



## CALL FOR PROPOSALS CONCERNING PROJECTS OF COMMON INTEREST UNDER THE CONNECTING EUROPE FACILITY IN THE FIELD OF TRANS-EUROPEAN ENERGY INFRASTRUCTURE

### 2018-1 CEF ENERGY CALL (CEF-Energy-2018-1)

#### 1. SUBJECT

Adequate, well integrated and reliable energy networks are a prerequisite for a secure, sustainable and competitive internal energy market. The aim of the Connecting Europe Facility<sup>1</sup> is to accelerate investment in the field of trans-European networks and to leverage funding from public and private sectors. While the bulk of the investment needed in the energy sector should be delivered by the market and its costs recovered through tariffs, EU financing may be needed for specific projects with wider regional and European benefits which are unable to attract market-based financing.

In this context and on the basis of the Multi-annual Work Programme adopted on 16 March 2018,<sup>2</sup> a call for proposals is launched to support projects of common interest as defined in the TEN-E Regulation<sup>3</sup> last amended by the Commission Delegated Regulation (EU) C(2017) 7834 of 23 November 2017<sup>4</sup>.

#### 2. OBJECTIVES

As indicated in section 3 of the Annex to the Multi-annual Work Programme, this call for proposals aims to enable projects of common interest to be prepared and implemented within the framework of the trans-European networks policy in the energy sector. In particular, the call shall contribute to supporting energy infrastructure projects of common interest that have significant societal benefits and that ensure greater solidarity among Member States, but which do not receive adequate financing from the market. Special focus shall be placed on the efficient use of public investment.

Furthermore, this call for proposals may also contribute to activities of Transmission System Operators (TSOs) promoting Project of Common Interest which are essential for their system to

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<sup>1</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 (i.e. "CEF Regulation"), see <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1316>

<sup>2</sup> Commission Implementing Decision C(2014)2080 final of 31 March 2014 establishing the multiannual work programme for granting financial aid in the field of trans-European energy infrastructure under the Connecting Europe Facility for the period 2014-2020 as last amended by Commission Implementing Decision C(2018)1615 of 16 March 2018

<sup>3</sup> Regulation (EU) 347/2013 of the European Parliament and of the Council of 17 April 2013 (i.e. "TEN-E Regulation"), see <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex%3A32013R0347> last amended by Commission Delegated Regulation (EU) C(2017) 7834 of 23 November 2017 (i.e. "PCI list")

<sup>4</sup> This delegated act will enter into force on the twentieth day following that of its publication in the Official Journal of the European Union

operate safely, securely (including cybersecurity) and efficiently. These activities may include digital solutions for the grid planning and implementation.

### **3. RESULTS EXPECTED FROM THE FINANCIAL ASSISTANCE**

As indicated in section 5 of the Annex to the Multi-annual Work Programme, it is expected that the financial assistance contributes to the further development and implementation of projects of common interest in electricity (including smart grids), gas and cross-border carbon dioxide networks helping to achieve the broader energy policy objectives of:

- increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders;
- enhancing the Union security of energy supply, and
- contributing to sustainable development and protection of the environment, inter alia by the integration of energy from renewable sources and by the development of smart energy networks and carbon dioxide networks.

Furthermore, in accordance with recital 57 of the CEF Regulation and in line with the Multi-annual Work Programme, this call for proposals aims at directing the major part of the financial assistance to electricity projects, subject to market uptake, the quality and maturity of Actions proposed and their financing requirements, while fully recognising the importance of the gas projects on the PCI list.

Furthermore, in accordance with recital 8 of the CEF Regulation and in line with the Multi-annual Work Programme, this calls for proposals aims at financing Actions contributing to the EU's mid-term and long-term objectives in terms of decarbonisation.

### **4. BUDGET**

The indicative amount to be allocated on the basis of this call for proposals to projects of common interest in the field of trans-European energy infrastructure is €200 million.

