



REPUBLIC OF CYPRUS  
**MINISTRY OF  
COMMUNICATIONS AND WORKS**



**DEPARTMENT  
OF MERCHANT SHIPPING**  
LEMESOS

Circular No. 3/2015

TEN 5.13.09  
TEN 4.2.05.22

12 January 2015

To all Registered owners, Registered bareboat charterers  
Managers and Representatives of ships flying the Cyprus Flag

Members of the Cyprus Shipping Chamber c/o CSC  
Members of the Cyprus Union of Shipowners c/o CUS

**Subject: Connecting Europe Facility (CEF) - Motorways of the Sea**

The "Connecting Europe Facility" (CEF) is the new 2014-2020 programme that finances projects which fill the missing links in Europe's energy, transport and digital backbone. It will also make Europe's economy greener by promoting cleaner transport modes, high speed broadband connections and facilitating the use of renewable energy in line with the Europe 2020 Strategy.

A short Note on CEF, in particular in respect of the "Motorways of the Sea", which might be of your interest, is herewith attached.

Owners, interested to participate in the CEF funding projects, are kindly requested to contact Mr. Haris Christodoulou, Executive Engineer, at the Public Works Department, Ministry of Communications and Works, at [christodoulou@mcw.gov.cy](mailto:christodoulou@mcw.gov.cy) .

For questions or clarifications you can also refer to the web site of the European Commission which contains the "frequently asked questions" (FAQ) at:

[http://inea.ec.europa.eu/en/cef/cef\\_transport/apply\\_for\\_funding/2014-cef-transport-call-faq.htm](http://inea.ec.europa.eu/en/cef/cef_transport/apply_for_funding/2014-cef-transport-call-faq.htm)

Andreas I. Chrysostomou  
Acting Director  
Department of Merchant Shipping

- Cc: - Permanent Secretary, Ministry of Communications and Works  
- Acting Director, Department of Public Works  
- Permanent Secretary, Ministry of Finance  
- Permanent Secretary, Ministry of Foreign Affairs  
- Diplomatic Missions and Honorary Consular Officers of the Republic  
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- Acting General Manager, Cyprus Ports Authority  
- Cyprus Shipping Chamber  
- Cyprus Union of Shipowners  
- Cyprus Shipping Association  
- Cyprus Bar Association

EPr/



# CONNECTING EUROPE FACILITY (CEF)

## A. General Information

The "Connecting Europe Facility" finances projects which fill the missing links in Europe's energy, transport and digital backbone. It will also make Europe's economy greener by promoting cleaner transport modes, high speed broadband connections and facilitating the use of renewable energy in line with the Europe 2020 Strategy.

The first Calls for Project Proposals under the CEF in the area of transport, were published on 11 September 2014, and can be found at the following link:

[http://inea.ec.europa.eu/en/cef/cef\\_transport/apply\\_for\\_funding/cef\\_transport\\_call\\_for\\_proposals\\_2014.htm](http://inea.ec.europa.eu/en/cef/cef_transport/apply_for_funding/cef_transport_call_for_proposals_2014.htm) .

Detailed Information on "Connecting Europe Facility" can be found at the following link:

[http://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding/work-programmes\\_en.htm](http://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding/work-programmes_en.htm) .

## B. Work Programmes

CEF investments are programmed via annual and multi-annual work programmes, which specify the set of priorities and the total amount of financial support to be committed for each of these priorities in a given year. The first programming year under the CEF is 2014.

### **Annual Work Programmes (AP)**

Between 2014 and 2020, APs will be allocated between €5 billion and €6 billion – or roughly 15% to 20% of the total CEF transport budget.

APs will target projects that address transport infrastructure development or shorter-term transport policy priorities. These include initiatives to reduce rail freight noise, support freight transport services, and specific projects related to transport telematics and innovation. AP priorities can be adjusted annually in line with evolving policy needs.

### **Multi-annual Work Programmes (MAP)**

Between 2014 and 2020, MAPs will be allocated between €20 and €21 billion (or 80% – 85% of the total budget).

The first MAP was adopted on 26 March 2014. Its financial envelope amounts to 11 billion €.

The MAPs will only cover projects that are pre-identified in Annex I of the CEF Regulation. These are mainly:

- cross-border projects (rail, inland waterway, road), projects to tackle bottlenecks (rail and inland waterway), port and airport connections and motorways of the sea (MoS) projects along nine core network corridors;
- other core network projects (rail, inland waterway, cross-border road, ports);
- horizontal priority projects that implement: telematics applications for all modes (particularly ITS, ERTMS, RIS, VTMS), SESAR, new technologies, multi-modality, safety, security, MoS.

The objective of placing such a high concentration of EU funds on a limited set of projects is to improve efficiency and strengthen the visibility of the nine Core Network Corridors. These will be the precursors of the core network, which is due to be completed by 2030.

The nine Network Corridors can be found at the following link:

<http://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/corridors/doc/ten-t-corridor-map-2013.pdf>

## **C. Funding Objectives of CEF relating to maritime transport: “Motorways of the Sea” (MoS):<sup>1</sup>**

### General objectives

Motorways of the sea consist of short-sea routes, ports, associated maritime infrastructure and equipment, and facilities as well as simplified administrative formalities enabling Short Sea Shipping or sea-river services between at least two ports, including hinterland connections.

