



EUROPEAN COMMISSION

Brussels, 13.2.2018
SEC(2018) 101 final

REGULATORY SCRUTINY BOARD OPINION

**Report from the Commission to the European Parliament, the Council, the
European Economic and Social Committee and the Committee of the
Regions on the mid-term evaluation of the Connecting Europe Facility
(CEF)**

{COM(2018) 66 final}
{SWD(2018) 44 final}



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2017)

Opinion

Title: Evaluation /Connecting Europe Facility (CEF)

Overall 2nd opinion: POSITIVE

(A) Context

Established in 2014, the Connecting Europe Facility (CEF) is a financial programme that supports trans-European networks (TEN) in the transport, energy and telecommunications sectors. It promotes better integration of national network infrastructure across the EU. CEF is part of the current 2014-2020 Multiannual Financial Framework (MFF).

The CEF invests in EU infrastructure priorities ("projects of common interest"). CEF investments aim to "fill the missing links in Europe's energy, transport and digital backbone." This means that CEF aims to address market failures, remove persistent gaps and bottlenecks, create cross-border connections and enable synergies between the transport, energy and telecommunications sectors.

The CEF Regulation requires a mid-term evaluation by the end of 2017. This evaluation was brought forward so that its results could also feed into the preparation of the post-2020 MFF.

(B) Main considerations

The Board acknowledges improvements to the resubmitted evaluation report, in particular as regards analysis of synergy calls and financial instruments.

The Board gives a positive opinion, but considers that the report should be further improved with respect to the following key aspects:

- (1) A lack of summary information on budget allocations, commitments and execution per sector and priority weakens the conclusions of the report.**
- (2) The overall conclusions on coherence seem overly positive because the issue of complementarity versus overlaps of the CEF and other EU funds is not sufficiently discussed.**
- (3) The assessment of CEF's effectiveness does not fully reflect the role of the legacy projects.**

(C) Further considerations and recommendations

(1) The report could still provide a fuller picture of the CEF. It should include a summary of budget appropriations, commitments and execution per sector and per priority. It should also give information on the split between purely cross-border and other projects. Including all this information next to the data on the number of applications would strengthen the basis for drawing conclusions with regard to e.g. effectiveness, efficiency, coherence and EU value-added. It would also add evidence and credibility to the many statements that are supported only by stakeholder views or otherwise lack hard evidence.

(2) The report explains well complementarity and overlaps between CEF and other EU funds (ESIF in particular) for Energy and Telecom. But it remains less clear for the transport sector. Besides information on the split between purely cross-border and other projects, the report could also explain and present the criteria for having the CEF fund projects that are not purely cross-border. Otherwise, the overall conclusions on coherence should be toned down to reflect this possible overlap on non-cross-border projects.

(3) The report has added information on legacy projects, i.e. current projects that started under the previous programmes. It is unsurprising that infrastructure projects usually extend beyond programme duration. However, the conclusions of the report should be more nuanced in this respect. The report should try to distinguish the effectiveness of the CEF for the new projects from the effectiveness of projects that continued from the previous programme. This is particularly important for the transport sector, where the legacy projects were quite important.

(4) The revised report expands on the advantages of centralised management of projects by INEA. It mentions its success in achieving economies of scale, high absorption rates and increased flexibility in budget appropriations. This is, however, not sufficiently demonstrated in the evaluation report, which is based only on stakeholder feedback and own observations but not on a proper evaluation of the Agency (that will follow). The report and its conclusions should explicitly acknowledge this.

(D) RSB scrutiny process

The lead DG is advised to ensure that these recommendations are taken into account in the report prior to launching the interservice consultation.

Full title	Mid-term evaluation of the Connecting Europe Facility (CEF)
Reference number	2017/MOVE+/003
Date of RSB Opinion	27/10/2017



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2017)

Opinion

Title: Mid-term evaluation of the Connecting Europe Facility (CEF)

Overall opinion: NEGATIVE

(A) Context

Established in 2014, the Connecting Europe Facility (CEF) is a financial programme that supports trans-European networks (TEN) in the transport, energy and telecommunications sectors. It promotes better integration of national network infrastructure across the EU. CEF is part of the current 2014-2020 Multiannual Financial Framework (MFF).

