Workshop INV11C18

Cross-border Investment: potentials, achievements, and challenges

14:30 – 17:00
11 October 2016
Programme

14:30
Introduction

Chair
Raffaele CATTANEO, President of the Lombardia Regional Council, President of the COTER Commission of the European Committee of the Regions

Moderator
Jean PEYRONY, Director General, Mission Opérationnelle Transfrontalière (MOT)

14:45
Financial planning and governance of cross-border projects: what specificities?

The expansion of the Strasbourg tramway to Kehl

Investment potential in developing transports in Gorizia

Top Technology Cluster, cross-border economic development and innovation

Investment in cross-border areas:

What national policies? What financial tools? – Caisse des Dépôts (FR)

What European policies? – EIB and European Commission DG REGIO

15:45
Debate with the audience

16:45
Conclusion
Chair

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The expansion of the Strasbourg tramway to Kehl

Cathy GEBHART-LEVY, Project manager, Eurométropole de Strasbourg (FR)
• The example of the transborder extension of tramline D in Strasbourg
The Eurometropolis of Strasbourg

Since the entry into force of the law for modernization of public territorial action and affirmation of metropolises of 27 January 2014 : 11 metropolises areas created on 1 January 2015

Eurometropolis of Strasbourg

- **Strasbourg**: 280,114 inhabitants
- **Kehl**: 35,000 inhabitants

The Eurodistrict of Strasbourg-Ortenau includes

**French side**: Eurometropolis of Strasbourg

**German side**: Ortenaukreis and the towns of: Offenburg, Lahr, Kehl, Achern and Oberkirch.

**Key figures**

- 2,369 km²
- 914,300 inhabitants
- 107 communes
The tram as a spine to urban projects

What does a new line mean: A new symbol of Franco-German friendship

- A pillar instrumental to restructuring the fragmented territory
- A prolongation of the Strasbourg network towards Germany
- A backbone for future urbanization sectors
- An unprecedented cross-border cooperation on a public transportation project.

CITADELLE
To live on water and board on Europe

STARLETTE
Economic Hub

COOP
Cultural, economic hub for the citizens

KEHL
Cour des douanes et la caserne

RIVES & PORT DU RHIN
The landscape of the Rhine & Europe

CULTURAL, ECONOMIC HUB FOR THE CITIZENS

What does a new line mean: A new symbol of Franco-German friendship
General Organization Principles

EMS

Town of KEHL

Convention for cooperation

Délégation de maîtrise d'ouvrage

Contrat Kehl-CTS

CTS (MOA déléguée)

MOE (French side)

"conception – realisation" (transborder bridge)

MOE

Entreprises

Entreprises

The Rhine Bridge

France

Germany

PLANNER (German part)

Entreprises
Appréciation sommaire du coût du projet
(Source : dossier d’enquête publique – Mai 2013)

En M€HT, valeur janvier 2010

96,62

70,40

26,22

Related costs*
Land tax and Pollution Control
Networks
Public spaces
Infrastructure

French co-funding expected by the Strasbourg Eurometropolis

French State: 10 M€
Eurodistrict : 100 000 €

German co-funding expected by the town of KEHL

Land : 6,2 M€
Bund : 19 M€

European funding to be shared by the two Communities: Program INTERREG IV

1,25 M€ (for transnational studies)
2 M€ (for the works on the bridge)
The basic difficulties related to the cross-border component of the project

**The language and the culture:**
✓ Technical Instruction Meetings
✓ Meetings of political approval
✓ Understanding of legal studies and reliability

**The legal contexts:**
✓ Which is the status for the future Rhine Bridge?
✓ The status of the land occupied by a platform / tram
✓ Transport Organising Authorities
✓ The issue of safety and rail standards

**The administrative procedures:**
✓ Public consultation
✓ The public inquiries
✓ The project appraisal by the services in charge of railway safety

**The challenges of project management:**
✓ Who is the project owner of the cross-border section?
✓ Who will be in charge of the maintenance work?
✓ Who is the operator of the cross-border section?

**The existing international agreements:**
✓ Fribourg Agreement of 12/06/2011 relating to the construction and maintenance of bridges Rhine
✓ Intervention Ministries of Foreign Affairs on the maintenance of transport infrastructure

**The financial imbalance:**
✓ EMS : approximately 470 000 inhabitants
✓ City of Kehl : approximately 35 000 inhabitants
Milestone Schedule of the Rhine Bridge

**Monday, April 27, 2015**
Arrival of the first elements of the bridge by barge from Belgium.
River navigation is stopped from 7am and 9am to allow the unloading of the items on the bank.

