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ANNEX

ANNEX

to the

Commission implementing Decision

**on the financing of the Connecting Europe Facility - Transport sector and the adoption
of the annual work programme for 2019**

ANNEX

Annual work programme for 2019 for Connecting Europe Facility – Transport sector

1. INTRODUCTION

On the basis of the objectives set out in Regulation (EU) No 1316/2013 of the European Parliament and of the Council¹, this work programme contains the actions to be financed and the budget breakdown for the year 2019 for grants implemented under direct management by the Innovation and Networks Executive Agency.

1.1. Legal basis

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, and in particular Article 17(1) and (4) and Article 7(2)(b) and 7(2)(i) thereof.

1.2. Budget lines

- 06020101 - Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections;
- 06020102 - Ensuring sustainable and efficient transport systems in the long run.

1.3. Objectives pursued

This annual work programme establishes the basis for the allocation of financial assistance to projects of common interest in the field of the Connecting Europe Facility (CEF) – Transport sector which are not included in the multiannual work programme. It provides for the launch of a call for proposals in 2019 for financial assistance through grants for projects of common interest regarding the funding objectives and priorities described hereafter.

In line with the infrastructure components and requirements as set out in Regulation (EU) No 1315/2013² of the European Parliament and of the Council, this work programme shall enable the achievement of policy objectives in the fields of railways, road and inland waterway cross-border sections improvements, of connections to and the development of maritime ports and of rail freight noise reduction.

These policy objectives fall within the following funding priorities under Regulation (EU) No 1316/2013 as supplemented by the Commission Delegated Regulation (EU) No 2016/1649³:

- Funding priorities for the objective of removing bottlenecks, enhancing rail interoperability, bridging missing links and, in particular, improving cross-border sections;
- Funding priorities for the objective of ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows, as

¹ Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility (OJ L 348, 20.12.2013, p.129).

² Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 128).

³ Regulation (EU) No 2016/1649 of 8 July 2016 supplementing Regulation (EU) No 1316/2013 of the European Parliament and of the Council establishing the Connecting Europe facility (OJ L 247, 15.9.2016, p.3).

well as enabling all modes of transport to be decarbonised through transition to innovative low-carbon and energy-efficient transport technologies, while optimising safety.

For these funding priorities, within the scope of the global and generic objectives and priorities defined in this annual work programme, more specific objectives may be elaborated in the call for proposals in 2019.

1.4. Expected results

The implementation of the 2019 annual work programme aims at contributing to the realisation of the Trans-European transport network (TEN-T) comprehensive network by 2050, thereby further enhancing the effectiveness and sustainable mobility of the TEN-T, while promoting growth and job creation, in line with the Europe 2020 strategy.

It is expected that the granting of support on the basis of this programme will contribute to the timely and efficient completion of a number of TEN-T projects in their entirety or in significant parts, support the realisation of a robust and resource efficient European transport system, and contribute to addressing climate change.

The actions which will be completed with financial assistance allocated under the 2019 call for proposals will contribute directly to the achievement of important transport policy objectives, such as: a better interconnection of national transport networks, facilitating the functioning of the internal market; and savings in terms of the environmental effects of transport, in particular contributing to addressing climate change.

CEF funding should help mobilising public and private financing contributing to the timely completion of the TEN-T network.

2. GRANTS

The global budgetary envelope reserved for grants under this work programme is EUR 100 million, of which:

- EUR 65 million under budget line 06020101
- EUR 35 million under budget line 06020102

2.1. Actions related to the funding objective “removing bottlenecks, enhancing rail interoperability, bridging missing links and, in particular, improving cross-border sections”

Cross-border sections on railways, roads and inland waterways, connections to and the development of maritime ports

Description of the activities to be funded under the call for proposals:

2.1.1. General objective

This priority covers transport infrastructure Actions (studies and/or works) concerning:

- rail, road and inland waterway cross-border sections of the TEN-T Comprehensive network of Regulation (EU) No 1315/2013;
- connections to and the development of maritime ports of the TEN-T Comprehensive network of Regulation (EU) No 1315/2013.

This priority aims inter alia at increasing the use of public or private finance as a means of plugging financing gaps for TEN-T infrastructure projects on the comprehensive network with a focus on cross-border sections.

2.1.2. *Specific objectives*

In particular this priority covers:

- Works concerning cross-border infrastructure projects for railways, inland waterways and roads, as well as works concerning connections to and the development to maritime ports;
- Technical, legal or financial studies as well as the preparation of tender documentation and permission procedures (including Environmental Impact Assessment) for the construction or upgrade of such infrastructure. Such studies should concern actions for which the initial investment decision has already been taken prior to the application for CEF funding.

