Implementing Regulation (EU) 2021/1328 will continue to apply until the Commission adopts a new implementing act in accordance with Article 48.3 of the Regulation (EU) 2024/1679.

Article 17 – Repeal

This article repeals the previous CEF Regulation (Regulation (EU) No 2021/1153).

Article 18 – Transitional provisions

This article provides for the transitional provisions relating to the CEF actions and to the technical and administrative assistance.

Article 19 – Entry into force and application

This article states that the Regulation shall apply from 1 January 2028.

Annex

2025/0221 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Connecting Europe Facility for the period 2028-2034, amending Regulation (EU) 2024/1679 and repealing Regulation (EU) 2021/1153

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172, first paragraph, and Article 194(2) 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 Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure

Whereas:

(1) This Regulation establishes the ‘Connecting Europe Facility’ Programme (the ‘Programme’) with a view to accelerating investment in the field of trans-European networks for transport and energy and leveraging funding from both the public and the private sectors, while increasing legal certainty and respecting the principle of technological neutrality. It also aims to facilitate cross-border cooperation in the field of renewable energy, such as through the support of cross-border projects. The Programme should facilitate synergies between the transport and energy sectors to be harnessed to the full extent, thus enhancing the effectiveness of Union action and enabling implementing costs to be optimised. This Regulation lays down a financial envelope for the Programme. For the purpose of this Regulation, current prices are calculated by applying a fixed 2% deflator.

(2) Efficient transportation of people[3] and goods is an essential pillar for the functioning of the Union, playing a crucial role in fostering competitiveness and economic growth, ensuring cohesion, and achieving climate and environmental objectives. The ability of citizens and goods to move freely and efficiently in a well-connected and complete single market enhances connectivity, ensures access to jobs and services, and supports local economies and trade. At the same time, a decarbonized and sustainable transport system is a condition to meet the Union´s climate goals and address the Union’s economy’s strategic and unsustainable dependence on fossil fuel. Effective and secure freight transport is indispensable for the supply of necessary goods to citizens, keeping our economy running and backing our military security. The Draghi report on the

[1] *OJ L.., p.
[2] *OJ L.., p.
[3] Including persons with reduced mobility and disabilities.

future of competitiveness of Europe[4], recognises the importance of raising investments in transport infrastructure and emphasises the need for an integrated multimodal transport market as well as the strong demand for decarbonization and clean solutions. The Draghi report calls for boosting the digitalisation in the Union across key economic sectors, such as transport. The Letta report on the future of the internal market highlights the transport sector as a key area where deeper European integration is essential to fully unlock the potential of the internal market. The Letta report underlines notably the need to complete the TEN-T network and highlights the opportunities of a pan-European high-speed rail network to revolutionise European travel and catalyse Union integration. The Niinistö report on Europe's civilian and military preparedness stresses the importance of dual-use transport corridors for military movements and supply chains and the resilience of the transport infrastructure to climate change and as well as the need for secure maritime supply routes used for the Union's external trade.

(3) The Union should facilitate projects in disadvantaged, less connected, rural, insular, coastal, peripheral, congested, outermost or isolated regions so as to enable access to the Trans-European energy and transport networks while bringing benefits to the entire Union in terms of security, competitiveness and social, economic and territorial cohesion. Regulation (EU) 2024/1679 of the European Parliament and of the Council[5] identifies the infrastructure of the trans-European transport network, specifies the requirements to be fulfilled by it and provides for measures for their implementation. That Regulation provides for the completion of the core network of the trans-European transport network by 2030 and the extended core network by 2040 through the creation of new infrastructure as well as the substantial upgrading and rehabilitation of existing infrastructure. This will lead to a high-performing network for passengers and goods transportation.

(4) In order to achieve the objectives laid down in Regulation (EU) 2024/1679, it is necessary to financially support the development cross-border, including ports and their hinterland connections as well as the deployment of alternative fuels, and the elimination of missing links and to ensure, where applicable, that the actions supported by the Programme are consistent with the corridor work plans drawn up in accordance with Article 54 of Regulation (EU) 2024/1679 and with the overall network development regarding performance and interoperability.

(5) The Joint White Paper for European Defence Readiness 2030[6] recognised military mobility as an essential component of Union security and defence and stressed the Union added-value in supporting dual-use infrastructure for mobility. The Regulation (EU) 2021/1153 of the European Parliament and of the Council[7] included for the first time a dedicated financial envelope for the development of civilian-defence dual use transport infrastructure. It is essential that the Union's transport

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[4] Mario Draghi, "A competitiveness strategy for Europe", September 2024, https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en

[5] Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network, amending Regulations (EU) 2021/1153 and (EU) No 913/2010 and repealing Regulation (EU) No 1315/2013 (OJ L, 2024/1679, 28.6.2024)

[6] Joint White Paper for European Defence Readiness 2030, JOIN(2025) 120 final, 19 March 2025.

[7] Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38, ELI: http://data.europa.eu/eli/reg/2021/1153/oj).

infrastructure enables rapid and efficient movement of military personnel, material and equipment by air, land and waterborne. Accordingly, the infrastructure for all transport modes should to be upgraded to meet the military requirements. The Programme should seek complementarity with the specific activities supported under the European Competitiveness Fund (also with regard to Important Projects of Common European Interest (IPCEI)), notably aiming at strengthening Member State's access to and availability of military mobility capabilities, and to support the development of digital solutions to facilitate the military mobility as well as measures supported under the National and Regional Partnership Plans.

(6) In the field of military mobility, the Programme aims to contribute to enabling transportation of military equipment and personnel across the EU at speed and scale, taking into account the military expertise at EU level. The Programme should be consistent with EU efforts to increase EU defence readiness as outlined in the Joint White Paper for European Defence Readiness 2030.

(7) The Union has developed its own space systems for Positioning, Navigation and Timing (PNT) (Galileo, EGNOS and LEO PNT), Earth observation and monitoring programme (Copernicus, EOGS) and secure connectivity (GOVSATCOM and IRIS^2). They all offer advanced services which provide important economic benefits to public and private users. Therefore, any transport or energy infrastructure funded by the CEF, that makes use of PNT or Earth observations services, should be technically compatible with those systems. To ensure such compatibility, where relevant, the work programme can ensure that actions supported by the CEF that include PNT, connectivity or observation technology are technically compatible with the EU space systems.

(8) The PROTECT EU Strategy stresses that security is the bedrock upon which all our freedoms are built and builds on the consideration that security shall be mainstreamed in all EU policies.

(9) The expansion and upgrade of energy infrastructure is an essential condition for a genuine Energy Union that is complete and interconnected, ensuring the Union's energy security and independence, energy affordability, industrial competitiveness, while meeting the Union's climate and energy objectives towards 2030 and achieving climate neutrality by 2050. Energy grids are necessary for the uptake of additional generation of renewable energy, including offshore generation, for boosting industrial decarbonisation and electrification, and for ensuring a well-functioning and competitive internal energy market that delivers a secure and affordable supply of energy. The Draghi Report recognises also the importance of raising investments in energy infrastructure. The Draghi report pointed in particular to investment in energy grids and the need to rapidly increase the deployment of cross-border energy infrastructure to ensure the integration of renewable energy into the European system and decarbonise Europe's industry. In the Clean Industrial Deal[8] and the Action Plan for Affordable Energy[9], the Commission underlined the crucial role of completing the Energy Union by investing in energy infrastructure and cross-border grids for safeguarding the competitiveness of European industry and the prosperity of people as well as for the affordability and security of energy supply. The Action Plan for Affordable Energy indicates that every person, community, and business should

[8] COM/2025/85 final
[9] COM/2025/79 final

benefit from the clean transition. According to the Monitoring Report on electricity infrastructure[10] of the Agency for the Cooperation of Energy Regulators, cross-border capacity needs will amount to 66 GW by 2030, of which 32 GW currently remain unaddressed. The support of the Programme to cross-border projects will play an important part in addressing this gap.

(10) Special consideration should be given to cross-border energy interconnections, including complex projects such as hybrid interconnectors, including those necessary to reach the 15 % electricity interconnection target for 2030 established by Regulation (EU) 2018/1999 of the European Parliament and of the Council[11].

(11) Regulation (EU) 2022/869 of the European Parliament and of the Council[12] lays down guidelines for the timely development and interoperability of trans-European energy infrastructure. It provides for the identification of projects of common interest and of projects of mutual interest and determines the conditions for eligibility of these projects for Union financial assistance. However, given their cross-border nature, projects of common interest and projects of mutual interest not only create significant positive externalities and foster solidarity, but also entail specific challenges for project promoters, due to their multi-jurisdictional nature, coordination challenges and an often asymmetrical distribution of costs and benefits. They therefore require Union level support.

