



Deployment Funding: Connecting Europe Facility (CEF) funding programme

SEA EUROPE WORKSHOP ON EU FINANCING AND FUNDING TOOLS
FOR THE EUROPEAN MARITIME TECHNOLOGY SECTOR
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TEN-T and CEF

TEN-T - Regulation:

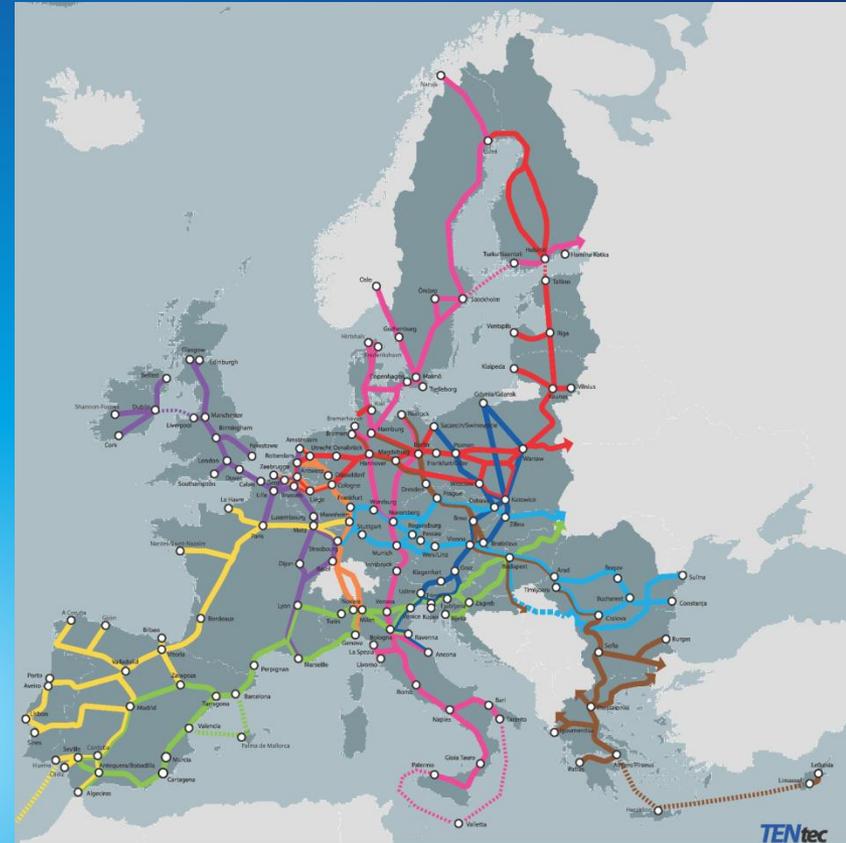
A **dual layer approach** based on an objective methodology:

- ✓ A core network – 9 corridors + MOS, focusing on the strategically most important parts, to be realised **by 2030**
- ✓ A comprehensive network to ensure accessibility to all regions, to be realised **by 2050**

Ambitious standards

CEF Regulation – priorities:

- **TEN-T corridors:**
 - Cross border, **bottleneck and missing links**
 - Priority projects identified in CEF – Annex I
- **Horizontal priorities:**
 - **Innovation**, ERTMS, SESAR, **MOS**, urban nodes



TENtec



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CEF Transport funding 2014 -2020

- EUR 24 billion CEF transport financial envelope for the period 2014-2020 has already been allocated to a large extent
- Since 2014 five waves of calls for project proposals have been launched (in 2014, 2015, 2016, 2017 and 2018)
- In total close to 650 projects receive CEF co-funding and as of 2018, EUR 23 billion have been allocated
- Including close to EUR 3 billion for the maritime and inland navigation sector
- Over 50bn of investment mobilised
- Q1 2019 CEF Transport call for proposals (€100 million) (ports in comprehensive TEN-T network eligible)
- <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-transport/apply-funding/2019-cef-transport-call-proposals>
- Q2 2019 CEF Transport Blending Facility (pending budgetary authority and MS approval at CEF Committee on March 25)



