

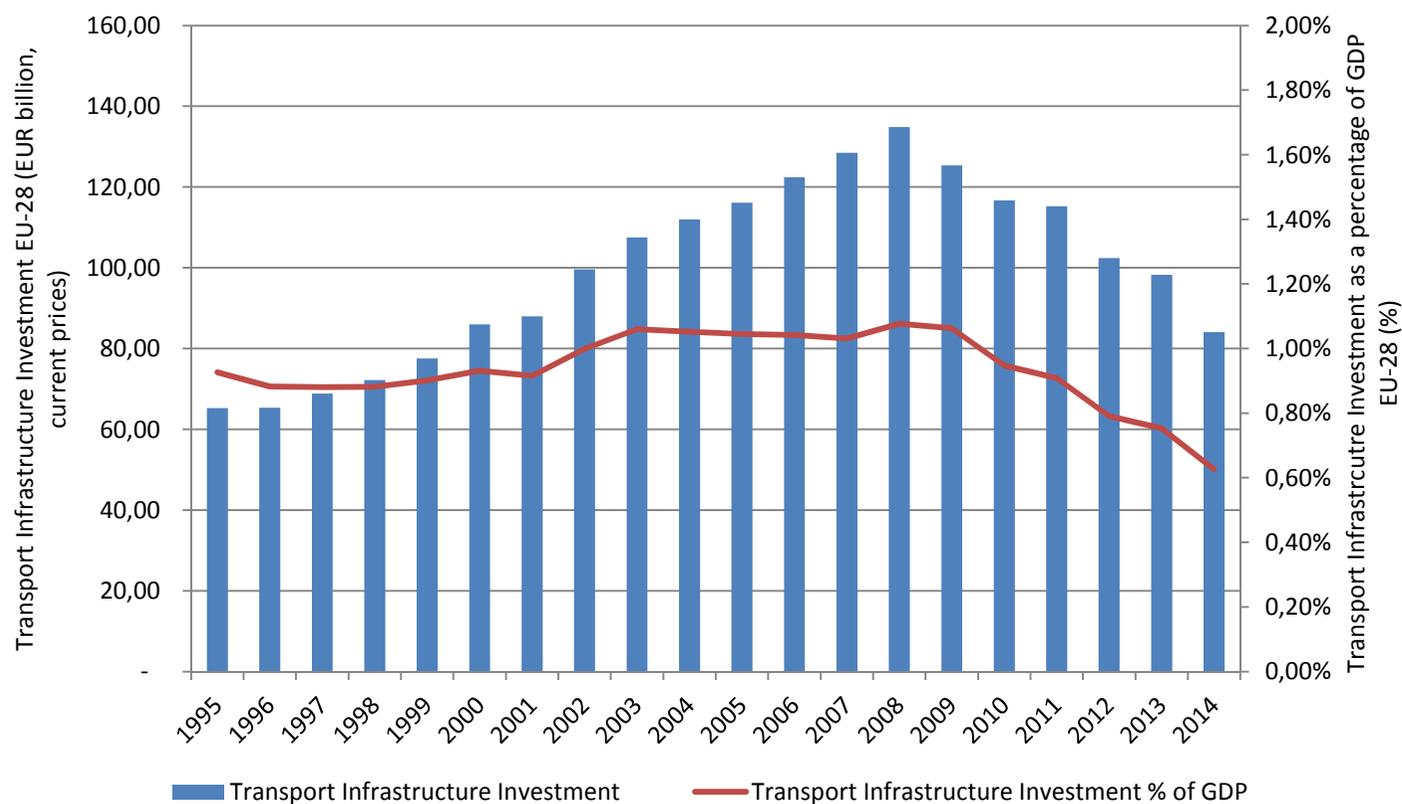


Options for blending with financial instruments

INFO-DAY CEF calls 2016
8 November 2016

