



European Week of
Regions and Cities

Brussels

10-13 October 2016

Workshop INV11C18

Cross-border Investment: potentials, achievements, and challenges

14:30 – 17:00

11 October 2016





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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



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The expansion of the Strasbourg tramway to Kehl

Cathy GEBHART-LEVY,
Project manager, Eurométropole de Strasbourg
(FR)



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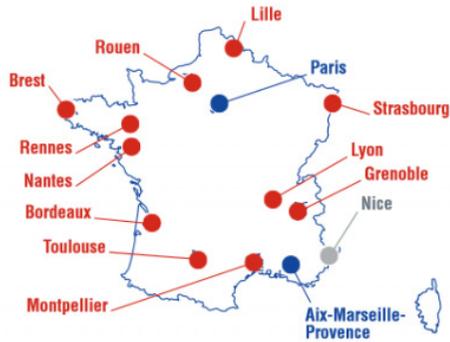
- The example of the transborder extension of tramline D in Strasbourg



Strasbourg.eu
eurométropole

*Direction de la Mobilité et des Transports
Service Conduite de Projets de Transports*

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



28 communes (316 km²)
483 194 inhabitants
Strasbourg : 280 114 inhabitants
Kehl : 35 000 inhabitants

The Eurodistrict of Strasbourg-Ortenau includes

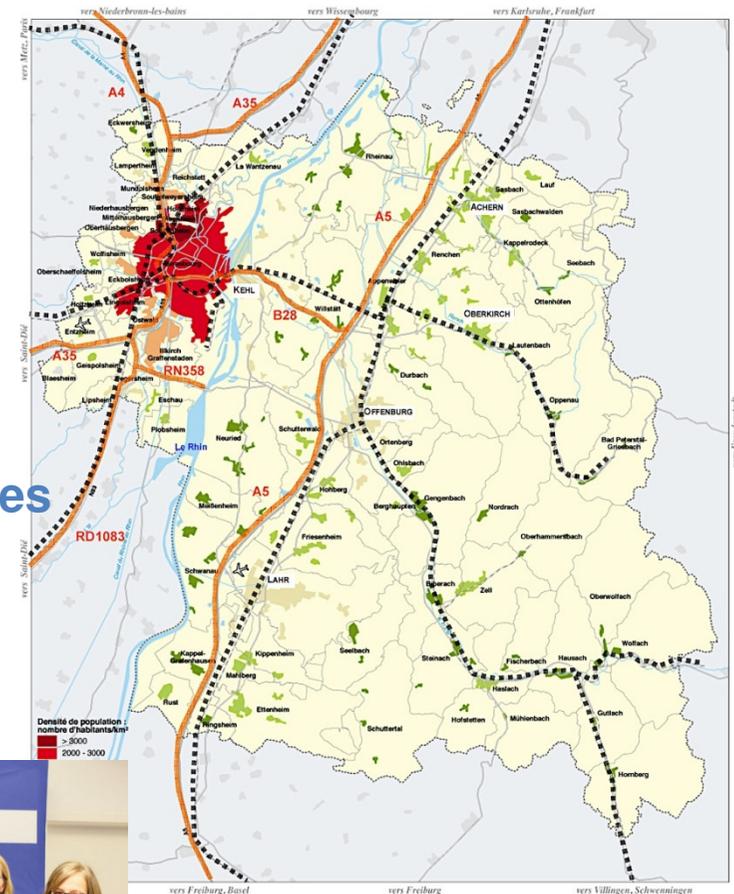
French side: Eurometropolis of Strasbourg

