

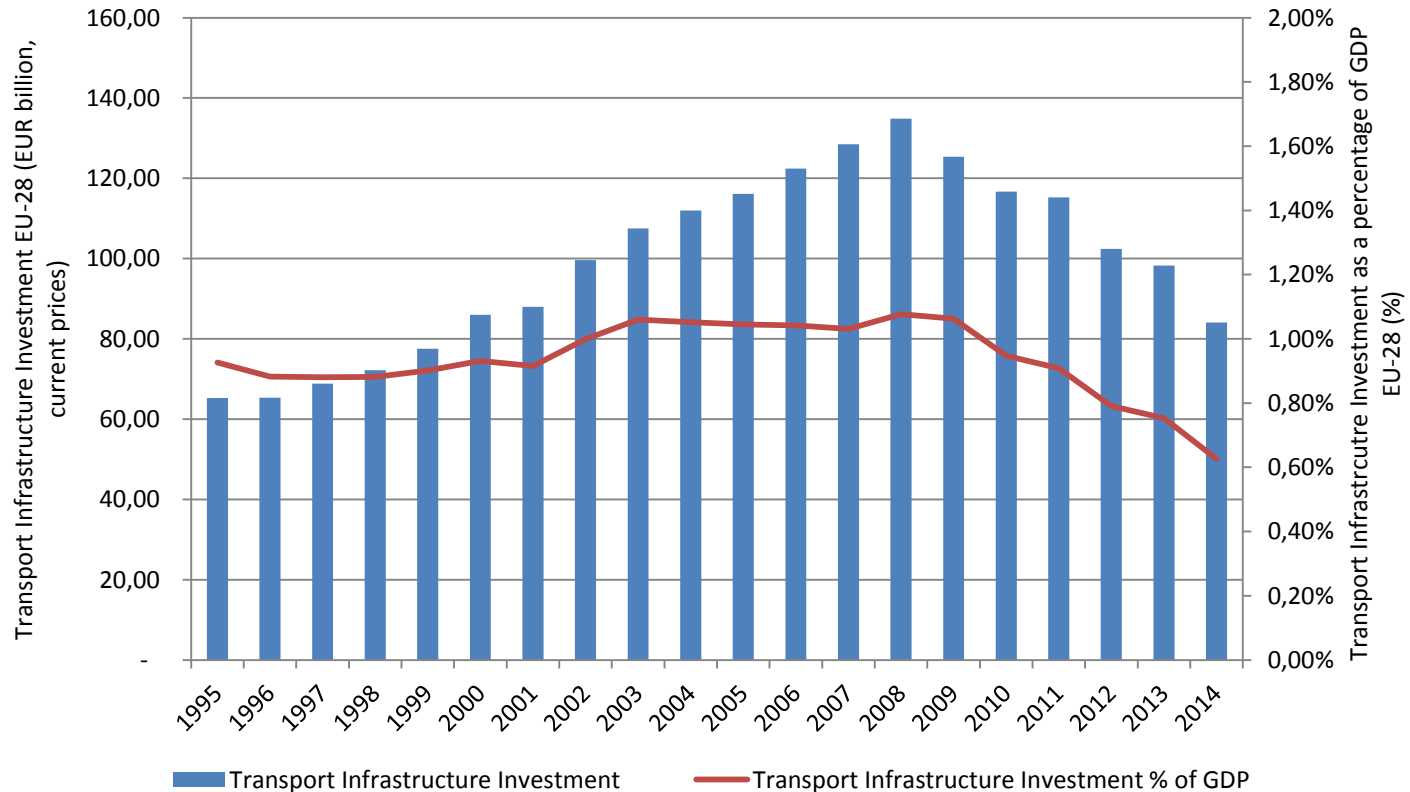


CEF “conventional calls” and call for blending 2016

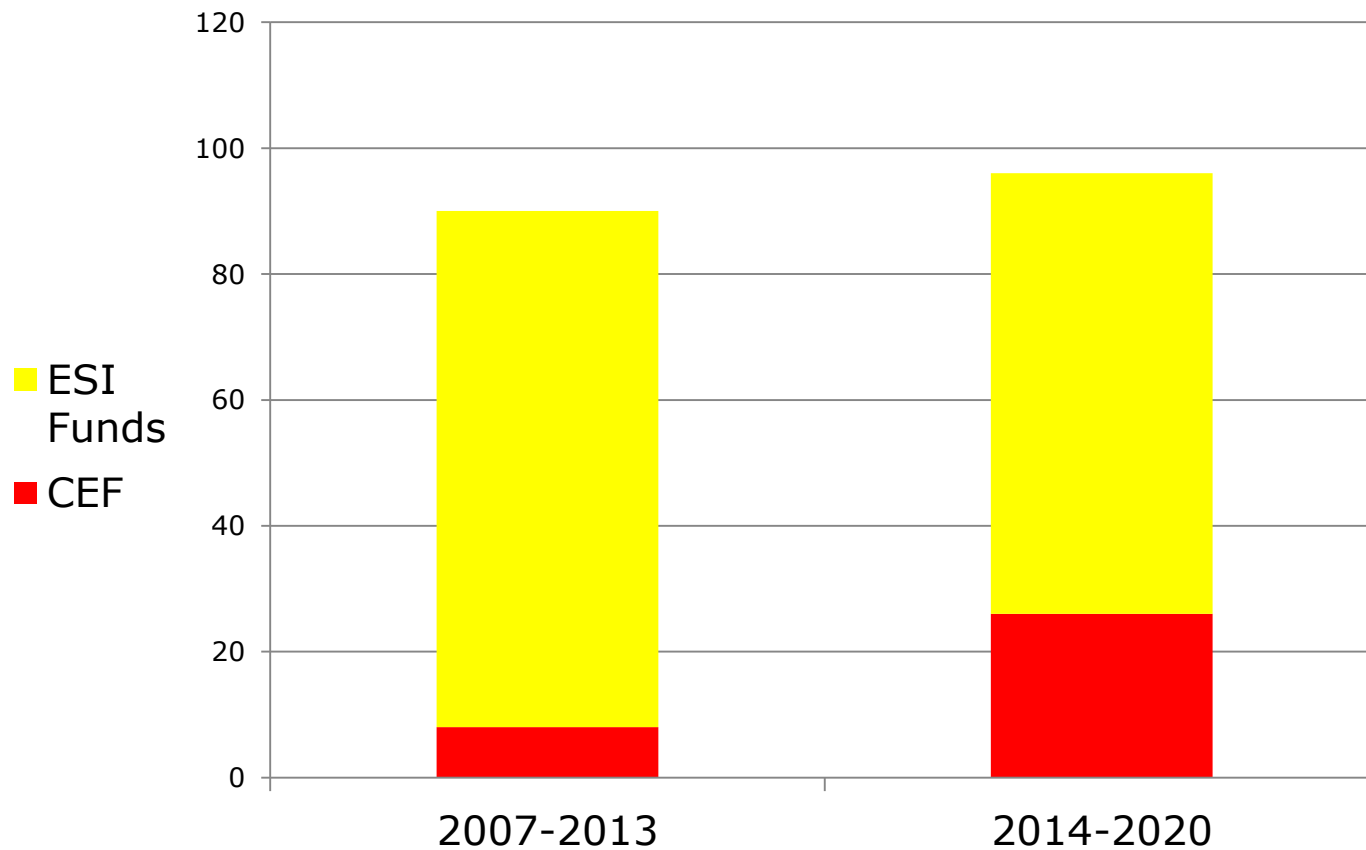
**Financial Opportunities for the Italian Port System and Logistics
9 November 2016**

