

## ANNEX

### 1. BUDGET

#### 1.1. Budget heading

- 06 02 01 02 - Ensuring sustainable and efficient transport systems;
- 32 02 01 01 - Further integration of the internal energy market and the interoperability of electricity and gas networks across borders.

#### 1.2. Budget resources

The total amount of financial assistance to be allocated in 2016 on the basis of this programme to projects of common interest in the field of the Connecting Europe Facility (CEF) – transport and energy sectors shall be EUR 40 million of which:

- EUR 20 million under the budget line 06020102
- EUR 20 million under the budget line 32 02 01 01

The timetable for the call for proposals and the indicative amount available per priority are provided in section 5.

### 2. OBJECTIVES AND PRIORITIES

#### 2.1 Introduction

This Programme establishes the basis for the common allocation of financial assistance to projects of common interest (PCIs) in the field of the Connecting Europe Facility (CEF) – transport and energy sectors.

Thereby, and in line with the infrastructure components and requirements as set out in the TEN-T<sup>1</sup> and TEN-E Guidelines<sup>2</sup>, this programme shall enable the achievement of policy objectives and actions with synergies between sectors contributing to projects of common interest eligible under TEN-T and TEN-E.

#### 2.2 General objectives

The CEF shall support actions related to PCIs to be prepared and implemented within the framework of the trans-European networks of transport and energy.

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<sup>1</sup> Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network (OJ L348, 20.12.2013, p.1)

<sup>2</sup> Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure (OJ L 115, 25.4.2013, p.39).

Such actions shall be contributing to smart, sustainable and inclusive growth, in line with the Europe 2020 strategy, as well as enabling the Union to achieve its sustainable development targets, notably by appropriately exploiting synergies across the sectors<sup>3</sup>.

### **2.3 Specific objectives**

Synergy actions shall contribute to achieving the following specific objectives from each sector:

#### **i) Transport Sector<sup>4</sup>**

Ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows, as well as enabling all modes of transport to be decarbonised through transition to innovative low-carbon and energy-efficient transport technologies, while optimising safety.

#### **ii) Energy Sector<sup>5</sup>**

Increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders in particular by increasing the number of projects effectively interconnecting Member States' networks and removing internal constraints, reducing or eliminating Member States' energy isolation, increasing the percentage of interconnectivity in electricity between Member States and achieving price convergence between the energy markets of the Member States concerned.

### **2.4 Funding priorities**

This Work Programme provides for the funding of actions creating synergies between the transport and energy sectors which combine at least one topic from each sector.

#### **D) Overview**

The general objective is to support the deployment of sustainable and efficient transport and energy infrastructure through the creation of synergies.

As to location, synergy actions should be deployed on the comprehensive network for transport with emphasis along the core network corridors, while complying with the energy infrastructure corridors and areas, in line with the TEN-T and the TEN-E Guidelines and Annexes thereto.

Synergy actions should support the implementation of the PCIs contained in the second Union list of PCIs (2nd PCI list) in the energy sector, within the scope of the global and generic objectives and priorities defined in this Work Programme.

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<sup>3</sup> Regulation (EU) No 1316/2013, Art. 3 "CEF, General Objectives"

<sup>4</sup> Regulation (EU) No 1316/2013, Art. 4, para. 2(b) "CEF, Specific Sectoral Objectives for Transport"

<sup>5</sup> Regulation (EU) No 1316/2013, Art. 4, para. 3(a) "CEF, Specific Sectoral Objectives for Energy"

Only studies as set out in Article 2.6 of the CEF Regulation<sup>6</sup> are eligible under this work programme. Works are not eligible.

## II) Action Types

Actions to be selected will concern studies with or without pilot deployment. Priority is given to studies with pilot deployment (real-life trials)

- A. Studies without pilot deployment (such as feasibility studies), should compare the standard case(s) with the innovative solution. It would be an advantage if a market analysis is included. Should such an analysis have already been carried out, a description of its relevant parts and outcomes should be included in the proposed action.
- B. Studies with pilot deployment should incorporate a real-life trial (rather than just a demonstration). A dual optimisation should take place: (1) the optimisation of the technology to bring unit costs down, and (2) the optimisation of the business-client relation to better understand the client's needs and address it appropriately. At the end of the trial, as part of the study, an analysis must be made, showing how to scale-up the trial to mass application, in the form of a business plan. In fact, on the basis of the resulting optimal solution, the roll-out of the innovation onto, at least, a significant part of a corridor in at least 2 EU Member States should be elaborated.

An action submitted by an applicant from a single EU Member State is eligible, in line with CEF Regulation art. 9.1.

## III) Individual Budgets

It is advised to aim for indicative maximum eligible costs per project at (a) up to EUR 2 million for studies without deployment (type A) and up to EUR 10 million for studies with pilot deployment (type B)

Total action sizes should be at least EUR 1 million of eligible costs to achieve an adequate European dimension.

