



CEF Transport BLENDING FACILITY

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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.**



2017/18 CEF Blending Call Status

- **For both cut-off dates:**

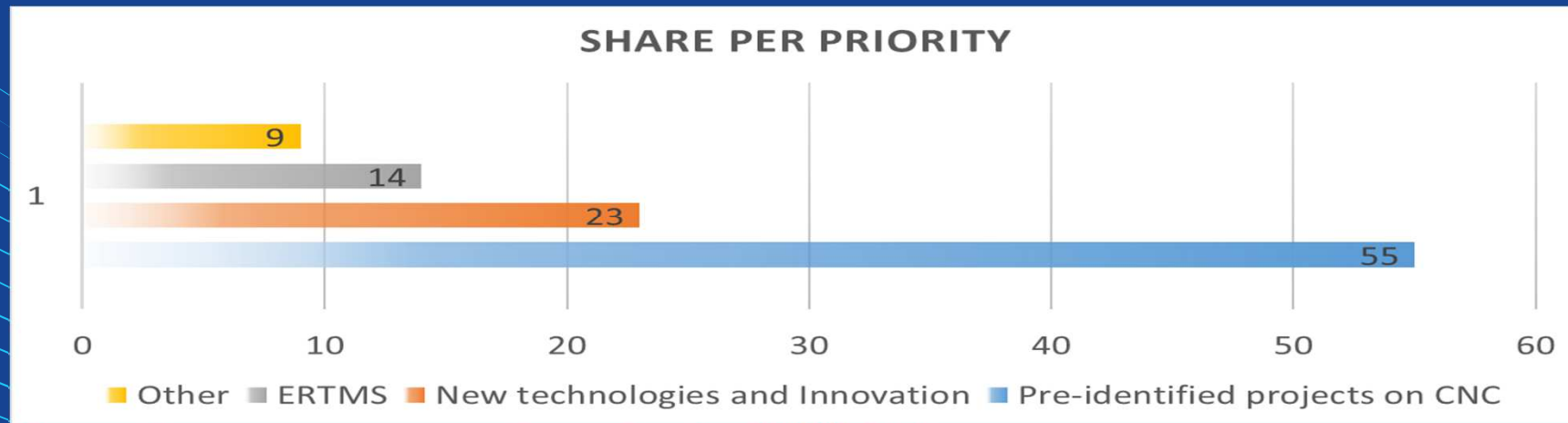
72 Actions - CEF funding: **1.4b€** - total investments: **8b€**

- **For the 1st cut-off date:**

33/39 Actions reached financial close *within 1 year after GA signature* - CEF funding: ~**980 M€** (6 terminations ~ 34 M€)

- **For the 2nd cut-off date:**

32/33 are expected to reach full financial close by January



Key features and overview



- A **cooperation framework** established between the **COM** and so-called “**Implementing Partners**” (IP) (i.e. EIB, NPBs) through 'administrative agreements'.
- To support **Blending operation**, defined as operation combining:
 - **CEF investment grants** and/or financial instruments backed by **CEF Debt Instrument (CEF DI)**
 - **with financing** from the EIB, including under EFSI, or NPBs or private-sector finance institutions and private sector investors



