

Funding, financing and networking opportunities at European level

City Logistics Network meeting

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DG MOVE C2



What the EU does

- Transport is a shared responsibility between the EU and the Member States
 - The **subsidiarity principle** applies
- Urban mobility is essentially a local responsibility; however local authorities should not be left alone
- That is why there is a long tradition of EU support:
 1. Policy framework
 2. Funding
 3. Facilitating the exchange of experience and best practice
 4. Awareness-raising



Key support actions

Legislative & non-legislative levers

e.g.

- **Directive on the Deployment of Alternative Fuels Infrastructure (2014/94)**
- **Clean Vehicles Directive (2009/33)**
- **Sustainable Urban Mobility Package**
- **Information tools (eg. TRIPS, ELTIS)**

Networking and partnering

e.g.

- **Civitas Initiative**
- **The European Innovation Partnership on Smart Cities and Communities**

Seed-funding for demonstration

e.g. **Horizon 2020**

- **Smart City Calls - Energy Challenge**
- **Smart urban mobility calls - Transport Challenge**
- **EGVI – European Green Vehicles Initiative**
- **SME – Fast track to innovation instrument**

Other Funds

e.g.

- **European Strategic Investment Framework**
- **European Structural Investment Funds**
- **EIB loans and TA facilities**

CIVITAS initiative

- Funded by Horizon 2020
- Over 2002-2014: city-led demonstration projects and support projects
 - Some 60 cities benefited from EU co-funding for testing some 700 urban mobility measures
- Since 2015: also knowledge-building projects

<http://www.civitas.eu>





CIVITAS initiative – How to get involved?

1. Submit a proposal under Horizon 2020
2. Join the Civitas Forum network of cities (free)
 - Over 240 member cities
3. Join a thematic group (free)
 - In 10 specific areas (e.g. clean fuels, mobility management etc.)
4. Apply to the activity fund
 - Supports take-up activities
5. Join a regional network 'CIVINET'
 - Spain & Portugal, French-speaking, Italy, UK & Ireland, Netherlands & Flanders, Slovenia & Croatia, German-speaking, Hungary, Czech Republic & Slovakia, Poland



The Urban Development Network
Inspire, innovate and exchange

European Innovation Partnership on Smart Cities and Communities

1. **Support roll-out of mature replicable technologies**
2. **Focus on intersections**
→ Energy, Transport and ICT
3. **Facilitating match-making of cities and companies**
4. **Bundling action**
5. **Action cluster initiatives, eg**
 - Smart electric mobility (EV4SCC)
 - Smart mobility services





EIP SCC action clusters: rolling out

Smart Urban Mobility

- Electric Mobility
- Mobility Services

Integrated Infrastructures

- Humble Lamppost
- Urban Platforms

Sustainable Districts

- Small Giants
- Refurbishment and Innovation Zones

Citizen Focus

- Map of needs
- Co-creation
- Privacy by design

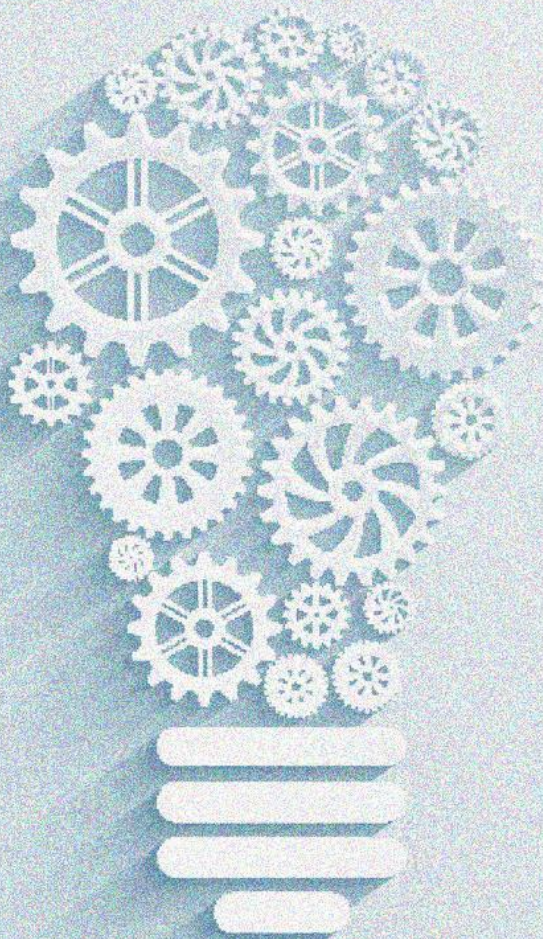
Policies, Regulations and Integrated Planning

- Scaling up city plans
- To implementation

Business Models (BM)

- New BMs
- Funding mapping
- Long term value adding

Why being involved?