In addition, for Member States with no railway network established in their territory or in the case of a Member State, or part of thereof, with an isolated network without long-distance rail freight transport, actions concerning the removal of bottlenecks on the road network may also be supported.

- Railways

Actions to be selected under this specific objective shall concern studies and/or works and shall be in line with the requirements of Chapter II, section 1, of Regulation (EU) No 1315/2013.

Applicants are reminded to take due account of the provisions of Directive 2008/57/EC of the European Parliament and of the Council⁴, as well as of Directive 2016/797 of the European Parliament and of the Council⁵, which will repeal and replace Directive 2008/57/EC as from 16 June 2020.

Actions including railway station facilities, and in particular the station buildings, are of lower priority unless they concern the railway infrastructure component. If included in the application such facilities shall be clearly described, quantified and priced separately.

Proposals under this priority shall neither address ERTMS related activities nor maintenance activities.

- Roads

Actions to be selected under this specific objective shall concern studies and/or works and shall be in line with the requirements of Chapter II, section 3, of Regulation (EU) No 1315/2013.

Applicants are reminded of the fact that funds will only be granted to actions compliant with the Directives on road safety (Directive 2008/96/EC of the European Parliament and of the

⁴ Directive 2008/57/EC of the European Parliament and of the Council of 17 June 2008 on the interoperability of the rail system within the Community (OJ L 191, 18.7.2008, p. 1).

⁵ Directive 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union (OJ L 138, 26.5.2016, p. 44).

Council⁶) and tunnel safety (Directive 2004/54/EC of the European Parliament and of the Council⁷).

Maintenance activities shall not be eligible for support.

- Inland waterways

Actions to be selected under this specific objective shall concern studies and/or works and shall be in line with the requirements of Chapter II, section 2, of Regulation (EU) No 1315/2013.

Support is aimed at preparing strategic investments on cross-border inland waterways projects, in line with the Naiades II policy framework adopted by the Commission on 10 September 2013.

Actions shall concern one or more infrastructure improvements on cross-border sections as follows:

- Upgrade of waterways in order to achieve stable or improved navigation conditions and/or more capacity for the passage of vessels in the meaning of Articles 15 and 16 of Regulation (EU) No 1315/2013;
- Creation of new waterways;
- Construction/upgrading/modernisation of locks (including the deployment of remote control systems), to improve the passage of vessels and pushed convoys;
- Increasing of under-bridge clearance;
- Facilities for ice-breaking, hydrological services and dredging to ensure year-round navigability;
- Creation and/or upgrade of infrastructure for mooring and waterborne operations along a waterway.

The facilities concerned must be accessible for use by all operators on a non-discriminatory basis.

Studies and/or works concerning inland ports shall not be financed under this priority.

- Maritime ports

Actions to be selected under this specific objective shall concern studies and/or works and shall be in line with the requirements of Chapter II, section 4, of Regulation (EU) No 1315/2013.

Applicants are reminded to take due account of the provisions of Directive 2000/59/EC of the European Parliament and of the Council⁸, of Directive 2016/802/EU of the European Parliament and of the Council⁹, of Directive 2014/94/EU of the European Parliament and of

⁶ Directive 2008/96/EC of the European Parliament and of the Council of 19 November 2008 on road infrastructure safety management (OJ L 319, 29.11.2008, p. 59).

⁷ Directive 2004/54/EC of the European Parliament and of the Council of 29 April 2004 on minimum safety requirements for tunnels in the trans-European road network (OJ L 167, 30.4.2004, p. 39).

⁸ Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues (OJ L 332, 28.12.2000, p.81)

⁹ Directive (EU) 2016/802 of the European Parliament and of the Council of 11 May 2016 relating to a reduction in the sulphur content of certain liquid fuels (OJ L 132, 21.05.2016, p.58)

the Council¹⁰, as well as of Regulation (EU) 2017/352 of the European Parliament and of the Council¹¹.

Support is aimed at developing ports as efficient and sustainable entry and exit points fully integrated with the TEN-T Comprehensive Network.