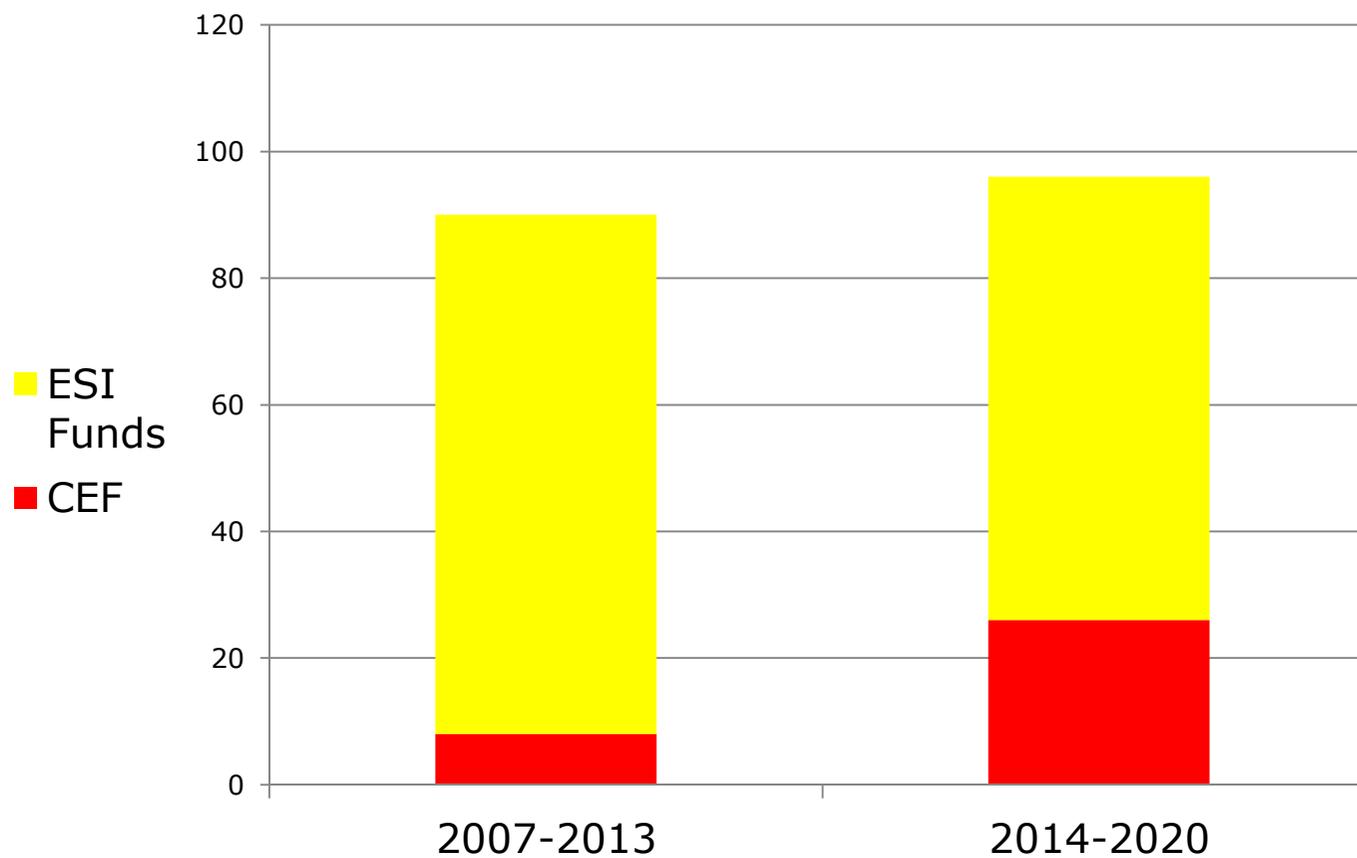
Antongiulio Marin
European Commission
DG Mobility and Transport
Head of Unit B2 - Transport Investment