(12) In the field of energy, the Programme aims to contribute to the development of projects of common interest and projects of mutual interest, with a view to promoting energy market integration and interoperability of energy networks across borders. Furthermore, the Programme aims to facilitate decarbonisation, promoting energy efficiency and ensuring security of supply, and facilitating cross-border cooperation in the field of energy including renewable energy generation, as well as storage facilities that are not fulfilling the eligibility criteria of Regulation (EU) 2022/869. In doing so the interests of all stakeholders liable to be affected should be taken into account.

(13) Cross-border cooperation between Member States, or between Member States and third countries, in the field of renewable energy is key to achieve the Union's objectives in terms of decarbonisation, competitiveness, completion of the internal energy market and security of supply in a cost-efficient and sustainable manner. The Programme aims to address a risk that cross-border cooperation will remain at a sub-optimal level in the absence of Union financial assistance.

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10 ACER: Electricity infrastructure development to support a competitive and sustainable energy system, 2024 Monitoring Report, https://www.acer.europa.eu/sites/default/files/documents/Publications/ACER_2024_Monitoring_Electricity_Infrastructure.pdf.

11 Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/1999/oj).

12 Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013 (OJ L 152, 3.6.2022, p. 45, ELI: http://data.europa.eu/eli/reg/2022/869/oj).

(14) Cross-border projects in the field of renewable energy should provide cost savings for the deployment of renewable energy across the Union or other benefits for system integration, security of supply, competitiveness or innovation, in comparison to a similar project implemented by one of the participating Member States or third country alone. When selecting the projects, the Commission should particularly consider their contribution to the further integration of the Union internal energy market and endeavour to take, where possible, into consideration geographical balance. In case of grants for works, the applicant should demonstrate the need to overcome market failures or financial obstacles such as insufficient commercial viability, high upfront costs or the lack of market finance.

(15) The Programme should enable a transfer of funds to the Union renewable energy mechanism established by Article 33 of Regulation (EU) 2018/1999[13], to ensure contribution to the enabling framework set out in Article 3(5) of Directive (EU) 2018/2001 of the European Parliament and of the Council[14]. This transfer can also concern projects that fall under the definition of cross-border projects in the field of renewable energy. Where relevant, the Commission should endeavour to prioritise such financial support for projects that enhance the further integration of the Union internal energy market, including cross-border projects in the field of renewable energy.

(16) Synergies between the development of trans-European networks in transport and energy and cross-border projects in the field of renewable energy with strong cross border impact supported by CEF, and transport and energy projects in the scope of the National and Regional Partnership Plans, the Framework Programme for Research and Innovation, and the European Competitiveness Fund should be ensured. Synergies could also imply support for Important Projects of Common European Interest (IPCEI) focussing on cross-border infrastructure in the transport and energy sector.

(17) The Programme should also seek coherence with actions financed under Global Europe. It is important that the trans-European networks for transport and for energy are well connected to third countries. The respective policy frameworks identify projects of common interest between Member States and third countries, or projects of mutual interest, which are the priority for the transport and energy connections from and to these third countries. For these projects, the support provided under the Programme should be closely coordinated with support provided under the Global Europe. In the field of transport, the cross-border sections listed in the Annex to this Regulation should be prioritised.

(18) In a rapidly changing economic, social and geopolitical environment, recent experience has shown the need for a more flexible multiannual financial framework and Union programmes. To that effect, and in line with the objectives of the CEF, the funding should duly consider the evolving policy needs and Union's priorities as

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13 Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (Text with EEA relevance)

14 Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82, ELI: http://data.europa.eu/eli/dir/2018/2001/oj).

identified in relevant documents published by the Commission, in Council conclusions and European Parliament resolutions while ensuring sufficient predictability for the budget implementation.

(19) To ensure consistency, the budgetary guarantee and financial instruments under the Programme, including when combined with other forms of non-repayable support in blending operations, should be implemented in accordance with the applicable rules of the ECF InvestEU Instrument and GE delivery mechanisms through agreements concluded for that type of support under the ECF InvestEU Instrument and GE delivery mechanisms.

(20) Where Union support under the Programme is to be provided in the form of a budgetary guarantee or a financial instrument, including where combined with non-repayable support in a blending operation, it is necessary that such support is provided exclusively through the ECF InvestEU Instrument and GE delivery mechanisms in accordance with the applicable rules of the ECF Investment Instrument and GE delivery mechanisms. In the case of ECF InvestEU Instrument delivering the objectives of this Programme, advisory support should be available to all Member States at their request. Such support could cover capacity building, support for project identification, preparation and implementation, as well as advice on financial instruments and investment platforms.

(21) The Programme should optimise the use of available funding through close monitoring of the funding made available and through applying, where appropriate, reduction or termination of grants. This should allow the reallocation of the budget dedicated to an action that remains unspent during its designated timeframe to other actions falling within the scope of this Programme.

(22) Given the size of the necessary works, it can happen that for the implementation of a cross-border section, several activities are carried out in parallel and are supported through different grant agreements but contributing to the same objective which is called the 'global project'. In order to contribute to a more efficient use of Union resources and ensure that important infrastructure objectives can be fully achieved, the Programme should allow for redirection of available funds within the scope of the same global project. Without prejudice to the use of competitive procedures in line with Article 192(1) of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council[15] and in addition to the provisions of Article 198 of that Regulation, it should be possible to award such redirection of funds through amendments to the original actions, subject to the conditions set out in the work programme, including the maximum Union contribution.

(23) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council applies to the Programme. It lays down the rules on the establishment and the implementation of the general budget of the Union, including the rules on grants, prizes, non-financial donations, procurement, indirect management, financial assistance, financial instruments and budgetary guarantees.

(24) In accordance with Regulation (EU, Euratom) 2024/2509 Regulation, the work programmes and the call documents are the appropriate place to set out more technical

[15] Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

implementation details for the budget across the set of policies supported by the Programme, including specific eligibility and award criteria depending on the instrument of budget implementation, whether grant or procurement, and the specific policy objectives pursued. In accordance with Article 136 of the Financial Regulation, eligibility restrictions should apply to high-risk suppliers, for security reasons.

(25) The support provided by the Programme should boost investment by addressing market failures or sub-optimal investment situations, in a proportionate manner avoiding duplication or crowding out and by incentivising private funding and should have a clear Union added-value. Without prejudice to the application of Articles 107 and 108 TFEU to national resources, this approach will ensure consistency between the actions under the Programme and the State aid rules, thereby avoiding undue distortions of competition in the internal market. Furthermore, the CEF and Savings and Investments Union[16] measures can be mutually supportive, as public funding can be effective to de-risk large infrastructure projects and attract private investments in the EU, creating significant leverage effect. At the same time, the growing availability of efficient collective investment vehicles, like the European Long-term Investment Funds (ELTIFs), can efficiently catalyse long-term investments by institutional and other private investors towards infrastructure projects, thereby complementing and amplifying the funding available from CEF.

(26) In order to ensure uniform conditions for the implementation of the Programme through work programmes, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers[17].

(27) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council[18], Council Regulations (EC, Euratom) No 2988/95[19], (Euratom, EC) No 2185/96[20] and (EU) 2017/1939[21], 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

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16 COM/2025/124 final

17 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 Member States of the Commission’s exercise of implementing powers, OJ L 55, 28.2.2011, p. 13–18.

18 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. ELI: http://data.europa.eu/eli/reg/2013/883/oj)

19 Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L312, 23.12.95, p.1). LI: http://data.europa.eu/eli/reg/1995/2988/oj).

20 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, 15.11.96, p.2). ELI: http://data.europa.eu/eli/reg/1996/2185/oj).

21 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). ELI: http://data.europa.eu/eli/dir/2017/1371/oj).

appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out 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 illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council[22]. In accordance with Regulation (EU, Euratom) 2024/2509, 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, EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights. Third countries associated to the Programme are to grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences.

(28) The Programme is to be implemented in accordance with Regulation (EU) [XXX]* of the European Parliament and of the Council [Performance Regulation] which establishes the rules for the expenditure tracking and the performance framework for the budget, including rules for ensuring a uniform application of the principles of 'do no significant harm' and gender equality referred to in Article 33(2), points (d) and (f), of Regulation (EU, Euratom) 2024/2509 respectively, rules for monitoring and reporting on the performance of Union programmes and activities, rules for establishing a Union funding portal, rules for the evaluation of the programmes, as well as other horizontal provisions applicable to all Union programmes such as those on information, communication and visibility.

(29) Pursuant to Article 85 (1) of Council Decision (EU) 2021/1764[23], 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 OCT is linked.

(30) The Programme should respect the rights of persons with disabilities and in particular, ensure accessibility for them particularly in the transport sector.

(31) The Programme should be open for cooperation with third countries where this is in the interest of the Union. To this extent, the Union may associate, fully or partially, third countries to the constituent activities of the Programme. Association should be subject to a fair balance of contribution and benefits of the third country and ensure the protection of the financial and security interests of the Union.