Annual call 2019

EUR 100 million

Cross-border sections Rail, Road

Connections to and
development of **maritime**
ports

EUR 65 million

- ✓ *TEN-T Comprehensive network*
- ✓ *Reimbursement of eligible costs actually incurred*

Reducing **rail freight** **noise**: retrofitting of existing rolling stock

EUR 35 million

- ✓ *TEN-T network*
- ✓ *Unit costs: unit contributions per type of wagon*

Priority 1: Cross-border sections rail-road / **maritime ports**

Studies and/or Works TEN-T Comprehensive network Reimbursement of eligible costs actually incurred

RAIL	ROAD	Maritime ports
Actions in line with the requirements of Regulation (EU) No 1315/2013:		
Chapter II, section 1	Chapter II, section 3	Chapter II, section 4
Maximum possible rates of co-funding: Studies 50% / Works:		
40%	10%*	20%



Maritime ports: "Ideal" proposals

Improvement of rail access to a comprehensive port

IT system to improve the connectivity with other actors in the supply chain e.g. through port community system development

Land reclamation and **construction of LNG bunkering facility** in a port

Internal basin lengthening for accommodating larger ro-pax vessels

Construction of an access channel or investing in navigational aids improving access to a port

Facility and equipment for container security checks in a port

Capital dredging to increase the depth of fairway

Building **port reception facility** for scrubber sludge from ships



Innovative finance: EFSI, CEF DI and blending: ~EUR 60bn of investment by 2020

- **EFSI**, as of December 2018, 67 operations contributing to transport objectives triggering a total €27 billion in related investment. In addition, 6 programmes have been pre-approved for 2.6 bn of EFSI financing.
- This represents around 11% of the overall investment from the Infrastructure and Innovation Window (IIW) of the EFSI.
- Further **CEF Debt Instrument**: portfolio of 12 projects (3 ports and the GSGP) leveraging €13.6 billion of investment (8 projects signed since 2014 leveraging more than €4.5 billion).
- Pipeline clean transport: 2.4 bn
- **BLENDING (calls)**: €1.4 billion of EU grants to 74 projects selected expected to mobilise up to €7.9 billion of investment.



Blending - Rationale

- **Simplify access to EU financing** for potential project beneficiary interested in attracting market-based financing but in need of support through grants or financial instruments.
- Supporting **projects which need a grant support because of limited financial viability**, but have the potential to attract market-based financing.
- **Align the grant decision and management process** in a way better attuned to the life-cycle of projects: under the facility, projects will apply when ready (e.g. after banks due diligence) on **a rolling basis (as opposed to fixed deadline under calls)**.
- Increase the certainty on the financial solidity and financial readiness of projects through **bank co-financing and backing of a project into the project design, and ensuring implementation in time and budget.**





CEF Blending Call (2017-2018)

- Blending, in the context of the CEF Call, is the combination of **EUR 1.4 bn of CEF grants** with finance from the EIB, notably the EFSI, or with finance from National Promotional Banks or private investors.
- As for a "conventional call", but:
 - Letter of support by public or private financial institutions to be included in the submission;
 - Financial readiness evaluated to assess project "maturity" and "impact";
 - **Disbursement of grants conditional to financial close.**
- 74 projects selected in all modes of transport :
https://ec.europa.eu/inea/sites/inea/files/cef_blending_call_brochure_alltogether_20171205_final_web.pdf
http://ec.europa.eu/inea/sites/inea/files/2017_cef_blending_call_brochure_20180926_last.pdf
- Dedicate advisory for blending available: <http://eiah.eib.org/>





CEF - Blending Facility

(pending budgetary authority and MS approval at CEF Committee on March 25)