**Monday, July 27, 2015**
Arrival of the second part of the bridge.

**December 2015**
Implementation of the deck on the bay – French side.
Implementation of the deck on the bay – German side.

**March 2016**
Delivery of the main building structure.

**24/25 September 2016**
Weekend "Conquering the East"
A new metropolis around the Rhine, a Franco-German festival.

**The next steps**

**February 2017**
Inaugural meeting of the elected representatives on the deck in the presence of European, French and German representatives (project).

**April 2017**
Commissioning of the line.
Investment potential in developing transports in Gorizia

Sandra SODINI, Director of the EGCT Euro-GO (IT-SL)
European Grouping of Territorial Cooperation – EGTC GO

Established by the three municipalities of Gorizia (IT), Nova Gorica (SLO), Šempeter-Vrtojba (SLO)
EGTC GO Strategic Plan

• To launch **new economic perspectives** in a period of severe crisis thanks to transport & logistic

• To guarantee **basic health services to the population** of the tree cities (starting from territorial services in motherhood)

• To invest in **our common natural heritage** (Isonzo Soča River)
Sandra Sodini
EGTC GO Director

sandra.sodini@euro-go.eu
www.euro-go.eu
Top Technology Cluster, exemplary project of economic development and innovation over a cross-border area

Ralf MEYER, Head of department Technology Transfer / Business Development Support at AGIT GmbH, Euregio Maas Rhine (BE-NL-DE)
Successful cross-border innovation policy

Ralf P. Meyer, Dipl.-Ing.
Head of Business Development Support / Technology Transfer (BDS / TT)
at AGIT mbH, Aachen (D)
A cross-border „innovation value chain“

SMEs in the driver’s seat!
Project partner consortium TTC

Twenty-four partners – Seven regions – One goal!

Additionally in GCS:
- Liège (B)
- Hasselt (B)
- Leuven (B)
- Eupen (B)
Cross-border innovation projects GCS

1st GCS-call (2012 - 2014): 8 cross-border R&D-projects

The added values

- **Innovation vouchers TTC (no.):** 21 (incl. 69 partners – 81% SMEs)
- **R&D-applications GCS (no.):** 50 (incl. 201 partners)
- **Cross-border R&D-projects GCS (no.):** 22 (incl. 87 partners)
- **Preliminary results (after first year):** 43 new jobs, 117.5 existing jobs sustained, €8.1 mln. incr. turnover, 52 new markets
- **Return on investment (ROI):** 1.4 years (€4.9 mln. subsidy / €3.4 mln. tax revenues annually)

**Main outcomes & conclusions:**
1. For each 1 € funding, nearly 2 € are contributed by companies / business partners (leverage effect) with an extremely short ROI time!
2. Not only 22 almost new cross-border business consortia were initiated, but much more new cooperations enabled **without** funding!
3. A **regional cross-border innovation policy is feasible**; in the future it should not only be financed primarily via INTERREG, but via better alignment of existing regional innovation programmes!
Thank you for your attention!

Ralf P. Meyer, Dipl.-Ing., Stadtplaner AK NW
Head of Business Development Support / Technology Transfer (BDS / TT)
Phone: +49 (0)241 / 963-1039
Mail: r.meyer@agit.de
Investment in cross-border areas:

What national policies? What financial tools?
Caisse des Dépôts (FR)

What European policies?
European Investment Bank
European Commission, DG REGIO
What national policies? What financial tools?

Pierre MENET, Adviser to the Department of Institutional, International and European Relations, Caisse des Dépôts (FR)
What European policies?