Historical Transport Infrastructure Investment in EU 28

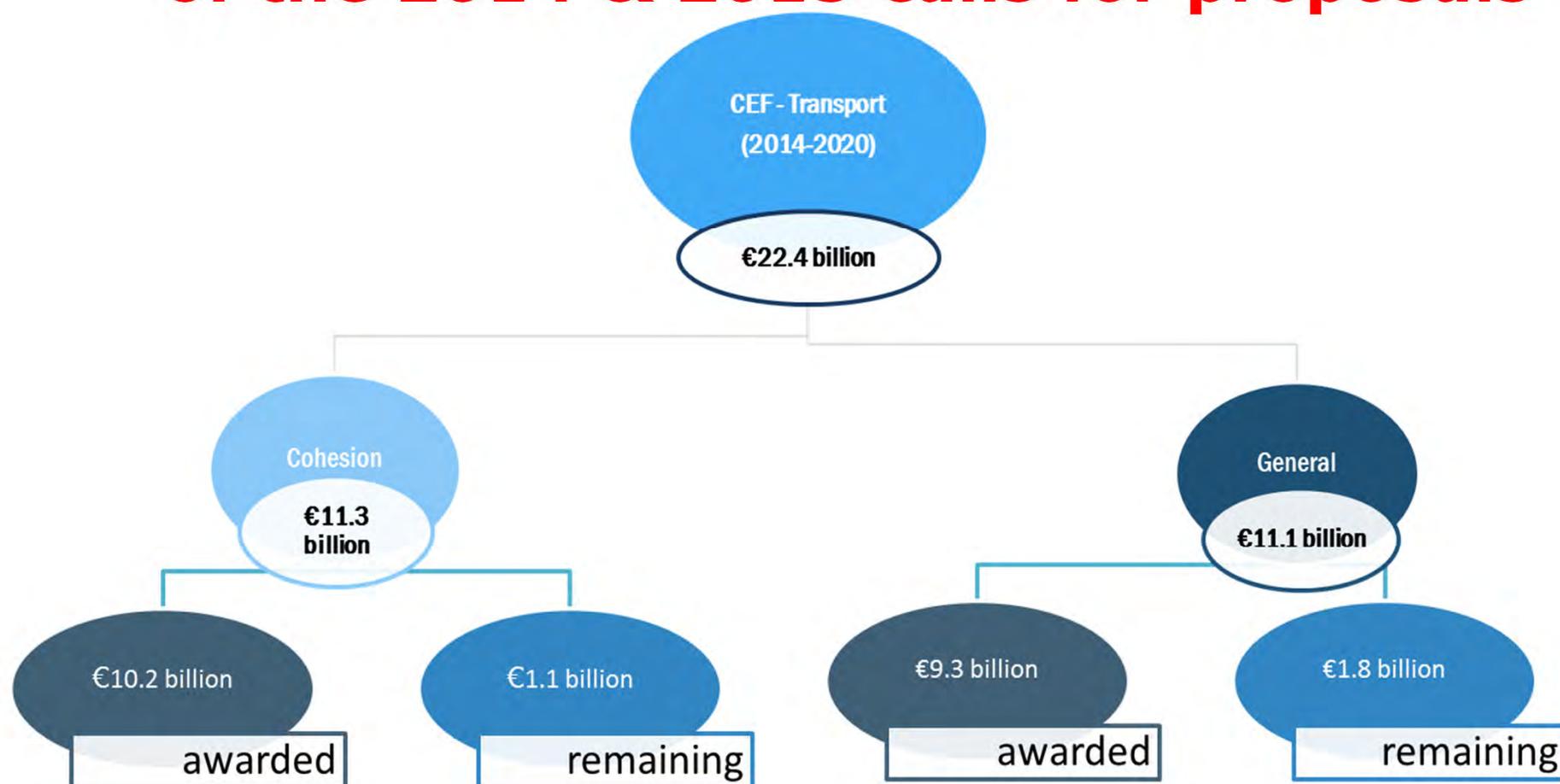




CEF and ESI Funds 2007-2013 vs 2014-2020

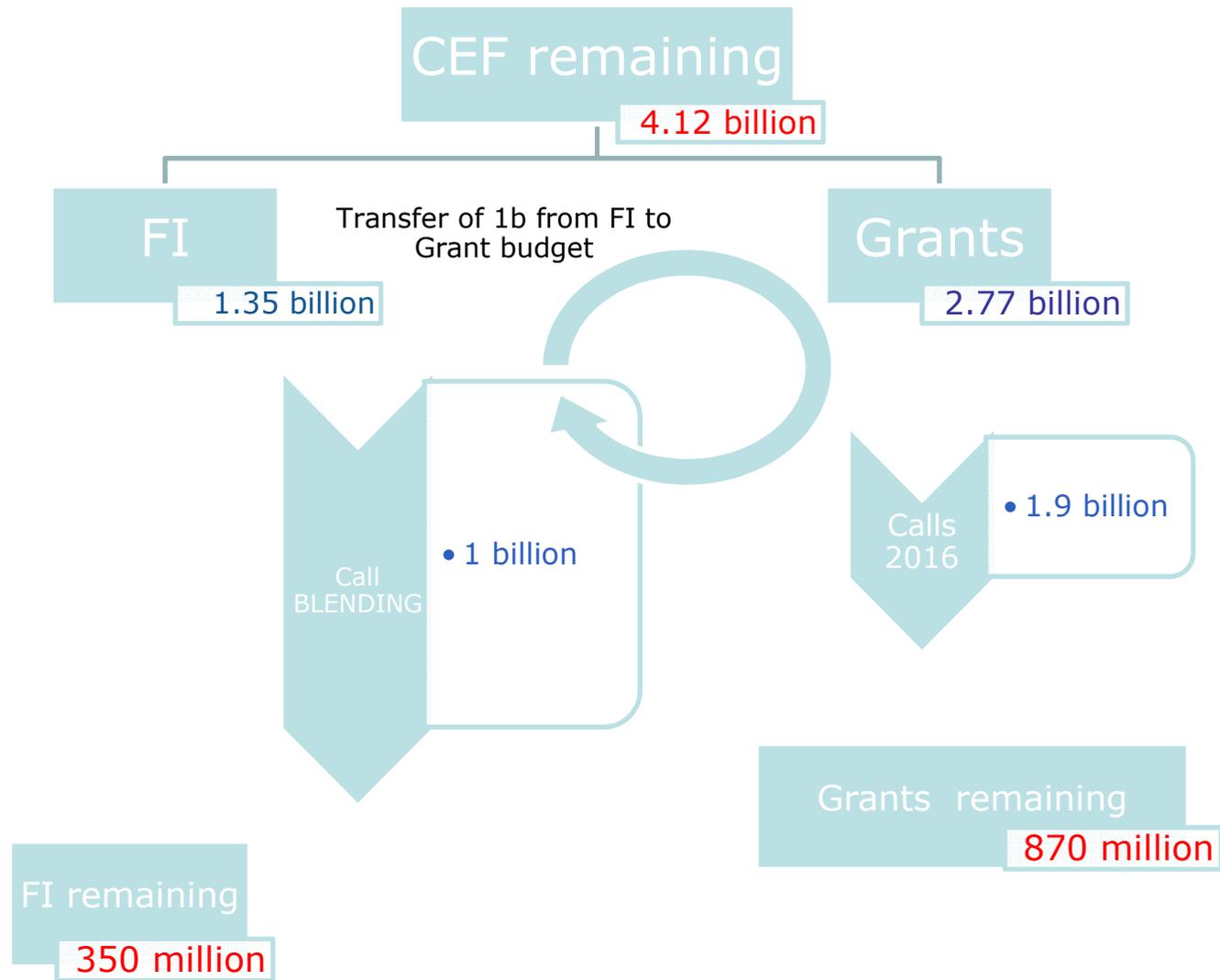


CEF-Transport grant budget and results of the 2014 & 2015 calls for proposals





European Commission