(32) In order to take due account of the development of the trans-European network, 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 the amendments of the indicative list of projects of common interests in the Annex to this

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[22] 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).

[23] Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 7.10.2021, p. 6, ELI: http://data.europa.eu/eli/dec/2021/1764/oj).

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 of 13 April 2016 on Better Law-Making[24]. 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.

(33) Article 12(2) of Regulation (EU) 2021/1153 empowers the Commission to adopt implementing acts specifying the infrastructure requirements applicable to certain categories of dual use infrastructure actions. On that basis, Commission Implementing Regulation (EU) 2021/1328[25] was adopted. Following the revision of the legal framework with the adoption of Regulation (EU) 2024/1679 and in order to ensure the ability to further update the infrastructure requirements independently of the limited duration of the present regulation, it is necessary to the empowerment in that act to adopt implementing acts specifying the infrastructure requirements applicable to certain categories of dual use infrastructure actions should be laid down in that Regulation. Regulation (EU) 2024/1679 should therefore be amended accordingly so that it empowers the Commission to adopt implementing acts for that purpose.

(34) Regulation (EU) 2021/1153 should be repealed, with effect from 1 January 2028.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes the Connecting Europe Facility (the 'Programme') and lays down the objectives of the Programme, its budget for the period 2028-2034, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

For the purpose of this Regulation, the following definitions apply:

1. 'action' means any activity which has been identified as financially and technically independent, has a set timeframe and is necessary for the implementation of a project;
2. 'trans-European transport network' means the trans-European transport network referred to in Regulation (EU) 2024/1679;

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[24] OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj.

[25] Commission Implementing Regulation (EU) 2021/1328 of 10 August 2021 specifying the infrastructure requirements applicable to certain categories of dual-use infrastructure actions pursuant to Regulation (EU) 2021/1153 of the European Parliament and of the Council (OJ L 288, 11.8.2021, p. 37, ELI: http://data.europa.eu/eli/reg_impl/2021/1328/oj).

3. ‘project of common interest’ means a project of common interest as defined in Article 3, point (1), of Regulation (EU) 2024/1679 or Article 2, point (5), of Regulation (EU) 2022/869;

4. ‘sustainable trans-European transport network’ means a trans-European transport network fulfilling the requirements laid down in Articles 5 and 45 of Regulation (EU) 2024/1679;

5. ‘smart trans-European transport network’ means a trans-European transport network fulfilling the requirements laid down in Articles 43 and 45 of Regulation (EU) 2024/1679

6. ‘resilient trans-European transport network’ means a trans-European transport network fulfilling the requirements laid down in Article 46 of Regulation (EU) 2024/1679;

7. ‘military mobility’ means the ability of the European Union and its Member States to rapidly and effectively transport, move, and deploy military personnel, equipment, and supplies within and across the borders of Member States, ensuring timely and effective response of Member States Armed forces;

8. ‘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;

9. ‘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;

10. ‘project of mutual interest’ means a project of mutual interest as defined in Article 2, point (6), of Regulation (EU) 2022/869;

11. ‘cross-border project in the field of renewable energy’ means any of the following:

    (a) a project for the production of renewable energy which is included in a cooperation agreement within the meaning of Articles 8, 9, 11 or 13 of Directive (EU) 2018/2001;

    (b) a storage project, including co-located energy storage within the meaning of Article 2, point (44d), of Directive (EU) 2018/2001, that supports the integration of renewable energy into the energy system of the Union, except for energy storage facilities within the meaning of Annex II, point (1)(c), of Regulation (EU) 2022/869 and that is included in a similar arrangement between two or more Member States, or between one or more Member States and one or more third countries.

Article 3

Programme objectives

1. The general objectives of the Programme are to build, develop, secure, modernise and complete the trans-European networks in the transport and energy sectors, with the intention of supporting a functioning single market and fostering cohesion; to facilitate military mobility on the trans-European transport networks; to facilitate cross-border cooperation in the field of renewable energy; and to facilitate synergies among the transport and energy sectors.

2. The Programme has the following specific objectives:

(a) in the transport sector:

(i) to contribute to the development of projects of common interest relating to interconnected, interoperable, decarbonised, smart, safe, sustainable, resilient, secure and multimodal transport networks in accordance with Regulation (EU) 2024/1679, in particular through:

(1) actions relating to the projects of common interest with cross-border dimension implementing the trans-European transport network, including actions on the indicative sections listed in the Annex to this Regulation;

(2) actions relating to the projects of common interest with Union dimension relating to the completion of a smart, resilient, decarbonised and sustainable trans-European transport network;

(3) actions relating to the projects of common interest with cross-border dimension with third countries implementing the trans-European transport network in accordance with Article 9 of Regulation (EU) 2024/1679;

(ii) to adapt parts of the trans-European transport network for the dual use of the transport infrastructure with a view to improving both civilian and military mobility, focusing on the four EU Priority Military Mobility Corridors identified by Member States in Annex II to the Military Requirements for Military Mobility within and beyond the Union, as approved by the Council on 18 March 2025 and with reference ST 6728/25 ADD1;

(b) in the energy sector,

(i) to contribute to the development of projects of common interest and projects of mutual interest as set out in Article 18 of Regulation (EU) 2022/869, with a view to promoting the completion of the Energy Union, the integration of an efficient and competitive internal energy market, and the interoperability of networks across borders and sectors, to facilitating decarbonisation of the economy, to promoting energy efficiency and to ensuring resilience and security of supply;

(ii) to facilitate cross-border cooperation in the field of renewable energy, through the support of cross-border projects in the field of renewable energy or through competitive bidding for new renewable energy projects under the Union renewable energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999, where the conditions referred to in of Article 11(5) of this Regulation are met, with a view to achieving the Union’s objectives in terms of decarbonisation, competitiveness, completion of the internal energy market, resilience and security of supply in a cost-efficient manner.

Article 4

Budget

1. The indicative financial envelope for the implementation of the Programme for the period 2028- 2034 is set at EUR 81 428 000 000 in current prices.

2. The distribution of the amount referred to in paragraph 1 shall be indicatively as follows:

   (a) EUR 51 515 000 000 for the specific objectives on transport and military mobility referred to in Article 3(2), point (a);

   (b) EUR 29 912 000 000 for the specific objectives on energy referred to in Article 3(2), point (b).

3. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.

4. Appropriations may be entered in the Union budget beyond 2034 to cover the expenses necessary and to enable the management of actions not completed by the end of the Programme.

5. The financial envelope referred to in paragraph 1 of this Article and the amounts of additional resources referred to in Article 5 may also be used for technical and administrative assistance for the implementation of the Programme and of the sector-specific guidelines in Regulation (EU) 2024/1679 or Regulation (EU) 2022/869, such as preparatory, monitoring, control, audit and evaluation activities, corporate information technology systems and platforms, information and communication activities, including corporate communication on the political priorities of the Union, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme.

Article 5

Additional resources

1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties may make additional financial or non-financial contributions to the Programme, without prejudice to Articles 107 and 108 TFEU. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e), or Article 21(5) of Regulation (EU, Euratom) 2024/2509.

2. Resources allocated to Member States under shared management may, at their request, be made available to the Programme. The Commission shall implement those resources directly or indirectly in accordance with Article 62(1), point (a) or (c) of Regulation (EU, Euratom) 2024/2509. They shall be additional to the amount referred to in Article 4(1) of this Regulation. Those resources shall be used for the benefit of the Member State concerned. Where the Commission has not entered into a legal commitment under direct or indirect management for additional amounts thus made available to the Programme, the corresponding uncommitted amounts may, at the request of the Member State concerned, be transferred back to one or more respective source programmes or their successors.

Article 6

Alternative, combined and cumulative funding

1. The Programme shall be implemented in coordination with other Union programmes. An action that has received a Union contribution from another programme may also receive a contribution under the Programme. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules may be applied to all contributions under the Programme and a single legal commitment may be concluded. If the Union contributions is based on eligible cost, the cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

2. Award procedures under the Programme may be conducted jointly under direct or indirect management with Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties ('partners to the joint award procedure'), provided the protection of the financial interests of the Union is ensured. Such procedures shall be subject to a single set of rules and lead to the conclusion of single legal commitments. For that purpose, the partners to the joint award procedure may make resources available to the Programme in accordance with Article 5 of this Regulation, or the partners may be entrusted with the implementation of the award procedure, where applicable in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509.In joint award procedures, representatives of the partners to the joint award procedure may also be members of the evaluation committee referred to in Article 153(3) of Regulation (EU, EURATOM) 2024/2509.