### **5. TIMETABLE**

Date of publication of call for proposals	19 March 2018
Deadline for the submission of proposals	26 April 2018 (17:00.00 Brussels time)
Evaluation of proposals	May-June 2018 (indicative)
Consultation of CEF Coordination Committee/ Information of European Parliament	July 2018 (indicative)
Adoption of the Selection Decision	August 2018 (indicative)

Preparation and signature of individual grant Agreements	As from August 2018 (indicative)
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## 6. ADMISSIBILITY REQUIREMENTS

Proposals **must be**:

- Submitted electronically in the TENtec Information System eSubmission module.<sup>5</sup> In this respect, proposals or part(s) of proposals submitted by e-mail or hard copy will not be admissible.
- Submitted by the submission deadline (*see sections 4 on Timetable and 13.2 on the Procedure for the submission of proposals*).
- Complete, i.e. all parts of the application form (A, B, C or D) are included.
- Duly signed by the applicant(s).

Failure to comply with any of these requirements will lead to the rejection of the application.

## 7. ELIGIBILITY CRITERIA

### 7.1 Eligible applicants

In accordance with section 6.1 of the Multi-annual Work Programme and pursuant to Article 9 of the CEF Regulation,<sup>6</sup> only those proposals submitted by one of the following types of applicants are eligible:

- One or more Member States;
- With the agreement of the Member States concerned, international organisations, Joint Undertakings,<sup>7</sup> or public or private undertakings or bodies established in Member States.



For British applicants: Please be aware that eligibility criteria must be complied with for the *entire* duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article II.16.3.1 (a) (*change of the legal situation of the beneficiary*) of the grant agreement.

<sup>5</sup> The TENtec eSubmission module is part of the TENtec Information System used to manage CEF Actions during their entire lifecycle and enables the electronic submission of proposals under the CEF calls. The link to TENtec is available under the "Application Forms" section of the call webpage: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls/2018-cef-energy-calls-proposals/2018-1-call-proposals>

<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 Text with EEA relevance, see <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R1316>.

<sup>7</sup> For the purposes of this call, a Joint Undertaking means a joint undertaking established by the EU for the efficient execution of EU research, technological development and demonstration programmes, as referred to in Article 187 of the Treaty on the Functioning of the European Union, see <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>

### **Consortium composition**

There are no specific consortium requirements for this call.

### **Third countries and third country entities**

Where necessary to achieve the objectives of a given project of common interest and where duly motivated, third countries and entities established in third countries may participate in Actions contributing to the projects of common interest. They may not receive funding except where it is indispensable to achieve the objectives of a given project of common interest.

Applications presented by third countries and entities established in third countries must contain the agreement of the Member State concerned by the proposed Action and a declaration on why the participation of the applicant is indispensable. Applicants that are entities established in a third country<sup>8</sup> must also provide proof of the support of the third country authorities concerned by the Action.

### **Applicants without legal personality**

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 undertake legal obligations on their behalf and offer guarantee for the protection of the EU financial interests equivalent to that offered by legal persons.

### **Natural persons**

Proposals submitted by natural persons are not eligible.

### **Affiliated entities**

Applicants may designate affiliated entities within the meaning of Article 122(2)(b) of the Financial Regulation,<sup>9</sup> for the purpose of supporting the implementation of the Action submitted for funding. Such affiliated entities must comply with the eligibility criteria for applicants.

### **Member State agreement**

Any applicant that cannot provide the agreement of the EU Member State concerned will not be eligible.

In the case of an Action taking place entirely outside of the European Union, applicants need to provide the agreement of the EU Member State(s) concerned by the PCI to which the Action relates in application form part A2.3. For instance, agreement of the Member State for which the related PCI or PCI cluster has a significant cross-border impact and/or who supported the inclusion of the candidate project into the PCI list must be provided.