Actions shall concern one or more infrastructure improvements as follows:

- hinterland connections to the TEN-T Comprehensive Network (rail, inland waterway, or road if other hinterland connections are not an option), with adequate capacity and efficiency, including digital solutions to improve connectivity, and the infrastructure necessary for transport operations within the port area;
- ports infrastructure, including safety, security and checks equipment and facilities;
- port access aiming at providing safe maritime access in the form of breakwaters, access channels, locks and navigational aids;
- reception facilities for oil and other waste, including residues from exhaust gas cleaning systems, to meet environmental requirements;
- implementation of new facilities and technologies regarding provision and use of alternative fuels or energy, e.g. LNG bunkering, shoreside electricity, etc., excluding any pilot actions.

Support will not be granted to Actions related to:

- construction and expansion of terminals as well as superstructure;
- maintenance;
- dedicated infrastructure and facilities for cruise ships.

Projects shall be planned and built based on a proper needs assessment, including if relevant an analysis of the market and of the possible impact at regional/basin level on competing ports. It is advised to demonstrate that the project is part of a long-term port strategy ensuring adequate links with the hinterland.

2.1.3. Form of Union contributions

Union financial assistance shall take the form of reimbursement of eligible costs actually incurred in line with the co-funding rates outlined below, as provided in Article 125(1)(b) of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation').

2.1.4. Maximum possible rates of co-funding

According to Article 10(2) of Regulation (EU) No 1316/2013, the amount of the Union financial assistance in the form of grants based on the reimbursement of eligible costs actually incurred shall not exceed the following rates:

- (a) with regard to grants for studies, 50% of the eligible costs;

¹⁰ Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L307, 28.10.2014, p.1)

¹¹ Regulation (EU) 2017/352 of the European Parliament and of the Council of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports (OJ L57, 03.03.2017, p.1)

(b) with regard to grants for works:

- for railway networks: 40% of the eligible costs for actions concerning cross-border sections;
- for road networks in the case of Member States with no railway network established in their territory or in the case of a Member State, or part thereof, with an isolated network without long-distance rail freight transport: 30% of the eligible costs for actions addressing bottlenecks and 40 % of the eligible costs for actions concerning cross-border sections;
- for inland waterways: 40% of the eligible costs for actions concerning cross-border sections;
- for connections to and the development of maritime ports: 20% of the eligible costs;
- for actions to support cross-border roads sections: 10% of the eligible costs.

2.2. Actions related to the funding objective “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”

Reducing rail freight noise, including by retrofitting of existing rolling stock

Description of the activities to be funded under the call for proposals:

2.2.1. General objective

Commission Regulation (EU) No 1304/2014¹² setting out the technical specifications for interoperability relating to the subsystem “rolling stock – noise” is under revision to strengthen the reduction of noise nuisance that affect people living close to railway lines. This revision aims to introduce operational restrictions on noisy wagons.

At present, the most efficient way to mitigate rail noise is by tackling noise at its source by retrofitting the existing freight wagons with composite brake blocks. This technical solution reduces rail noise by up to 10 dB, which equals to a 50% reduction in audible noise for humans. Therefore, the retrofitting of wagons with the most economically viable low-noise braking technology available is supported throughout the Union.

2.2.2. Specific objectives

Actions to be selected under this priority shall concern works to reduce rail freight noise by retrofitting existing freight wagons with composite brake blocks, and where necessary due to extreme weather conditions with disc brakes, in line with Article 13(c) of Regulation (EU) No 1315/2013.

2.2.3. Essential conditions

The essential condition triggering the payment shall be based on the outputs, namely the number of wagons retrofitted per type of wagon.

¹² Commission Regulation (EU) No 1304/2014 of 26 November 2014 on the technical specification for interoperability relating to the subsystem ‘rolling stock — noise’ amending Decision 2008/232/EC and repealing Decision 2011/229/EU (OJ L 356, 12.12.2014, p. 421).

Monitoring on sampling evidence will be organised upon request by the Commission services and based on a copy of the official attestation from the contracted workshops where the retrofitting took place. Such attestation shall include the following:

- the type and batch number of the composite brake block or disc brake installed on the freight wagon;
- the freight wagon, type and its number as registered in the National Vehicle Register.

2.2.4. *Specific conditions*

The threshold of freight wagons covered by one application under this priority shall not be lower than 2000 wagons.

The freight wagons must be authorised for operation on the Union railway network prior to submission of the application and they shall be equipped with cast-iron brake blocks.

The low-noise technology to be deployed on the freight wagons shall be the composite brake blocks covered by an EC declaration of conformity or the composite brake blocks listed in Tables 2.1 and 2.2 of Appendix G of Commission Regulation (EU) No 321/2013¹³ concerning the technical specification for interoperability relating to the subsystem ‘rolling stock — freight wagons’, under the condition that their approval period has not expired yet. Disc brake is also considered as low-noise technology eligible for Union financial assistance where extreme weather conditions apply.