Article 7

Third countries associated to the Programme

1. The Programme may be opened to the participation of the following third countries through full or partial association, in accordance with the objectives laid down in Article 3 and in accordance with the relevant international agreements or any decisions adopted under the framework of those agreements and applicable to:

   (a) members of the European Free Trade Association which are members of the European Economic Area, as well as European micro-states;

   (b) acceding countries, candidate countries and potential candidates;

   (c) European Neighbourhood Policy countries;

   (d) other third countries.

2. The association agreements for participation in the Programme shall:

   (a) ensure a fair balance as regards the contributions and benefits of the third country participating in the Programme;

   (b) lay down the conditions of participation in the programmes, including the calculation of financial contributions, consisting of an operational contribution and a participation fee, to a programme and its general administrative costs;

(c) not confer on the third country any decision-making power in the Programme;

(d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests;

(e) where relevant, ensure the protection of security and public order interests of the Union.

For the purposes of point (d), the third country shall grant the necessary rights and access required under Regulations (EU, Euratom) 2024/2509 and (EU, Euratom) No 883/2013, and guarantee that enforcement decisions imposing a pecuniary obligation on the basis of Article 299 TFEU, as well as judgements and orders of the Court of Justice of the European Union, are enforceable.

Article 8

Implementation and forms of Union funding

1. The Programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509 under direct management or under indirect management with entities referred to in Article 62(1), point (c), of that Regulation.

2. Union funding may be provided in any form in accordance with Regulation (EU, Euratom) 2024/2509, in particular grants, prizes, procurement, and non-financial donations.

3. Where Union support is provided in the form of a budgetary guarantee or a financial instrument, including where combined with non-repayable support in a blending operation, it shall be exclusively provided through the ECF InvestEU Instrument or GE delivery mechanism and implemented in accordance with the applicable rules of the ECF InvestEU Instrument and GE delivery mechanism through agreements concluded for that type of support under the ECF InvestEU Instrument or GE delivery mechanisms.

4. Union support in the form of a budgetary guarantee shall be provided within the maximum amount of the budgetary guarantee established by the ECF or GE Regulation.

5. Where the Programme makes use of the ECF InvestEU Instrument or GE delivery mechanism, it shall provide the provisioning for the budgetary guarantee and the financing to financial instruments, including when combined with non-repayable support in the form of a blending operation.

Article 9

Eligibility

1. Eligibility criteria shall be set to support achievement of the objectives laid down in Article 3 of this Regulation and in accordance with Regulation (EU, Euratom) 2024/2509.

2. In award procedures under direct or indirect management, one or more of the following legal entities may be eligible to provide or to receive Union support:

(a) entities established in a Member States;

(b) entities established in an associated third country;

(c) international organisations;

(d) other entities established in non-associated third countries where the funding of such entities is essential for implementing the action and contributes to the objectives laid down in Article 3.

3. In addition to Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509, associated third countries referred to in Article 7(1) of this Regulation may, where relevant, participate in and benefit from any procurement mechanisms set out in Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509. Rules applicable to Member States shall be applied, *mutatis mutandis*, to participating associated third countries.

4. Award procedures affecting security or public order, in particular concerning strategic assets and interests of the Union or its Member States, shall be restricted in accordance with Article 136 of Regulation (EU, Euratom) 2024/2509. In accordance with Article 136 of the Financial Regulation, eligibility restrictions shall apply to high-risk suppliers, in line with EU law, for security reasons.

5. As regards actions referred to in Article 3(2), point (a), of this Regulation, the assessment of proposals against the award criteria shall, where applicable, ensure that proposed actions are consistent with the corridor work plans and implementing acts referred to in Articles 54 and 55 of Regulation (EU) 2024/1679 and that they take into account the consultative opinion of the responsible European Coordinator pursuant to Article 52(9) of that Regulation.

6. Grant proposals shall be submitted by one or more Member States or with the approval of the Member States concerned by the project of common interest or project of mutual interest.

7. Award procedures for grants or parts thereof, that are already fully financed from other public or private sources, except contributions from the Union in the context of synergy actions referred to in Article 6, shall not be eligible for funding.

8. The work programme referred to in Article 110 of Regulation (EU, Euratom) 2024/2509 or the documents related to the award procedure may further specify the eligibility criteria set out in this Regulation or set additional eligibility criteria for specific actions.

Article 10

Complementary rules for grants

1. In addition to the grounds for reduction set out in Article 132(4) of Regulation (EU, Euratom) 2024/2509, the amount of the grant may be reduced under the following conditions:

(a) as regards studies, where the action has not started within one year following the starting date indicated in the grant agreement;

(b) as regards works, where the action has not started within two years following the starting date indicated in the grant agreement;

(c) 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 unlikely to be achieved;

2. The grant agreement may be amended or terminated on the basis of the conditions set out in paragraph 1.

3. Available commitment appropriations resulting from the application of paragraph 1 or 2 shall be made available under this Programme.

4. Without prejudice to the use of competitive procedures wherever appropriate in accordance with Article 192(1) of Regulation (EU, Euratom) 2024/2509 and in addition to Article 198 of that Regulation, the work programme referred to in Article 12 of this Regulation may, where duly justified with reference to the need to facilitate completion of a global project, specify an action and beneficiaries, and set out an amount up to which proposals may be invited for extension of ongoing or completed actions under the Programme, while ensuring equal treatment and transparency in line with Article 191 of Regulation (EU, Euratom) 2024/2509. The award for ongoing actions may take the form of an amendment to the original action by adding new activities and increasing the maximum Union contribution. The commitment appropriations referred to in paragraph 3 of this Article shall be used to cover the amounts reserved in the work programme for such awards.

5. For studies, the amount of Union financial support shall not exceed 50% of the total eligible costs.

6. For works relating to the specific objective referred to in Article 3(2), point (a), the amount of Union financial support shall not exceed 50% of the total eligible cost. The co-financing rate for actions taking place in Member States with a per capita GNI of less than 90 % of the Union GNI, the amount of Union financial support shall not exceed 75% of the total eligible cost.

7. For works relating to the specific objectives referred to in Article 3(2), point (b), the following shall apply:

   (a) the amount of Union financial support shall not exceed 50% of the total eligible cost;

   (b) the co-financing rates referred to in point (a) may be increased to a maximum of 75% of the total eligible cost for actions contributing to the development of projects of common interest which, based on the evidence referred to in Article 18(2) of Regulation (EU) 2022/869, provide a high degree of regional or Union-wide security of supply, strengthen the solidarity of the Union or offer highly innovative solutions.

8. In each of the transport and energy sectors, as regards works undertaken in outermost regions, a specific maximum co-financing rate of 60% shall apply.

9. The support provided by the Programme shall accelerate or boost investments by addressing market failures or sub-optimal investment situations, in a proportionate manner, avoiding duplication or crowding out, and by incentivising private funding and shall have Union added-value.

Article 11

Cross-border projects in the field of renewable energy

1. The Commission shall conduct, at least once a year, a selection of cross-border projects in the field of renewable energy, based on the criteria and procedure set out

in this Article, in the delegated act referred to in paragraph 4 of this Article and the related work programme referred to in Article 12.

2. Cross-border projects in the field of renewable energy should provide cost savings for the deployment of renewable energy across the Union or other benefits for system integration, security of supply, competitiveness or innovation, in comparison to a similar project implemented by one of the participating Member States or third country alone.

3. In case of grants for works, the applicant should demonstrate the need to overcome market failures or financial obstacles such as insufficient commercial viability, high upfront costs or the lack of market finance.

4. By (day month year) (or 12 months after entry into force of this act), the Commission shall adopt a delegated act in accordance with Article 14 supplementing this Regulation by laying down the specific criteria and procedure for the selection of cross-border projects in the field of renewable energy.

5. The Commission may decide to allocate the Programme budget envisaged for cross-border projects in the field of renewable energy to the Union renewable energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999 where it can achieve the specific objective referred to in Article 3(2), point (b)(ii) of the Regulation, and where it can contribute to the reduction of the costs of capital for renewable energy projects. The total contribution made for the period from 1 January 2028 to 31 December 2034 shall not exceed 5% of the budget of this Programme envisaged for the specific objectives referred to in Article 3(2), point (b).

Article 12

Work programme

1. The Programme shall be implemented by work programmes referred to in Article 110 of Regulation (EU, Euratom) 2024/2509.

2. The work programmes shall set out, where applicable, the activities and related amounts of Union support to be implemented through the ECF InvestEU Instrument and GE delivery mechanism.

3. The work programmes shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 15(3).

Article 13

Delegated acts

Subject to Article 172, second paragraph, TFEU, the Commission is empowered to adopt delegated acts in accordance with Article 15 of this Regulation to amend the Annex to this Regulation regarding the indicative list of projects.

Article 14

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 11(4) and 13 shall be conferred on the Commission until 31 December 2034.

3. The delegation of power referred to in Article 11(4) and 13 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 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 of 13 April 2016 on Better Law-Making.