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

Key figures



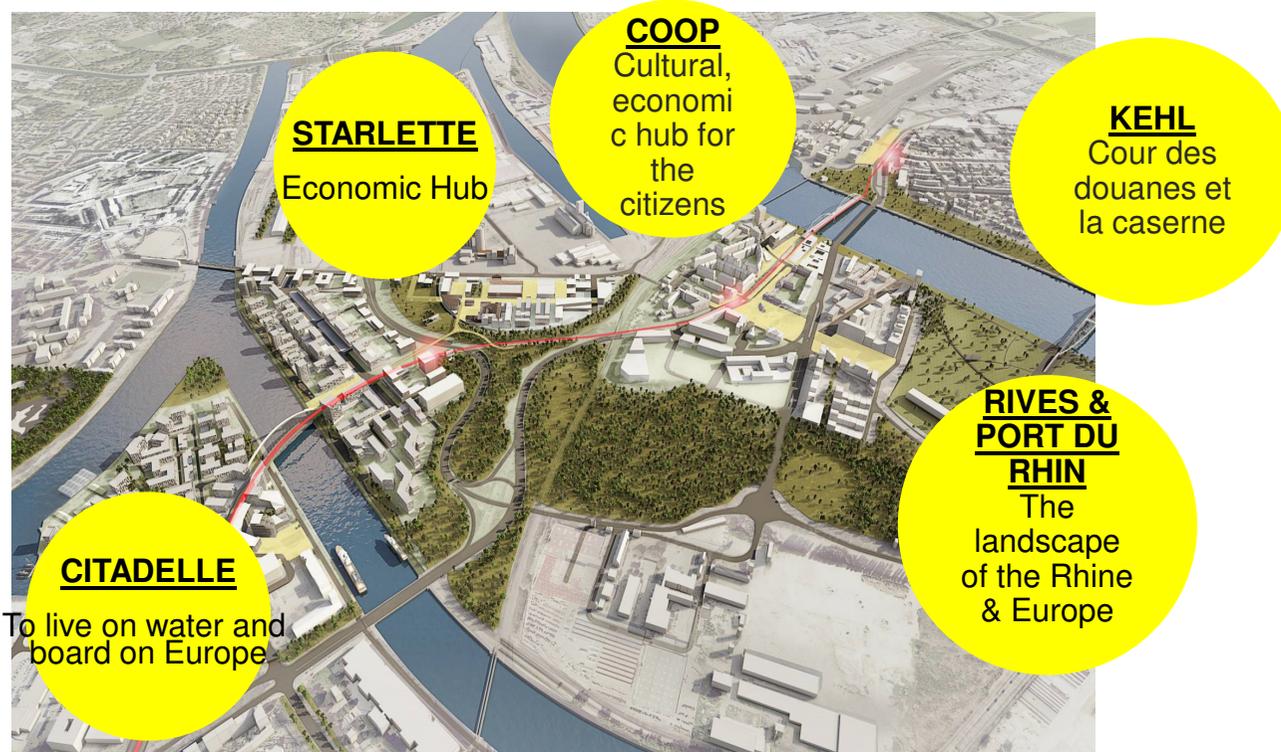
2 369 km²
914 300 inhabitants
107 communes