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<sup>8</sup> The eligibility criteria as specified in this call for proposals are complemented by those specified in Commission notice 2013/C 205/05 in the applicable cases as described in the Commission notice (OJEU C 205 of 19 July 2013, pp. 9-11), see <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ%3AC%3A2013%3A205%3ATOC>

<sup>9</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the European Union and repealing Council Regulation (EC, Euratom) No 1605/2002, see <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>

## 7.2 Exclusion criteria

In line with Articles 106 to 108 and 131 of the Financial Regulation and Article 141 of the Rules of Application,<sup>10</sup> applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the performance of the contract;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:
  - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract, a grant agreement or a grant decision;
  - (ii) entering into agreement with other applicants with the aim of distorting competition;
  - (iii) violating intellectual property rights;
  - (iv) attempting to influence the decision-making process of the Commission/Agency during the award procedure;
  - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
  - (i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
  - (ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the

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<sup>10</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012, as last amended by Commission Delegated Regulation (EU) No 2015/2462 of 30 October 2015, see [http://eur-lex.europa.eu/eli/reg\\_del/2015/2462/oj](http://eur-lex.europa.eu/eli/reg_del/2015/2462/oj).

- country in which the applicant is established or the country of the performance of the contract;
- (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
  - (iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
  - (v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
  - (vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;
- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:
- (i) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
  - (ii) non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
  - (iii) decisions of the ECB, the EIB, the European Investment Fund or international organisations;
  - (iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law;
  - (v) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

### **Remedial measures**

If an applicant/affiliated entity declares one of the situations of exclusion listed above, it should indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. The relevant documentary

evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) above.

### **Rejection from the call for proposals**

Grants will not be awarded to applicants who:

- a) are in an exclusion situation established in accordance with the list above;<sup>11</sup>
- b) have misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- c) were previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities. Applicants and their affiliated entities, if applicable, must certify that they are not in one of the situations listed above.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

### **7.3 Eligible Actions**

In line with Article 7 of the CEF Regulation, only Actions contributing to projects of common interest as identified in the Commission Delegated Regulation (EU) C(2017) 7834 of 23 November 2017<sup>12</sup> shall be eligible for support through EU financial aid in the form of grants.

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 EU financial assistance in the form of grants for studies (and financial instruments).

Pursuant to Articles 14(2) and 14(3) of the TEN-E Regulation, projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2 of the TEN-E Regulation, except for hydro-pumped electricity storage projects, are also eligible for EU financial assistance in the form of grants for works if they fulfil all of the following criteria:

- the project specific cost-benefit analysis (CBA), consistent with ENTSOE /ENTSO-E methodology<sup>13</sup> and pursuant to Article 12(3)(a), provides evidence concerning the existence of significant positive externalities, such as security of supply, solidarity or innovation;
- the project has received a legally valid cross-border cost allocation (CBCA) decision pursuant to Article 12<sup>14</sup>; or, for projects of common interest falling under

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<sup>11</sup> Article 106 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, see <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>

<sup>12</sup> Commission Delegated Regulation (EU) C(2017) 7834 of 23 November 2017 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council as regards the Union list of projects of common interest, see <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0089> – please also refer to footnote 4 for further clarifications on the PCI list

<sup>13</sup> The European Network of Transmission System Operators for Electricity (ENTSO-E) and Gas (ENTSOG)

<sup>14</sup> The cross-border cost allocation (CBCA) must be fully compliant with the requirements of Article 12 of the TEN-E Regulation and must be still in force (i.e. not expired, cancelled or with ongoing appeals) and display evidence of consultation with other concerned Transmission System Operators and National Regulatory Authorities.

the category set out in Annex II.1(c) and that therefore do not receive a CBCA decision, the project shall aim to provide services across borders, bring technological innovation and ensure the safety of cross-border grid operation;

- the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors or the national regulatory authority. The decision on incentives and its justification referred to in Article 13(2) shall be taken into account when assessing the project's commercial viability.

The project-specific CBA and the CBCA decision should be included in the application as standalone documents as well as the business plan.<sup>15</sup>

Pursuant to Article 14(4) of the TEN-E Regulation, projects of common interest falling under the categories set out in Annex II.1(e) and 4 of the TEN-E Regulation, i.e. "smart grids and cross-border carbon dioxide networks", are also eligible for EU financial assistance in the form of grants for works, if the concerned project promoters can clearly demonstrate the significant positive externalities generated by the projects and their lack of commercial viability, according to the business plan<sup>16</sup> and other assessments carried out, notably by possible investors or creditors or, where applicable, a national regulatory authority.

