



Innovative funding schemes in the context of ERTMS funding policy





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Context

Level of public and private investment historically low in EU, particularly in infrastructure

Investment needs very high, in particular in transport sector

- **Expected growth of international trade and passenger traffic, need to adapt infrastructure and fleets**
- **Approximately EUR 430 bn of rail investments needed by 2030**

Context

Private investors looking for investment opportunities

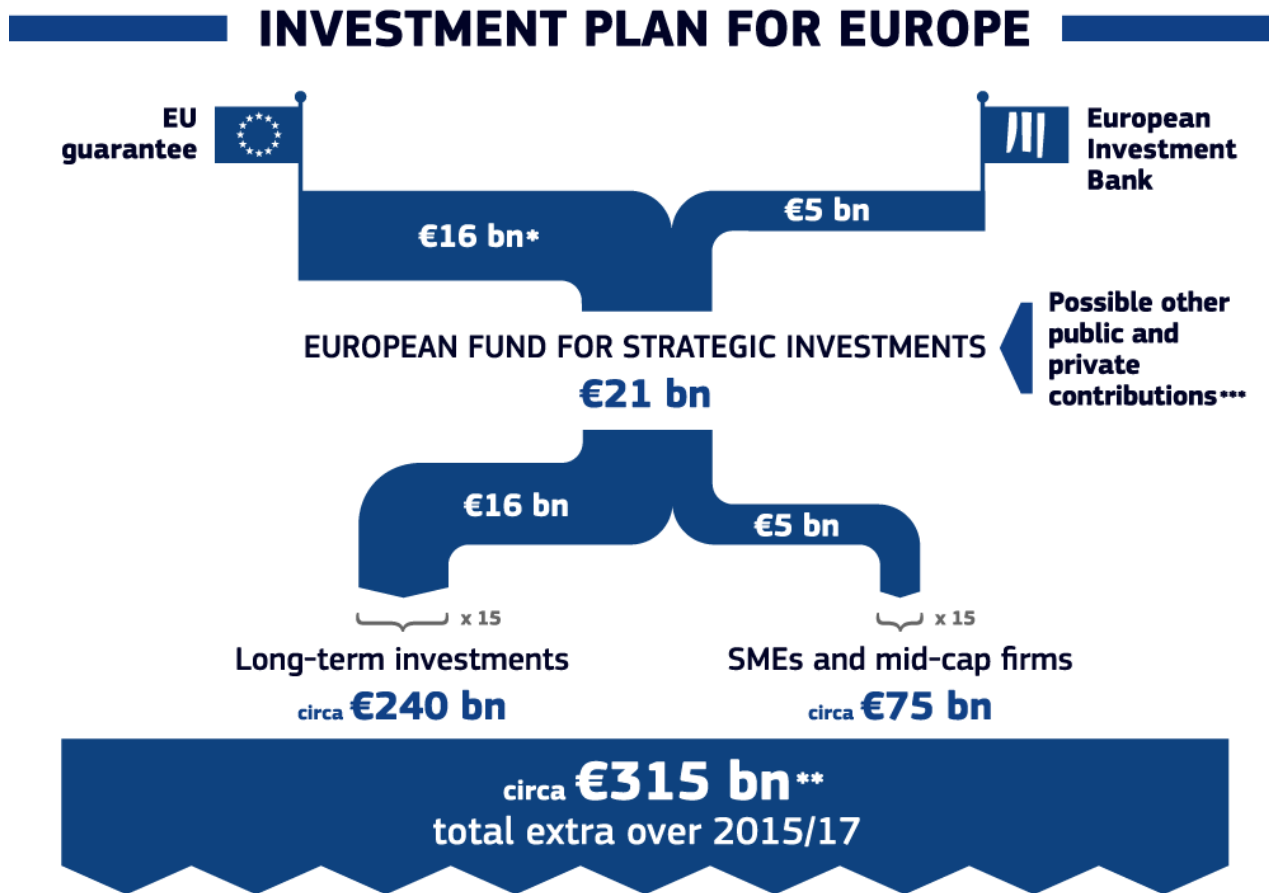
- **High levels of liquidity on capital markets**
- **Very low interest rates on sovereign bonds**
- **Interest in infrastructure investments**
- **But risks & uncertainties**

European Commission & EIB want to unlock investment for transport

- **Provide additional support in financing projects & companies**
- **By being able to increase the use of instruments with more risk bearing capacity**



European Fund for Strategic Investments



European Fund for Strategic Investments

- **The European Fund for Strategic Investment (EFSI) is part of the Investment Plan for Europe (the “Juncker Plan”).**
- **EFSI comprises an EU guarantee, which allows the European Investment Bank (EIB) to expand its risk-bearing capacities**
- **To benefit from EFSI, projects need to be mature, commercially sound, and contributing to EU objectives.**

EFSI ≠ Grants

EC is encouraging the industry to take advantage of these new opportunities

- **PRIME financing subgroup**
 - Discussions between EC and IMs on funding and financing issues of importance.
- **RU dialogue**
 - Discussions between EC and RUs on issues of importance including ERTMS funding and financing
- **ERTMS study on innovative financing**
 - Development of financing models and schemes to support the deployment of ERTMS taking advantage of new sources of private finance support: on board; track-side; on corridors

ERTMS: financial instruments study

> *60 stakeholders consulted*

- **Member States**
- **Infrastructure managers**
- **Railway Undertakings**
- **Manufacturers**
- **Leasing companies**
- **Associations**

*Diverse deployment approach
across MSs*



ERTMS: financial instruments study

Issues

Limited public sector resources

Access to finance for investment

High initial cost; uncertain and long-term benefit

Potential solutions

- Increase private sector financing and reduce upfront public sector support
- Improving access to finance, in particular for smaller/private RUs
- Better align costs with benefits
- Increase speed of deployment

ERTMS: forms of support

- *Using EC-backed financial instruments to tailor schemes/products to address particular deployment issues*
 - **For infrastructure (e.g. Albacete-Alicante PPP)**
 - **For new rolling stock purchase**
 - **Sections of network/corridors - PPPs**
 - **Railway Undertakings – supported borrowing**
 - **Member States – Deployment Fund for on board investments**

Next steps

- **Commission and EIB will continue to be proactive**
- **The role of the industry in seeking potential opportunities is critical – look to take advantage of the new forms of support on offer**



European
Commission

Thank you for your attention!