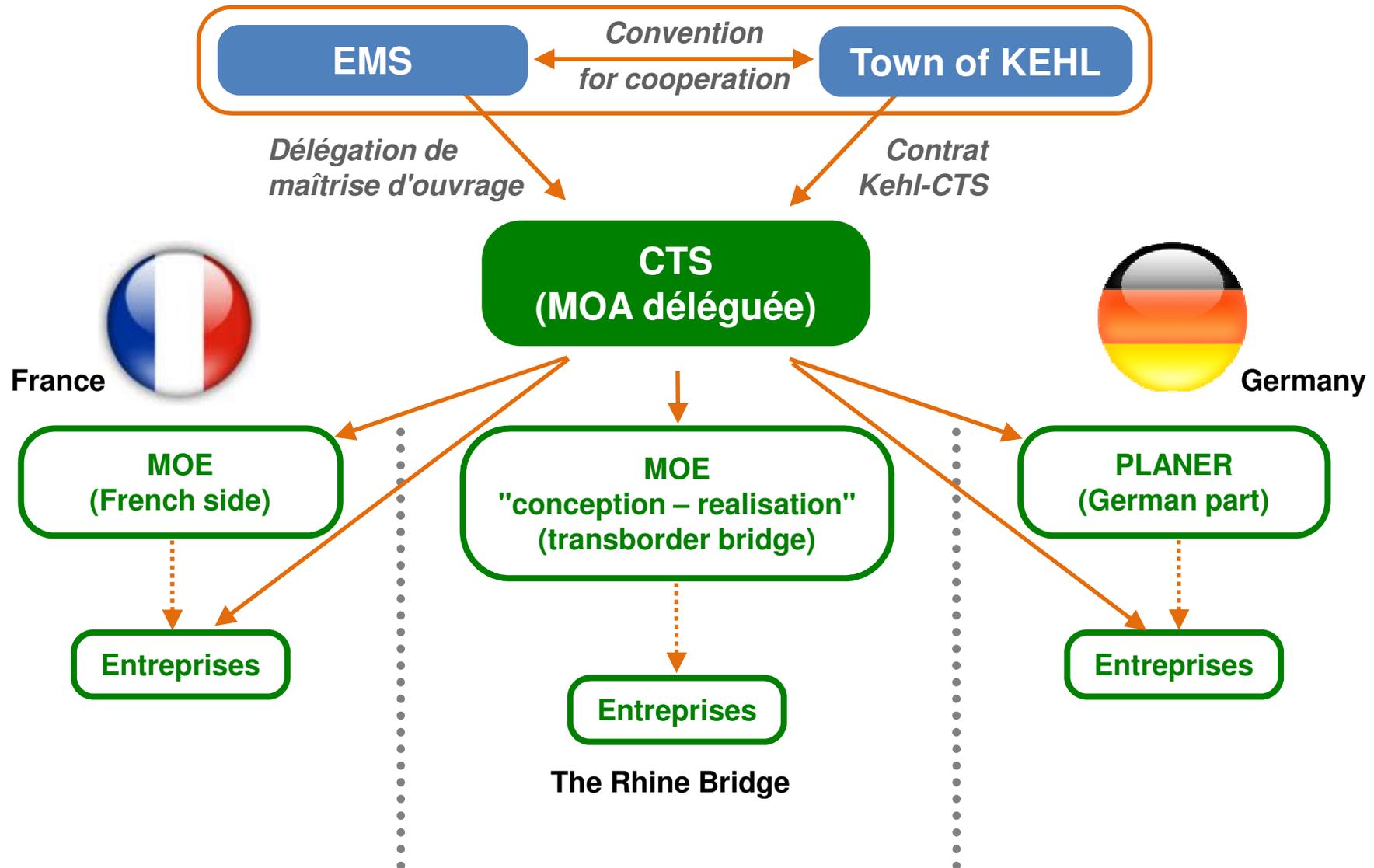


The tram as a spine to urban projects

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

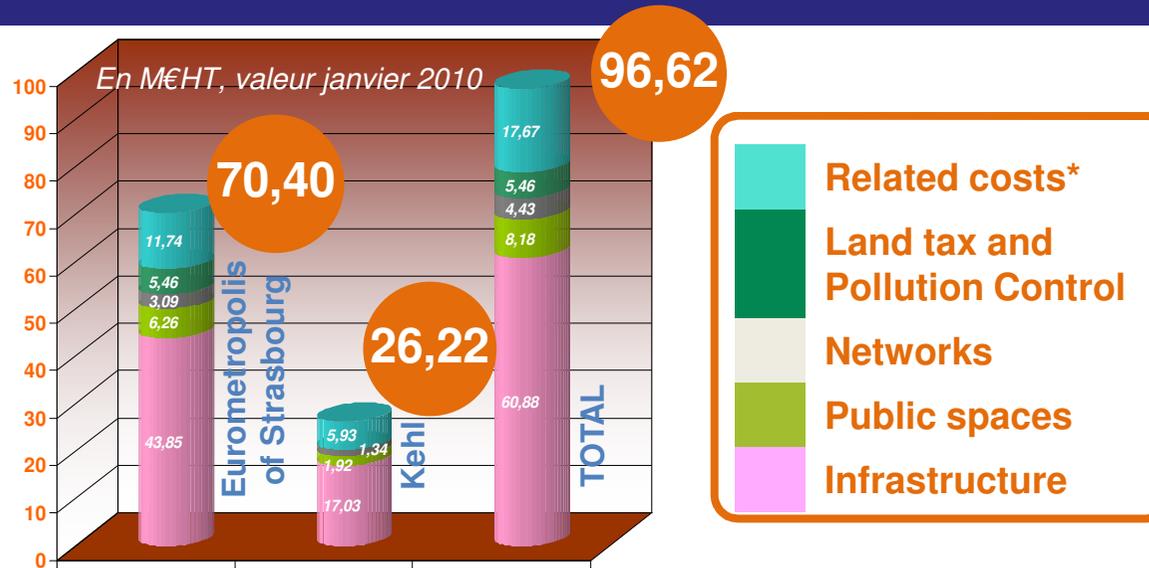
- A pillar instrumental to restructuring the fragmented territory
- A prolongation of the Strasbourg network towards Germany
- A backbone for future urbanization sectors
- An unprecedented cross-border cooperation on a public transportation project.