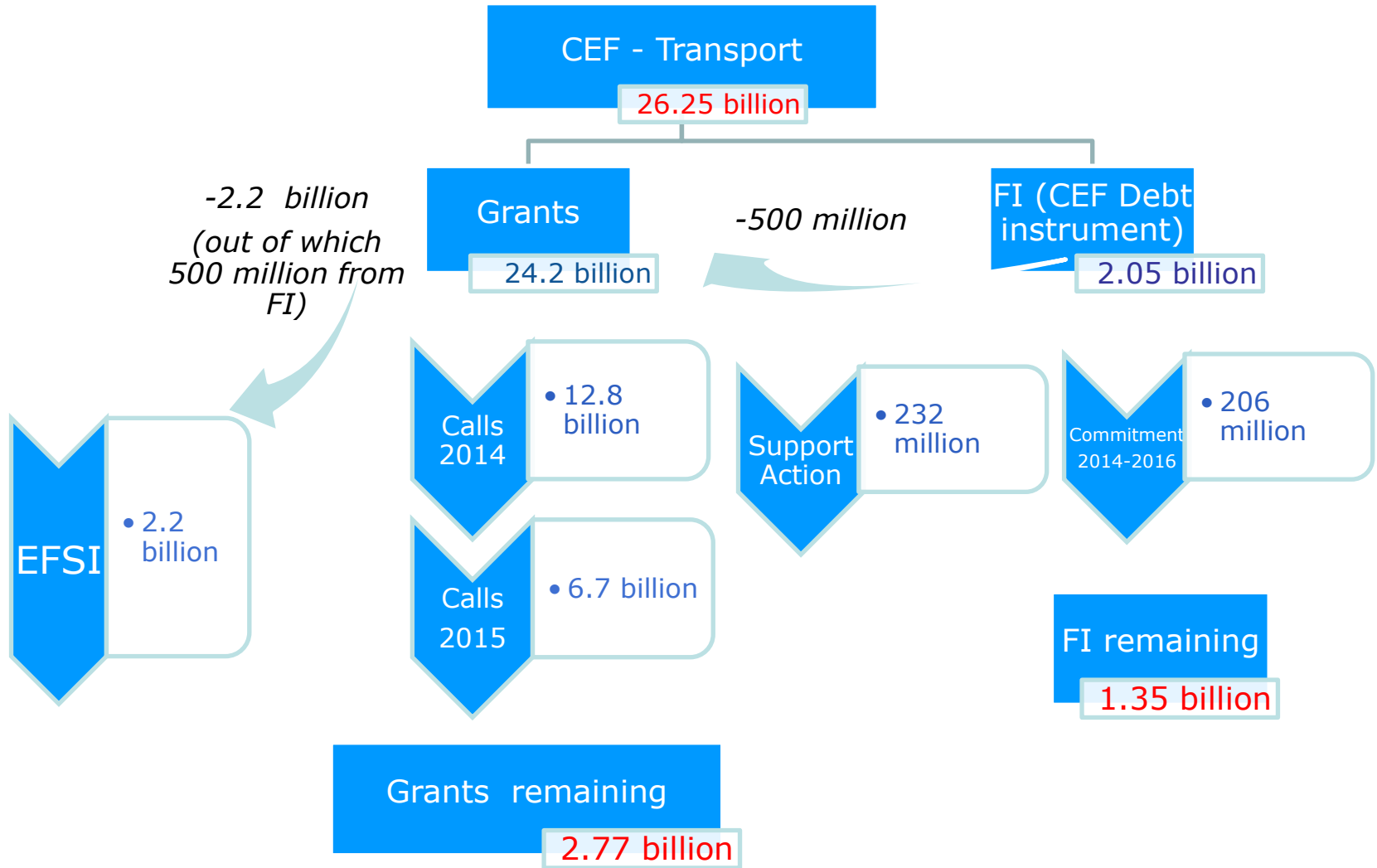
**Antongiulio Marin
European Commission
DG Mobility and Transport
Head of Unit B2 - Transport Investment**