The proposals requesting grants for works which fail to provide the relevant supporting documents or that provide supporting documents that are not legally valid at the time of their submission will not be eligible and will not be further evaluated.

The contents of the supporting documents and whether the proposed Action demonstrates evidence concerning the existence of significant positive externalities, namely security of supply, solidarity or innovation; provides services across borders, brings technological innovation and ensures the safety of cross-border grid operation; or is commercially not viable will be assessed during the evaluation under the applicable award criteria.

Please note that failure to comply with any of the eligibility criteria indicated above will lead to the rejection of the application.

## **8. SELECTION CRITERIA**

The selection criteria are detailed in section 6.4 of the Annex to the Multi-annual Work Programme. The financial and operational capacity of applicants will be assessed as specified below.

The requirement to demonstrate operational and financial capacity also applies to designated affiliated entities only where, according to the proposal, the affiliated entity(ies) will be the only one(s) implementing the proposed Action.

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<sup>15</sup> It is recommended to complement the business plan with a separate calculation model as described in the Guide for Applicants.

<sup>16</sup> It is recommended to complement the business plan with a separate calculation model as described in the Guide for Applicants.



**Exceptions:** The requirement for applicants to demonstrate their operational and financial capacity does not apply to Member States, third countries, international organisations, public bodies established in the EU, transmission system operators certified following the procedures laid down in Articles 10 or 11 of Directive 2009/72/EC<sup>17</sup> or Articles 10 or 11 of Directive 2009/73/EC,<sup>18</sup> and Joint Undertakings established in the EU which qualify as public bodies. The certified transmission system operators are requested to submit their valid certification decisions.

## **8.1 Financial capacity**

Applicants must have stable and sufficient sources of funding to maintain the proposed activities throughout the period during which the Action is being carried out and to participate in its funding.

Together with the application, applicants must provide their financial statements certified by an external auditor for the last financial year for which the accounts have been closed.

If an applicant has been operating for less than one financial year, the financial statements may be replaced by a letter of support obtained from a third party (e.g. the applicant's parent company) or by another applicant of the proposed Action, accompanied by the financial statements of the party providing the support.

These documents must be submitted with the application.

## **8.2 Operational capacity**

Applicants must have the professional competencies and appropriate qualifications necessary to complete the proposed Action for which the grant is requested. To assess this capacity, applicants must provide the following documents:

- description of the profiles of the people primarily responsible for managing and implementing the Action (e.g. accompanied by a *curriculum vitae*);
- the organisation's activity reports for at least the last year;
- a list of previous actions and activities carried out in equivalent Actions in related fields

If compliant with the above-mentioned requirements, information submitted by applicants who have benefited/are benefiting from CEF Energy financial support since 2014 may be taken into account in the evaluation of their operational capacity.

## **9. AWARD CRITERIA**

Proposals will be evaluated against the following award criteria, which take into account the list of general orientation as stipulated in Article 17(5) and in Part V of the Annex I of the CEF

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<sup>17</sup> Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (Text with EEA relevance), see <http://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32009L0072>

<sup>18</sup> Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (Text with EEA relevance), see <http://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32009L0073>

Regulation.

Each application will be assessed against the award criteria on scale from 0 (very poor) to 5 (excellent), with the corresponding description. Marks will be weighted as follows:

	Criterion description	Weight (for works proposals)	Weight (for studies proposals)
1	<p>Maturity of the Action with regards to the developmental stage of the project, based on the implementation plan (Article 5(1) of the TEN-E Regulation)</p> <p><i>Maturity refers to the specific status of preparation of the Action for which the funding is requested, in order to establish the capacity for its implementation in accordance with the foreseen time plan and technical specifications, as well as the state of readiness for commencement at short term of the proposed Action. In addition, the appropriateness of the proposed Action as the next step in the development of the PCI will also be considered under this criterion.</i></p>	20%	25%
2	<p>Cross-border dimension of the Action, area of impact and number of Member States involved in the Action</p> <p><i>This criterion refers to the extent of the cross-border impact of the proposed Action, taking into consideration the area, the number of Member States positively impacted by the Action, (as seen in relation to the geographical location of the action) and the level of cooperation between the involved countries.</i></p>	10%	10%
3	<p>(Works proposals only) Extent of the positive externalities provided by the Action and the impact of the action on solidarity</p> <p><i>This criterion reflects the extent of the positive externalities provided by the PCI that go beyond its direct benefits and relate to: macro-regional security of supply, solidarity between Member States or technological innovation.</i></p>	15%	NA
4	<p>Need to overcome financial obstacles</p> <p><i>This criterion refers to financial obstacles that impede the timely completion of the proposed Action and how public funding would help to overcome this situation.</i></p>	15%	15%
5	<p>Soundness of the implementation plan proposed for the Action</p> <p><i>The criterion refers to the coherence between the proposed Action's objectives and planned resources/activities leading to its timely completion, the appropriateness of the project management processes and risk control issues.</i></p>	10%	10%
6	<p>Stimulating effect of the CEF financial assistance on the</p>	15%	20%

	Criterion description	Weight (for works proposals)	Weight (for studies proposals)
	completion of the Action <i>This criterion refers to how CEF funding will ensure/accelerate the implementation of the proposed Action.</i>		
7	Priority and urgency of the Action; how will the project remove bottlenecks, end energy isolation and contribute to the implementation of the internal energy market <i>This criterion refers to the priority of the proposed Action and to the importance to start it urgently, in relation with its impact on removing bottlenecks, ending energy isolation and contributing to the implementation of the internal energy market. It also takes into account that due consideration should be given to electricity projects.</i>	15%	20%

To be considered for funding, a proposal must reach a result for each criterion of at least 60% (at least three points before weighting is applied) of the maximum points foreseen per criterion. A ranking list of Actions proposed to receive CEF financial assistance will be established.

## **10. COMPLIANCE WITH EU LAW**

In accordance with Article 23 of the CEF Regulation, only Actions in conformity with EU law and which are in line with the relevant EU policies shall be financed, in particular those relating to competition, protection of the environment, state aid and public procurement.

Consideration will be given to the implementation of the Third Energy Package rules (Directive 2009/72/EC; Directive 2009/73/EC; Regulation 714/2009; Regulation 715/2009) for the Member States involved, as relevant to the completion of the proposed Action.

## **11. FINANCIAL PROVISIONS**

### **11.1 General principles**

#### *11.1.1 Other sources of financing*

Pursuant to Article 129 of the Financial Regulation, an Action may only receive one grant from the EU budget. Under no circumstances will the same costs be financed twice by the EU budget.

To ensure this, applicants shall indicate in the application the sources and amounts of EU funding received or applied for the same Action or part of the Action, as well as any other funding received or applied for the same Action.

In that respect, any proposed Action or part(s) thereof that receive or has received EU funding under the CEF or other EU Programmes (e.g. TEN-E, EEPR, EIPA, IPA, ESIF, FP7, Horizon 2020) will not be funded under this call.

### *11.1.2 Non-profit principle*

In accordance with Article 125 of the Financial Regulation, grants shall not have the purpose or effect of producing a profit within the framework of the Action. Where a profit is made, the Commission/INEA will be entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred by the beneficiary to carry out the proposed Action.<sup>19</sup>

### *11.1.3 Non-retroactivity*

Pursuant to Article 130 of the Financial Regulation, no grants may be awarded retrospectively for Actions already completed. A grant may be awarded for an Action which has already begun provided that the applicant(s) can demonstrate the need for starting the Action prior to the signature of the grant agreement.

## **11.2 Form of the grant**

### *11.2.1 Reimbursement of costs actually incurred*

Grants to be awarded further to this call for proposals will take the form of reimbursement of a specified proportion of the eligible costs actually incurred.<sup>20</sup>

#### **Co-funding rates:**

The maximum co-financing rates of EU financial assistance to be granted under this call for proposals are laid down in Article 10(3) of the CEF Regulation and shall not exceed 50% of the total eligible costs of studies and/or works. The funding rates may be increased to a maximum of 75% for Actions which, based on the evidence referred to in Article 14(2) of the TEN-E Regulation, provide a high degree of regional or EU-wide security of supply, strengthen the solidarity of the EU or comprise highly innovative solutions.