- The CEF BF is **set by work programme** and will be coordinated by the Commission, which will engage with **Implementing Partners (IP) such as the EIB and National Promotional Banks (NPBs) – setting administrative agreements.**
- The CEF Transport Blending Facility is a **cooperation framework** with a view to combining the following support from CEF individually or in **combination where appropriate:**
 - investment grants or
 - financial instruments backed by CEF Debt Instrument (CEF DI)

with financing from the EIB, including under EFSI or the CEF DI, or NPBs or private-sector finance institutions and private sector investors



Blending facility: budget, scope

- Subject to **CEF Committee on 25/3 to endorse the work programme**
- Budget: up to **EUR 350 million**
- Focus on investment grants to deploy ERTMS **and deployment of Alternative Fuels** (both land and maritime) along TEN-T core network and core nodes (e.g. core ports)
- **Support for both the AF infrastructure and for mobile assets.** For mobile assets support to the costs differential of the innovative solution against the conventional solution
- **As for "alternative fuels" the level of grant (maximum co-funding 20%) is set in work programme, based on market assessment.**



Blending facility: (tentative) timeline

- From Q2 2019: launch of the facility and promoters engaging with Implementing Partners
- From Q3 2019: Blending operations to be identified and included in the pipeline
- **From Q4 2019 till mid-2021 : Blending operations included in the pipeline, can apply for grant support**
- From application (evaluation) to decision up to 5 months
- Payments (construction) till 2023
- Advisory available (EIAH-JASPERS): <http://eiah.eib.org/>

TRANSPORT IN THE EU LONG-TERM BUDGET PRIORITIES

CEF

I. SINGLE MARKET, INNOVATION & DIGITAL

- € 12.85 Bn - Transport - General Envelope

II. COHESION & VALUES

- € 11.3 Bn – Transport - Cohesion Envelope

V. SECURITY & DEFENCE

- € 6.5 Bn – Transport - Military Mobility

COHESION FUND & ERDF

II. COHESION & VALUES

- Cohesion Fund (total €41.35 Bn)
- ERDF (total €200.63 Bn)

Several policy objectives are covered, with the envelope for transport and its sharing by MS and Regions to be calculated during the programming exercise to be finalized by 2020/2021.

INVESTEU

I. SINGLE MARKET, INNOVATION & DIGITAL

- € 11.5 Bn Sustainable Infrastructure (including Transport) : € 185 Bn mobilized

HORIZON EUROPE

I. SINGLE MARKET, INNOVATION & DIGITAL

- € 15 Bn Climate, Energy and Mobility

InvestEU

Window	Budgetary guarantee	Mobilised investment (estimate)
Sustainable Infrastructure	11 500	185 000
Research, Innovation and Digitisation	11 250	200 000
SMEs	11 250	215 000
Social investment and skills	4 000	50 000
TOTAL <i>(EUR Million, in current prices)</i>	38 000	650 000

- Policy driven instrument
- DGs ENER and MOVE are co-chairs of the Sustainable Infrastructure Window
- InvestEU Advisory : EUR 525m + top up from others EU Programs (ESIF - JASPERS)



THANK YOU FOR YOUR ATTENTION

MORE INFORMATION AVAILABLE AT

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

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

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

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

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CEF Blending: Example of projects selected

Gothenburg Port Line - removal of bottleneck finalising upgrade to double track

2017-SE-TM-0035-W

Scandinavian - Mediterranean

2017 CEF Blending call (1st cut-off) Core Network Corridors

Member State(s) concerned:

Sweden

(Coordinating) Applicant:

Trafikverket (Swedish Transport Administration)

Implementation schedule:

Start date: July 2017

End date: June 2023

Requested funding:

Total eligible costs: €182,004,000

Requested funding: €54,601,200

Requested EU support: 30.00%

Recommended funding:

Recommended total eligible costs: €182,004,000

Recommended funding: €36,400,800

Recommended EU support: 20.00%



The Action aims to upgrade to double track, the railway link leading to/from the port of Gothenburg, situated on the Scandinavian-Mediterranean Core Network Corridor. It is part of the global project which aims to upgrade to double track the port of Gothenburg's railway line. Two main activities are included: construction works for the Pölsebo-Skandiahamnen (1.6 km) section and construction works for the Eriksberg-Pölsebo (1.9 km) section. In the long run, the Action will create favourable urban development in the core of the Gothenburg region.