Historical Transport Infrastructure Investment in EU 28



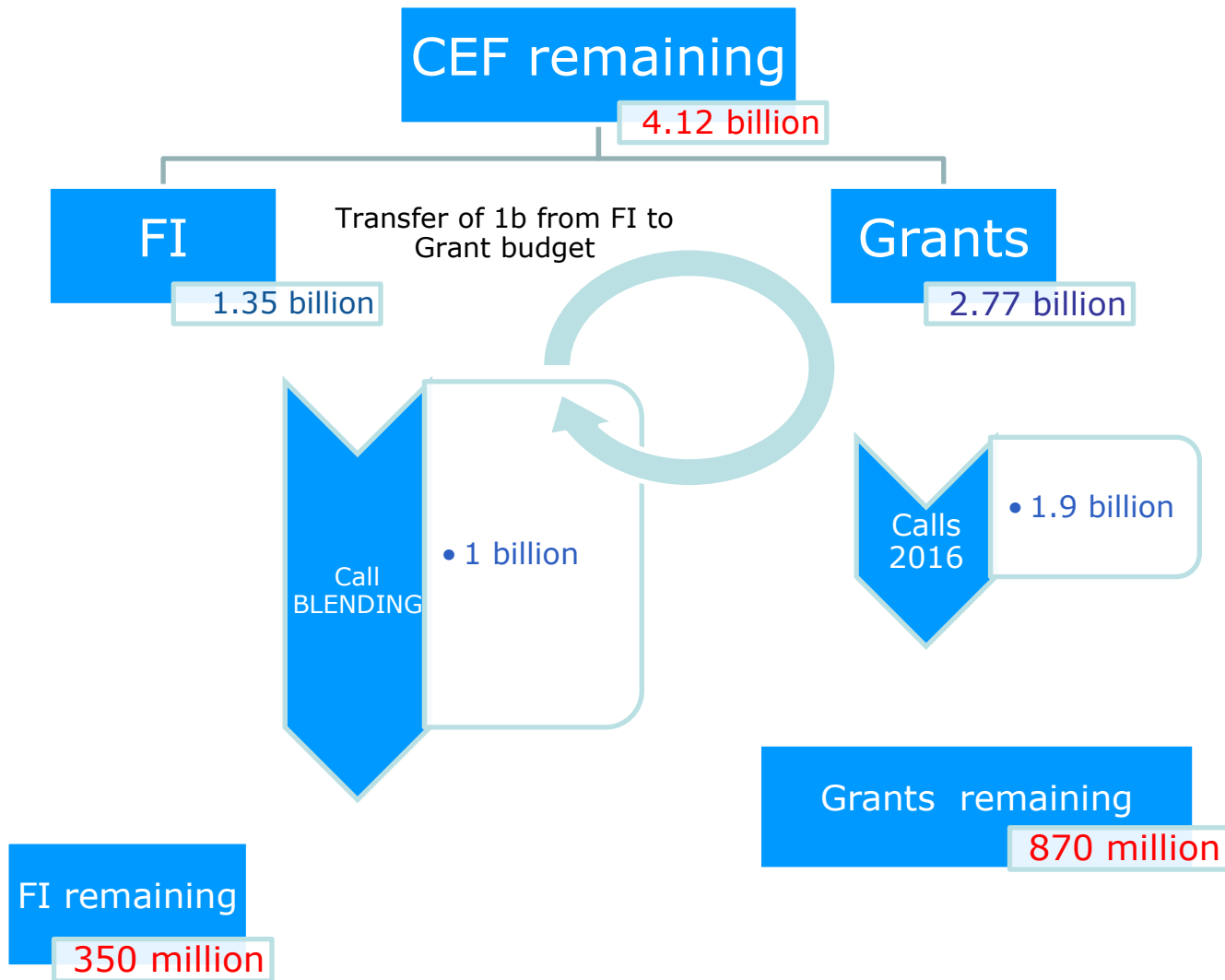
CEF and ESI Funds 2007-2013 vs 2014-2020





Conclusions and next steps

- CEF developed very positively, as well in grants part with nearly all available budget committed, as in IFI and EFSI part with a good pipeline.
- A very strong focus on high EU added value (corridors, cross-border, environment friendly modes etc) and geographical balance has been ensured.
- Huge oversubscription and healthy stock of projects that could be pushed ahead if budget available.
- Works is ongoing with the new call 2016, piloting of financial instruments (e.g. green shipping and new cleaner transport facility) the new option for blending, now to be experimented for the oncoming years with a view to next MFF.





CEF Calls 2016

Overall budget : 1.9 billion

MAP: The indicative budget is EUR 1 449.5 million:

- EUR 650 million under the General envelope
- EUR 849.5 million under the Cohesion envelope

AWP: The indicative budget is EUR 440 million:

- EUR 190 million under the General envelope
- EUR 250 million under the Cohesion envelope

CEF calls relevant for ports and logistics in IT

- ✓ New technologies and innovation : 80 million
- ✓ MOS : 40 million
- ✓ Nodes including urban nodes : 40 million
- ✓ Freight Transport Services: 20 million
- ✓ ITS: 120 million
- ✓ ERTMS: 70 million

CEF Transport Calls 2016

Indicative timetable	
Adoption of the CEF WPs 2016	Before 7 October 2016
Publication of Calls	13 October 2016
Info day	25 October 2016
Calls deadline	7 February 2017
Evaluation	February – May 2017
Presentation to CEF Committee	June 2017
Adoption of Selection Decision	July 2017
Preparation and Signature of Grant Agreements	From August 2017

