
***European Commission
Directorate General for Energy***

**Mid-term evaluation of the
Connecting Europe Facility
(ENER/B1/2015-571)**

Questionnaires on CEF-Energy

20 December 2016



Ministero dello Sviluppo Economico

DIREZIONE GENERALE PER LA SICUREZZA DELL'APPROVVIGIONAMENTO E LE INFRASTRUTTURE ENERGETICHE

Questionnaire for stakeholders involved at strategic level

Introduction to the study

Under Article 27 of Regulation No 1316/2013 setting out the Connecting Europe Facility (CEF), the European Commission is required, in cooperation with the Member States and beneficiaries concerned, to prepare an evaluation report of the CEF programme to be presented to the European Parliament and the Council no later than 31 December 2017.

The objectives of the mid-term evaluation are to examine and report on the progress in achieving the objectives of the programme, the efficiency of the use of resources, and its European added value, in terms of its horizontal objectives and for each of the 3 CEF sectors: transport, energy and telecommunications. The evaluation will also help to shape the future of the CEF under the next Multiannual Financial Framework beyond 2020.

As PwC we have been selected to conduct an independent study comprising *inter alia* an open public consultation (including consultation of CEF stakeholders) and dedicated interviews with representatives of European institutions and other key stakeholders involved in the implementation of the programme.

To this purpose, we shall **interview key high-level/institutional and industry stakeholders** to obtain information of value in order to gather insights on the programme.

In this context, we would like to involve you and your organisation in order to cover energy sectorial topics, and we would ask for your availability to hold an interview in the coming weeks.

The involvement of the stakeholders through an adequate consultation process is very important to draw relevant conclusions of this evaluation. I would therefore be grateful if you could reply to the web-based consultation as well as cooperate with the team of consultants in case they make contact with you for an interview.

If you have any questions regarding this study, please contact the policy officers in charge of the evaluation in the 3 Commission Directorates-General concerned: in DG Mobility and Transport, Mr Joao Ferreira (tel: +32-2-29 69570; e-mail: joao.ferreira@ec.europa.eu); in DG Energy, Ms Beatrice Coda (tel: +32-2-29 87484; e-mail: beatrice.coda@ec.europa.eu); and in DG Communication Networks, Content and Technology, Ms Erika Magonara (tel: +32-2-29 74889; e-mail: erika.magonara@ec.europa.eu).

QUESTIONS

Relevance

EQ1: To what extent are the general, specific, and operational objectives and activities of the CEF Programme relevant to the priorities and needs of the EU?

1. What was/is your involvement with CEF?

I represent Italy as Member State in the CEF Coordination Committee – Energy section and in the Joint Committee with the other two CEF sectors, transport and telecommunications.

So my role is essentially to express the MS vote in the decisions, mainly related to the approval of the annual and multi-annual work programmes, the selection and award of grants for actions and studies contributing to PCI under the CEF, and similar issues related to the Joint Committee.

2. CEF-E is supposed to be the instrument supporting TEN-Energy infrastructures development in the European Union. Which are your needs in this domain and, compared to them, to what extent are they addressed by the CEF-E?

The international energy market has demonstrated, over the past three years, to be subject to rapid changes unlike what happened in the past, stressing the relevance of energy security strategies, so requesting new ones. The energy forecasts often prove to be incorrect, as it happened in the case of oil prices, influencing the economic cycles.

One of the key issues of energy related to security is the importance of diversification of sources, suppliers and routes. The need is to increase the Italian energy security through energy projects (electric and gas related) that can interconnect in a more secure and efficient way our country.

Longed-for it is fundamental that investments in the field of energy must be supported by the EU budget, the infrastructures issue has a crucial role in building a common market.

In my experience related with the Committee activities, the main efforts have been so far addressed mainly to those "regions" in which the infrastructures were inadequate and in the light of security of supply, especially in the 2014 call for grants, or even in order to reduce disparities in social and economic development across the regions of the EU.

I suggest that would be necessary to consider other aspects such innovation.

3. Did you experience/addressed barriers to develop physical energy infrastructure in your country? Did CEF Programme help to overcome those barriers?

Due to the structure of the institutional relation between Central Government and Local Administrations it can occur delays due to the diverse procedures of permitting.

In this light, the provision in Reg. 347/2013 art. 9 that the Member State shall publish a manual of procedures for the permit granting process applicable to projects of common interest it represents an important support to overcome bureaucratic barriers.