   As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 11(4) and 413 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. Representatives of third countries or international organisations shall not be present in deliberations on matters related to Article 12(3) of this Regulation.

Article 15

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. For matters concerning the objectives referred to in Article 3(2), point (a), the committee shall meet in the following configuration: “CEF Transport”.

   For matters concerning the objectives referred to in Article 3(2), point (b), the committee shall meet in the following configuration: “CEF Energy”

3. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

4. Where the opinion of the committee is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so request.

5. In accordance with international agreements concluded by the Union, representatives of third countries or international organisations may be invited as observers in the meetings of the committee under the conditions laid down in its rules of procedure, taking into account security and public order of the Union or its Member States. Representatives of third countries or international organisations shall not be present in deliberations on matters related to Article 9 of this Regulation.

Article 16

Amendment to Regulation (EU) 2024/1679

In Article 48 of Regulation (EU) 2024/1679, the following paragraph 3 is added:

‘3. The Commission may adopt an implementing act specifying the infrastructure requirements applicable to certain categories of infrastructure, which addresses both civilian and defence needs (‘dual use infrastructure’).

That implementing act shall be adopted in accordance with the examination procedure referred to in Article 61(3).’

Article 17

Repeal

Regulation (EU) 2021/1153 is repealed with effect from 1 January 2028.

Article 18

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulations (EU) No 1316/2013 and (EU) No 2021/1153, which shall continue to apply to the actions concerned until their closure.

2. 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 Regulation (EU) No 2021/1153.

Article 19

Entry into force and application

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

It shall apply from 1 January 2028.

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

Done at Brussels,

For the European Parliament | *For the Council*
The President | *The President*

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulation (EU) No 2021/1153 for the period 2028-2034

1.2. Policy area(s) concerned

European Strategic Investments

1.3. Objective(s)

1.3.1. General objective(s)

The general objectives of the Programme are to build, develop, secure, modernise and complete the trans-European networks in the transport and energy sectors, facilitate military mobility on the trans-European transport networks, facilitate cross-border cooperation in the field of renewable energy, and facilitate the synergies among the transport and energy sectors.

1.3.2. Specific objective(s)

Specific objective

Specific objectives of the transport sector in CEF are:

1) to contribute to the development of projects of common interest relating to the interconnected, interoperable, smart, sustainable, resilient and multimodal transport networks in accordance with the Regulation (EU) No 2024/1679, in particular through:

- actions relating to the projects of common interest with cross-border dimension implementing the trans-European transport network, including actions on the sections indicatively listed in the Annex;

- actions relating to the projects of common interests with Union dimension relating to the completion of a smart, resilient and sustainable trans-European transport network;

- actions relating to the projects of common interest with cross-border dimension with third countries implementing the trans-European transport network in accordance with Article 9 of Regulation (EU) 2024/1679;

2) to adapt parts of the trans-European transport network for the dual use of the transport infrastructure with a view to improving both civilian and military mobility.

Specific objectives in the energy sector are:

1) to contribute to the development of projects of common interest and projects of mutual interest as set out in Article 18 of Regulation (EU) 2022/869, with a view to promoting the completion of the Energy Union, the integration of an efficient and competitive internal energy market, and the interoperability of networks across borders and sectors, to facilitating decarbonisation of the economy, to promoting energy efficiency and to ensuring security of supply;

2) to facilitate cross-border cooperation in the field of renewable energy, through the support of cross-border projects in the field of renewable energy or through

competitive bidding for new renewable energy projects under the Union renewable energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999, with a view to achieving the Union's objectives in terms of decarbonisation, competitiveness, completion of the internal energy market and security of supply in a cost-efficient manner.

1.3.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

For transport, CEF aims at contributing to the completion of the trans-European transport network (TEN-T), with the focus on completing the core and extended core network by 2030 and 2040. In this context, CEF will in particular concentrate on infrastructure projects with a strong cross-border dimension. CEF will also help to roll-out interoperable and smart mobility solutions on the TEN-T network (for example by deploying European traffic management systems) and facilitate the EU transition towards sustainable mobility (for example by establishing onshore power supply for vessels in TEN-T ports). CEF can also increase connectivity to 3rd countries by developing the cross-border sections of the TEN-T corridors to candidate countries. In addition, CEF adapt parts of the TEN-T for the dual use of the transport infrastructure with a view to improving both civilian and military mobility.

CEF Energy is an integral part of the Trans-European Networks for Energy (TEN-E) policy framework, which is focused on linking the energy systems of EU Member States. It provides financial support to projects of highest added value for the Union that have a significant cross-border impact. CEF Energy also supports cross-border cooperation in the field of renewable energy through funding awarded to relevant projects.

CEF Energy supports the implementation of key cross-border projects that contribute to: better interconnection of Member States' electricity, hydrogen and CO2 networks, the digitalisation of energy grids, the development of offshore grids, and the integration of storage and electrolyser capacities into the grids. These in turn will enable the integration of an increasing share of renewable energy sources and system integration across energy vectors, thereby leading to the decarbonisation of the energy system, secure and affordable energy supply for consumers, better market integration, and competitiveness of industry.

By providing support to cross-border projects directly at EU level, CEF helps overcome coordination problems that arise from the multi-jurisdictional nature of the projects. With its efficient modus operandi, CEF addresses market failures and helps leverage further investment and funding from other sources, such as national budgets, national energy tariff systems and notably the private sector, using the full range of tools available under the Financial Regulation. CEF is a proven instrument for project promoters of cross-border infrastructure since it provides one contact point, one grant agreement and one set of rules to follow also for the monitoring and auditing scheme.

1.3.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

The Programme is to be implemented in accordance with Regulation (EU) [XXX]* of the European Parliament and of the Council [Performance Regulation] which establishes the rules for the expenditure tracking and the performance framework for the budget. The Regulation contains a set of intervention fields with indicators that will be used for the relevant investments in transport and energy infrastructure done under CEF.

1.4. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project / preparatory action[30]

☒ the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

Building on the positive experience with the implementation of CEF Transport and Energy since 2014, the Commission presents a proposal for the successor of CEF in the context of the preparation of the Multiannual Financial Framework (MFF) post-2027. The programme concentrates on projects with a strong cross-border dimension and high EU added value which require particular EU steer to be implemented in a coordinated manner between Member States across borders.

In the transport sector, CEF contributes to the completion of core network of the trans-European transport network (TEN-T) by 2030 and the extended core network by 2040 through building and upgrading infrastructure that is required for seamless cross-border transport operations. This will lead to a high-performing network for passengers and goods transportation. CEF also supports the adaptation of relevant parts of the TEN-T network to military mobility requirements.

In the energy sector, CEF contributes to the development of projects of common interest and projects of mutual interest as set out in Article 18 of Regulation (EU) 2022/869, with a view to promoting the completion of the Energy Union, the integration of an efficient and competitive internal energy market and the interoperability of networks across borders and sectors, to facilitating decarbonisation of the economy, to promoting energy efficiency and to ensuring security of supply. Furthermore, CEF facilitates cross-border cooperation in the field of renewable energy, through cross-border renewable energy projects or competitive bidding for new renewable energy projects under the Union renewable energy financing mechanism.

The programme should be operational with the start of the next MFF beginning of 2028. Details for the implementation of the programme such as timetables of the calls for proposals, their topic and indicative budget or detailed rules on eligibility and award criteria will be laid down in the work programmes. CEF Transport in particular allocates its last funds in 2025 already and project promoters of major infrastructure projects will face a funding gap for the remaining years of the current MFF. The timely launching of the next CEF and the early allocation of EU funds to beneficiaries is therefore of essence.

[30] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

Regarding the management mode for the implementation of the programme, it is proposed to continue with the efficient and targeted delivery under direct management by the Commission. The possible renewed delegation to an executive agency, such as the European Climate, Infrastructure and Environment Executive Agency (CINEA) under the current MFF, will be subject to the outcome of the cost-benefit analysis and related decisions to be taken.

1.5.2. *Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.*

Article 171 of the TFEU empowers the Union to define projects of common interest in TENs infrastructure while leaving the Member States to choose the methods of implementation. The same Article empowers the Union to support such projects of common interest as well as projects of mutual interest with third countries.

The scale and the type of the problems targeted by CEF specifically require Union action since they are by nature Union-wide and can be more efficiently resolved at Union level, leading to overall greater benefits, more accelerated implementation and reduction of costs if the Commission coordinates Member States' actions. Union funding is also the appropriate means to address the financing challenges that cross-border projects typically face: the unequal distribution of project benefits and project costs between the different Member States concerned makes it more difficult to finance these projects from national funding sources.

TEN-T and TEN-E infrastructure: Given their cross-border nature, TEN-T and TEN-E projects create significant positive externalities at EU level and foster solidarity between Member States, but also entail specific challenges for project promoters, due to their multi-jurisdictional nature, coordination problems and an often asymmetrical distribution of costs and benefits. They therefore require EU level support. Also for seamless military mobility across the Union an instrument that coordinates funding across Member States is needed.