The Commission reserves the right to award a grant of less than the amount requested by the applicant.

### *11.2.2 Eligible costs*

Eligible costs are costs actually incurred by the beneficiary of a grant which meet all the criteria laid down in Article 126(2) of the Financial Regulation.

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<sup>19</sup> In the meaning of Article 125 of the Financial Regulation, profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance.

<sup>20</sup> Notwithstanding the form of grant, personnel costs may be declared on the basis of average costs calculated in accordance with the beneficiary's usual costs accounting practices, in compliance with the conditions laid down in Commission Implementing Decision C(2016)478 on the reimbursement of personnel costs of beneficiaries of the Connecting Europe Facility.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the Action with the corresponding accounting statements and supporting documents.

The same criteria apply to the costs incurred by affiliated entities and implementing bodies designated by the beneficiary.

Applicants' attention is drawn to points (3) to (8) of Article 8 of the CEF Regulation concerning the eligibility of costs. The full costs of purchase of equipment, infrastructure and other assets are eligible under this call, provided that they are:

- treated as capital expenditure in accordance with the tax and accounting rules applicable to the beneficiary;
- recorded in the fixed assets account of the beneficiary's balance sheet; and
- purchased in accordance with the procurement rules as specified in Article II.9 of the model grant agreement.

Costs may be eligible at the earliest from the date on which an application is submitted<sup>21</sup> and up to the date of completion of the Action, which should be 31 December 2025 at the latest.

### **Indirect costs**

Indirect costs of the Action are those costs which are not specific costs directly linked to the implementation of the Action and can therefore not be attributed directly to it. Indirect costs are not eligible under this call.

### **Investments in mobile assets**

Investments in mobile assets may be supported under this call provided that it is demonstrated that such infrastructures contribute to the implementation of a PCI as specified in the TEN-E Regulation.

The beneficiary of a grant for investments in mobile assets shall inform the Agency and shall repay the contribution from the CEF Programme if within five years from the completion of the Action, any of the following occurs:

- (a) a relocation of the mobile assets outside the location defined in the Grant Agreement;
- (b) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Depending on the type of infrastructure (such as LNG Floating Storage and Regasification Units), the grant agreement may set a time period higher than five years for the above provision.

### **Operating costs**

Costs relating to the use of the infrastructure after its commissioning (e.g. operational expenditure) are not eligible.

### **VAT**

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<sup>21</sup> The date when the proposal was last submitted in the TENtec eSubmission module will be considered as the submission date of the proposal.

In line with the first subparagraph of Article 8(7) of the CEF Regulation and Article 126(3)(c) of the Financial Regulation, VAT paid by beneficiaries of grants awarded following this call for proposals is eligible except:

- deductible VAT (VAT paid by the beneficiary for the implementation of taxed activities or exempt activities with right of deduction);
- VAT paid for the implementation of activities engaged in as a public authority by the beneficiary where it is a Member State, regional or local government authority of a Member State or another body governed by public law of a Member State.

### **Financial support to third parties**

The applications may not envisage provision of financial support to third parties.

Detailed information on eligible and ineligible costs is included in Article II.19 of the model grant agreement, which is available on the call webpage:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls/2018-cef-energy-calls-proposals/2018-1-call-proposals>.

### **11.3 Payment arrangements**

As a general rule, studies will be considered as simple Actions and works will be considered as complex Actions.

For simple Actions: a single pre-financing payment corresponding to 40% of the maximum grant amount awarded will be made within 30 days after the last party signs the grant agreement. No interim payment will be made.

For complex Actions: a first pre-financing payment corresponding to 40% of the first instalment of grant awarded as specified in the grant agreement will be transferred to the beneficiary within 30 days after the last party signs the grant agreement. Further pre-financing payments may be made upon request and in accordance with the financial needs of the Action. Requests for interim payments must be submitted at least every two years. The cumulative amount of all pre-financing and interim payments shall not exceed 80% of the maximum amount of the financial aid awarded.