4. Do you think CEF-E mission should be updated? (considering developments, e.g. EFSI, Paris climate agreement). If you believe its mission should be updated, please give details of how.

As stated previously, the CEF-E mission and instrument shall be updated in order to consider other issues and aspects, such as innovation (more possibility to smart grids, for instance) and in general the needs of energy systems that are experiencing a large use of renewable, in particular regarding power generation.

Moreover, energy projects should take care of the decarbonisation principles of the economy set at COP 21. For example, we consider that, given the key role of energy efficiency as “first fuel” in enhancing energy security, decarbonizing our economies, and fostering economic growth, energy efficiency could be treated as infrastructure, making it an investment priority.

EQ3: To what extent is the present financial assistance (grants, procurement, PSAs, financial instruments) adequate to respond to the needs of the sector and policy challenges?

5. Do you have experience with the different support instruments? Which ones?

I had experience with the grants for studies and for works.

6. To what extent do you consider the support instruments (grants, financial instruments, project support actions) to be appropriate in addressing the challenges and market failures in the Energy sector (i.e. to fill in the gaps in commercial viability of the projects)?

As stated before, I can only express my opinion regarding the grants instruments. Even if my Member State so far had any recommended for funding project that insist in the Italian boundaries, we as MS endorsed others. The grants that IGI Poseidon has received for the studies has been very useful in order to explore some possibilities of future projects that will enhance diversification of supply (gas) and energy security.

Effectiveness

EQ4: Would the establishment of an Equity instrument be relevant and necessary for CEF E programmes? If so, for which types of projects?

7. To what extent do you think an Equity Instrument is necessary and appropriate in the implementation of the CEF Energy programme? For which types of projects?

Probably yes. Equity investments in the stake of the joint venture company set up for the specific infrastructural gas projects.

EQ6: How does the setting up of the EFSI affect the CEF?

8. Have the adoption of the Investment Plan for Europe and the establishment of EFSI in 2015 affected the level of achievement of the CEF programme objectives?

Related to my Committee activity I can register of course that an amount of the initial budget for Energy has been redirected to EFSI programme; even though it doesn't affect the achievement of the CEF's objectives, even because that amount it will be utilized for energy infrastructure projects among others type of.

EQ 15: To what extent and how has CEF achieved its general and sectoral objectives?

9. In your opinion, to what extent outputs and results of the CEF programme so far contribute to:
- Increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders;

- b. Enhancing Union security of energy supply;
- c. 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.

Regard to the objectives a) and b) I think that the CEF programme is quite well appropriate. I can also appreciate what have been done regarding the security of supply, especially after the Russian-Ukraine crisis of 2014.

For what concern the objective c), some adjustment are required, or otherwise to project a different tool, event within the CEF programme.

In fact, there is a need to find optimal solutions related to the integration of renewable, in particular the variables ones, in the system, as they are becoming a major energy source and fundamental for the decarbonization process. Moreover these solutions have to be analyzed in the light of security of the network, of the resilience of the electricity system, and taking into consideration the role of storages, smart grids and prosumers, and CEF programme can have an important role on it.

EQ16: Are there any factors that have affected the implementation of the programme in terms of achievement of results? Which ones? How can they be addressed?

10. Were there any unintended/unexpected effects of the CEF programme and if so what is the magnitude of those effects? (i.e. factors that affected the implementation of the programme)

EQ17: To what extent has CEF funding contributed to the EU policy to devote at least 20% of the EU funding to climate action objectives? (Recital 8 of the CEF Regulation)

11. In your opinion, is CEF contributing to the climate action, including with regard to CO2 emissions and climate-relevant spending?

Of course It contributes, just considering that the building of new infrastructures will be made with the last efficient and sustainable techniques and materials.

Even if there are specific EU instruments devoted to innovation, in my opinion new technologies – especially the clean ones – should have more consideration.

EQ18: To what extent are both the results of the finalised actions and, more in general, the CEF programme, being properly disseminated to stakeholders and the public?

12. To what extent do you believe information about the activities of the CEF programme and the results achieved so far is properly disseminated to stakeholders, institutions and the public?

The results and the activities of the CEF programme are not enough disseminated to the stakeholders and to the public opinion, that is more concerned about energy security and sustainability of the economies. Therefore it could be addressed by a media campaign, and it

should be to evaluate if the EU Delegations could be involved in organizing specific information

sessions on CEF programmes and its results to be addressed to interested local stakeholders.