Appréciation sommaire du coût du projet

(Source : dossier d'enquête publique – Mai 2013)



* rolling stock, project management, various provisions

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 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 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 financial imbalance:

- ✓ EMS : approximately 470 000 inhabitants
- ✓ City of Kehl : approximately 35 000 inhabitants



The New Bridge over the Rhine



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



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Investment potential in developing transports in Gorizia

Sandra SODINI, Director of the EGCT Euro-GO
(IT-SL)



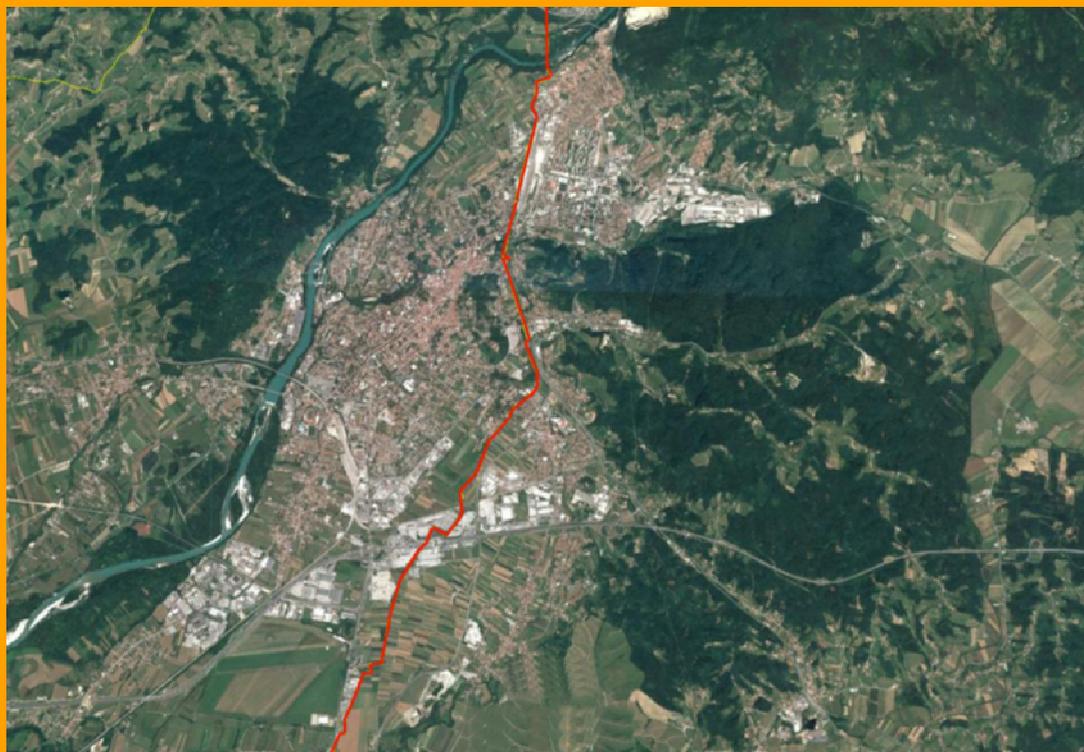
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European Grouping of Territorial Cooperation – EGTC GO

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)



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Sandra Sodini EGTC GO Director

sandra.sodini@euro-go.eu

www.euro-go.eu



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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)



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Successful cross-border innovation policy