IPs of the CEF Blending Facility

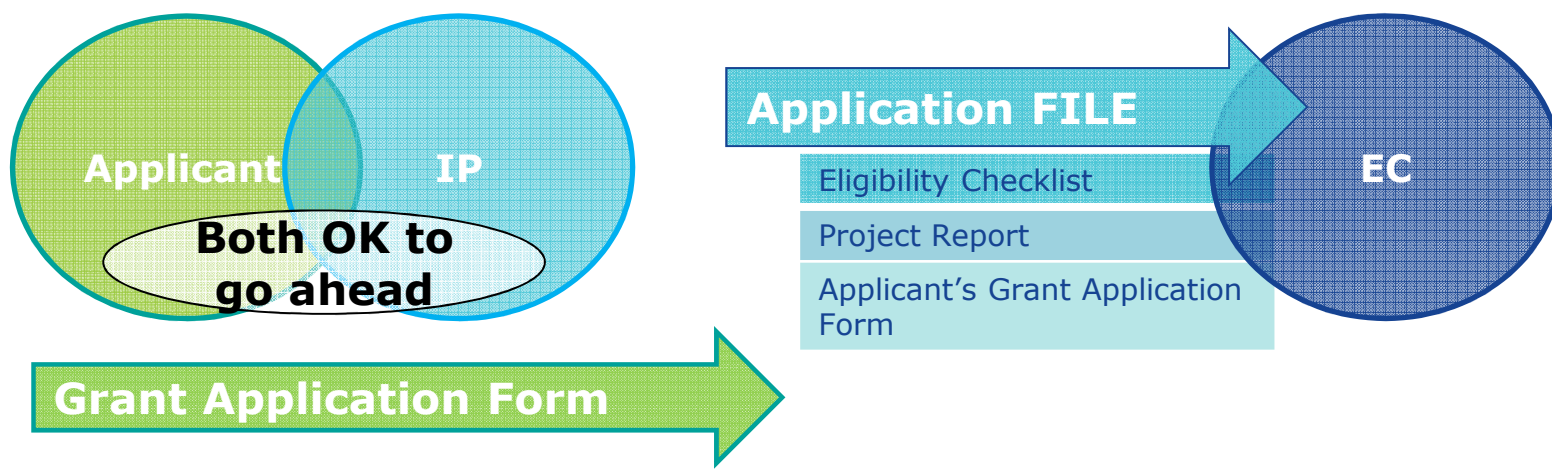
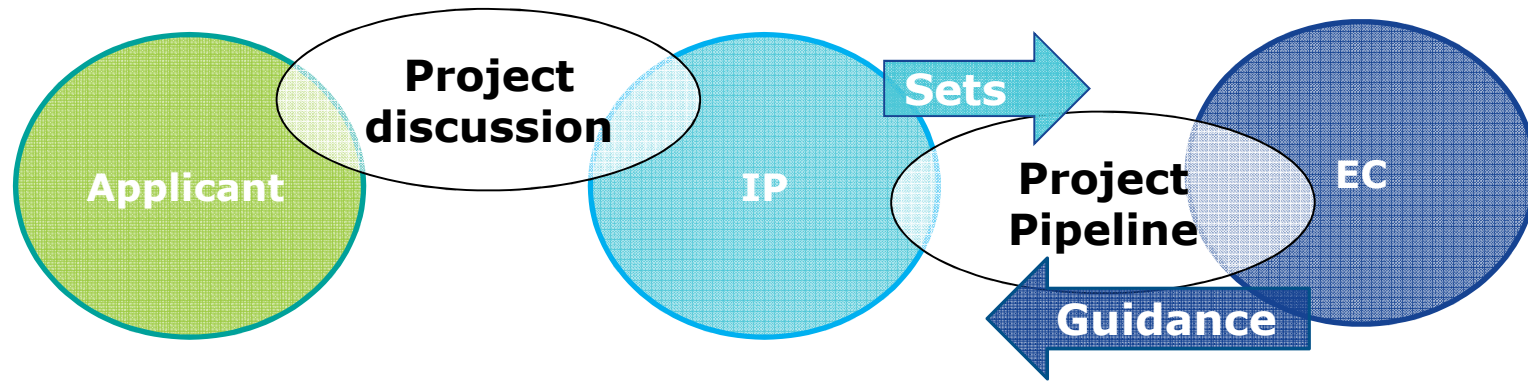
- **EIB**
- **ICO** - Spanish National promotional Bank
- **BGK** - Polish National promotional Bank

And very soon :

- **SID** - Slovenian National promotional Bank
- **CDC** - French National promotional Bank
- **MFB** - Hungarian National promotional Bank
- *and others: PMV, RVO, ...*