Studies with a total EU contribution to the eligible costs equal to or exceeding €4 million and a planned duration of more than 3 years may be considered as complex Actions if requested and duly justified by the applicant(s) or by decision of the Agency.

In the event that the beneficiary's financial capacity is not satisfactory, the payment of pre-financing may be subject to the receipt of a financial guarantee for up to the same amount as the pre-financing payment to be made.

The financial guarantee, in euro, must be provided by an approved bank or financial institution established in one of the EU Member States. When the beneficiary is established in a third country, INEA may agree that a bank or financial institution established in that third country may provide the guarantee if the bank or financial institution is considered to offer equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts will not be accepted as financial guarantees.

The guarantee may be replaced by a joint or several guarantees provided by third parties or by a joint guarantee of the beneficiaries of an Action that are parties to the same grant agreement.

The guarantee will be released as the pre-financing is cleared against the interim and/or balance payment(s) made, in accordance with the conditions laid down in the grant agreement. In the event that the beneficiary's financial capacity is not satisfactory, a limited joint and several financial liability for recoveries may be applied in accordance with the terms and conditions of the model grant agreement.

The final amount of the grant to be awarded to the beneficiary is established after completion of the Action, upon approval of the request for payment including, where applicable, the supporting documents as described in the model grant agreement.

## **12. GRANT AGREEMENT**

Applicant(s) will be invited by INEA to sign a grant agreement drawn up in euro and detailing the conditions and level of CEF funding, if the proposal is selected for funding. The standard model grant agreement, available on the call webpage, is not negotiable and will be signed in English.

Submitting an application implies the acceptance of the terms and conditions of the model grant agreement. Applicants are recommended to carefully read this document and its annexes before submitting an application.

For multi-beneficiary Actions, it is strongly recommended that beneficiaries designate a coordinator and sign an internal cooperation agreement regarding their operation and coordination, including all internal aspects related to the management of the beneficiaries and the implementation of the Action.

The signature of grant agreements for Actions selected under this call is subject to the entry into force of Commission Delegated Regulation (EU) C(2017) 7834 of 23 November 2017 amending Regulation (EU) 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure as regards the Union list of projects of common interest.

## **13. PROCEDURE FOR SUBMISSION OF PROPOSALS**

All practical information on this call for proposals and the evaluation process is detailed in the Guide for Applicants. It is available, together with the application forms, model grant agreement, 2018 Multi-annual Work Programme and other relevant documents on the call webpage: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls/2018-cef-energy-calls-proposals/2018-1-call-proposals>.

Applicants are invited to carefully read all call-related documents, including the detailed instructions given in the Guide for Applicants on how to complete their applications.

### **13.1 Application forms**

Proposals must be submitted using the application forms provided on the call page at the link above. Applicants are strongly encouraged to submit their applications in English.

Where possible, applicants are strongly encouraged to submit joint applications for Actions relating to the same project of common interest.

Proposals must be signed by the applicant(s) or his duly authorised representative and must be perfectly legible so that there can be no doubt as to words and figures.

The applicant(s) specified in the application form part A will automatically be considered as the beneficiary(ies) if the proposal is selected for funding. If applicants designate affiliated entities within the meaning of Article 122 of the Financial Regulation to support the implementation of the submitted Action, the information on these affiliated entities must be encoded in the application form part A, and any relevant supporting documents must be provided.

For multi-applicant proposals, it is recommended that an applicant is designated to coordinate the application.

### **13.2 Submission process**

Proposals must be submitted ***electronically*** using the TENtec eSubmission module accessible via the following link: <https://webgate.ec.europa.eu/tentec/grant/esubmission/> before the call deadline: **Thursday, 26 April 2018 at 17:00.00 Brussels time** (see also section 6 on *Admissibility requirements*).

Application form part A is automatically generated by the TENtec eSubmission module. Application forms parts B, C and D must be downloaded from the call website at the link above and duly completed. Once final they must be uploaded into the TENtec eSubmission module. The same applies to any annexes or supporting documents accompanying the proposal.