- **Practical knowledge sharing**
- **Capacity building**
- **Partnering for EU or other projects**
- **Bundling of demand enables easier access to all funding sources**
- **Gaining visibility for your city, project, association, company, etc.**

Mobilising a suitable pipeline of project proposals:

Smart Electro-mobility:

- *In 2016 16 cities and regions and their industry partners will seek 50 other cities to join the platform, see an 50% increase in the number of active collaborations and create 50 new projects by the end of 2017*

Smart Mobility Services:

- *In 2016, ten cities and regions with their industry partners will seek to collaborate with at least 50 cities to replicate tested open-data provision for simple deployment of mobility services information;*
- *Create a service exchange platform for real time car-pooling in 10-cities*

These public-private partner-driven initiatives will be launched on 28 January 2016. They seek to establish both an open market place and to bundle projects for replication of tested innovations to achieve larger scale.

Eu-smartcities.eu

List of opportunities

Funding opportunities – grants and technical/advisory services:

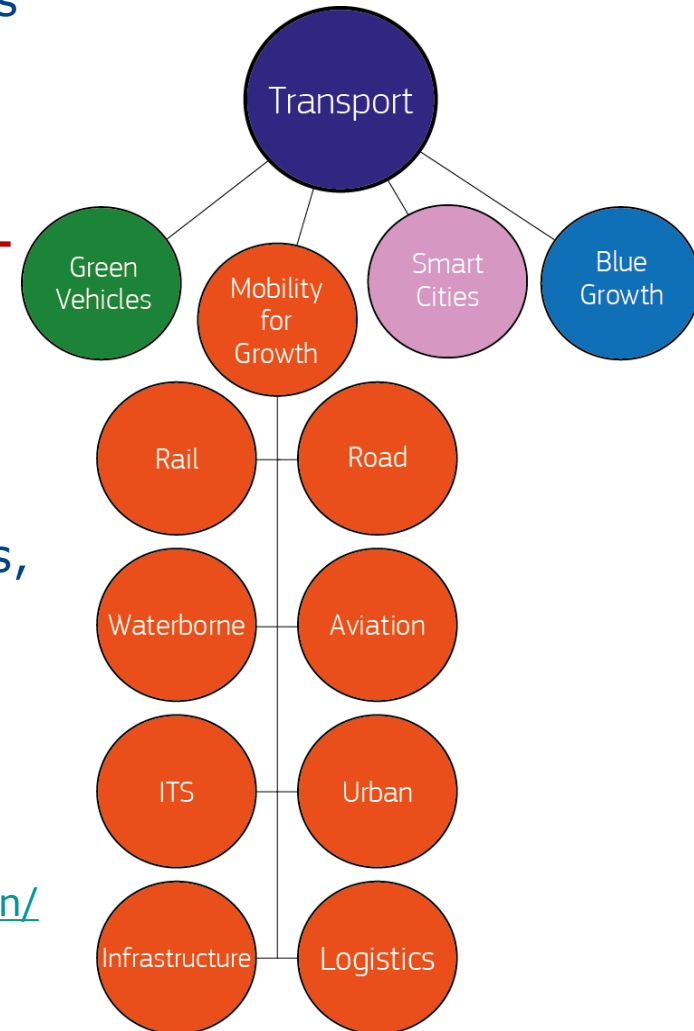
1. European Structural and Investment Funds
2. JASPERS & Fi-Compass
3. INTERREG
4. URBACT III
5. Innovative actions in sustainable urban development
6. LIFE
7. European Energy Efficiency Fund
8. Fuel Cell and Hydrogen Joint Undertaking
9. Connecting Europe Facility (+CEF debt instrument)
10. Horizon 2020

Financing opportunities - loans and guarantees and technical/advisory services:

11. EIB loans and guarantees
12. European Fund for Strategic Investments
13. ELENA
14. JESSICA

10. Horizon 2020 "Smart, Green and Integrated Transport"

- Projects require coop. between min 3 countries
- Mobility For Growth are the CIVITAS projects and also covers alternative fuels
- Calls for 2017 will include: **follow them**
 - **MG4.1-2017 Increasing the take-up and scale-up of innovative solutions**
 - MG4.2-2017 Supporting smart electric mobility
 - MG4.3-2017 Innovative approaches for integrating urban nodes
- InnovFin is available to support with a set of financial instruments covering innovative SMEs, mid-caps and large corporate