Opportunities under Investment Plan for Europe

3. MOBILISING FINANCE FOR INVESTMENT

- Mobilise at least €500bn until 2020 for strategic investments and access to finance via the European Fund for Strategic Investments (EFSI)
- Involve National Promotional Banks

2. MAKING FINANCE REACH THE REAL ECONOMY

- European Investment Project Portal (EIPP)
- European Investment Advisory Hub (EIAH)



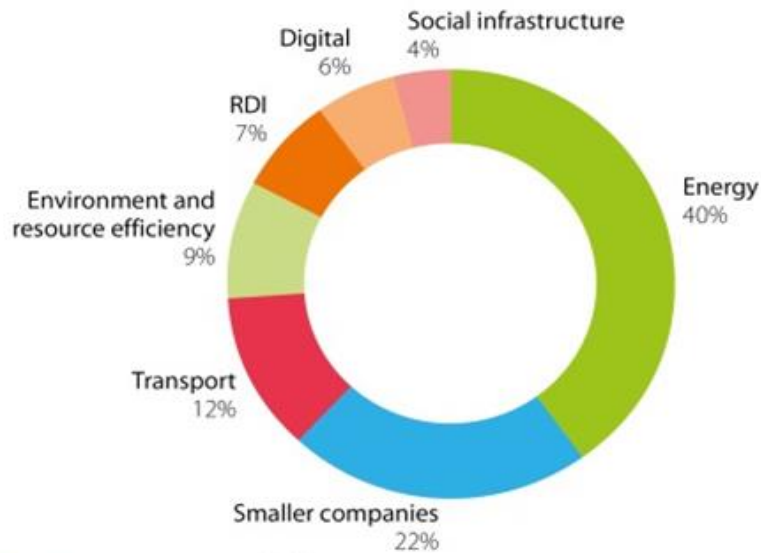
1. IMPROVED INVESTMENT ENVIRONMENT

- Predictability and quality of regulation
- Removing non-financial, regulatory barriers in key sectors within EU Single Market
- Structural reforms at national level



EFSI investment in transport

EFSI investment by sector 



21 schemes:
14 projects
7 funds

= **€9 bn** total investment

Plus green shipping schemes
= **€3.5bn**

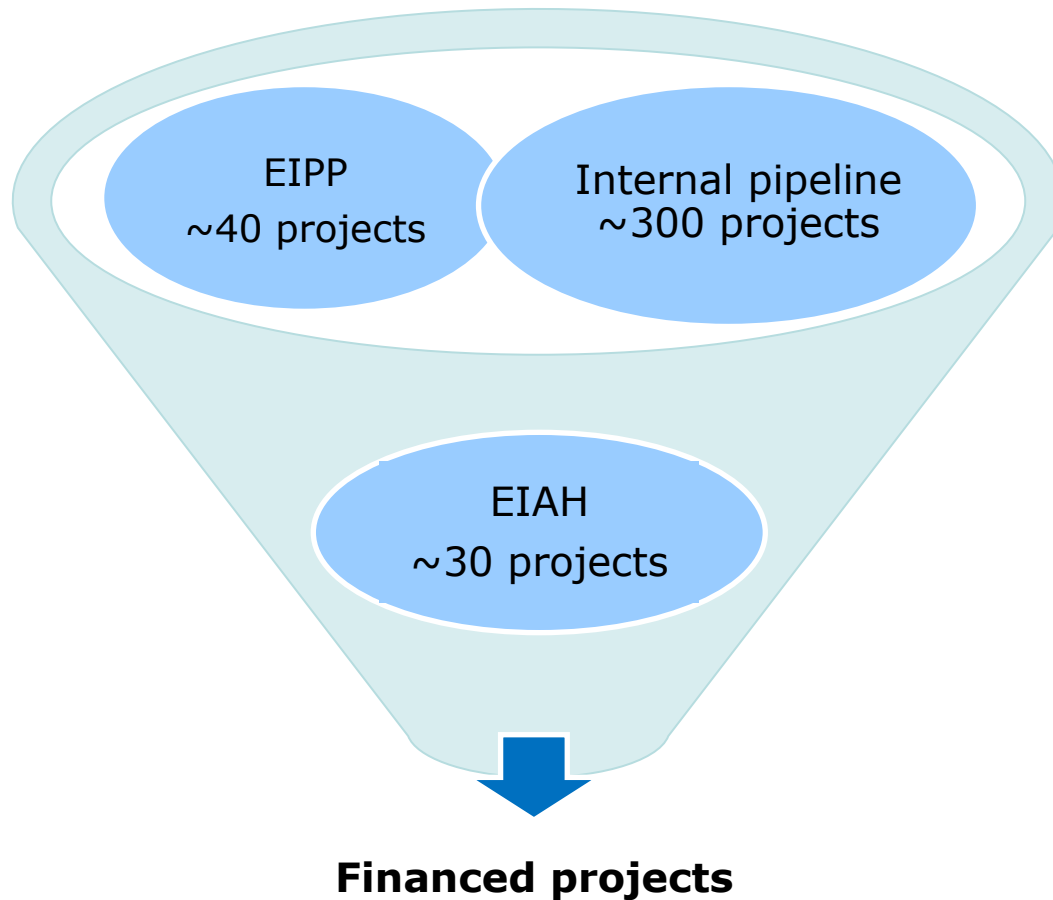
Assuming an EFSI guarantee of 25%
of the EFSI finance, the **leverage** of
transport projects is **over 10**

Proposal for EFSI 2.0 Regulation

Budgetary implications

- Target of additional **EFSI investment rises to €500 bn by 2020**
EFSI guarantee reinforced with additional resources
 - *€1.1 bn additional Commission resources, including €155 million from CEF financial instruments budget line for transport -> requires amending Article 5 of the CEF Regulation (EU) No 1316/2013*
- For blending CEF grants with EFSI products
 - *€1 bn reallocation from CEF financial instruments transport envelope to CEF transport grant part*

Prospective transport pipeline



What's next?