Only freight wagons and wagons intended for freight operation may be funded under this priority.

Two types of noisy wagons are eligible for the retrofitting:

- S-type wagon (100 km/h), not-automatic load-proportional braking system and brake linkage and slack adjuster in the middle;
- SS-type wagon (120 km/h), automatic load-proportional braking system and brake linkage and slack adjuster in the middle, requiring the replacement of the kink valve¹⁴.

Once retrofitted the wagons should remain in service within the Union for a minimum of 6 years, corresponding to the standard maintenance cycle.

2.2.5. *Deliverables*

Following the implementation of proposals selected within this priority area, the beneficiaries shall deliver a list of freight wagons which were retrofitted within the scope of the actions, including their numbers as registered in the National Vehicle Register.

2.2.6. *Form of Union contributions*

Union financial assistance shall take the form of unit contributions, as provided in Article 125(1)(c) of the Financial Regulation. Unit contributions are authorised by the Commission decision dated 03 September 2018¹⁵.

¹³ Commission Regulation (EU) No 321/2013 of 13 March 2013 concerning the technical specification for interoperability relating to the subsystem ‘rolling stock — freight wagons’ of the rail system in the European Union and repealing Decision 2006/861/EC (OJ L 104 12.4.2013, p. 1).

¹⁴ One-off installation costs of retrofitting of SS-type wagons which do not require the replacement of the kink valve will be considered in the same way the one-off installation costs of retrofitting of the S-type wagon.

¹⁵ Ares(2018)4510586

2.3. Common provisions

Type of applicants targeted by the call for proposals:

Applicants targeted by the call for proposals are Member States, international organisations, joint undertakings, public or private undertakings, bodies or entities established in Member States.

Additional information in accordance with Article 17(5) of Regulation (EU) No 1316/2013:

2.3.1. Eligibility Criteria

2.3.1.1. Eligible applicants

Project 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.

Applications 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.

Applications submitted by natural persons are not eligible.

Neighbouring/third countries and entities established in neighbouring/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 Regulation (EU) No 1315/2013, applications may be presented by neighbouring/third countries or entities established in neighbouring/third countries, with the agreement of a Member State concerned.

Grounds for Exclusion:

In the text of the call for proposals the Commission shall draw applicants' attention to Articles 136, 137, 139, 141, 142 and 225 of the Financial Regulation.

2.3.1.2. Eligible projects

- General eligibility criteria

Only projects which can be qualified as projects of common interest identified in Regulation (EU) No 1315/2013 may receive Union financial assistance. Core network sections, pre-identified projects and horizontal priorities listed in Annex I, Part I of Regulation (EU) No 1316/2013 are not eligible for the purpose of this work programme.

Projects have to comply with the following provisions of Article 7 of Regulation (EU) No 1315/2013:

- (1) contribute to the objectives falling within at least two of the four categories set out in Article 4 of Regulation (EU) No 1315/2013;
- (2) comply with Chapter II of Regulation (EU) No 1315/2013;

- (3) be economically viable on the basis of a socio-economic cost-benefit analysis;
- (4) demonstrate European added value.

Actions eligible under priority 2.1 involving a cross-border section or a part of such section shall be eligible to receive Union financial assistance only if there is a written agreement between the Member States concerned, or between the Member States and neighbouring/third countries concerned by the completion of the cross-border section.

Type of actions

A proposal must address studies and/or works within the meaning of Article 2(5) and (6) of Regulation (EU) No 1316/2013. Proposals may combine studies and works as long as the respective activities and related budget are clearly defined and separated.

Cost Benefit Analysis

Pursuant to Article 10 of Regulation (EU) No 1316/2013 and in view of assessing the socio-economic and financial viability, all proposals for works, or including both studies and works, must be accompanied by a Cost-Benefit Analysis (CBA), presented as a stand-alone document, clearly identified as such, proposing the co-funding rate requested for the action, while taking into account the maximum funding rates provided in Regulation (EU) No 1316/2013.

The use of the Cohesion Policy methodology for Cost-Benefit Analysis is recommended.

For projects generating net revenue, the Cost-Benefit Analysis shall be followed by a calculation of the "funding gap" describing, in a clear and concise manner, the share of the Action's costs that is not covered by net revenue. The modulated co-funding to be requested shall be the lowest of the following: (i) funding gap amount; (ii) the co-funding amount.