<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>

<http://www.eib.org/products/blending/innovfin/>

MG-4.1-2017:

Scope:

- *Optimising the use of existing infrastructure and vehicles: ...*
increasing load factors and making the last mile more efficient in urban freight transport; integration between urban freight and passengers transport networks within appropriate city and transport planning governance;
- *Optimising design and use of multi-modals hubs and terminals for passengers and freight; integration of systems*
- *New governance models for freight and passenger transport:*

Tips for applicants



Do not wait for a call for proposal

- By the time a call has opened, there will be little time to assemble the right consortium and develop a good proposal
- Beforehand, you need to have reviewed the criteria for the different programmes, identified the one best suited to your idea and started to identify partners

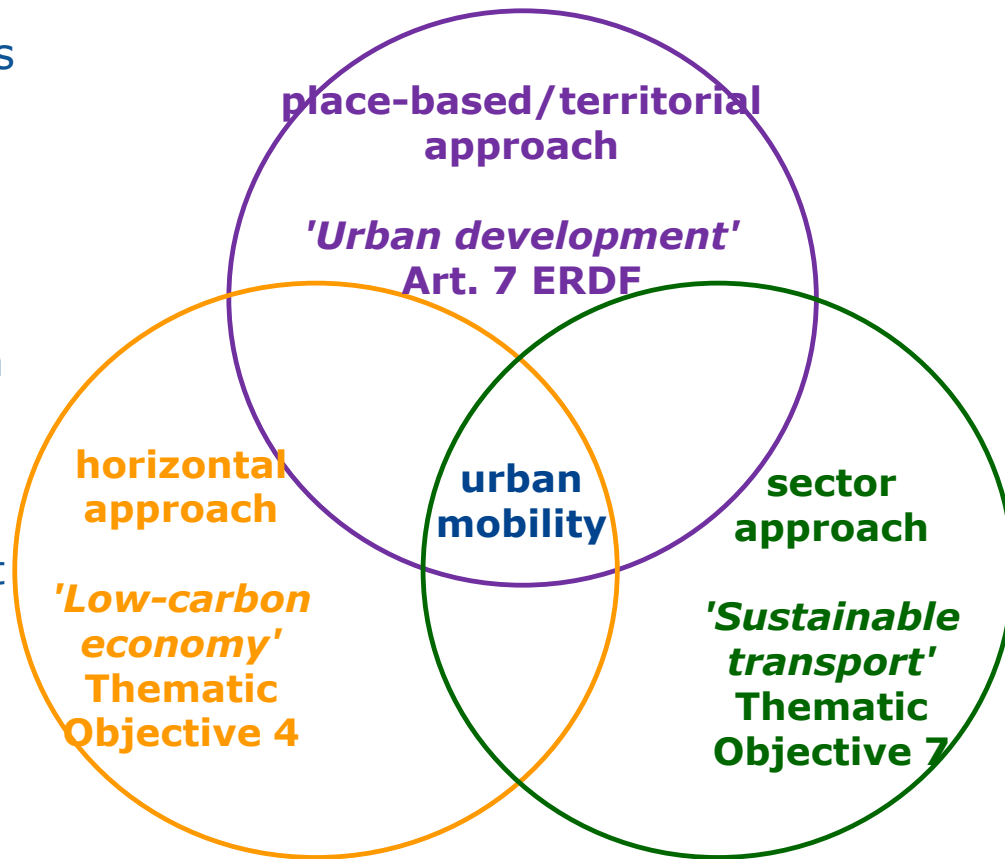
Preparation

- Thoroughly read the guidance documents for the programme, looking at previous calls as examples
- Understand:
 - The policy objectives that the funding is intended to support
 - The sort of projects that get funded
 - The type of organizations that get involved in consortia
 - The form of partnerships required
 - The co-funding rates
 - The process
 - The information required for the application
- Scrutinize the call documentation; understand what needs to be provided and in what form

1. European Structural and Investment Funds (ERDF, ESF, Cohesion Fund)

➤ Urban mobility and alternative fuels are covered under either:

1. Thematic Objective 7 "Sustainable transport": aims at promoting sustainable transport and removing bottlenecks by investing in TEN-T, environment-friendly and low-carbon transport systems and interoperable railway systems
2. Thematic Objective 4 "Low-carbon economy": aims at supporting a shift towards a low-carbon economy by promoting low-carbon strategies, incl. sustainable urban mobility
3. Article 7 of the ERDF regulation: foresees support to sustainable urban development through strategies for integrated action