Changing EU budgetary priorities in the run-up to 2020 and beyond

EFSI 2.0, 2014-2020 MFF mid-term review

- **Scaling-up financing** -> more systemic use of innovative financing as means to leverage scarce EU resources
- **Blending** -> maximise the impact of EU funds through blending grants under CEF and ESI Funds with EFSI and other instruments
- **CEF2** -> lessons learned from CEF1 mid-term review 2017 will underpin new financing framework post-2020

New financing initiatives: Transport sustainability and innovation

Clean Transport Facility

- Green shipping platform (first signature in FR on 8/11)
- Cleaner buses
- Further work in progress to support the deployment of alternative fuels & decarbonisation, e.g. inland navigation

Other areas:

- Work in progress to support the deployment of ERTMS
- Platform-type structures across sectors : Spanish State Fund for Ports Accessibility

The new way forward: Blending CEF and ESIF grants with EFSI

- **Additional** – the grant component/first loss piece enables creation of new structures, for example investment platforms
- **Proven** – the approach has been successfully used by CEF and ESI Funds in a number of projects: Port of Calais, Port of Dublin, By-pass of Bratislava, Port Access platform in Spain, Green buses in Riga, Green shipping Programme ...
- **Impactful** – grant funding dedicated to blending could potentially increase the EFSI transport pipeline
 - Speed up project execution
 - Broaden project pipeline
 - More projects in Cohesion countries

CEF Blending Call 2016 (1/2)

- **Context and objectives**
 - Boost the EFSI transport pipeline and attract private finance through blending of €1 billion of CEF funding with financial instruments

- **Approach**
 - Finalized by a joint EIB-Commission Working Group, in cooperation with INEA
 - Expected launch by end 2016, after CEF Committee approval

- **Key issues**
 - Investment grants for CAPEX: works, not studies
 - Grant eligibility and amount subject to consistency with CEF regulation (Article 10)
 - Solid cost-benefit analysis, business case and financial plan

CEF Blending Call 2016 (2/2)

- **Timing**
 - Call(s) will run for longer than the usual timeline

- **Project preparation**
 - Projects will need to be structured to receive EIB/private finance
 - Identified borrower
 - **Solid CBA, business case and financial plan**
 - Revenue stream to support loan repayment
 - A reasonable level of development will be expected and associated documentation should be submitted as part of the call.
 - **DO NOT WAIT: begin preparing now, technical support to be available i.e. apply to the EIAH**

Key messages

- CEF grants are limited in eligibility and in volume (pending ongoing MFF review)
- CEF & EFSI financial instruments should be considered for projects with potential revenues
- "Platform type" structures are also developed (i.e. green shipping, port access Spain, equity funds)
- New tools will become available for new sectors by EIB, the most advanced scheme being the clean transport facility
- Blending EIB tools and CEF grants (or ESI Funds) is a possibility, with CEF grant focused on remaining funding gap
- Call 2016 for blending CEF grants with EFSI is an important opportunity
- Need to involve EIB (EIAH) and MOVE early in the process



THANK YOU FOR YOUR ATTENTION

MORE INFORMATION AVAILABLE AT:

<http://ec.europa.eu/invest-eu>

<http://www.eib.org/invest-eu>

<http://www.eib.org/eiah/index.htm>

<http://ec.europa.eu/transport>

<https://ec.europa.eu/inea>

#InvestEU



European
Commission

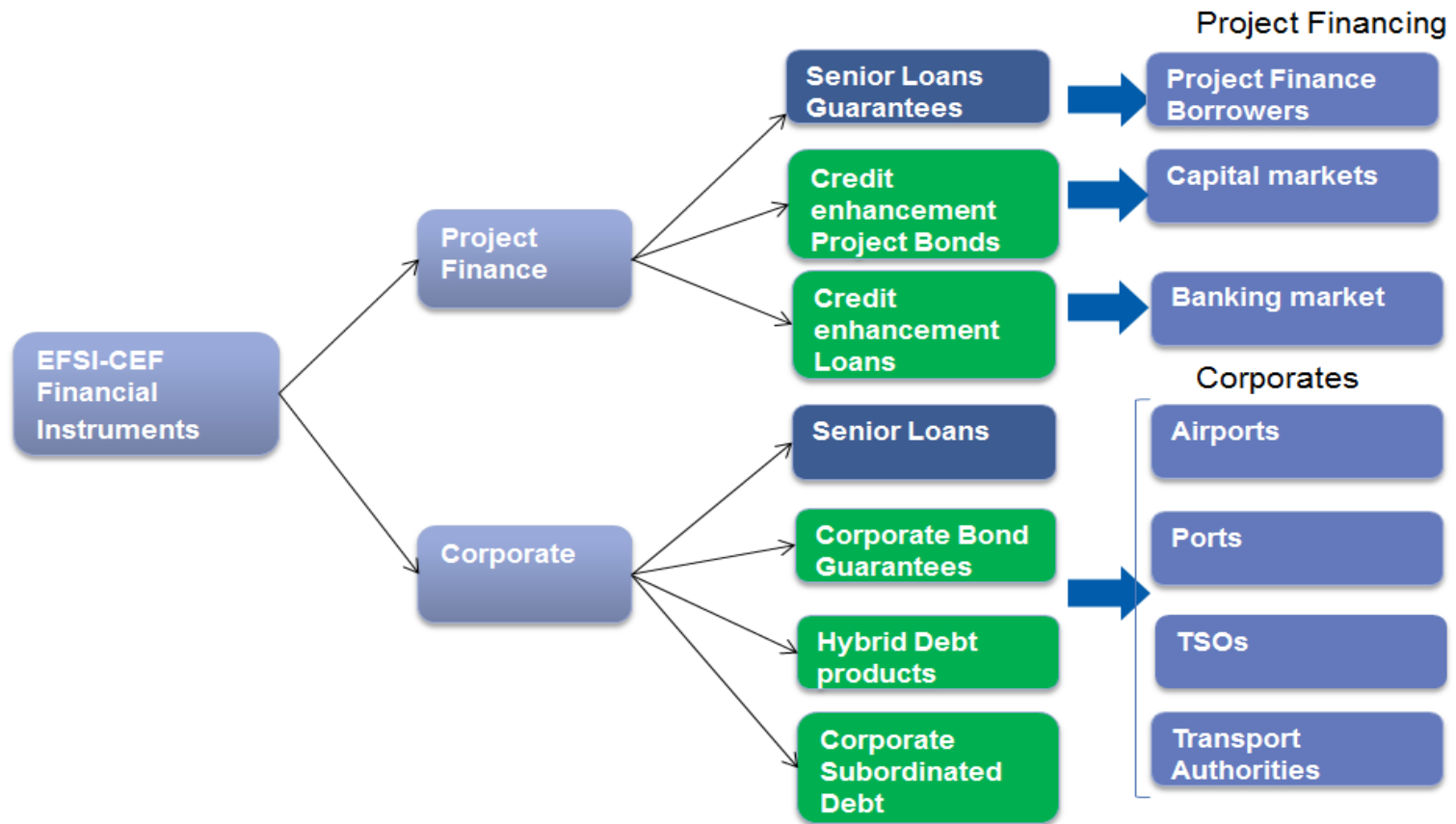
Background

A focus on financial instruments....

- Private investors are looking for investment opportunities
 - High levels of liquidity on capital markets
 - Very low interest rates on sovereign bonds
 - Interest in infrastructure investments
 - But risks & uncertainties
- European Commission & EIB want to square the circle
 - Provide additional support to projects and companies by increasing the use of instruments with more risk bearing capacity

EFSI / CEF Debt Instrument

Financial products designed for specific market segments



Potential sectors for financial instruments

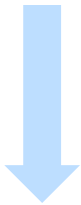
- Ports
- Airports
- Locks and canals
- Roads
- Logistic platforms
- Modal rail connections
- High speed/urban rail lines
- Alternative fuels projects

= Projects with potential revenues!



European Fund for Strategic Investments (EFSI)

EFSI risk-bearing capacity
€ 21 bn



European Investment Bank (EIB) / European Investment Fund (EIF) financing
~ € 61 bn



Investments value over 3 years
~ € 315 bn

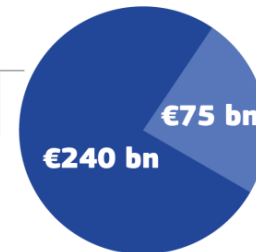
EU Budget Guarantee



EIB Own resources



Infrastructure & Innovation window



SME window



Transport-specific projects

No	Project name	Country
1	A6 MOTORWAY PPP (*)	NL
2	EUROMED RORO	ES
3	TRENITALIA REGIONAL ROLLING STOCK (*)	IT
4	SPANISH STATE FUNDS FOR PORTS ACCESSIBILITY (*)	ES
5	BALEARIA GREEN FLEET RENEWAL	ES
6	GRAND CONTOURNE:ENT OUEST DE STRASBOURG	FR
7	D4R7 SLOVAKIA PPP (*)	SK
8	A6 WIESLOCH-RAUENBERG TO WEINSBERG PPO	DE
9	AUTOVIE VENETE A4 WIDENING	IT
10	LITHUANIAN AIRPORTS	LT
11	PRZEWOZY REGIONAL ROLLING STOCK MODERNISATION	PL
12	GREEK REGIONAL AIRPORTS	EL
13	A14 VILNIUS – UTENA HIGHWAY PPP PROJECT	LT
14	ROCK RAIL EAST ANGLIA PROJECT	UK

(*) signed (**) pre-approved

Multi-sectoral funds involving transport

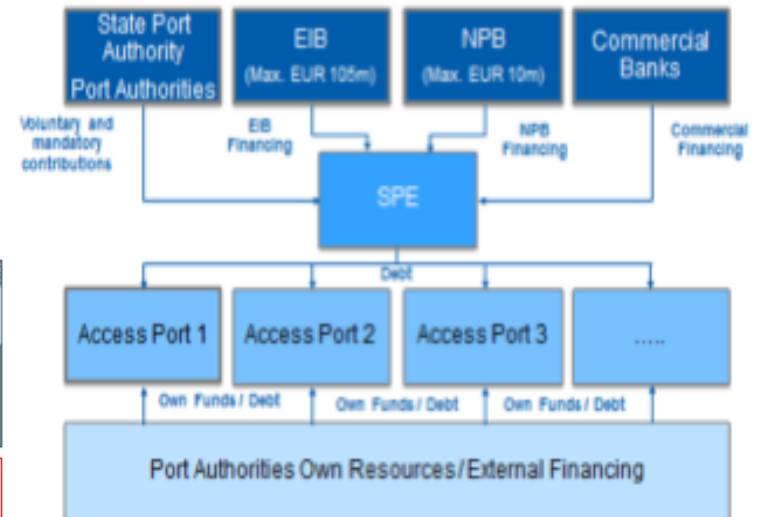
No	Project name	Country
1	QUAERO EUROPEAN INFRASTRUCTURE FUND	EU
2	INFRACAPITAL GREENFIELD INFRASTRUCTURE FUND	EU
3	CUBE INFRASTRUCTURE FUND II	ES
4	FRENCH OVERSEAS TERRITORIES ECONOMIC DEVELOPMENT	FR
5	MIROVA BTP IMPACT LOCAL FUND (**)	FR
6	LISBON URBAN RENEWAL HOUSING CLIMATE FL	PT
7	DIORAMA HELLENIC GROWTH FUND	HL