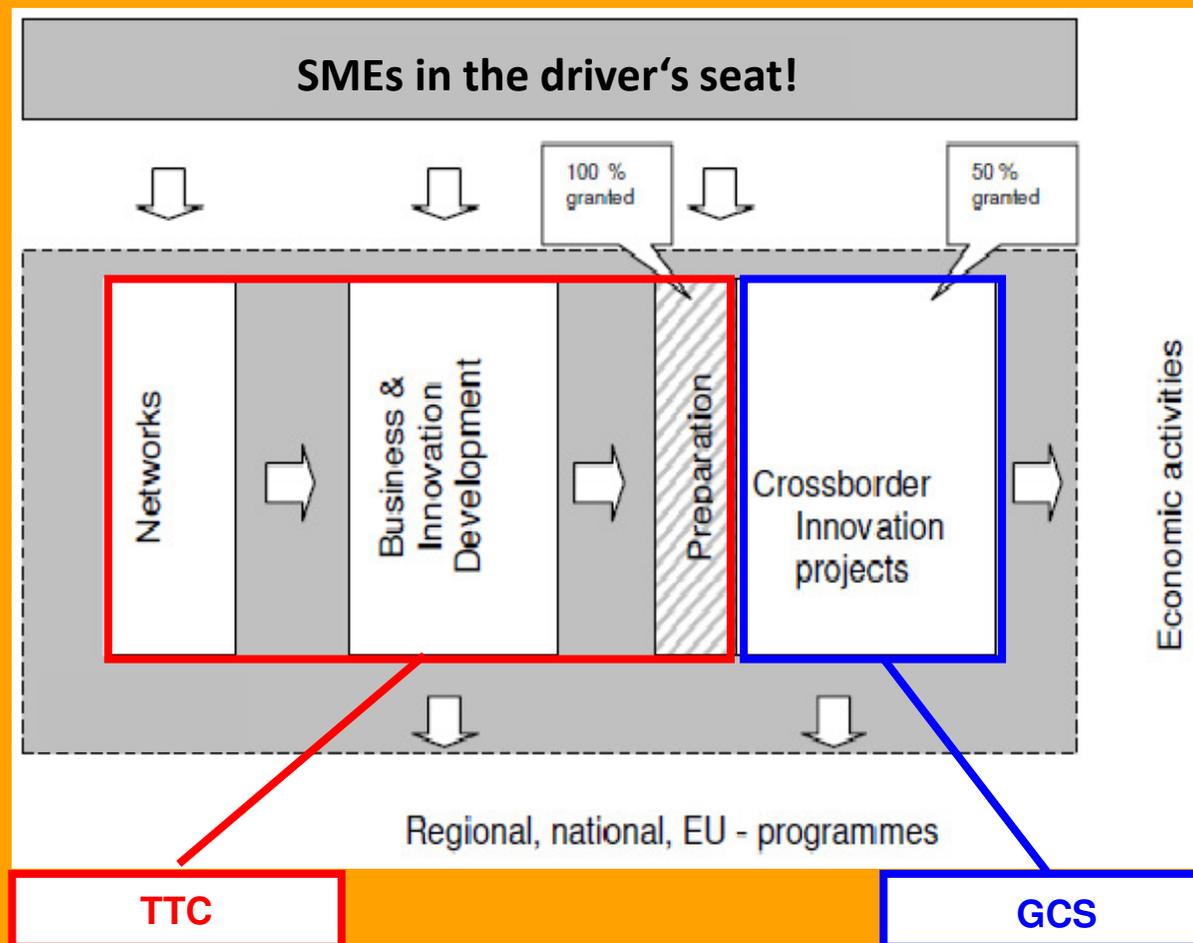


Ralf P. Meyer, Dipl.-Ing.

**Head of Business Development Support / Technology Transfer (BDS / TT)
at AGIT mbH, Aachen (D)**



A cross-border „innovation value chain“





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Project partner consortium TTC



Additionally in GCS:



Liège (B)



Hasselt (B)



Leuven (B)



Eupen (B)

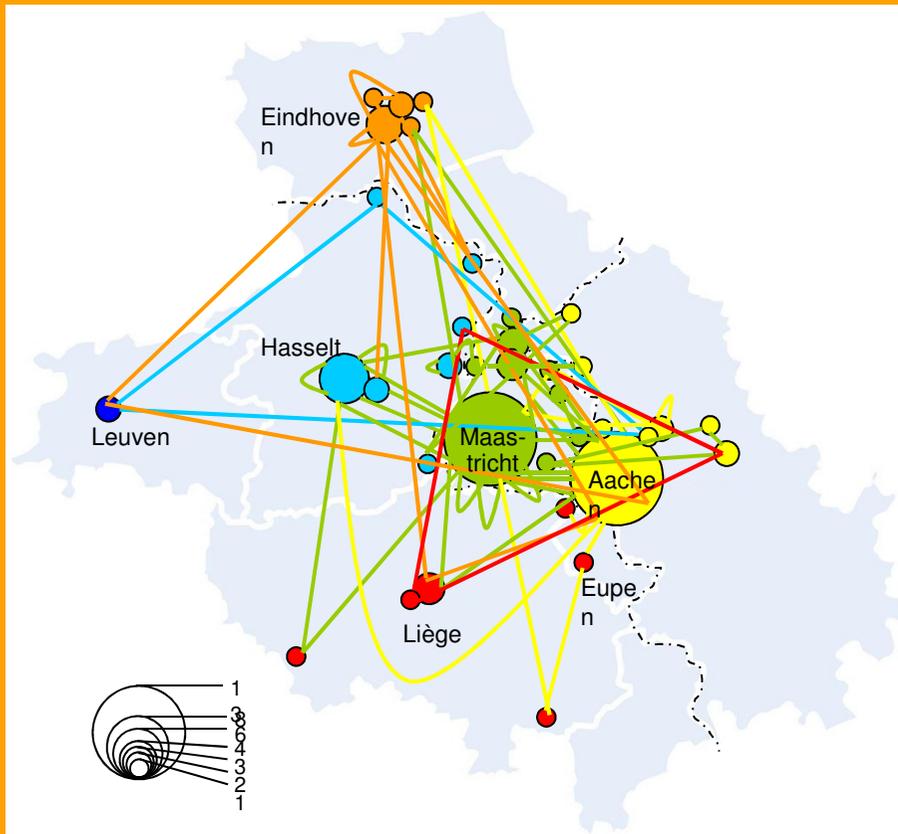
Twenty-four partners – Seven regions – One goal!