Renewable energy: Cross-border cooperation between Member States, or between Member States and third countries, in the field of renewable energy is key to achieve the Union's objectives in terms of decarbonisation, competitiveness, completion of the internal energy market and security of supply in a cost-efficient manner. However, only a few Member States explain how they intend to establish a framework for the cooperation on joint projects with one or more Member States in their final national energy and climate plans submitted in accordance with Regulation (EU) 2018/1999. There is a risk that cross-border cooperation will remain at a sub-optimal level in the absence of Union financial assistance.

Expected generated EU added value (ex-post)

CEF provides EU added value through the development of connectivity in transport and energy and of cross-border cooperation on renewable energy, by focusing on public goods with a European dimension and on projects that would not be realised without EU support. More specifically, the EU added value of CEF resides in its capacity to:

– Steer public and private finance towards EU policy objectives;

– Enable key investments where the costs are borne at national/local level whereas the benefits are tangible on a European scale;

– Accelerate the shift to a low-carbon, digital and resilient infrastructure.

EU support from the new CEF programme focuses on actions that carry the highest EU added value. More specifically:

In the field of transport, it covers cross-border sections and bottlenecks mainly on the TEN-T core and extended core network and projects on the EU Priority Military Mobility Corridors.

In the field of energy, CEF aims to improve energy market integration and interoperability of energy networks across borders, decarbonisation, energy efficiency, resilience and security of supply, and to facilitate cross-border cooperation in the field of energy including renewable energy. These cross-border projects that will be eligible for CEF Energy funding constitute the missing links in the development of a fully interconnected and decarbonised energy system, as they are not sufficiently promoted or prioritised by Member States and operators at national level. CEF contributes to the realisation of these cross-border projects by supporting sector-specific activities in the form of studies and works.

1.5.3. *Lessons learned from similar experiences in the past*

The ex-post evaluation of CEF 2014-2020 and the interim evaluation of CEF 2021-2027 are being conducted in parallel and work is well advanced.

Preliminary findings of both CEF evaluations confirm that the programme performed well to date. The design of the instrument is appropriate to address a historic lack of funding into cross-border infrastructure with high EU added value by ringfencing funding for these projects into a dedicated instrument. There is good coherence with other EU funding instruments and policies, in particular on decarbonisation. Its governance model using competitive calls for proposals and direct management of funds at a centralised agency is well-suited to address the programme's needs and provide a level playing field for applicants. CEF funding is consistently deemed indispensable, enabling crucial transport and energy projects that would otherwise face significant delays, reduced scope, or not be realised at all due to insufficient national or private funding. Beyond direct financial support, CEF provides significant leverage, attracting additional public and private capital and acting as a strategic anchor for investment.

1.5.4. *Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

The initiative is part of the 2028-2034 multiannual financial framework proposal.

CEF should focus on supporting cross-border projects on the TEN-T and TEN-E networks, as well as projects for seamless military mobility across the Union and projects in the field of renewable energy cooperation.

Member States investments in the TEN-T network under their National and Regional Partnership Plans should complement CEF investments, in particular on national sections which connect to the cross-border links indicated in the CEF annex and to finance national energy grid infrastructure and generation.

In the area of energy, the National and Regional Partnership Plans can reinforce the energy infrastructure investments provided by CEF, for instance through investment in energy assets that do not have a cross-border nature but are equally important for the energy transition.

The extension of the TEN-T corridors to candidate countries and transport and energy infrastructure in third countries should be supported in close coordination with Global Europe.

Horizon Europe will continue to support Research and Innovation in transport and energy and will be tightly connected to the European Competitiveness Fund covering the scale-up and deployment of cutting-edge innovative solutions for the decarbonisation, digitalisation and resilience of transport and energy. The European Competitiveness Fund will also be complementary to CEF by offering the possibilities of guarantees for infrastructure projects.

1.5.5. *Assessment of the different available financing options, including scope for redeployment*

While the closer link between EU funding and policy priorities of the plans would enhance their cross-border dimension, with the steering mechanism ensuring a stronger focus on cross-border projects with a high EU added-value, the implementation of cross-border infrastructure projects through the plans would be more complex and costly for both Member States' authorities and project promoters. For the Member States to align their investment agendas with those of neighbouring countries would be a lengthy process, both during the initial plan negotiations and in case of amendments. Germany for instance would have to coordinate its national plan with eight neighbouring Member States; Hungary with five. In cases where the process is delayed in one or more Member States, this may cause knock-on delays. While the Commission could support these coordination efforts – both during the negotiations and through the provision of technical assistance via the plans –, the burden for Member States' authorities would remain significant. This could also significantly increase the administrative burden for project promoters, who would need to implement their cross-border projects under several national plans and report within separate reporting and audit schemes (one per Member State).

This being said, the IA underscored that the National and Regional Partnership Plans could cater for complementary investments to cross-border sections and to projects of high EU relevance.A dedicated instrument in direct management will ensure that cross-border projects are financed based on a competitive approach with the selection of projects of highest quality, maturity and EU added value. Beneficiaries have a single contact point and a single procedure for the application and for the implementation of a project. Additionally, the projects are closely monitored by the Commission.

1.6. Duration of the proposal/initiative and of its financial impact

☐ **limited duration**

– ☒in effect from 01/01/2028 to 31/12/2034

– ☒ financial impact from 2028 to 2034 for commitment appropriations and from 2028 to 2040 for payment appropriations.

☐ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Method(s) of budget implementation planned

☒ **Direct management** by the Commission

– ☒ by its departments, including by its staff in the Union delegations;

– ☒ by the executive agencies

☐ **Shared management** with the Member States

☒ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated

– ☐ international organisations and their agencies (to be specified)

– ☐ the European Investment Bank and the European Investment Fund

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation

– ☒ public law bodies

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

– ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

– ☐·bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments:

The Programme shall be implemented in direct and indirect management in accordance with the Financial Regulation. Mirroring the 2014-2020 period and the 2021-2027 period, most of the budget could be implemented through delegation to an executive agency. In which case, only programme support actions would be managed directly by the Commission.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The Programme is to be implemented in accordance with Regulation (EU) [XXX]* of the European Parliament and of the Council [Performance Regulation] which establishes the rules for the expenditure tracking and the performance framework for the budget, including monitoring, evaluation and reporting arrangements for all programmes.

2.2. Management and control system(s)

2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

The programme will be implemented through direct management. It is expected to be delegated to an executive agency, while some programme support measures will be managed directly by the Commission. The established executive agency CINEA has the necessary structure and processes to ensure the continued management of CEF.

The programme will be principally implemented through grants, which are the appropriate funding instrument for large-scale infrastructure and energy generation projects.

The control strategy will be set up accordingly and will focus on three key stages of grant implementation, in accordance with the Financial Regulation, namely the organisation of calls and the selection of proposals that fit the policy objectives of the programme, operational, monitoring and ex ante controls that cover project implementation, public procurement, pre-financing, interim and final payments, as well as ex-post controls and payments.

This control strategy is expected to deliver performance results in line with the metrics observed for the last iteration of the programme:

~100% of execution of commitment and payment and payment appropriation;

~100% of beneficiaries informed on time;

~100% of the grants signed on time;

~100% of payments made on time;

~ Risk at payment and closure on an annual basis under the 2% materiality threshold.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

The risks identified remain broadly identical to those identified for the previous versions of the programme:

Slower than intended development of the key priorities (Corridors, Projects of Common interest), due to an insufficient market uptake or to the quality of projects presented;

Delays in the implementation of the project;

Unavailability of performance data or problems of data quality;

Possible errors or mismanagement of EU funds, including potential double funding risk and complexity of the rules

External risks affecting in a material way infrastructure and/or priorities, such as geopolitical risks or major climatic events.

External risks affecting the availability of funding or market conditions, in particular should there be a reduction in the demand for infrastructure or in credit supply as was the case in the last financial crisis.

The key control functions developed for the previous iteration of the programme are expected to remain valid, ensuring attention is given to the competitiveness of the project pipeline, focus on the policy objectives, ensuring the involvement of all actors, appropriate budgetary flexibility and consistent ex-ante and ex-post controls.

The risks are to be addressed, by ensuring attention is given to the competitiveness and preparation of the project pipeline, by focussing on the contributions of the projects to the policy objectives, by ensuring a systematic involvement of all actors, by maintaining appropriate budgetary flexibility. The set of ex-ante and ex-post controls will be adapted to the perceived risks level.