(**) pre-approved

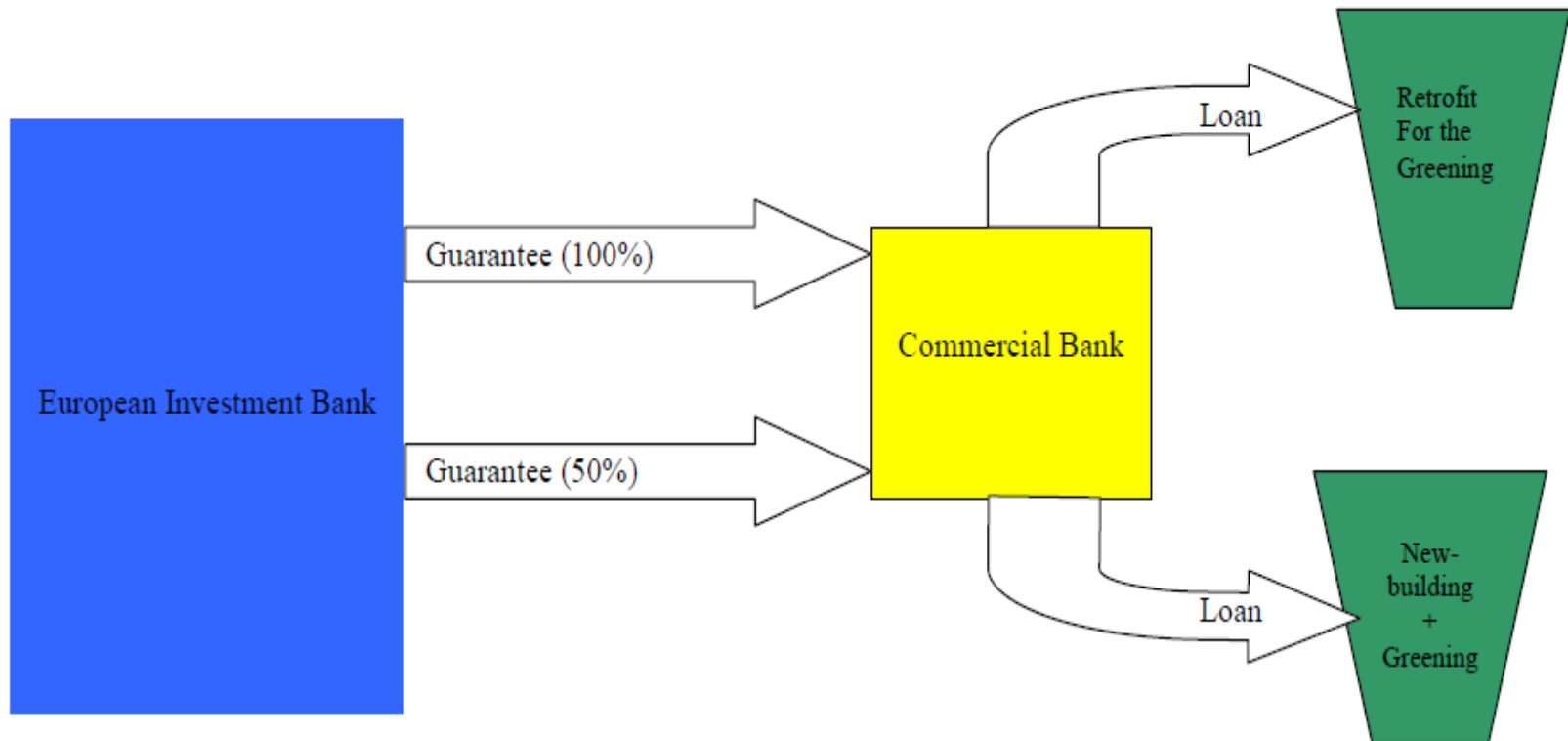
Example 1 : Ports accessibility (investment platform)