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



European Commission



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

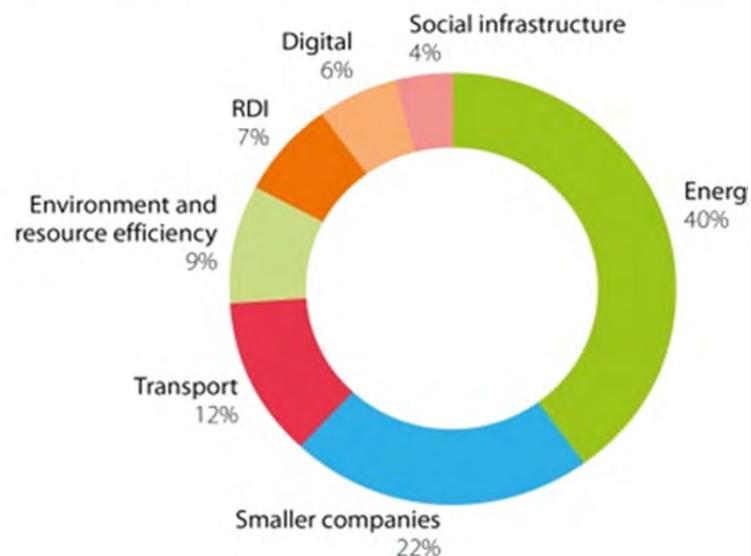


SME
window



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**



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