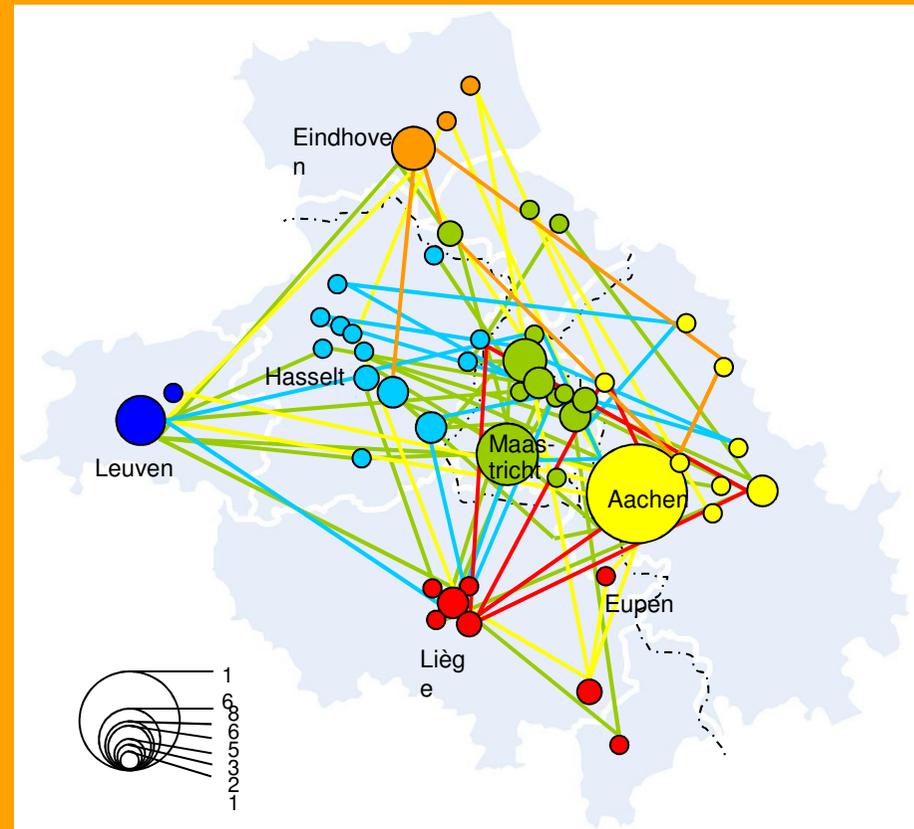
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Cross-border innovation projects GCS



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



**2nd GCS-call (2013 - 2015):
14 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!



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Foto: Peter Braatz / photon-pictures.com

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



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What national policies? What financial tools?

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



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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