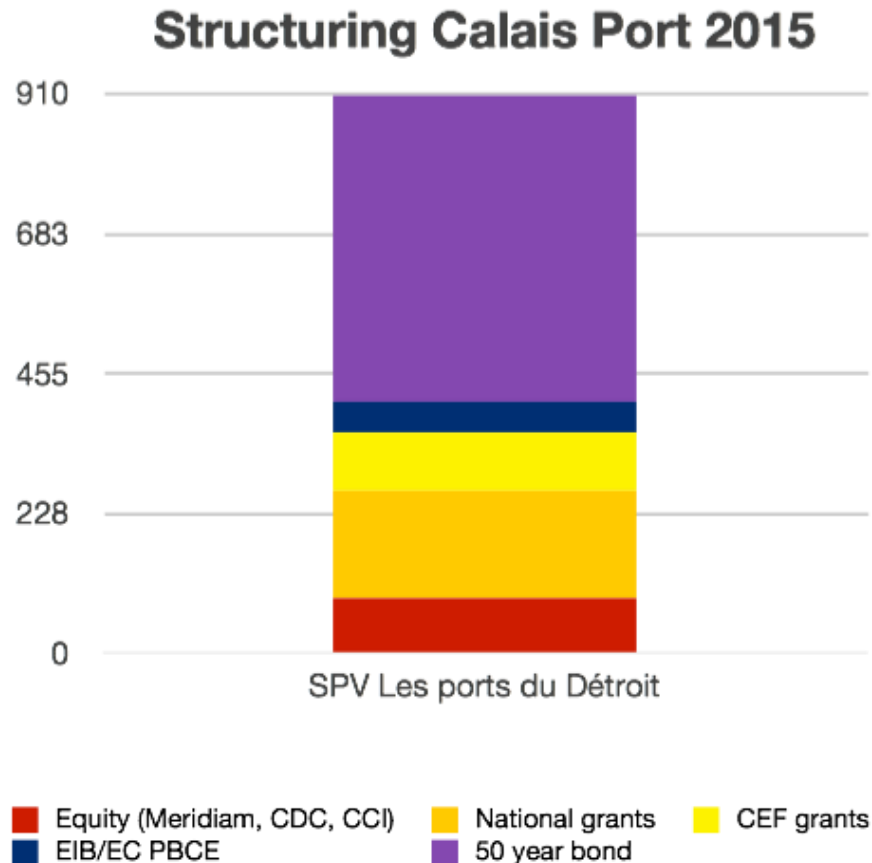
Structure of the Project



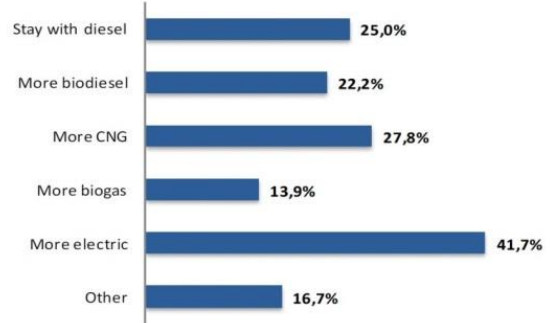
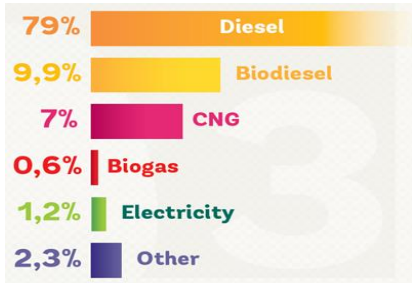
Example 2 : Green shipping



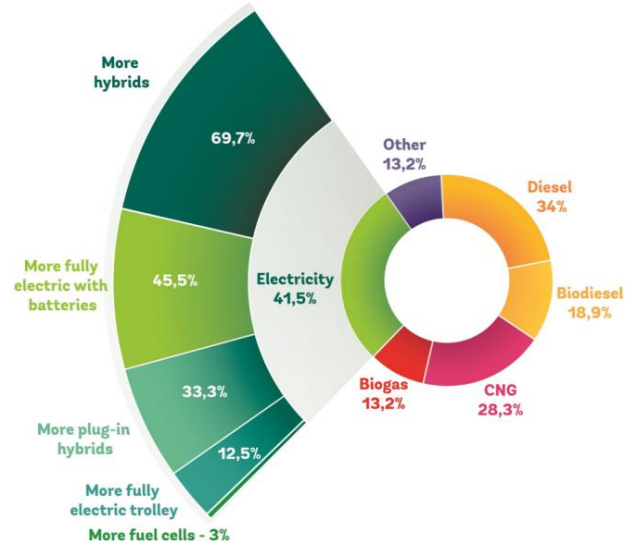
Example : Port of Calais - combined use of CEF grants and financial instruments



Clean Transport Facility (CTF)



Current fleets and plans
(3IBS survey)



Example 4: Upgrade tram system and green buses (Latvia)

- EIB loan of €75 million combined with CEF grant of €8 million and commercial finance
- Upgrade tram system: new rolling stock & infrastructure
- Purchase of 10 new hydrogen fuel cell buses
- Purchase of 10 new trolleybuses with hydro extenders
- Purchase of associated refuelling infrastructure
- Total investment: 195 million



Examples of innovative RES transport projects (under CTF)

Name of the project	RIGA TRANSPORT COMPANY	SMT ARTOIS GOHELLE - PROJET BHNS BULLES
Promoter	RP SIA RIGAS SATIKSME	Syndicat Mixte des Transports Artois-Gohelle
Project location	Latvia	FRANCE
Project description	Purchase of 20 new low-floor tram units to operate in the city of Riga, and modernisation of tramway infrastructure and depot. Purchase of 10 hydrogen fuel cell (HFC) buses and 10 Hytrolleys with HFC range extenders. Construction of hydrogen fuel production and storage facility.	Réalisation par le Syndicat Mixte des Transports Artois-Gohelle (SMT Artois-Gohelle) d'un projet de transport en commun comportant la création de six lignes de bus à haut niveau de service ainsi que l'acquisition de bus hybrides articulés de type BHNS, avec une expérimentation hydrogène (sur 6 bus)
Project objectives	The project consists of the purchase of 20 new low-floor tram units for the city of Riga. New trams will replace existing ones, which are obsolete.	Le projet met en oeuvre plusieurs mesures prévues dans le Plan de Déplacements Urbain (PDU) du SMT Artois-Gohelle, l'autorité organisatrice de la mobilité (AOM) pour les Communautés d'Agglomérations de Lens-Liévin, Hénin-Carvin et Béthune-Bruay. Il prévoit d'améliorer l'offre de transport tant d'un point de vue qualité de services que d'attractivité du transport collectif. Le but étant de promouvoir une mobilité solidaire et durable favorisant les modes alternatifs à l'automobile.
Proposed EIB finance Approximate amount	EUR 75 million	EUR 210 millions
Total project cost Approximate amount	EUR 195 million	EUR 450 millions

D4/R7 PPP Project

- Will serve as bypass of capital city of Slovakia
- Will alleviate city from large share of transit traffic
- One of the measures to handle commuters
- Length: cca. 60 km
- Yearly concession – 57 mil. €
- Financing – PPP + EFSI + FIs from ESIF + EIB