The controls will to this avail be supported by a yearly bottom up risk assessment, by a systematic assessment of the control framework, by an appropriate reporting of deviations (exception and non-compliance register) and by corrective actions undertaken with regard to recommendations issued by the Internal Audit Service, by the European Court of Auditors, or by the Discharge Authority.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

Cost and benefits of controls

Assuming largest part of the programme is expected to be implemented by the CINEA executive agency, ensuring a cost of control comparable to that of the current CEF. The limited number of grants implemented directly by Commission services could be subject to higher costs of control, due to the low individual values of these grants and to the absence of economies of scale.

For the projects managed by the executive agency, the cost of control for the current CEF was divided between the cost of oversight at Commission level and the cost of operational controls at implementing body level.

The cost of the controls at Commission level, in both DGs involved, is estimated[31] to be around 0,1% of the operational payment appropriations at programme level.

These controls aim at ensuring a smooth and effective oversight of the Agency by its parent DGs and at ensuring the necessary degree of assurance at Commission level.

At constant perimeter, an increase of the cost of supervision at Commission level should be expected to reflect the extended requirements as regard the oversight of executive agencies well as the additional effort that will be linked to the provision of assurance on the changes to the programme.

CINEA presents a stable control environment. The cost of control at agency level is expected to remain in or close to the range observed over 2021-2024 (0.9% to 1.3%).

[31] This estimate does not include the strategic and policy aspects attached to the programme, or the supervision of CEF delegated instruments.

However the capacity building necessary to adapt to changes to the programme or to adjust control processes may translate into an increased cost of controls. The benefits of the controls are the following:

- Avoiding the selection of weaker or inadequate proposals;

- Optimising the planning and the use of EU funds, so as to preserve EU added value;

- Ensuring the quality of the grant agreements, avoiding errors in the identification of legal entities, ensuring the correct calculation of the EU contributions and taking the necessary guarantees for a correct operation of the grants;

- Detection of ineligible costs at payment stage;

- Detection of errors affecting the legality and regularity of operations at audit stage;

- Increase reliability of information provided to the Commission.

The opportunity to introduce simplified cost options will be considered, subject to a positive cost benefit assessment as to their effect on the error rate, on the costs of controls and on the effectiveness and efficiency of controls.

Estimated level of error

The estimated risk at payment and at closure are both estimated to remain under 2% on an annual basis, in the same range as the error rates observed for CEF2.

2.3. Measures to prevent fraud and irregularities

The Commission's Directorates-General responsible for the actions financed under this Regulation are committed to protect the financial interests of the Union in line with the Commission Anti-fraud strategy COM(2019) 196 final and its revised action plan COM(2023) 405 final.

The anti-fraud measues cover notably the application of preventive measures against fraud, corruption and any other illegal activities; effective checks; the recovery of amounts unduly paid and, if irregularities are detected, effective, proportional and dissuasive penalties, in accordance with Council Regulation (EC, Euratom) No 2988/95, Council Regulation (Euratom, EC) No 2185/96 and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

DG MOVE and ENER, as well as the implementing agency CINEA, have updated their anti-fraud strategies and related action plans at DG level that cover the entire expenditure cycle, taking into account the proportionality and the cost-benefit of the measures to be implemented, allowing for a risk assessment of the programme.

The three services will ensure that their fraud risk management approach is used to identifying high-risk areas, taking into account a sector-specific cost-benefit analysis by DG and the fraud prevention and risk analysis work of OLAF.

The administrative monitoring of the contracts, grants and related payments fall under the remit of CINEA. The Anti-fraud strategy is updated every two years, the last time in 2024. The Agency develops its own anti-fraud measures, including an ex-post audit strategy to assess the legality and regularity of the underlying transactions and to recover the amounts unduly paid. CINEA is yearly subject to the European Court of Auditors audit on the true and fair view of accounts and legality and regularity of the underlying transactions (income and expenditure) and the Agency is yearly subject to the discharge procedures of the European Parliament and the Council of the EU.

Contracts for grants and procurement concluded by the implementing DGs or CINEA will be based on standard models, which will set out the generally applicable anti-fraud measures, including the power of audit, on-the-spot checks and inspections mentioned above. The Commission, its representatives and the Court of Auditors will have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds.

The European Anti-fraud Office (OLAF) shall be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or decision or a contract concerning Union funding. The European Public Prosecutor Office (EPPO) will have the necessary accesses to exert its competences in accordance with Council Regulation (EU) 2017/1939.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[32]	from EFTA countries [33]	from candidate countries and potential candidates [34]	From other third countries	other assigned revenue

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
2	05 01 01 Support expenditure for CEF (Transport, Energy, Military Mobility)	/Non-diff.	NO	YES	YES	NO
2	05 02 01 01 - CEF Transport	Diff.	NO	YES	YES	NO
2	05 02 01 02 - CEF Military Mobility	Diff	NO	YES	YES	NO

32 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
33 EFTA: European Free Trade Association.
34 Candidate countries and, where applicable, potential candidates from the Western Balkans.

2	05 02 02 - CEF Energy	Diff.	NO	YES	YES	NO

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ☐ The proposal/initiative does not require the use of operational appropriations

– ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	2

			Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	**TOTAL MFF 2028-2034**
Operational appropriations										
05 02 01 01– CEF Transport	Commitments	(1a)	4,282	4,455	4,637	4,825	4,517	5,220	5,428	**33,864**
	Payments	(2a)	pm	pm	pm	pm	pm	pm	pm	**pm**
05 02 01 02 – CEF Military Mobility	Commitments	(1b)	2,842	2,899	2,609	2,483	2,533	2,214	2,071	**17,651**
	Payments	(2b)	pm	pm	pm	pm	pm	pm	pm	**pm**
05 02 02 – CEF Energy	Commitments	(1b)	3,782	3,936	4,096	4,261	4,432	4,610	4,795	**29,912**
	Payments	(2b)	pm	pm	pm	pm	pm	pm	pm	**pm**
Appropriations of an administrative nature financed from the envelope of specific programmes[35]										
05 01 01	Support expenditure for CEF (Transport, Energy, Military	(3)	pm	pm	pm	pm	pm	pm	pm	**pm**

35

	Mobility)									
TOTAL appropriations for DG MOVE/ENER	Commitments	=1a+1b+3	10,906	11,290	11,342	11,569	11,982	12,045	12,294	**81,428**
	Payments	=2a+2b+3								

Heading of multiannual financial framework	**4**	'Administrative expenditure'[36]

DG		Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	**TOTAL MFF 2028-2034**
• Human resources		11,672	11,672	11,672	11,672	11,672	11,672	11,672	**81,704**
• Other administrative expenditure		114,000	114,000	114,000	114,000	114,000	114,000	114,000	**798,000**
TOTAL DG MOVE/ENER		**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**879,672**	**879,704**

[36] The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

TOTAL appropriations under HEADING 4 of the multiannual financial framework	(Total commitments = Total payments)	**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**879,672**	**879,704**

		Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	**TOTAL MFF 2028-2034**
TOTAL appropriations under HEADINGS 1 to 4	Commitments								
of the multiannual financial framework	Payments								

EUR million (to three decimal places)

3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

The output and result indicators for the purpose of monitoring progress and achievements of this programme will correspond to the common indicators provided under Regulation (EU) [XXX]* of the European Parliament and of the Council [Performance Regulation].

3.2.3. *Summary of estimated impact on administrative appropriations*

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL 2028 - 2034
HEADING 4								
Human resources	11,672	11,672	11,672	11,672	11,672	11,672	11,672	**81,704**
Other administrative expenditure	114,000	114,000	114,000	114,000	114,000	114,000	114,000	**798,000**
Subtotal HEADING 4	**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**125,672**	**879,704**
Outside HEADING 4								
Human resources	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Other expenditure of an administrative nature	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Subtotal outside HEADING 4	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.4. *Estimated requirements of human resources*

– ☐ The proposal/initiative does not require the use of human resources

– ☒ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
• Establishment plan posts (officials and temporary staff)							
20 01 02 01 (Headquarters and Commission's Representation Offices)	61	61	61	61	61	61	61
20 01 02 03 (EU Delegations)	0	0	0	0	0	0	0

01 01 01 01 (Indirect research)	0	0	0	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0	0	0
• **External staff (in FTEs)**							
20 02 01 (AC, END from the 'global envelope')	2	2	2	2	2	2	2
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0	0	0	0
Admin. Support line - at Headquarters	0	0	0	0	0	0	0
Admin. Support line - in EU Delegations	0	0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0	0	0	0
Other budget lines (specify) – outside Heading 7	40	40	40	40	40	40	40
TOTAL	**103**	**103**	**103**	**103**	**103**	**103**	**103**

3.2.4.3. Total requirements of human resources

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**
• **Establishment plan posts (officials and temporary staff)**							
20 01 02 01 (Headquarters and Commission's Representation Offices)	61	61	61	61	61	61	61
20 01 02 03 (EU Delegations)	0	0	0	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0	0	0
• **External staff (in full time equivalent units)**							
20 02 01 (AC, END from the 'global envelope')	2	2	2	2	2	2	2
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0	0	0	0
Admin. Support line - at Headquarters	0	0	0	0	0	0	0
Admin. Support line - in EU Delegations	0	0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0	0	0	0

Other budget lines (specify) - Heading 4	0	0	0	0	0	0	0
Support expenditure for the Secretariat for Performance Review	40	40	40	40	40	40	40
TOTAL	**103**	**103**	**103**	**103**	**103**	**103**	**103**

Considering the overall strained situation in Heading 4, in terms of both staffing and the level of appropriations, the human resources required will be met by staff from the DG who are already assigned to the management of the action and/or have been redeployed within the DG or other Commission services.