Ravenna Port Hub: infrastructure works

2017-IT-TM-0044-W Baltic - Adriatic, Mediterranean

2017 CEF Blending call (1st cut-off) Core Network Corridors	
Member State(s) concerned: Italy	
(Coordinating) Applicant: Autorita di Sistema Portuale del Mare Adriatico centro-settentrionale	
Implementation schedule: Start date: July 2018 End date: December 2023	
Requested funding:	
Total eligible costs:	€186,885,000
Requested funding:	€37,377,000
Requested EU support:	20.00%
Recommended funding:	
Recommended total eligible costs:	€186,885,000
Recommended funding:	€37,377,000
Recommended EU support:	20.00%



The Action aims to improve the basic infrastructure and access of the port of Ravenna, a core port and part of Baltic-Adriatic and Mediterranean Core Network Corridors. It is also the main port of Italy's Emilia Romagna region, and is connected to its main cities and industrial areas by an extensive network of roads and railways. Part of the "Ravenna Port Hub" global project, the Action includes the dredging of two canals, the upgrade of existing operational quays, the construction of a new quay and the reuse of dredged materials. Overall it aims to improve the port's capacity and pave the way for new economic activities. In the long run, the Action will also improve the port's accessibility and connectivity while reducing air pollution.



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GAINN4SEA-GAINN for South Europe mAritime LNG roll-out

2017-IT-TM-0066-W

Baltic - Adriatic, Scandinavian - Mediterranean, Rhine - Alpine

2017 CEF Blending call (1st cut-off) Core Network Corridors

Member State(s) concerned:

Italy

(Coordinating) Applicant:

Consorzio 906 societa cooperativa
consortile a r.l.

Implementation schedule:

Start date: March 2018

End date: April 2022

Requested funding:

Total eligible costs: €142,654,722

Requested funding: €27,315,925

Requested EU support: 19.15%

Recommended funding:

Recommended total eligible
costs: €77,728,720

Recommended funding: €14,330,725

Recommended EU support: 18.44%



The Action concerns the installation of two new multimodal Liquefied Natural Gas (LNG) facilities at the Italian core ports of Venice and Livorno, on the Mediterranean, Baltic-Adriatic and the Scandinavian-Mediterranean Core Network Corridors. It is part of the GAINN_IT global project promoted by the Italian Ministry of Infrastructure to develop alternative fuels. The objective is to accelerate the introduction of LNG in transport and allow fuelling of large vessels. Bunkering vessels will operate mainly in the ports of Livorno and Venice, but their operations can also reach the ports of Koper (Slovenia) and Rijeka (Croatia). Facilities will be also used for industrial purposes (storage) and to supply land LNG stations for heavy goods transport.

SuperGreen (SG)