The CEF invests in EU infrastructure priorities ("projects of common interest"). CEF investments aim to "fill the missing links in Europe's energy, transport and digital backbone." This means that CEF aims to address market failures, remove persistent gaps and bottlenecks, create cross-border connections and enable synergies between the transport, energy and telecommunications sectors.

The CEF Regulation requires a mid-term evaluation by the end of 2017. This evaluation was brought forward so that its results could also feed into the preparation of the post-2020 MFF.

(B) Main considerations

The Board recognises the strategic importance of the Connecting Europe Facility in supporting investments with high EU value added and its significance in the EU budget architecture.

However, the Board considers that the mid-term evaluation report contains important shortcomings that need to be addressed, particularly with respect to the following issues:

- (1) The timing of the evaluation has been advanced compared to the final evaluations of the predecessor programmes (TEN-T and TEN-E). Therefore, the scope of the evaluation has been narrowed and no longer corresponds to the requirements of Article 27 of the CEF Regulation and to the evaluation scope considered in the roadmap. The report lacks justification for such an approach. Moreover, it does not sufficiently develop the importance of legacy projects in CEF.**
- (2) The creation of the CEF as a common programme for transport, energy and telecommunications was inspired by the potential to exploit synergies between the three sectors. The report does not explain the critical factors that have made it difficult to achieve this objective.**

(3) The assessment of the role of the CEF in relation to other EU funding programmes (possible overlaps, complementarity, value added) is weak. The merits of direct management versus shared management and the role of INEA are not analysed in sufficient detail.

(4) The overall conclusions of the report do not fully correspond to the intermediate findings of the evaluation, in particular as regards the role and adequacy of financial instruments in different sectors. The evidence-base for the conclusions is also limited, mainly building on views of stakeholders that are mostly the beneficiaries of the CEF.

Against this background, the Board gives a negative opinion and considers that in its present form this report does not provide sufficient input for the (forthcoming) associated Impact Assessment. Accordingly, complementary analysis and input would be required before the above-mentioned impact assessment is put forward for consideration by the RSB.

(C) Further considerations and adjustment requirements

(1) The numerous judgemental statements present in the evaluation report need to be corroborated with additional evidence, going beyond stakeholder views. For this purpose, it would be useful to include a table with an overview of budget appropriations and execution per sector and type of project. This would allow to analyse the effectiveness and value-added of the CEF, and to better illustrate the CEF's focus on cross-border investment.

(2) The report should define the concept of 'sectoral synergies'. It should explain what kind of synergies can be achieved and what the demand for synergy projects there is.

(3) The report needs to demonstrate the efficiency of centralised management of the common programme by INEA, given the very low take-up of the synergy calls. This assessment should go beyond interviewing the INEA representatives.

(4) The issue of complementarity and/or overlaps with other EU funding programmes needs to be substantially clarified in the report. The report should in particular explain the value added of supporting purely national projects in CEF compared to funding through the ESIF. It should highlight in particular the pros and the cons of direct management versus shared management. For the particular case of telecommunications, the interaction of projects with predecessor and ongoing programmes is more complex and not clearly presented.

(5) The report should also better analyse the effectiveness of its financial instruments and their complementarity with other financial instruments, in particular EFSI. This should include an assessment of their low take-up and draw conclusions on possible sequencing, overlaps and/or crowding out of different instruments.

(6) When assessing the effectiveness of the CEF, the report should clarify to what extent the CEF includes any legacy projects from the predecessor programmes (TEN-T, TEN-E). Moreover, it should be assessed to what extent the innovations to the programme construction and management introduced by the CEF have delivered the desired objectives.

(D) RSB scrutiny process

The lead DG is advised not to proceed with launching the interservice consultation before substantially amending and complementing the report, to mitigate the above-mentioned shortcomings.

The lead DG may decide to resubmit this report to the Board, in which case the report should be adjusted in accordance with the above-mentioned requirements prior to its resubmission.

Full title	Mid-term evaluation of the Connecting Europe Facility (CEF)
Reference number	2017/MOVE+/003
Date of RSB meeting	05/07/2017