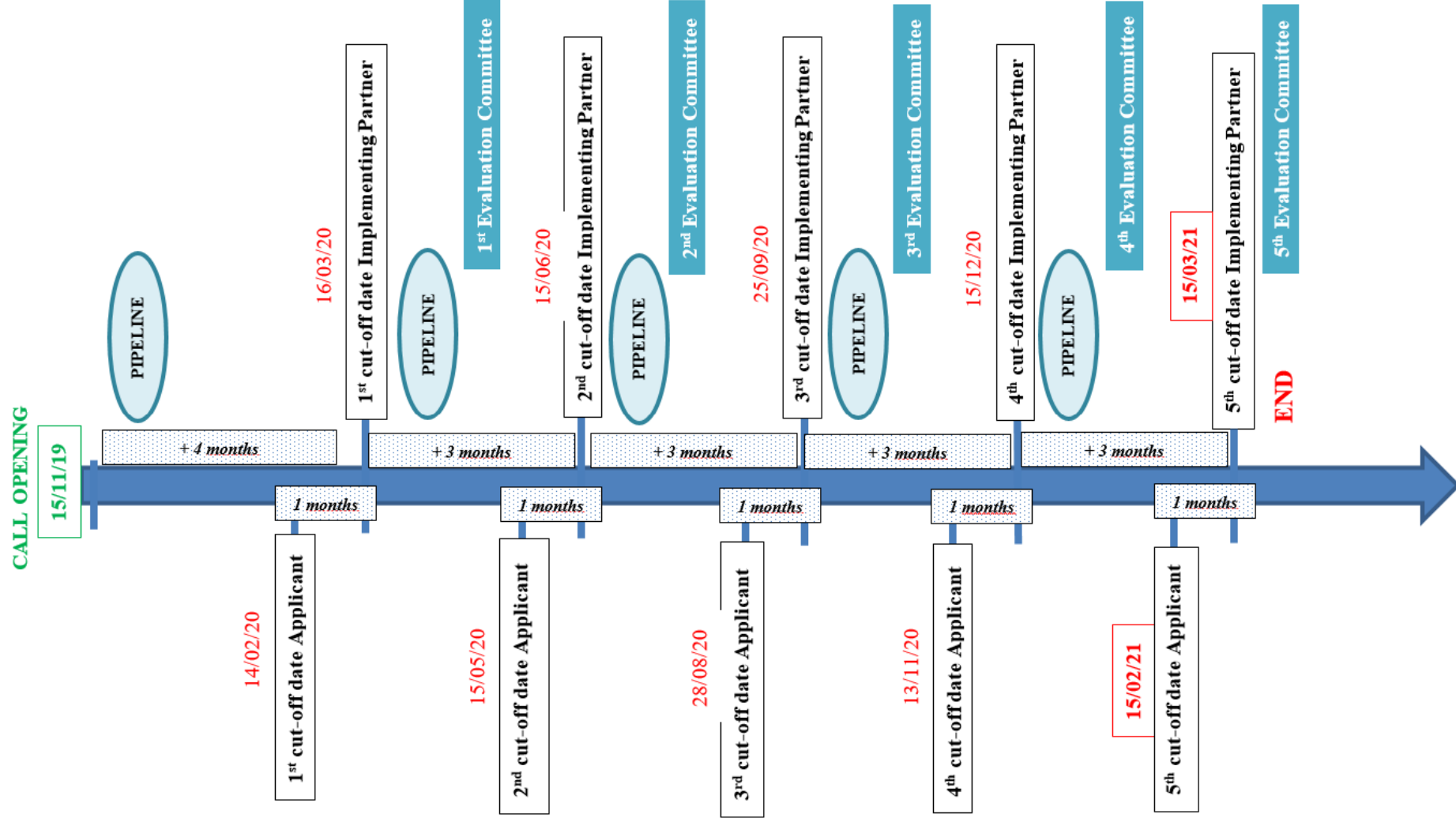
Role of the IPs

- **Initially screen** the potential Blending Operation(s) and establish a **Project Pipeline**
- Conduct an **appraisal process** for the purpose of providing financing to the project
- Support to the application process by **submitting the Application File** to Commission





Blending Facility: timeline





Budget : 198 M€

- **EUR 99 M ERTMS** (unit contributions)
- **EUR 99 M Alternative fuels** (co-funding rate)

Threshold Blending Operation:

- **CEF grant** of min **EUR 1 M**
- **IP Loan** of min **EUR 5 M**



Priority - ERTMS unit contribution

Outputs	Activities	Sub-activities	Categories of vehicle / track-side components	Sub-categories	Unit Contribution (k€)
On-board ERTMS B3 equipped vehicle	Retrofitting of vehicle	Prototype	International	/	900
			National	/	450
		Serial	International	/	110
			National	/	80
	Upgrade of vehicle	Prototype	International	/	600
			National	/	350
		Serial	International	Software	18
			National	Software	15
			International	Software & hardware	55
			National	Software & hardware	55
Fitment of vehicle				25	
Track-side 1 double track km equipped	Deployment	ETCS & associated upgrade costs		90	
		GSM-R		20	
		Interlockings		80	
	Upgrade	/		20	