The staff required to implement the proposal (in FTEs):

•	**To be covered by current staff available in the Commission services**	• **Exceptional additional staff***		
•	•	**To be financed under Heading 7 or Research**	**To be financed from BA line**	**To be financed from fees**
Establishment plan posts	61		N/A	
External staff (CA, SNEs, INT)	32		10*	

*The 10 new FTEs correspond to the 10 posts to be received in 2028 for the Secretariat for performance review under budget line 02 01 21 02 as agreed by the co-legislators during the negotiations of Regulation (EU) 2024/2803 of the European Parliament and of the Council of 23 October 2024 on the implementation of the Single European Sky (recast).

Description of tasks to be carried out by:

Officials and temporary staff	• Policy development and strategy • Support to regional and thematic fora for the identification of projects of common interest and projects of mutual interest • Coordination and liaison with all stakeholders (Member States, third countries, other DGs and other EU institution, thematic and regional fora, etc.). • Development of the work programme • Selection processes • Management of annual calls for proposals and selection of projects for EU financial support • Operational and financial project management • Evaluations
External staff	• Support to regional and thematic fora for the identification of projects of common interest and projects of mutual interest • Support to selection processes • Support to management of annual calls for proposals and selection of projects for EU financial support

	• Support to financial and project management • Support to the organisation of the evaluations

3.2.5. Overview of estimated impact on digital technology-related investments

TOTAL Digital and IT appropriations	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	**TOTAL MFF 2028 - 2034**
HEADING 4								
IT expenditure* (corporate)	0,845	0,845	0,845	0,845	0,845	0,845	0,845	**5,915**
Subtotal HEADING 4	**0,845**	**0,845**	**0,845**	**0,845**	**0,845**	**0,845**	**0,845**	**5,915**
Outside HEADING 4								
Policy IT expenditure on operational programmes	14,23	14,59	14,967	15,364	15,78	16,217	16,675	**107,823**
Subtotal outside HEADING 4	**14,23**	**14,59**	**14,967**	**15,364**	**15,78**	**16,217**	**16,675**	**107,823**
TOTAL	**15,075**	**15,075**	**15,075**	**15,075**	**15,075**	**15,075**	**15,075**	**113,738**

*IT expenditure under H4 was calculated by following DG BUDG's instruction: number of FTEs multiplied by EUR 8 200 per FTE.

3.2.6. Compatibility with the current multiannual financial framework

The proposal is consistent with the proposal for the MFF 2028 - 2034

The proposal/initiative:

– ☒ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	Total
Specify the co-financing body								

TOTAL appropriations co-financed								

3.3. Estimated impact on revenue

– ☒ The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

  – ☐ on own resources

  – ☐ on other revenue

  – ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[37]						
		Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**
Article ………….								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

The Connecting Europe Facility (CEF) will continue to support IT tools that have proven to be key for the efficient and transparent project management. Tools, such as the Single Electronic Data Interchange Area (SEDIA), eGrants, TENtec, Map-IT, EMI-ECS, QlikSense (or another Business Intelligence and Data Analytics solution that supports visualizing, exploring and analyzing data), the Transparency Platform (TP Viewer), CIRCABC, EUSurvey and ARACHNE are instrumental in this regard. In addition, CEF will continue to support the Commission implementation activities related to a range of IT systems and information exchange environments mandated by EU laws and initiatives such as ESSKY, PRIME KPI, EMSWe, eFTI, etc.

The SEDIA, through the Funding & Tenders Portal, provides a single entry point for funding and procurement processes, centralizing participants' data and reducing manual work. eGrants covers the entire grant lifecycle, ensuring consistency and traceability. Map-IT allows encoding of both qualitative and quantitative project indicators to support thematic and country-level reporting. CIRCABC facilitates collaborative document

[37] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

management with version control and multilingual access. EUSurvey is used for structured data collection, while ARACHNE enhances project monitoring by identifying potential fraud risks through enriched data and risk indicators.

TENtec, the information system for the Trans-European Transport Network (TEN-T), provides interactive maps and up-to-date reports to support transparency, informed decision-making, and public awareness. TENtec collects and stores geographical, financial and historical information about the transport network infrastructure of the EU and its neighbouring countries for the purposes of planning, political decision making and monitoring of the TEN-T programme implementation. TENtec is a system required by regulation (EU) 2024/1679. Developed with Member States and stakeholders, it provides a comprehensive overview of TEN-T policy, aids in project monitoring, and supports transport modelling and future planning. TENtec also includes data on military mobility and alternative fuels infrastructure, both of which underpin relevant political priorities, and is prone to accommodate various types of policy data that require geo-localisation.

Linked to TENtec, the European Alternative Fuels Observatory (EAFO) is a key IT tool to support monitoring the transition to sustainable mobility as for example set out in Regulation (EU) 2023/1804 on Alternative Fuels Infrastructure. EAFO provides comprehensive, up-to-date data and statistics on alternative fuels infrastructure, vehicle uptake and national policy measures across the EU. EAFO serves as the IT tool supporting the implementation of legal obligations under Regulation (EU) 2023/1804, such as the Common EU Access Point on alternative fuels data.

EMI-ECS is an IT tool used for the selection and contracting for external experts involved in the evaluations of proposals. QlikSense is a tool used for statistics and project monitoring. The Transparency Platform and the TP Viewer are tools used to provide information and statistics on funded projects to the public.

The European Single Sky (ESSKY) platform supports stakeholders in the implementation of the Single European Sky (SES) performance and charging scheme. It provides access to relevant information through libraries and offers document submission functionality.

The Platform of European Rail Infrastructure Managers Key Performance Indicators (PRIME KPI) system enables the monitoring of key performance indicators related to railway transport. It provides a reporting platform for infrastructure managers.

The European Union C-ITS Security Credential Management System (EU CCMS) supports the deployment of C-ITS systems and technologies in Europe. It is based on central elements to support secure interoperability at European level. Directive 2010/040 on Intelligent Transport Systems defines the Commission roles in EU CCMS.

The European Maritime Single Window environment was established by Regulation (EU) 2019/1239 and is a legal and technical framework to harmonise the exchange of administrative formalities between maritime operators and authorities during a port call in the EU. It consists of a network of Maritime National Single Windows complemented by common IT components and services managed by the Commission.

The electronic freight transport information (eFTI) exchange environment is a EU-wide decentralised IT architecture, established by Regulation (EU) 2020/1056. It will support the exchange of information between operators and competent authorities for checks of compliance with six EU transport regulations and directives as well as more than 170 national legal acts regulating freight transport in the Member States.

The Galileo Green Lane solution monitors the traffic situation at TEN-T border crossings for road freight and travel time for rail freight on TEN-T corridors. It provides border officials and transporters visibility on the border situation, allowing them to see which borders are under higher load. Galileo Green Lane enables borders to meet the 'Green Lane' requirements, enabling the flow of traffic under 15 minutes.

The European mobility data space (EMDS) should enable data discovery and sharing from existing and future transport and mobility data sources. In the EMDS Communication (COM/2023/751 final), the Commission outlined that one of the main components is a (meta)data portal where all relevant data ecosystems could share metadata of the data types they manage and the respective access conditions.

4.2. Data

The digital tools supported by CEF are of very different nature, concern different transport modes and different actors that exchange information (Commission services, beneficiaries, national authorities, business partners, etc.). Hence the tools also process a wide range of different data. In general, they follow the once-only principle, ensuring maximum data reuse and avoiding repetitive data entry, while sharing data safely and securely.

4.3. Digital solutions

All tools described are designed to promote coherence, enhance efficiency, and ensure interoperability, thereby strengthening the overall quality of processes underpining the Commission's services related to the CEF and support the smooth implementation of the Single market.

4.4. Interoperability assessment

All digital tools decribed are already in use by stakeholders. They demonstrate strong interoperability through standardised information exchange techniques.

For the European mobility data space, the Commission is working on the details of its deployment.

4.5. Measures to support digital implementation

The digital tools described are functioning effectively, and any future changes or improvements will be implemented in a controlled and phased manner in order to ensure continuity and avoid any disruption to operations or to the implementation of the Regulation.