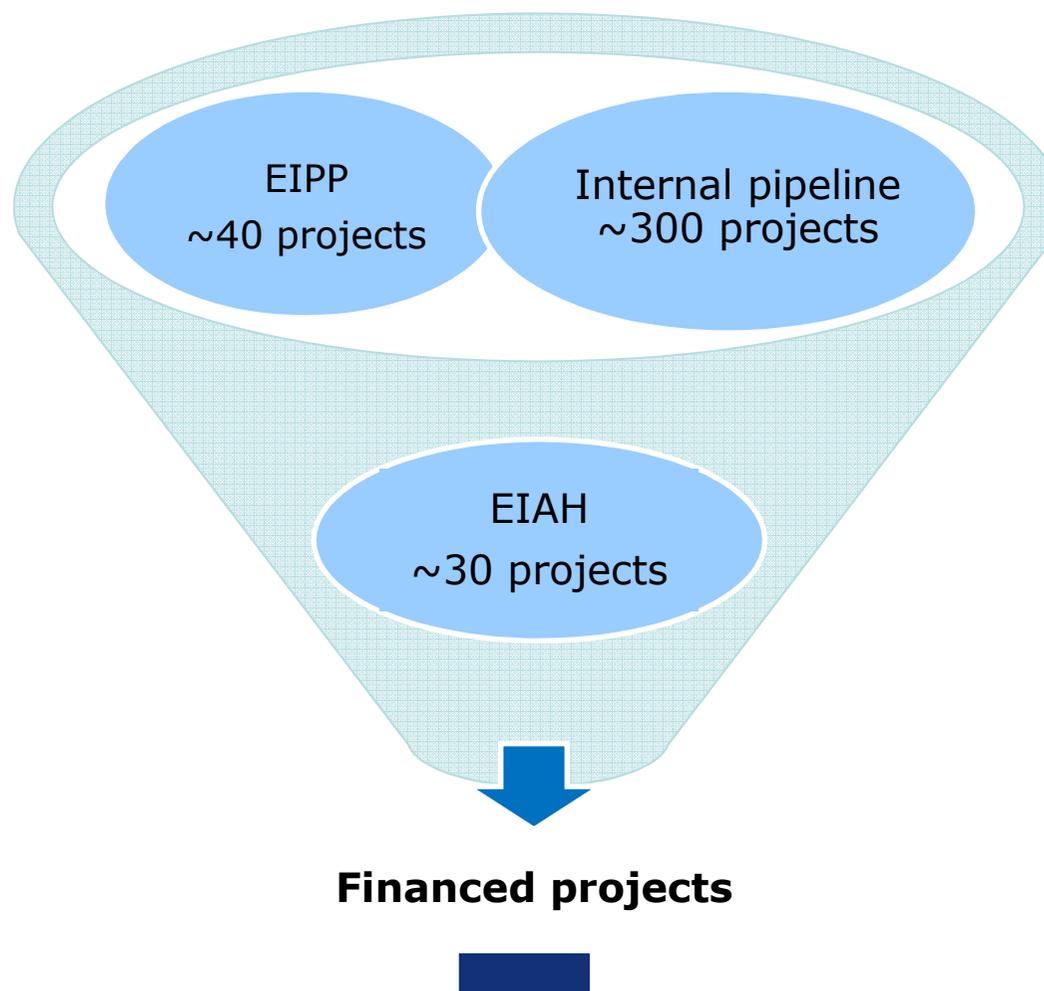
Multi-sectoral funds involving transport

No	Project name	Country
1	QUAERO EUROPEAN INFRASTRUCTURE FUND	EU
2	INFRACAPITAL GREENFIELD INFRASTRUCTURE FUND	EU
3	CUBE INFRASTRUCTURE FUND II	EU
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