Eligible actions:

- On-board: Proposals addressing the fitment, retrofit or upgrade of vehicles with ERTMS baseline 3
- Trackside: ERTMS B3 installation or upgrade, and associated works on interlockings

Unit contributions, derived from unit costs, approach to:

- simplify planning, administration and execution of ERTMS grant provision
- Allow early certainty on levels of CEF grant support to be provided

Example of relevant proposals



- Baseline 3 (B3 3.4.0 / 3.6.0) compliant
- Results sharing (prototypes)
- Comprehensive application with ERTMS specific information (Call text)

what will NOT be funded



- Pre-Baseline 3 deployment
- Studies

Priority - Alternative fuels

Type of Alternative Fuel technology	Infrastructure	Mobile assets		
		Trucks and buses	Vessels	Railway vehicles
CNG	10%	10%	/	/
LNG	10%	10%	15%	/
Electricity	15%	20%	20%	/
Hydrogen	20%	20%	20%	20%

- **Mobile assets:** co-funding rates apply only to the **eligible costs** understood as the difference between the costs of a conventional solution and the costs of the innovative technology solution.
- **LNG trucks:** the grant amount shall not exceed EUR 3000 per vehicle.
- **Dedicated electric charging infrastructure for the use of battery-electric buses in public transport,** the co-funding rate is set at **20%** of the eligible costs.
- **LNG vessels in inland navigation:** the co-funding rate is set at **20%** of the eligible costs.

Example of relevant proposals



- The deployment of **zero-emission buses** and related **charging/filling infrastructure** in a public transport network.
- The integration of **publicly accessible recharging points** (for LDVs and/or HDVs) in a multi-modal hub in a TEN-T urban node
- The deployment of **zero-emission inland waterways/maritime vessels** and related infrastructure

what will NOT be funded



- Private recharging/refilling infrastructure that is not publicly accessible 24/7.
- Recharging infrastructure which does not allow ad-hoc payment solutions (i.e. chargers that are only accessible via e.g. a subscription)
- Retrofitting of LDVs and coaches



Blending Facility – Evaluation .1

- The Commission will set up an **Evaluation Committee** to evaluate the Application Files submitted by the Implementing Partners.
- The Evaluation Committee will **meet every quarter** after the cut-off dates, to examine the submitted Application Files.
- The Commission will check:
 - i. the **eligibility of the Action** on the basis of the Eligibility Check List and
 - ii. the following selection criteria: **financial and operational capacity of the Applicant**, taking into account the Project Report

Blending Facility – Evaluation . 2

- Taking into account the Application File, the evaluation is based on the following **award criteria**:
 - **Contribution to TEN-T policy priorities**
- **In addition**, the Commission shall, as appropriate, take into account the following **award criteria**:
 - **maturity** based on the expected timing of the end of works;
 - the **budgetary constraints**; the **promotion of geographical balance** and;
 - the **degree of participation of private sector investors in the financing of the project** potentially supported by a Blending Operation.



Advisory support



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Mobility and
Transport

CONNECTING
EUROPE

Advisory Hub offer of support to CEF Transport Blending Facility applicants

as agreed with DG MOVE



High level advice on **existing project documentation** regarding suitability/eligibility/maturity for the Blending Facility.



Introduction to **EIB lending operations as appropriate or signpost** to other Implementing Partners



Identification of **major gaps** and areas requiring improvement in:

- **technical preparation** - feasibility studies, market studies, economic cost-benefit analysis, environmental documentation, tendering and procurement, implementation and organisational
- **a first review of PPP readiness** where applicable and
- **financial preparation** - business plan, financial plan



Coordinate referral to **JASPERS** when indicated by project maturity and geography



Advice on **terms of reference** for consultants/studies in relation to **technical, financial, procurement** and organisation to implement projects and improve access to finance

Advisory Hub

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THANK YOU FOR YOUR ATTENTION

MORE INFORMATION AVAILABLE AT

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

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

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