René-Laurent BALLAGUY, Managerial Advisor, Advisory Hub, European Investment Bank (EIB)
Cross-border investments, an EIB perspective

René-Laurent BALLAGUY
Managerial Advisor at the EIB, Advisory Services

European Week of Regions and Cities
Brussels, 11 October 2016
Outline of the presentation

- What is and what does the EIB Group?
- Cross-border investments from an EIB perspective
- Why IPE and EIAH are likely to change the perspective?
The EIB Group at a glance

• **Largest multilateral lender** and borrower in the world (EUR 77.5bn in 2015 + EUR 7bn for the EIF)

  → A quite simple economic model:
  • We raise funds on the international capital markets
  • We pass on favourable borrowing conditions (due to an AAA rating and a not for profit model) to our clients

• **Some 450 projects each year** in over 160 countries and four main sectors: environment, infrastructure, innovation and SMEs

• **Headquartered in Luxembourg** and has 36 local offices

• **Around 2 600 staff:**
  • Not only finance professionals, but also engineers, sector economists and socio-environmental experts
  • More than 50 years of experience in financing projects
EIB products and offer

We help catalyse investment by

<table>
<thead>
<tr>
<th>LENDING</th>
<th>BLENDING</th>
<th>ADVISING</th>
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<tbody>
<tr>
<td>Loans</td>
<td>Combining EIB finance with EU budget</td>
<td>Support for projects preparation and implementation</td>
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<tr>
<td>But also:</td>
<td>Project Bond Initiative, IPE</td>
<td>Support to enhance the use of EU funds</td>
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<tr>
<td>Guarantees &amp; Equity participation</td>
<td>Higher risk projects for innovation (InnovFin)</td>
<td>Support to improve access to finance</td>
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Attracting FUNDING for long-term growth
A comprehensive offer of advisory services

Support for projects and investments
- Advisory and technical support in identification, prioritisation, preparation, structuring and implementation of investment projects
  - JASPERS, ELENA, EPEC, Implementation support programmes

Enhance use of EU funds
- Advisory and capacity building support in the implementation of ESIF financial instruments
  - fi-compass, bilateral services to Managing Authorities

Improve access to finance
- Enhancing financing condition and creating bankable propositions
  - InnovFin Advisory
Cross-border investments from an EIB perspective (I)
(before the Hub was launched in 09/2015)

• Around 100 cross-border projects financed by the Bank since its creation (mostly major TEN-T projects in the transport or energy sector)

• Evaluation of 11 cross-border TEN-T projects (2006, available online): substantial opportunities for the EIB to provide VA, acknowledgement that cross-border projects are prioritised by the Bank, potential JASPERS role at EU-wide level

• A limited number of global loans (with regional public sector banks) or framework loans (co-financing of INTERREG programmes)

• Involvement of the Bank in the framework of the macro-regions strategy (e.g. Danube and Baltic): project preparation support, pilot experiences for a limited period of time

• Cross-border dimension also captured through Foreign Direct Investment (more than 4600 FDI projects financed by the Bank since 2000, potential tech and know-how transfer beside financial aspects)

• Since 10 years, advisory instruments have also dealt with cross-border investments, in particular JASPERS (Meuse river), JESSICA (implementation of a Urban Development Plan at Alzette-Belval in Lorraine)
Cross-border investments from an EIB perspective (II)
(what the EIAH may change?)

• What is the European Investment Advisory Hub?
  • A key component of IPE
  • Main goals
  • Delivery mode
  • First outcomes
  • Examples
  • Main orientations for the near future
  • Why the Hub can make a difference?
Investment Plan for Europe

- Mobilize EUR 315bn of additional financing...through the European Fund for Strategic Investments (EFSI)
- Support investment in the real economy...through the European Investment Advisory Hub and the European Investment Project Portal
- Create an investment-friendly environment...through improvements of the European regulatory environment
What is the Advisory Hub?

Main goals

A tool to strengthen Europe's investment environment and improve the quality of investment projects

A joint initiative

A single entry point to a comprehensive offer of advisory services

An instrument to assess and address unmet needs for advisory support

A cooperation platform to foster exchanges of know-how, coordinate support and ensure appropriate delivery (NPIs, Managing Authorities)
What is the Advisory Hub?

