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## INFORMATION NOTE TO THE CEF TRANSPORT COORDINATION COMMITTEE

**Subject: State-of-play of CEF Transport programme implementation and way forward.**

### 1. Introduction

The CEF Transport portfolio consists at present of around 690 Actions, managed by the Innovation and Networks Executive Agency (INEA).

Among the tools for close monitoring, the mid-term review (MTR) exercise in 2018 provided valuable input for the 2014-2015 MAP Actions. The outcome of the MTR was presented and discussed in the CEF Transport Committee meeting of 27 September 2018. Following this, decisions were taken for a first group of Actions ending before May 2019, which, for a limited number of Actions, involved termination, extension of cost eligibility duration and / or recovery of funds. INEA informed the beneficiaries concerned individually. For all actions, with a later end date, such decisions remain to be made.

In this perspective, in order to further streamline the active management of all Actions (both under Annual and Multi-Annual Work Programmes), also taking into account the lessons learnt from the implementation of the previous TEN-T programme, DG MOVE considers appropriate to share with the members of the Committee the approach it intends to follow in the run up to the end of the current CEF programme and the start of the successor programme (CEF 2) on 1 January 2021.

### 2. End date for the implementation of the CEF Transport programme

In order to allow sufficient time to implement the Actions and ensure synchronisation with the start of the new programme, it is important to set a specific end date for the current CEF Transport programme 2014-2020. The end date of the programme should not be too late after 2020 in order to limit the overlap with the successor programme starting on 1 January 2021.

On this basis, the end date for implementation of the current CEF Transport programme will be **31 December 2023**. This implies that no Grant Agreement will be signed or extended with an end date beyond 31 December 2023.

### 3. Extension of Grant Agreements

Grant Agreements may be amended to extend their duration. However, amendments to Grant Agreements shall not have the purpose or the effect of making changes that would call into question the grant award decision or be contrary to the principle of equal treatment of applicants as outlined in the EU Financial Regulation<sup>1</sup>. Since the applications are assessed taking into account the maturity of the Action and the soundness of its implementation plan, it is important that extensions remain limited and proportionate. Moreover, the principle of equal treatment calls for the establishment of a consistent approach concerning extensions.

For these reasons, it is considered that no Grant Agreement should be extended for a period of more than **24 months** compared to its initial end date at the time when it was first signed. However, in exceptional and duly justified cases, and where necessary to reach full completion of the action or, at least, to reach full completion of a key activity therein, such extension can be prolonged **up to an additional period of 12 months**. In any case extensions will be assessed on a case-by-case basis and need to be justified through a detailed amended implementation plan and a robust risk assessment. As mentioned above, no extension should result in the duration of an Action exceeding the deadline of 31 December 2023.

In case of delays exceeding the possible maximum extension period, Grant Agreements will be amended in order to remove the activities (or parts of activities) and the corresponding grant amount that the beneficiaries are not in a position to consume. These unused amounts will be re-injected into the programme for future calls (reflows) as far as possible under the Financial Regulation and with the objective to minimize budget losses for the Programme.

In order to avoid double funding, activities kept under existing Grant Agreements will not be funded under reflow calls and CEF 2 calls.

### 4. Reflow calls and first CEF 2 call

In order to provide early visibility on the priorities of these calls it is envisaged to hold a first discussion at the next CEF Committee. A possible timeline for discussion is presented in the table below:

Call	Budget envelope	Work programme at CEF Committee	Launch/closure of the call for proposals	Time to grant
"Reflow 1"	General	September 2019	Q4-19 to Q2-20	End 2020
	Cohesion	September 2019	Q4-19 to Q2-20	End 2020
"Reflow2"	General	September 2020	Q4-20 to Q1-21	End 2021
	Cohesion	September 2020	Q4-20 to Q1-21	End 2021
CEF 2 first call	General	September 2020	tbc	tbc
	Cohesion	September 2020	tbc	tbc

<sup>1</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, in particular Article 201(4) thereof.

Given that the end date of the programme (31/12/2023) will apply also for the Grant Agreements of the reflow calls, it is important to highlight that only mature projects with very realistic implementation plans could be selected.

Proposals for entirely new projects can be submitted as well as for projects including activities that are no longer covered by a Grant Agreement following an amendment. In both cases, the eligibility of costs under reflow calls will start from the date of submission of the proposals. The eligibility of costs under the first CEF 2 call will start on 1 January 2021.

As it will be important to ensure a smooth and efficient transition during the overlap period between the current and next programmes, it could be considered opportune to decide on the second and last CEF 1 reflow work programme and on the first CEF 2 work programme at the same time in September 2020.

## **5. The way forward – practical steps**

In view of adopting the Work Programme in September 2019, it is necessary to timely discuss with the beneficiaries those amendments that will produce reflows and have them agreed and preferably signed before Summer 2019.

For this purpose, in cooperation with DG MOVE, INEA will continue in the coming months to:

- monitor closely the identified critical milestones for the progress of the Actions, in conjunction with the 2019 ASR exercise;
- process, where necessary, the relevant amendments, in cooperation with the respective beneficiaries.

To ensure this timeline DG MOVE and INEA will reach out to the concerned Member States and beneficiaries in early 2019 to discuss the relevant individual cases.

As regards, the timeline and priorities for reflow calls, a first orientation discussion will be held at the occasion of the CEF Committee meeting tentatively scheduled on 25 March 2019.



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Enclosure: CEF Transport budget execution table.

Copy: Transport attachés  
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ANNEX: CEF TRANSPORT BUDGET EXECUTION (In EUR million – situation on 04/12/2018)

Budget envelope	CEF Transport budget [1]		CEF Transport Funding (Grants) <sup>[1]</sup>			
	Total CEF Transport budget	out of which total CEF Transport budget allocated to grants	Total reserved by an annual work programme or the amended multi-annual work programme	out of which total Actual CEF Transport Funding for the awarded grants	Total effective budgetary commitment for grants	Total effective payment for grants
<b>Total</b>	24,122	23,549	23,540 (100%)	22,915 (97%)	10,265 (45%)	5,070 (22%)
<i>General envelope</i>	12,817	12,295	12,295 (100%)	11,715 (95%)	5,411 (46%)	2,947 (25%)
<i>Cohesion envelope</i>	11,305	11,254	11,245 (100%)	11,200 (100%)	4,854 (43%)	2,123 (19%)

[1] Not taking into account the credits allocated to PSAs, Financial Instruments and procurements (including IT costs for TENtec). In addition, CEF Transport budget for grants has been supplemented with internal assigned revenues of EUR 253 million.

[2] Taking into account funding reductions due to amendments, closures and terminations.