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Brussels, 11 October 2016

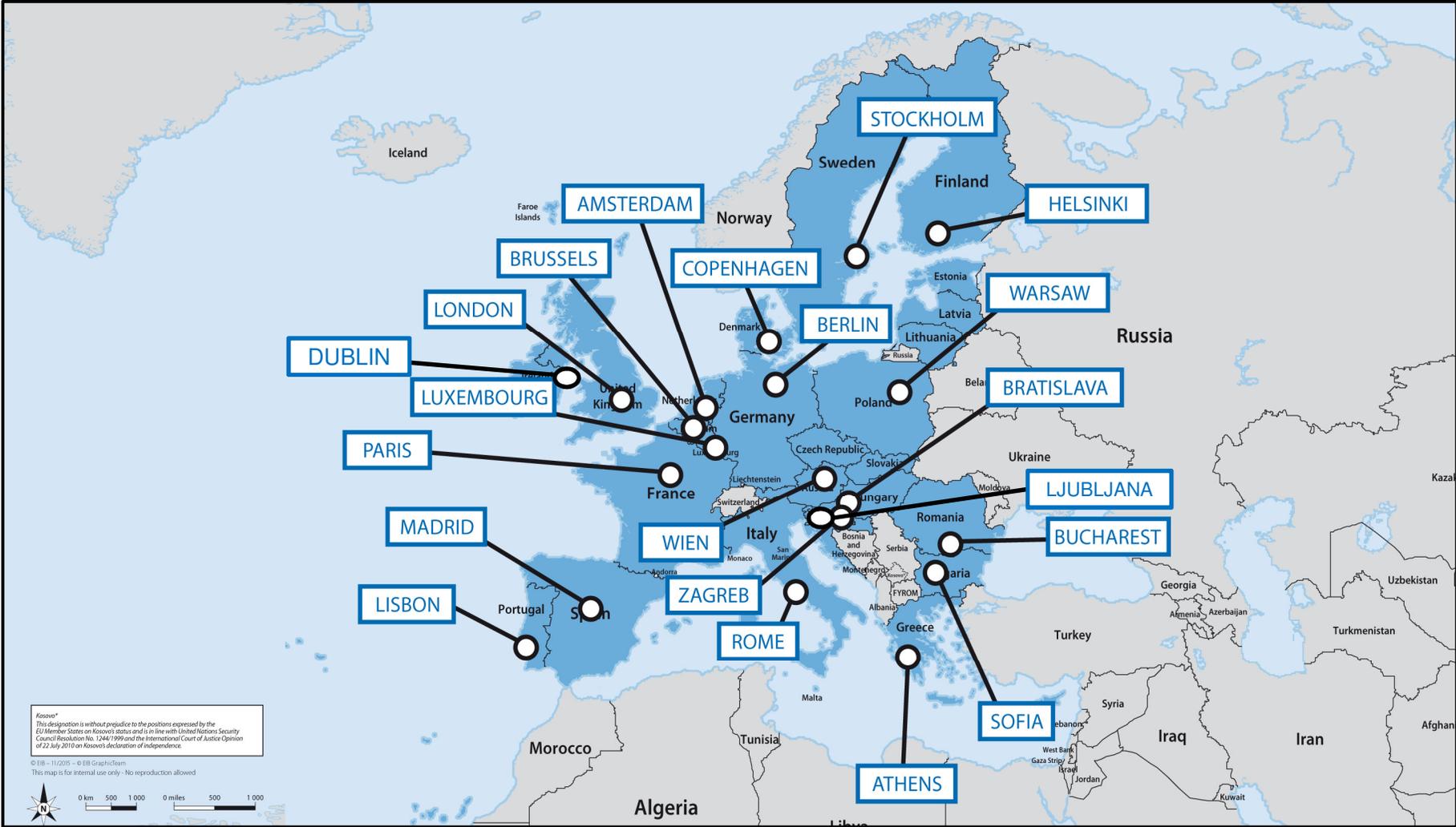
Outline of the presentation

- 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 Offices within the EU



EIB products and offer

We help catalyse investment by

LENDING	BLENDING	ADVISING
<p>Loans</p> <p><i>But also:</i></p> <p>Guarantees & Equity participation</p>	<p>Combining EIB finance with EU budget</p> <p>Project Bond Initiative, IPE</p> <p>Higher risk projects for innovation (InnovFin)</p>	<p>Support for projects preparation and implementation</p> <p>Support to enhance the use of EU funds</p> <p>Support to improve access to finance</p>
<p>Attracting FUNDING for long-term growth</p>		

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

Enhance use of EU funds

Advisory and capacity building support in the implementation of ESIF financial instruments

Improve access to finance

Enhancing financing condition and creating bankable propositions

Existing services

JASPERS, ELENA, EPEC, Implementation support programmes

fi-compass, bilateral services to Managing Authorities

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 on line): 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