1. European Structural and Investment Funds (ERDF, ESF, Cohesion Fund) - continued

- €13.7 billion planned for urban mobility including walking & cycling over 2014-2020, compared to €8.8 billion over 2007-2013 (+56%)
- 24 Member States are covered, including all 15 cohesion countries
- Commission and Member States signed Partnership Agreements on national level and Operational Programmes on regional level
- Cities can spend directly 5% of the funds on urban development
- **Contact the managing authorities in the Member States to propose projects**
- Principles for sound delivery of projects:
 - ✓ Make use of technical assistance programmes
 - ✓ Leverage peer-to-peer exchanges (e.g. Covenant of Mayors, CIVITAS)
 - ✓ Work across administrative boundaries and national borders
 - ✓ Use a Sustainable urban Mobility Plan to set a strategic frame to projects

http://ec.europa.eu/regional_policy/index_en.cfm

http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm

http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_urban_mobility.pdf

http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_fiche_transport.pdf

<https://www.fi-compass.eu/>

5. Innovative actions in sustainable urban development

- Tests new approaches to the challenges faced by cities via pilot projects
- Projects are selected through calls for proposals; the first call is to be published at the end of 2015 – however it will not cover urban mobility – **follow up future calls**

http://ec.europa.eu/regional_policy/en/policy/themes/urban-development/portal/

http://ec.europa.eu/regional_policy/sources/activity/urban/urban_innovative_actions.pdf

6. LIFE programme

- Is the EU funding instrument for environment and climate action
- The 2014-2017 work programme includes a Thematic priority on "Air quality and emissions, including the urban environment"
- **Calls are published regularly – follow them**

<http://ec.europa.eu/environment/life/about/>

<http://ec.europa.eu/environment/life/funding/life.htm>

13. ELENA

- Is a **technical assistance** programme covering up to 90% of the technical support costs to prepare large energy efficiency and renewables projects
- Helps get financing especially from private investors
- The Commission is giving ELENA €15 million for the transport sector over 2016-2020

<http://www.eib.org/products/advising/elena/index.htm>

14. JESSICA

- Is an **advisory service** which supports sustainable urban development with financial engineering mechanisms
- **Member States** can choose to invest some of their EU structural fund allocations in revolving funds
- Contributions from the European Regional Development Fund (ERDF) are then allocated to Urban Development Funds (UDFs) which invest them in public-private partnerships or other projects

http://ec.europa.eu/regional_policy/en/funding/special-support-instruments/jessica/

Thank you for your attention!

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2. JASPERS & FI-Compass

- The JASPERS programme gives **technical assistance** to prepare high quality projects to be financed by the European Structural and Investment Funds in the new Member States*
 - focus on big projects with total eligible costs exceeding €75 million
 - assistance may cover project preparation, independent quality review, capacity building including a Competence Centre, and implementation

<http://www.jaspers-europa-info.org/>

*Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia, and Slovakia

- FI-Compass gives **advisory services** on financial instruments under the European Structural and Investment Funds (and on microfinance under the Programme for Employment and Social Innovation)

<https://www.fi-compass.eu/>

3. INTERREG Europe 2014-2020

- Co-finance projects where public authorities from different regions work together for 3 to 5 years on a shared policy issue
- Also co-finance thematic platforms where public authorities can find information to help implement their policies in the four themes of the programme, including low-carbon and resource-efficiency
- **Regular calls are launched – follow them**

<http://www.interreg4c.eu/interreg-europe>

4. URBACT III

- Co-finance the creation of networks of cities from different regions to develop integrated solutions to common urban challenges, by learning from one another
- The first call for the creation of up to 20 Action Planning Networks was open earlier in 2015
- **Other calls will be open in the coming years – follow them**

<http://www.urbact.eu>

<http://www.urbact.eu/open-calls-networks>

7. European Energy Efficiency Fund

- Investment fund focusing on energy efficiency, small-scale renewable energy, and clean urban transport projects
- Targeting municipal, local and regional authorities and public and private entities acting on behalf of those authorities
- **Contact the fund directly with your project**

<http://www.eeef.eu/home.html>

8. Fuel Cell and Hydrogen Joint Undertaking

- The European Commission, the Industry and the Research institutions finance the development of hydrogen as a transport fuel and a source of energy
- **Calls are published regularly – follow them**