**Delivery mode**

### DEMAND

- **For whom?**
  - Project promoters
  - Public authorities
  - Member States
  - Private sector

- **What?**
  - Web portal + Online contact form + Support team
  - European Investment Advisory Hub (EIAH)

- **How?**
  - Existing advisory programmes and activities
    - Project support throughout the project cycle
    - Support to Financial Instruments
    - Enhance access to finance
  - Additional advisory and technical assistance
    - New investment support also in areas relevant to the scope of EFSI
    - Identification of needs
  - EIAH’s partner institutions’ expertise
    - Network of partners
    - Integrated collaboration model
First outcomes
Situation as at 31.08.2016

- Total of 255 requests
- 195 project-specific requests
  - Public sector: 59
  - Private sector: 130
  - Other (e.g. NGOs): 6

Requests by country

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of requests</th>
</tr>
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<tbody>
<tr>
<td>United Kingdom</td>
<td>22</td>
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<tr>
<td>Bulgaria</td>
<td>19</td>
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<tr>
<td>Italy</td>
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<td>Belgium</td>
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<td>Spain</td>
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<td>Romania</td>
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<td>Hungary</td>
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<td>Germany</td>
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<td>France</td>
<td>12</td>
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<tr>
<td>Greece</td>
<td>12</td>
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<tr>
<td>The Netherlands</td>
<td>9</td>
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<td>Latvia</td>
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<td>Austria</td>
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<td>Luxembourg</td>
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<td>Czech Republic</td>
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<td>Cyprus</td>
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<td>Lithuania</td>
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<td>Poland</td>
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<td>Finland</td>
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<td>Slovenia</td>
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<tr>
<td>Croatia</td>
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<tr>
<td>Ireland</td>
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<tr>
<td>Portugal</td>
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<tr>
<td>Malta</td>
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<td>Slovakia</td>
<td>2</td>
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<tr>
<td>Denmark</td>
<td>2</td>
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<tr>
<td>Sweden</td>
<td>1</td>
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<tr>
<td>Estonia</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>245</strong></td>
</tr>
</tbody>
</table>

*The category “other” includes project-specific requests in which the sector is not indicated.*
A few examples

**Renewable Energy projects**
Following the request from a national government for help with the structuring and financing of several small-scale renewable energy projects, the Hub is providing support to develop the underpinning strategy and to clarify major issues (e.g. a proper demand analysis and cost-benefit analysis).

**Broadband projects**
The Hub is looking at various high-speed broadband projects in underserved areas, and is working to help assess/establish an investment and financing model that ensures sustainable implementation, as well as technical support.

**Ecology programme in the Danube region**
Request for project implementation/co-ordination support for a major ecology programme in the Danube region. A consultant will be engaged by the Hub to develop a roadmap prioritising the delivery of a series of critical sub-projects/actions and identify possible sources of funding.

**Transport PPP-project in an EU member state**
Promoted via the national roads agency, the project relates to a TEN-T axis road. Advisory input focused on techno-economic review of project documentation as well as support with PPP structuring.
Main orientations for the Hub (2016-2020)

- **Main sectoral and thematic priorities**
  - EFSI 1.0: energy efficiency, TEN-T, and urban mobility
  - EFSI 2.0: COP 21-oriented, potential EFSI and *cross-border projects*
  - Investment platforms and capacity building activities (*and cross-border platforms are envisaged*)

- **Main strategic orientations**
  - Strengthening, expansion and deepening of partnerships with a view to promote a cooperative approach
    - clarify roles and responsibilities, ensure alignment of interest, demonstrate Hub’s VA via a pilot phase of deepening on a voluntary basis, define a common reporting structure
  - Consolidating EIAH relevance, additionality and efficiency for a greater impact on the real economy
    - increase visibility, address market asymmetries, streamline management of requests, enhance synergies with EFSI
Why and how Advisory Support can make a difference?

• Cross-border projects are often complex projects which requires specific expertise: beside technical aspects, legal and financing issues

• Such expertise is exactly what the EIB AS and the EIAH is offering in complement to the skills of projects holders

• Cross-border projects usually generate important externalities which make them less attractive and inappropriate for EIB business model EIB is not well fitted for small-size projects not immediately bankable, grants remain often the most adapted financing solution

• Environment, transport and energy projects are probably the most relevant cross-border projects (e.g. flood protection)

• Importance of political support or mandate (that the Hub now has)
Would you like to know more?

Consult the Hub’s advisory offer  www.eib.org/eiah

Request support from the Hub  www.eib.org/eiah/contact

Contact the Hub for more info  eiah@eib.org

Europe’s gateway to investment support
Thank you!

ballaguy@eib.org
What European policies?

Dirk PETERS, Senior Expert
Senior Specialist for European territorial cooperation and EGTC, DG REGIO European Commission
Cross-border Investment: potentials, achievements, and challenges

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