Applicants' attention is drawn to the fact that for application form part A, only the information encoded in the TENtec eSubmission module will be taken into account for the evaluation (notwithstanding the requirement to upload signed versions of application forms part A2.2 and A2.3). For the other forms and documents, only the last version uploaded in the TENtec eSubmission module will be taken into account for the evaluation.

Any parts of the application that require signatures of applicants or relevant authorities must be scanned and uploaded into the TENtec eSubmission module. Applicants must be able to provide the original documents and send them to the Commission/INEA services upon request.

Advanced electronic signatures based on a qualified certificate<sup>22</sup> as defined by the eIDAS Regulation<sup>23</sup> and which comply with the signature formats specified in Commission Implementing Decision 2015/1506 will be accepted. If a document is e-signed, a printable version of the document must be uploaded in the TENtec eSubmission module.

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<sup>22</sup> For a list of trusted certificate providers please see <https://ec.europa.eu/digital-single-market/en/eu-trusted-lists-trust-service-providers>

<sup>23</sup> Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, see [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2014.257.01.0073.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2014.257.01.0073.01.ENG)



## **14. INFORMATION FOR APPLICANTS**

Further information or clarifications on the call for proposals will be published on the call webpage. Please refer to all of the following documents, available on the call webpage, when preparing the application:

- 2018 Multi-annual Work Programme
- Application form (parts A, B, C and D)
- Guide for Applicants
- FAQs
- CEF Regulation
- TEN-E Regulation as amended
- Model grant agreement
- EU Financial Regulation and Rules of application
- Commission Decision on the reimbursement of personnel costs
- Application checklist

Applicants are invited to regularly consult the webpage and the INEA website/Twitter feed (@inea\_eu) until the deadline for submission of proposals:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls/2018-cef-energy-calls-proposals/2018-1-call-proposals>.

Questions related to this call must be addressed to the call helpdesk: [INEA-CEF-Energy-calls@ec.europa.eu](mailto:INEA-CEF-Energy-calls@ec.europa.eu).

The answers to questions submitted will be published in the FAQ list on the call webpage, in order to ensure equal treatment of all potential applicants. Questions related to the call should be submitted at the latest by 12 April 2018 to ensure sufficient time for the last update of the FAQs by 19 April 2018. However, individual technical questions related to TENtec eSubmission module will be treated until the call deadline.

Questions which are specific to a particular proposal and where the answer would provide a comparative advantage to the applicant will not be answered.

Please note that proposals must not be sent to the helpdesk e-mail address.

## **15. PROCESSING OF PERSONAL DATA**

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

Unless indicated otherwise, the questions and any personal data requested will be processed solely for the purpose of evaluation of proposals in accordance with the call for proposals and in case of successful applications, for the purpose of grant management including evaluations of the CEF by INEA as data controller for this purpose.

Personal data included in the application (name, title, organisation, contact information) may be shared within the limits set forth by Regulation 45/2001 with external experts whose contribution is necessary for evaluation of proposals and grants and with the concerned Member State representatives in the CEF Coordination Committee on a need to know basis in view of their role in the approval of proposals selected for funding, as well as responsibilities under the CEF Regulation.

Details concerning the processing of an applicant's personal data are available in the privacy statement on the call webpage: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls/2018-cef-energy-calls-proposals/2018-1-call-proposals>.

An applicant's personal data (e.g. name, given name if natural person, address, legal form, registration number and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered by the Accounting Officer of the Commission in the Early Detection and Exclusion System (EDES) established by the Commission, should the beneficiary be in one of the situations mentioned in Article 106(1) and 107 of Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union, as amended by Regulation (EU, Euratom) No 2015/1929 (OJ L 286, 30.10.2015, p. 1).

For more information on EDES (including the grounds for being registered in the database), please see [http://ec.europa.eu/budget/explained/management/protecting/protect\\_en.cfm](http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm) and the privacy statement at [http://ec.europa.eu/budget/library/explained/management/protecting/privacy\\_statement\\_edes\\_en.pdf](http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

Applicants are informed that, to ensure that the EU's financial interests are protected, their personal data may be communicated to internal audit services, the European Commission, the European Court of Auditors, the body specialising in financial irregularities (Financial Irregularities Panel) or the European Anti-Fraud Office (OLAF).