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 and Omnibus

- **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 grants with EFSI/FIs

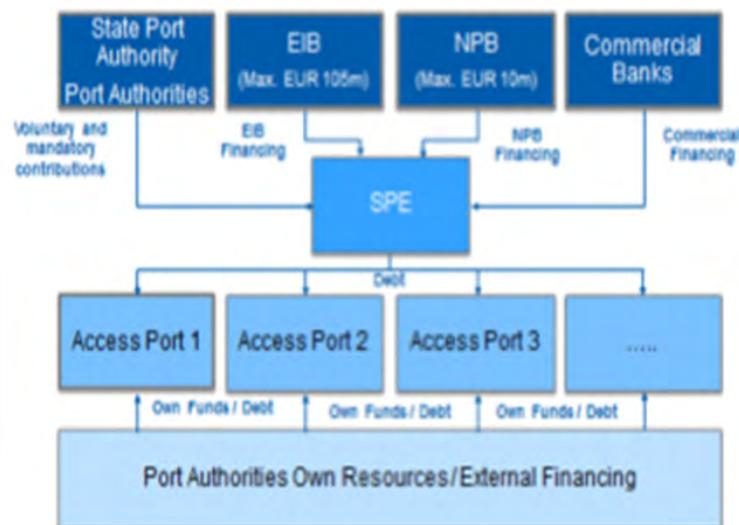
- **Additional** – the grant component/first loss piece enables creation of new structures, for example investment platforms
- **Proven** – the approach has been successfully used by CEF and ESI Funds in a number of projects: Port of Calais, Port of Dublin, By-pass of Bratislava, Port Access platform 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



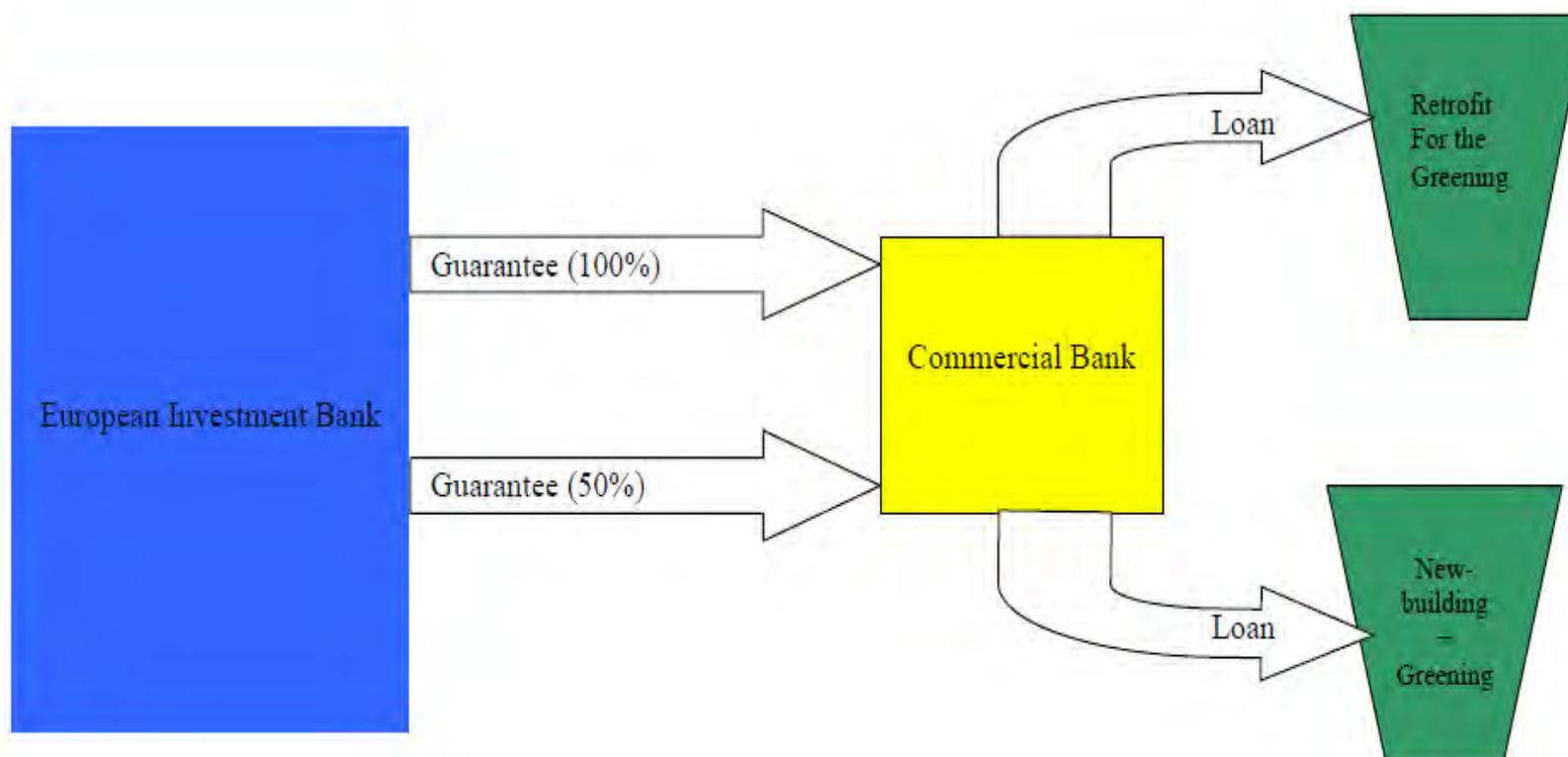
Example 1 : Ports accessibility (investment platform)



