



Mobilising funds for transport in Europe

#investEU



Transport provides vital connections for millions of Europe's citizens and businesses every day, allowing for the free flow of people and goods. Safe, reliable and high quality transport links are the backbone of the internal market and economy in Europe. The transport industry directly employs more than 10 million people, accounts for 4.5 % of total employment, and represents 4.6 % of the EU's GDP. By attracting additional private and public investments, the Investment Plan for Europe is pivotal to ensuring transport as the key driver for socio-economic growth and jobs.

Why is it important

Transport faces a wide range of financing challenges across the EU: underinvestment, lack of suitable financing solutions, ageing infrastructure, insufficiently developed and non-transparent pipeline of transport projects, continuous growth of urban population, regulatory and administrative barriers. The economic crisis has further limited the availability of resources and access to finance. Addressing these Europe-wide challenges requires integrated

European solutions, scaling up private investment. The Investment Plan for Europe can help fix transport problems, paving the way for the competitive and sustainable EU transport system of tomorrow. The European Fund for Strategic Investments (EFSI) boosts additional private and public financing to support investments. By investing in transport infrastructure, equipment, services and research, EFSI is contributing to stimulating growth and competitiveness.

It is often the case that transport projects need up-front preparation and structuring before they are ready for financing. As a one-stop-shop for technical advice, the European Investment Advisory Hub (EIAH) helps kick-off transport projects and makes them more robust.

Barriers to investment and challenges faced by the market persist in the transport sector, with direct impact on investments. Creating a stable and predictable regulatory environment in a coordinated manner is a key element in increasing investor confidence in the EU transport industry.

Opportunities and benefits

Transport project promoters, both from the public and the private sector, can benefit from the Investment Plan by getting **financing** from the European Fund for Strategic Investments (EFSI), **registering a project** to reach potential investors worldwide through the European Investment Project Portal (EIPP), and making use of the **advisory services** of the European Investment Advisory Hub (EIAH). With no specific target allocated by sector, EFSI can support operations consistent with Union policies, recognising the importance of investments in transport infrastructures but also equipment and innovative technologies:

- Ports, locks, airports, roads, dedicated rail lines connecting urban centres, logistic platforms and the deployment of traffic management systems on track and on-board trains (ERTMS) or planes (SESAR).
- Rehabilitation and upgrade of the road and rail networks, including in urban city areas.
- Greening of maritime and inland waterways infrastructure, fleets and vehicles, including LNG for ships or barges, alternative fuels, including electric mobility for cars.
- Investments involving entities located or established in EU Member States and extending to countries falling within the scope of pre-accession and neighbourhood policies.

Transport projects such as the deployment of ERTMS and SESAR, greening of maritime and inland waterways transport and alternative fuels infrastructure along major roads, might be of a relatively small size. In such cases, they could benefit from pooling investors' resources together into national, sub-national, multi-country or regional investment platforms, involving National Promotional Banks (NPBs). By aggregating small projects, investment platforms provide greater diversification, greater deal flow and reduced risk.

How to access finance

Infrastructure and Innovation projects shall consult the **dedicated Window** deployed through the EIB. Small and medium enterprises shall consult the **SME Window** implemented through the European Investment Fund (EIF).

Examples of projects and activities supported

Accessibility Ports Infrastructure (Spain)

Accelerate investments to improve terrestrial access to Spanish State-owned Ports.

Trenitalia Regional Rolling Stock (Italy)

Acquisition of rolling stock for regional passenger railway services in five regions in Italy.

Complementary sources of funding

The opportunities offered under the Investment Plan for Europe complement the grants and financial instruments provided by the **European Structural and Investment (ESI) funds**, a total of EUR 58.5 billion for the 2014–2020 period: EUR 32.5 billion for transport and environment under the Cohesion Fund and EUR 26 billion for transport under the European Regional Development Fund. EFSI provides risk financing instruments. EFSI and ESI can be combined to mobilise additional investment. This is in addition to the **Connecting Europe Facility** (EUR 24.05 billion grant budget for TEN-T projects for the 2014–2020 period, and CEF Debt Instrument offering loans and guarantees through the European Investment Bank); and the **Horizon 2020** (EUR 6.3 billion for smart, green and integrated transport for the 2014–2020 period).

Within the Investment Plan, the Commission has set the objective to achieve at least an overall doubling in the use of financial instruments under the ESI funds. This objective (approx. EUR 23 billion) is within reach: based on current estimates, the planned overall allocations in Cohesion policy to financial instruments in 24 Member States are expected to be EUR 20 billion for ERDF only.

More information on mobility and transport at EU level:

http://ec.europa.eu/transport/index_en.htm