<http://www.fch.europa.eu/>

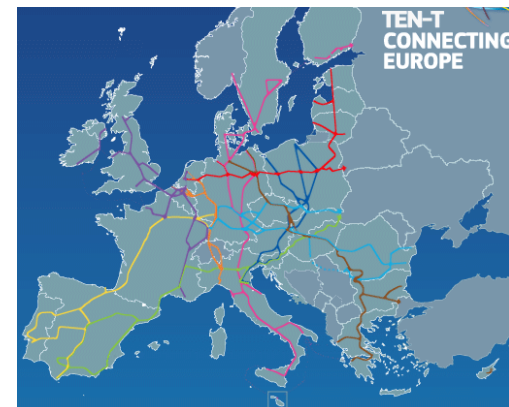
9. Connecting Europe Facility (CEF) funds for TEN-T projects

- The trans-European transport network forms the backbone of the European transport system with nine corridors
- Since 2014, there is specific coverage of nodes including urban nodes i.e. cities on the network; up to €200 million will be spent in total on urban nodes over 2014-20
- Funding is also available for Innovation and new technologies, of which alternative fuels. Pilot projects are co-financed at up to 50% and mobile equipment is also covered in the limit of 10% of the project's budget
- Co-financing rates are higher for the 15 cohesion countries 😊
- **Follow the nodes and the innovation calls**
- CEF debt instrument is developing financial schemes for the deployment of alternative fuels (contact EIB directly)

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

<http://ec.europa.eu/inea/en/connecting-europe-facility/cef-transport>

* Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia



11. European Investment Bank loans and guarantees

- Direct loans and guarantees for large-scale projects (> €25 million)
- Intermediated loans and guarantees for small and medium-scale projects, via national and regional intermediary banks
- **Contact EIB or your national or regional bank directly with your project**

<http://www.eib.org/index.htm>

<http://www.eib.org/infocentre/publications/all/eib-transport-lending-policy.htm>

12. The European Fund for Strategic Investments (EFSI)

- Is one of the tool set up by the "Juncker Investment Plan":
<http://www.eib.org/about/invest-eu/>
- Consists in a €21 billion guarantee from the Commission and the EIB
 - Allows to increase EIB's lending capacity with €60 billion for more risky projects
 - Give extra assurance to other public and private investors, resulting in an extra financing capacity of €255 billion
- ⇒ Total extra investment capacity in the EU economy is thus €315 billion
- EFSI can finance fleets and equipment
- **Cities and projects promoters should engage with the EIB and the National Promotional Banks to benefit from the EFSI**
- An Advisory Hub has been created and regional hubs are likely to be created in the future: <http://www.eib.org/eiah/index.htm>
- A European web portal will be set up in Q1 2016 to match projects and investors
- Blending CEF grants with EFSI financial instruments is also possible

What are financial instruments?

- EU financial instruments combine EC risk capital and EIB resources
- They target private or commercially-financed investments
- They typically cover higher risk projects using a wide range of financial products: loans, guarantees, credit enhancement, equity
- This helps improve access to other financing (guarantee)
- Tailored products can be developed to meet identified market gaps (for example the European Energy Efficiency Fund)

Why are they a growing priority?

- Public sector budget constraints leads to greater need for private financing
- The amount of available grants is limited
- Financial instruments have a proven leverage effect (help get other financing)
- They may be blended with grants to optimise projects support

Tips for applicants



Partnerships

- Be prepared for difficulties with communication, especially when the partnership involves more than one language
- It is an advantage to have at least one partner with previous experience with EU funding
- Be prepared to spend time travelling
- Do not leave more administrative parts such as the submission of CVs or the completion of legal statements until late in the process

Proposal

- Treat the proposal as a project in its own right with clearly defined responsibilities and a timetable for contributions
- Foresee time for reviewing and approving the proposal, respecting the sign-off and QA processes of the different partners
- Be prepared for bids to fail and be aware that good proposals may be submitted to a later call

Identifying projects suitable for financial instruments

- Look at project maturity/readiness/level of preparation
- Characteristics of good candidate projects:
 - Have revenue generating potential
 - Are affordable for the users
 - Have performance-based outputs
 - Their commercial, legal and political risks can be quantified
 - Projections of costs and revenues are realistic
- Use technical assistance: ELENA, FI-Compass, Advisory Hub ...
- Consider forming Investment Platforms with other partners who have projects to aggregate and diversify risks, i.e. Cities could considering to set partnerships and group their projects to be more attractive in terms of scale