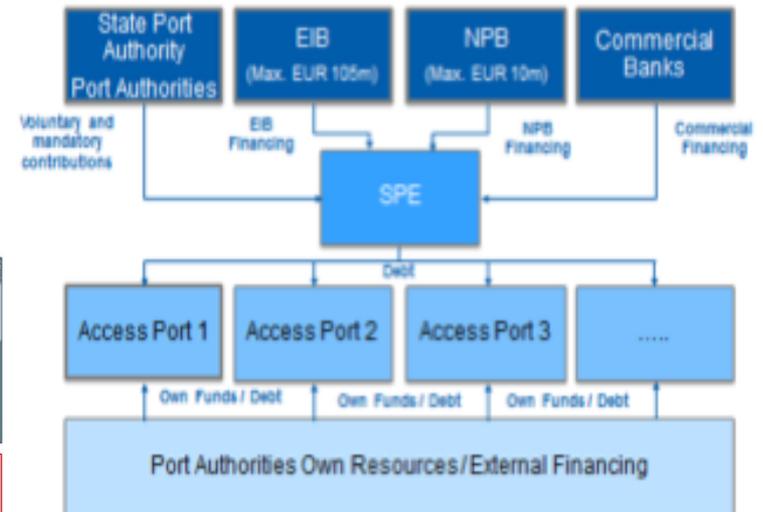
2017-EL-TM-0048-W Orient/East-Med

2017 CEF Blending call (1st cut-off) Innovation	
Member State(s) concerned: Greece	
(Coordinating) Applicant: Ocean Finance Ltd	
Implementation schedule: Start date: January 2019 End date: April 2021	
Requested funding:	
Total eligible costs:	€19,694,903
Requested funding:	€3,938,981
Requested EU support:	20.00%
Recommended funding:	
Recommended total eligible costs:	€19,694,903
Recommended funding:	€3,938,981
Recommended EU support:	20.00%



The Action involves the implementation of a sustainable and green transport system in Greece. It consists of three all-electric commuter vessels and one hybrid propulsion (Liquefied Natural Gas/Electric) catamaran that will connect the core network port of Piraeus with other ports in the comprehensive network. The Action includes a fleet of four electric buses to transfer the vessels' passengers from several points of Athens to the port of Piraeus and vice versa. It also involves two Liquefied Natural Gas (LNG) bunkering tanker trucks and various mobile electricity storage systems to supply all vehicles, as well as one LNG/Compressed Natural Gas fuelled truck for the autonomous management of all mobile equipment. Moreover, it involves a multimodal integration electronic platform to facilitate the booking of travel arrangements.

EFSI: Ports accessibility (investment platform)

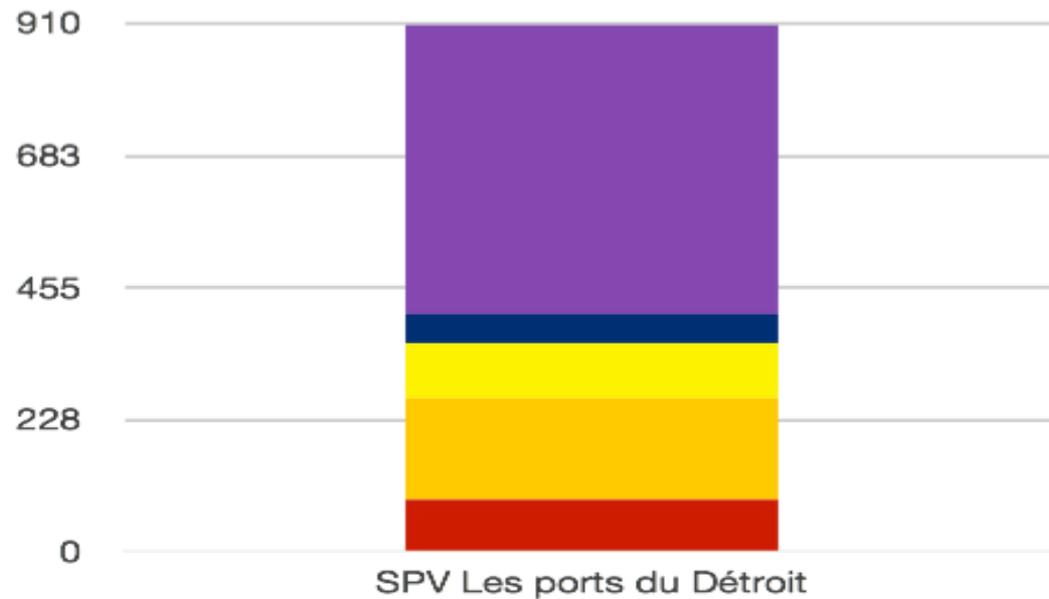




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CEF DI: Port of Calais (France) Project Bond Credit Enhancing

Structuring Calais Port 2015



- Equity (Meridiam, CDC, CCI)
- EIB/EC PBCE
- National grants
- CEF grants
- 50 year bond