## 3. RESULTS EXPECTED

The implementation of the 2016 Annual Work Programme aims at contributing to the realisation of the trans-European transport and energy network, while promoting growth and job creation, in line with Europe 2020 strategy. It is expected that the granting of support on the basis of this programme will contribute to exploit the synergies between TEN-T and TEN-E in particular in such areas as smart energy grids, the joint use of facilities for liquefied natural gas (LNG), electricity and gas storage facilities, mobility using alternative fuels (e.g. natural gas, batteries and hydrogen fuel cells), intelligent transport systems, joint rights of

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<sup>6</sup> Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010.

way or infrastructure coupling, while ensuring a high-level of cybersecurity where appropriate, and savings in terms of the environmental effects of energy and transport, in particular contributing to fight climate change.

#### **4. TIMETABLE FOR THE ANNUAL CALL FOR PROPOSALS 2016 AND INDICATIVE AMOUNTS AVAILABLE**

<b>Activity</b>	<b>Calls (indicative date of publication)</b>	<b>Indicative amount</b>
Multi-sectoral call for proposals under the Connecting Europe Facility	September 2016	<b>€40 million</b>
<b>TOTAL</b>		<b>€40 million</b>

Of each budget line an amount up to 0.1% and no more than EUR 1,000,000 is earmarked for experts involved in the evaluation of proposals (Article 204 FR).

#### **5. ELIGIBILITY CRITERIA**

##### **5.1. Eligible applicants**

Applications must be presented by:

- one or more Member States, and / or
- with the agreement of the Member States concerned, by international organisations, joint undertakings, or public or private undertakings or bodies or entities established in Member States.

Proposals may be submitted by entities which do not have legal personality under the applicable national law, provided that their representatives have the capacity to assume legal obligations on their behalf and offer a guarantee for the protection of the Union's financial interests equivalent to that offered by legal persons.

Project proposals submitted by natural persons are not eligible.

Third Countries and entities established in third countries may participate in actions contributing to projects of common interest where necessary in order to achieve the objectives of a given project of common interest. They may not receive financial assistance except where it is indispensable to the achievement of the objectives of a given project of common interest.

In such cases and pursuant to Article 8(1) of the TEN-T Guidelines, applications may be presented by neighbouring countries or entities established in neighbouring countries, with the agreement of a Member State.

### Grounds for Exclusion

In the call for proposals the Commission will draw applicants' attention to Articles 106 to 109 and Article 131 of the Financial Regulation, as well as to Article 141 of the Rules of Application.

## **5.2 Eligible projects**

### *5.2.1. Projects of Common Interest*

Only projects which can be qualified as projects of common interest identified in the TEN-T and TEN-E Guidelines may receive Union financial assistance.

Projects have to comply with the following conditions:

i) Article 7 of the TEN-T Guidelines:

- (1) contribute to the objectives falling within at least two of the four categories set out in Article 4 of the TEN-T Guidelines;
- (2) comply with Chapter II and, for core networks, Chapter III of the TEN-T Guidelines.

ii) In line with Article 7 of the CEF Regulation, only actions contributing to projects of common interest as identified in the Commission Delegated Regulation No 2016/89 of 18 November 2015 shall be eligible for support through Union financial aid in the form of grants. Additionally, and pursuant to Article 14(1) of the TEN-E Regulation, projects of common interest falling under the categories set out in Annex II.1, 2 and 4 of the TEN-E Regulation are eligible for Union financial assistance in the form of grants for studies.

iii) Actions with synergies between sectors contributing to projects of common interest eligible under at least two Regulations referred to in point (1) of Article 2 of the CEF Regulation shall be eligible to receive financial assistance under this Regulation for the purpose of multi-sectoral calls for proposals as referred to in Article 17(7) of the CEF Regulation only if the components and costs of such an action can be clearly separated per sector within the meaning of paragraphs (2) and (3) of Article 10 of the CEF Regulation.

### *5.2.2. Compliance with the Union Law*

The granting of Union financial assistance to projects of common interest is conditional upon compliance of the project with relevant Union law<sup>7</sup> inter alia concerning interoperability, environmental protection<sup>8</sup>, competition and public procurement.

### *5.2.3. Other sources of financing*

No Union financial assistance shall be awarded for actions receiving funds from other sources of Union financing, without prejudice of the Article 15(4) of the CEF regulation.

### *5.2.4. Type of actions*

A proposal must address only studies, within the meaning of Article 2(6) of the CEF Regulation<sup>9</sup>, i.e. including the possibility of pilot deployment. Works are not eligible under this work programme.

As mentioned in section 2.4.III, total action sizes should be at least EUR 1 million of eligible costs to achieve an adequate European dimension.