They shall contribute towards the achievement of a European Maritime Transport Space without Barriers and also facilitate maritime freight transport with neighbouring countries. In this context, they shall also promote shipping concepts which contribute to reducing negative impacts of heavy fuel oil powering in support of the implementation of the requirements of Annex VI of the IMO MARPOL Convention and of Directive 2012/33/EU.

Actions addressed with this programme may concern studies, pilot actions or implementation measures as well as a combination of studies and implementation.

### Specific objectives:

To support the overall objectives of motorways of the sea, the following measures shall be promoted:

1. Infrastructure development in ports. Development of ice-breaking capabilities. Development of Maritime ICT systems and services addressing logistics management systems in ports, safety and security as well as administrative and customs procedures.
2. The promotion of "wider benefits" of the MoS development, not linked to specific geographic areas or ports, such as services and actions to support the mobility of persons and goods, improvement of environmental performance, icebreaking and year round navigability, surveying and dredging operations, infrastructure development in ports, notably including alternative fuelling facilities as well as optimisation of processes, procedures and the human element, ICT platforms and information systems including traffic management and electronic reporting systems.
3. Development of sea-based transport services which are open, integrated in door-to door logistic chains and concentrate flows of freight on viable, regular, frequent, high quality and reliable Short Sea Shipping links.
4. Development of enabling elements which will promote a better integration of maritime transport and increased interoperability, such as:
  - Maritime port access and basic infrastructure
  - Connections to other transport modes
  - ICT applications, in particular e-Maritime Single Window and VTMS applications. Single Windows shall fully comply with the regulatory and technical specifications developed by the Commission (Directives 2010/65/EU and 2002/59/EC).
5. A priority will be given to implementation projects, pilot projects and studies which contribute to addressing the environmental challenges faced by the Maritime sector, in particular in view of the forthcoming requirements with respect to the implementation of the requirements of Annex VI of the IMO MARPOL Convention and of Directive 2012/33/EU. This will include in particular:
  - Actions supporting the deployment of alternative fuels and emission abatement technologies, including the use of shore-side electricity and energy efficiency measures, fall under this category.
  - Actions supporting the development of reception facilities for oil and other waste, including residues from scrubbers.

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<sup>1</sup> CEF Multi- Annual Programme , Annex, Motorways of the Sea, page 25-27.

- Studies and deployment of alternative fuel infrastructure, in particular but not limited to LNG, either through publicly accessible fixed or mobile (including trucks and barges) refuelling points and related infrastructure.
- Upgrades of vessels used on existing services and existing or new motorways of the sea links, but limited to the additional efforts for environmental upgrades.

The conversion of vessel propulsion system to LNG fuel (or other SOx or NOx free fuels or technologies), is considered as an eligible cost under the MoS Priority <sup>2</sup>.

Studies and deployment of alternative fuel infrastructure, in particular (but not limited to) LNG are addressed in the MoS Priority as defined in the multi-annual Work Programme 2014. Upgrades on vessels are limited to the additional efforts for environmental purposes and cannot cover the full costs of acquiring or constructing a vessel. This kind of investment could be considered as eligible under certain conditions:

- The ship will be part of an upgraded or a new MoS link established between two ports in two different countries on an intermodal corridor, or
- The ship intends to pilot and validate some new technological solutions which have not been tested before on other ships in Europe. The piloting actions should be innovative.

The ship receiving a CEF Transport grant will be required to provide services between the EU ports for a period of at least five years after the project end date. Please note that CEF Transport does not support the conversion of a fleet of vessels non-related to the specific maritime links upgrade.

Of interest, is the fact that two legally distinct organisations in two different Member States that are however part of the same group meet the eligibility criterion concerning applicants in proposed Actions submitted under a MoS Priority. i.e. If the two applicants under the MoS Priority are distinct legal persons registered in two different Member States, even if part of the same group, they would comply with the requirement of minimum two Member States to be involved in proposals submitted under the MoS Priority, provided that they also have the support of the concerned Member States<sup>3</sup>.

#### **D. Eligible applicants:**

Only written applications submitted by legal persons of private or public law or bodies or 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 constituted and registered in a Member State are eligible for EU financial support.

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.

In addition to the above all proposals in the areas of motorways of the sea (MoS) must include applicants from (and be supported by) a minimum of two different Member States.

Project proposals submitted by natural persons are not eligible.

#### **E. Maximum co-financing rate for MoS actions**

The CEF Programme can co-finance up to a maximum of 30% of eligible costs for works, or up to 50% of eligible costs of studies (including pilot activities).

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<sup>2</sup> Frequently Asked Questions on Motorways of the Sea

([http://inea.ec.europa.eu/download/calls2014/cef\\_transport/FAQs/2014\\_faq\\_mos\\_3rdbatch.pdf](http://inea.ec.europa.eu/download/calls2014/cef_transport/FAQs/2014_faq_mos_3rdbatch.pdf))

<sup>3</sup> Frequently Asked Questions on Motorways of the Sea

([http://inea.ec.europa.eu/download/calls2014/cef\\_transport/FAQs/2014\\_faq\\_mos\\_3rdbatch.pdf](http://inea.ec.europa.eu/download/calls2014/cef_transport/FAQs/2014_faq_mos_3rdbatch.pdf))