New Financial Instruments for Europe

State of Play for Connecting Europe Facility and Juncker Plan

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Ports - an essential component of TEN-T/CEF

- Multimodal nodes
- Entry points to the network and its Corridors
- Interfaces for external trade
- Deployment of infrastructure for clean shipping (SECA)
- Traffic Management
Maritime transport in the Baltic region

Maritime, inland waterway and land transport in the Baltic region - the fundamental gateway between EU market and global partners.

Ports, their connections and synergies with, e.g. Rail Baltic, is strategically important to the growth / competitiveness of the area, contributing to improved traffic flows of East-West and North-South.

2 multimodal TEN-T core network corridors (North Sea Baltic / Scandinavian Mediterranean) and 2 horizontal priorities (MoS / ERTMS) cross the Baltic area linking some of the most important ports in Europe. For example, out of 291 projects on the NSBC, 82 concern ports and inland waterways.

Examples of pre-identified sections include Riga, Malmö, Klaipeda, Swinoujscie, Turku, port / rail / airport / road interconnections.
Opportunities for projects: CEF grants

CEF grants
Limited funding available for ports and MoS via CEF 2014 and 2015 calls
Only projects of high EU added value, involving a port of Core Network

Examples of projects selected under 2014 CEF Call
HEKLA Helsingborg Klaipeda LNG Infrastructure Facility Deployment (SE/LT) - stimulating investment into sustainable maritime transport. Recommended EU support €10m.

Zero Emission Ferries green link across the Oresund (DK/SE) - reducing emissions from ships. Recommended EU support €13m.

Seinoujscie - Trellebord MoS (SE/PL) - upgrading a maritime link, removing bottlenecks and facilitating sustainable port operations. Recommended EU support €2.7m.
Opportunities for projects: CEF / EFSI financial instruments

Infrastructure investments in ports, infrastructure for clean fuels.

Capacity upgrades, safety, LNG bunkering, feeder vessels, shore side Electricity.

Tools are being developed to finance in particular greening of fleets.

For projects/companies that cannot access commercial banking support or EIB standard lending.

Because banks are not willing to cover the additional costs and risk related to alternative propulsion systems (LNG, electricity and alike).

How to achieve that?
Instruments to be available for projects on the TEN-T

On-going: Pilot phase of the Project Bond initiative and LGTT instrument + “classic” EIB lending

New: CEF Debt Instrument adopted on 22 July 2015:

- Project Bonds (with higher % for the guarantee),
- LGTT2 (not limited to traffic risk),
- possibility of other debt instruments - loans and guarantees, dedicated investment funds/platforms for specific policies (ports interconnection, retrofitting of ships/barges with LNG)

New: European Fund for Strategic Investments (EFSI)
Financial instruments under the CEF & EFSI

Limited € available in CEF: €23bn to cover €250bn needs

Eligibility of grants limited to Core Network

Full eligibility of TEN-T for CEF Financial Instruments

The whole TEN-T network, Core & Comprehensive
All projects eligible under TEN-T Guidelines
Ground and on-board components of traffic management systems or alternative propulsion systems

Full eligibility of European transport infrastructure under EFSI

Including and beyond TEN-T, including urban projects
Main elements of the EFSI

New Fund set up within EIB with EU budget guarantee

Through loans, guarantees, sub-debt, equity instruments - a very wide range of instruments

With a higher risk profile than existing instruments

Set up of a European Investment Advisory Hub, regrouping and expanding existing Technical Assistance

No earmarking for transport, but 29% of the €1.300bn investments identified by the EIB/EC Task force were in the transport sector
INVESTMENT PLAN FOR EUROPE

**EU guarantee**

€16 bn*

€16 bn

Long-term investments

circa €240 bn

x 15

SMEs and mid-cap firms

circa €75 bn

x 15

€5 bn

€21 bn

EUROPEAN FUND FOR STRATEGIC INVESTMENTS

Possible other public and private contributions***

€5 bn

€5 bn

European Investment Bank

**circa €315 bn**

total extra over 2015/17
EFSI project pipeline

EIB and EC to work with MS to develop a transparent project pipeline for the Fund

EFSI proposal accompanied by an illustrative list of projects prepared by EC, EIB and Member States

2000 projects for €1.300bn, 29% for transport

€127bn of investment needs identified for projects on the TEN-T Core Network Corridors

Christophersen-Bodewig-Secchi Final Report gives a list of potential projects for financial instruments on the TEN-T Corridors and outline regulatory issues to facilitate investments in transport
Sectors suited for new financial schemes

<table>
<thead>
<tr>
<th>Category of projects</th>
<th>Total Value (million EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport expansion</td>
<td>2,059.00</td>
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<tr>
<td>Dedicated rail connections (including to ports)</td>
<td>29,889.56</td>
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<tr>
<td>Increasing capacity in ports</td>
<td>12,915.14</td>
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<tr>
<td>Inland waterways</td>
<td>17,613.00</td>
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<td>Logistic platforms</td>
<td>2,389.70</td>
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<tr>
<td>Motorways</td>
<td>63,017.56</td>
</tr>
<tr>
<td>Total</td>
<td>127,883.96</td>
</tr>
</tbody>
</table>

+ infrastructure related policies:
- traffic management systems
- retrofitting fleets with cleaner propulsion systems (LNG & scrubbers for shipping)
- rolling-out infrastructure for clean fuels (in ports LNG bunkering and feeder vessels)
Next steps

**Project Bond pilot phase** continuing, conclusion expected on projects in the next months (in particular Port projects)

**CEF debt instrument** adopted. EIB team already working on projects. Will include project bonds, LGTT, corporate instruments, dedicated funds schemes.

**EFSI Regulation** adopted. First projects are being warehoused.

**2nd CEF Call** due November 2015 until February 2016. An opportunity to bring mature projects with high EU added value.
A good example: Port of Calais combined use of CEF grants and financial instruments

~€900m project for the extension and multimodal connections of the port of Calais, cross-border link between France and UK. Part of a Motorways of the Sea project.

Strong involvement of the Commission and the EIB in the project:
- For **Project preparation**, in particular definition of scope and financial structuring
- With the **use of financial instruments (Project Bond)** to reduce cost of debt and therefore reduce the need for public support
- With the **use of CEF grants** to cover remaining eligible costs for **activities of high EU added value**
Thank you for your attention!

Questions?