

Connecting Europe Facility

The Connecting Europe Facility (CEF) is one of the key EU funding instrument to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It fill the missing links in Europe's energy, transport and digital backbone and supports the development of high performing, sustainable and efficiently interconnected trans-European networks in the fields of transport, energy and digital services.

The CEF benefits people across all Member States, as it makes travel easier and more sustainable, it enhances Europe's energy security while enabling wider use of renewables, and it facilitates cross-border interaction between public administrations, businesses and citizens.

In addition to financial **grants**, the CEF offers financial support to projects through innovative financial instruments such as **guarantees and project bonds**. These instruments create significant leverage in their use of EU budget and act as a catalyst to attract further funding from the private sector and other public sector actors.

The Innovation and Networks Executive Agency (INEA) implements most of the CEF programme budget. In the next long-term EU budget 2021-2027, the European Commission has proposed to renew the Connecting Europe Facility, allocating €42.3 billion to support investments in European infrastructure networks, including €8.7 billion for energy.

The CEF is divided into three sectors:

CEF Energy
CEF Telecom
CEF Transport.

CEF ENERGY

The EU's energy infrastructure is aging and, in its current state, not suited to match future demand for energy, to ensure security of supply or to support large-scale deployment of energy from renewable sources. Despite the regulatory measures and policies that are currently put in place to facilitate such investments, under current market and regulatory conditions some energy projects are not commercially viable and would normally not make it into investment programmes of infrastructure developers.

CEF is engineered to address both groups of factors behind the investment gap in the energy sector. Financial instruments, by bringing in new classes of investors and mitigating certain risks, will help project promoters to access the necessary financing for their projects. Grants to contribute to the construction costs will be applied to fill in the gaps in commercial viability of the projects that are particularly relevant for Europe.

A total budget of €5.35 billion is made available for energy projects for the 2014-2020 period, of which €4.6 in the form of grants managed by INEA.

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In the energy sector, the CEF shall support projects of common interest that pursue one or more of the following objectives¹:

- 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's security of energy supply.
- contributing to sustainable development and protection of the environment, inter alia by the integration of energy from renewable sources into the transmission network, and by the development of smart energy networks and carbon dioxide networks.

Geothermal energy projects

The CEF is looking for proposals that offer solutions to end energy isolation, integrate energy from renewable sources and develop smart energy networks. The geothermal energy perfectly fits the scope, as it provides reliable electricity and heating and cooling solutions at competitive prices. Geothermal energy plants can already market both electricity and heating and cooling sales, as well as provide value to the grid through their dispatchable and flexible generation profile.

¹ https://www.euro-access.eu/calls/2019_cef_energy_call