13. Do you think that a larger communication program should be necessary to enhance awareness about CEF programme?

YES, mainly for the public opinion in order to have more close relations with the final consumer.

Efficiency

EQ2: To what extent are the size of budget and the funding conditions for the CEF programme appropriate and proportionate to what the programme is set out to achieve?

14. Do you think the available budget committed in the CEF Regulation and the work programmes to be proportionate to the objectives the programme is set to achieve?
So far I think that the available budget is quite adequate, taking into consideration that several PCI are still not mature enough in order to have chances of award a grant. During these 3 years the majority of projects were submitted in different calls.
15. Do you think the funding rates applied by the CEF regulation are proportionate to the objectives the programme is set to achieve?
16. Are the funding rates appropriate?

EQ8: To what extent are the CEF governance mechanisms and management bodies appropriate, efficient, and well functioning?

17. According to your experience, are the CEF governance mechanisms and management bodies appropriate, efficient, and well-functioning?
Having in consideration that my activity mainly overlap with the Coordination Committee tasks, I think that the management bodies are appropriate but they lack in coordination and in a clear communication that can provide an exhaustive picture to everyone of what is the main policy path. Moreover, albeit efforts have been made, the coordination between the Energy Section and the Transport one was not enough efficient in designing the "Joint call" which was quite impossible to promote among promoters for the absence of alignment between the overall concepts of CEF-E and CEF-T
18. The application process for CEF funding foresees the Member States to act as collector of the applications of the beneficiaries: to what extent do you consider this procedure to be efficient? Please describe how it could be improved.

EQ10: Are the administrative costs of the implementation of the CEF proportional to the results achieved?

19. Are the administrative costs of the implementation of the CEF proportional to the results achieved, especially in the energy sector?
I can not give a proper answer because I never had evidence of the total amount of administrative cost. Regarding the cost of the Coordination Committee I think that it is possible to cut part if we consider that in major cases the discussion can be done even electronically/web base modality. In fact the main task is to vote, or better say to accept or not the full packet of projects/actions submitted; there is few debate about single projects.

EQ13: To what extent has blending of CEF grants and Financial Instruments (CEF-FI) and the financial instruments under LFSI been effective in financing transport/energy projects?

20. For CEF Energy, how could the use of such financial instruments be made more effective (please detail your answer)?

Coherence

EQ7: How coherent and complementary is the CEF with other EU policy objectives/other EU policy interventions?

21. To what extent is the CEF programme aligned and complementary with relevant EU instruments and programmes with similar objectives such as European Structural and Investment Funds (ESIF), EFSI, or Horizon 2020? To what extent do you believe these instruments to be complementary with CEF and to contribute to achieve the same results?
22. Please, indicate to what extent the CEF Energy objectives and priorities correspond to those interventions set at national level and to what extent CEF-E is playing/can play a role in funding/financing energy infrastructure which no other national/EU instrument can play, both in your Country and abroad (as far as you are concerned)?

EQ12: What evidence exists of synergies between the 3 CEF sectors and how have they been fostered in the programme implementation?

23. To which extent the synergies between transport, energy and telecommunications sectors have been properly addressed, also in the programme management? What could be improved?

EU added value

EQ14: What is the EU Added Value compared to what could be achieved by the private sector, by Member States at national and/or regional levels or at international level? Is there still a need to continue CEF funding at EU level? If so, why?

24. To what extent does the CEF programme promote transnational cooperation and generate economies of scale (promoting further integration of internal energy market through development of energy networks across borders)?

CEF has a role as a promoter of the transnational cooperation, often difficult to create without a specific financial instrument. Economies of scale and energy market integration are the logic consequence of that transborder cooperation. Another important element of such a cooperation is the increase of energy security among EU Countries.

25. In your opinion, where do you think the unicity of CEF Energy lies? Can you provide a description of the sound advantages in using CEF Programme funds rather than other support schemes for trans-European energy networks?

The unicity relies on have a global picture of EU energy network and related infrastructures and the possibility to act taking into account the entire system. Moreover I think that is a fundamental tool to progressively harmonize the market, both in a functional and commercial ways.

And finally the percentage of funding are quite relevant and fundamental in achieving the final infrastructure.