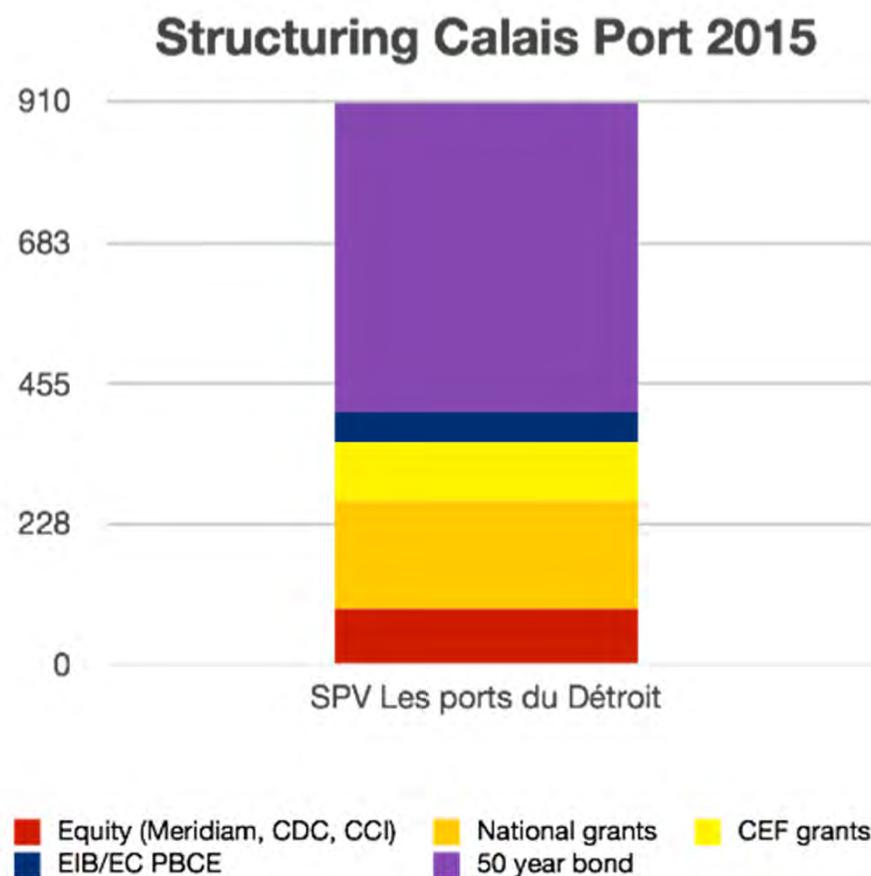
Structure of the Project



Example 2 : Green shipping guarantee scheme (intermediation)



Example 3 : Port of Calais - combined use of CEF grants and financial instruments





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





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