Proposals for works under priority 2.2 do not have to be accompanied by a CBA as the amount of the financial assistance to be granted, taking the form of unit contribution, is determined in advance.

2.3.2. 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.

The verification of the financial and operational capacity does not apply to applicants which are a Member State, a neighbouring/third country, a public sector body established in a Member State i.e. regional or local authority, a 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 a 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), or an international organisation.

2.3.2.1. 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 letter of support from another company

(parent company for instance) or from another applicant in the same proposal should be provided.

2.3.2.2. 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 (e.g. description of the profile of the persons primarily responsible for managing and implementing the operation, organisations' activity report, and proof of experience in carrying out infrastructure projects of the same kind).

Information submitted by applicants who benefited from TEN-T support as from 2004 may be taken into account in the evaluation of these applicants' operational capacity when clearly indicated by applicants.

2.3.3. Award Criteria

Only proposals compliant with the eligibility and selection criteria shall be evaluated against the award criteria. A decision to grant Union financial assistance shall take into account as appropriate:

- the contribution of the proposed Action to the balanced development of the network;
- the complementarity of the proposed Action with other Union funded projects, in view of optimising the impact of investments already made in the region/country/global project;
- the comparative Union added value of the proposed Action in relation to other proposed Actions;
- any identified/identifiable risks of double-funding from other Union sources;
- budgetary constraints;

and the following award criteria:

2.3.3.1. Relevance

This refers to the contribution of the proposed Action to the TEN-T priorities as laid out in Regulation (EU) No 1315/2013, the funding priorities as laid down in Regulation (EU) No 1316/2013 and specific priorities and objectives described in the annual work programme and addressed by the call for proposals.

In addition, the following aspects will be assessed under the relevance criterion:

- the European added value as defined in point (d) of Article 3 of Regulation (EU) No 1315/2013;
- the cross-border dimension, when applicable;
- removal of bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections as stipulated in Regulation (EU) No 1316/2013;
- contribution to innovation, sustainable transport and decarbonisation.

2.3.3.2. Maturity

This refers to the state of preparation of the proposed Action and the readiness to start the implementation of the proposed activities. This will be determined by the degree of financial maturity and completion of preparatory steps as well as the conditions required for the start of the proposed Action. Where the same proposal combines works and studies, the dependence of the works on the completion of the studies will also be taken into consideration. In

particular the maturity of the Action in the project development will be assessed. Proposed Actions should be ready to start, at the latest, within eighteen months after the closure of the call.

When assessing the maturity of the actions proposed under the priority 2.2, a particular attention shall be given to a balanced planning of the activities and budget spread over the duration of action.

2.3.3.3. Impact

This refers to the expected effect of the Union financial support on the financial viability of an economically and socially desirable investment. An assessment will be made of the impact of the financing plan to drive the most efficient use of Union financial support. This assessment will be based on the information included in the application, and when applicable, the Financial Analysis required in the Cost-Benefit Analysis, and the information supporting the calculation of the Funding Gap.

In particular, the following aspects will be assessed:

- Stimulating effect of the Union support on public and private investment, when applicable;
- The need to overcome financial obstacles, such as the lack of market finance;
- The economic, social, climate and environmental impact, and accessibility, as applicable.

2.3.3.4. Quality

This refers to the soundness of the proposed Action. This will be determined by the coherence between the objectives of the proposed Action, the proposed activities, the planned resources, and the appropriateness of the project management processes. Under this criterion, the capacity for the Action to be completed in accordance with the proposed timeline, implementation plans and the technical specifications will be assessed. In particular, the soundness of the implementation plan proposed will be assessed.

Within the scope of the global objectives herewith established, additional non-essential specific criteria may be set out in the text of the call for proposals.

2.4. Financial provisions

2.4.1. No profit principle

For projects generating income, the no-profit principle applies, as defined in Article 192 of the Financial Regulation.

2.4.2. 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 inter alia concerning interoperability, environmental protection, competition and public procurement.

2.4.3. Other sources of financing

No Union financial assistance shall be awarded for actions receiving funds from other sources of Union financing, without prejudice to Article 15(4) of Regulation (EU) No 1316/2013.

2.4.4. *Non-retroactivity principle*

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.

In accordance with Article 193 of the Financial Regulation, costs eligible for financing shall not have been incurred prior to the date of submission of the grant application.

No grant may be awarded retroactively for actions already completed.