### *5.2.5. Eligibility of costs*

In accordance with Article 130(1) of the Financial Regulation, costs eligible for financing shall not have been incurred prior to the date of submission of the grant application.

A grant may be awarded for an action which has already begun provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement or notification of the grant decision.

No grant may be awarded retroactively for actions already completed.

The following action costs may be supported:

#### For the transport part of the action:

Infrastructure and facilities, including mobile infrastructure and its interface (e.g. the telematics link, the charging cable, adaptors) with mobile equipment (i.e. the vehicles), as well as mobile equipment itself, are eligible for support within studies. However, the mobile equipment part must be secondary to the infrastructure part of the action. In order to ensure the infrastructure nature of the innovative CEF actions, a capping of 10% of the EC grant (for ships 30%) shall be applicable to mobile equipment used in an action. Furthermore, the

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<sup>7</sup> According to Article 23 of the CEF Regulation.

<sup>8</sup> In particular, but not limited to the EU Directives on: EIA (2011/92/EU), SEA (2001/42/EC), Habitats (92/43/EEC) and Birds (2009/147/EC), as well as Water (2000/60/EC). Exact references – number and title - of these legal texts should be mentioned in the project proposals)

eligible costs of mobile equipment must only relate to the financial difference between a usual, conventional solution and the use of a new technology.

For the energy part of the action:

According to Article 14 (1) of the TEN-E Guidelines only costs related to studies supporting PCIs included the energy infrastructure categories set out in Annex II (1), (2) and (4) of the Guidelines are eligible for funding. As the currently valid PCI list does not contain any carbon dioxide projects, only costs related to studies for the electricity (1) and gas (2) categories are eligible.

## **6. SELECTION CRITERIA**

The applicant(s) must have access to solid and adequate funding sources, so as to be able to maintain activities for the period of the project funded and to co-finance the project. The applicant(s) must have the professional skills and qualifications required to complete the proposed Action. Those selection criteria also apply to applicants for programme support actions supported by grants.

The need to demonstrate financial and operational capacity does not apply to applicants which are a Member State, a third country, a public sector body established in a Member State (i.e. regional or local authority, body governed by public law or association formed by one or several such authorities or one or several such bodies governed by public law, in particular Joint Undertaking in line with eligibility criteria established under Article 187 of the Treaty on the Functioning of the European Union (ex Article 171 TCE)), international organisation<sup>10</sup>, a European Economic Interest Grouping (EEIG) established in line with Council Regulation (EEC) N° 2137/85 of 25 July 1985 and 100% owned by public body(ies), or transmission system operators certified following the procedures laid down in Articles 10 or 11 of Directive 2009/72/EC or Articles 10 or 11 of Directive 2009/73/EC.

### **6.1. Financial capacity**

The applicant(s) must have the financial capacity to complete the Action for which the grant is sought. The applicant will provide their financial statements certified by an external auditor for the last financial year for which the accounts have been closed with the application. In the event that the applicant is a newly created company (and therefore does not have certified financial data available for the last financial year), a business plan must be provided together with a letter of support from another company (parent company for instance) or from another applicant in the same proposal.

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<sup>10</sup> According to article 43 (2) of the Rules of Application, international organisations are:  
(a) international public sector organisations set up by intergovernmental agreements, and specialised agencies set up by such organisations;  
(b) the International Committee of the Red Cross (ICRC);  
(c) the International Federation of National Red Cross and Red Crescent Societies;  
(d) other non-profit organisations assimilated to international organisations by a Commission decision.

## **6.2. Operational capacity**

The applicant(s) must have the operational and technical capacity to complete the project for which the grant is sought and must provide appropriate documents attesting to that capacity.

Information submitted by applicants who benefited from CEF support since 2014 and TEN-T support as from 2004 may be taken into account in the evaluation of these applicants' operational capacity.

## **7. AWARD CRITERIA**

Only proposals compliant with the eligibility and selection criteria will be evaluated against the award criteria. A decision to grant EU financial assistance shall take into account, inter alia, the following general award criteria:

- European added value as defined in Article 3(d) of the TEN-T Guidelines;
- Cross-border dimension, when applicable;
- Degree of synergy between transport and energy;
- Maturity of the action in the project development;
- Soundness of the implementation plan proposed;
- Stimulating effect of the Union support on public and private investment, when applicable.

Within the scope of these award criteria, additional non-essential specific criteria may be set out in the call for proposals.

## **8. MAXIMUM POSSIBLE RATE OF CO-FUNDING FOR GRANTS**

In line with Articles 10.2, 10.3 and 10.5 of the CEF Regulation, the amount of EU financial assistance in the form of grants for studies shall not exceed the following rate: 60% of the eligible costs for both sectors, transport and energy.