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 joint initiative

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



A **single entry point** to a comprehensive offer of advisory services

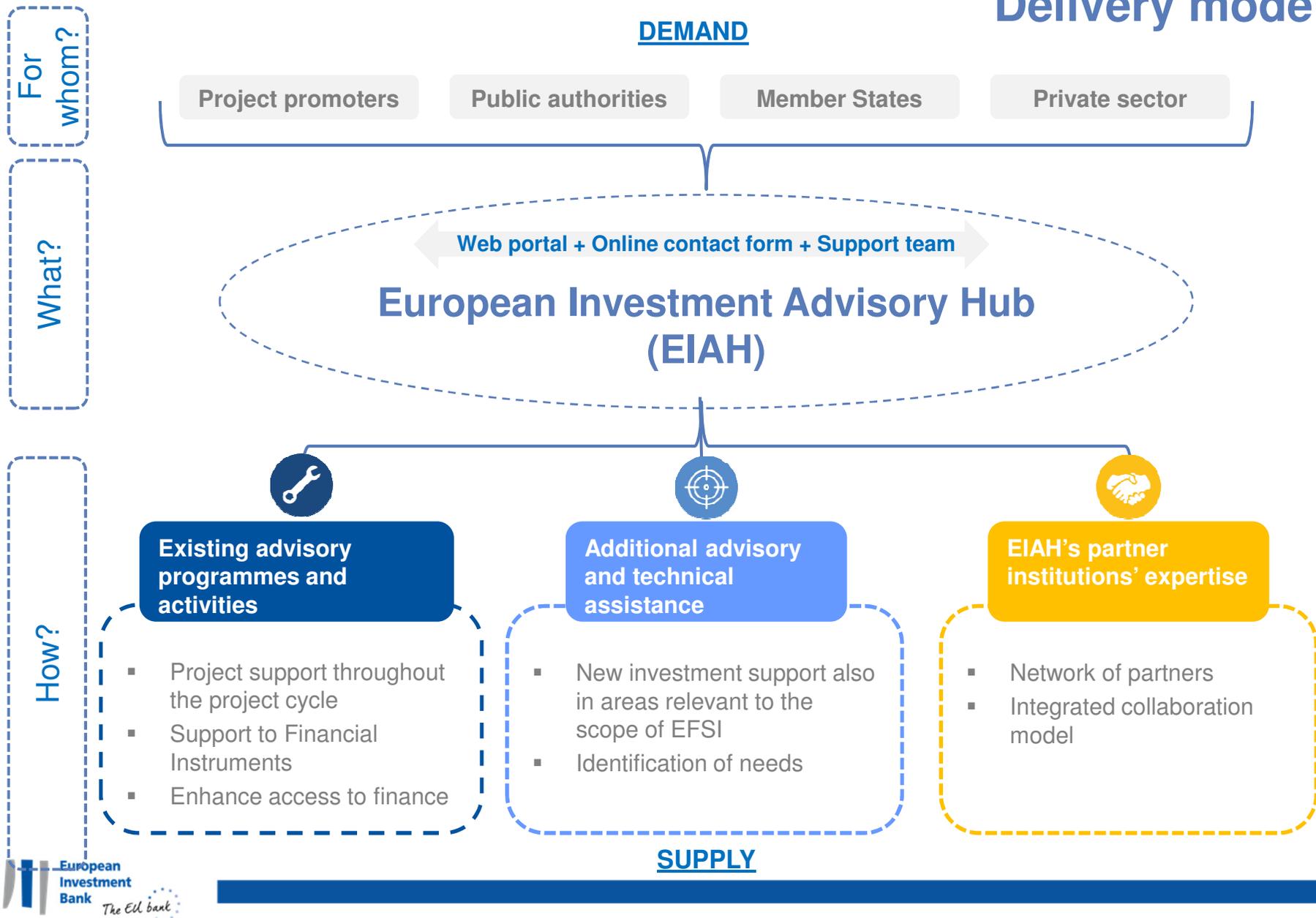


An instrument to assess and **address unmet needs** for advisory support



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



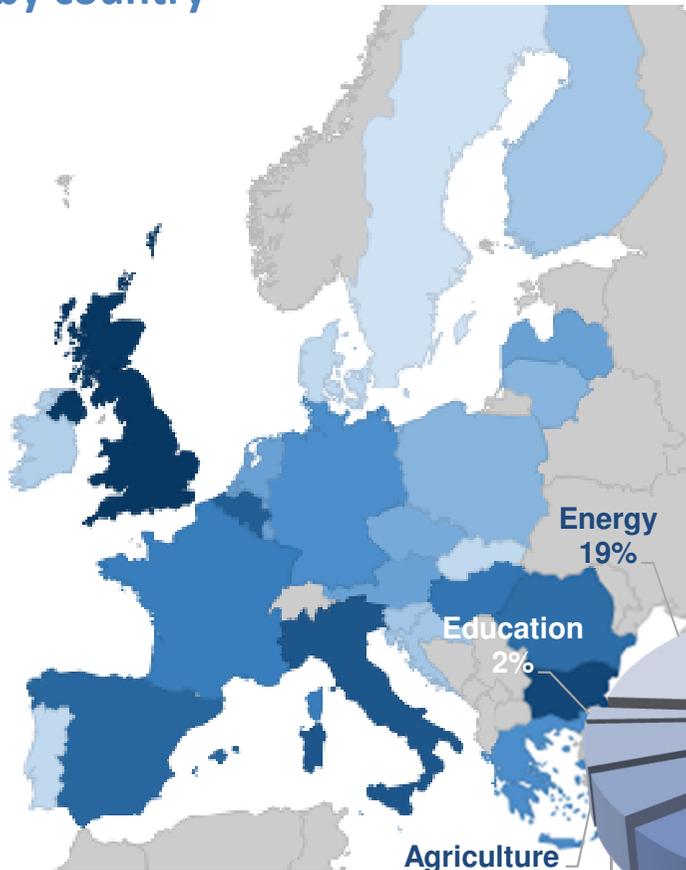
First outcomes

Situation as at 31.08.2016

Requests by country

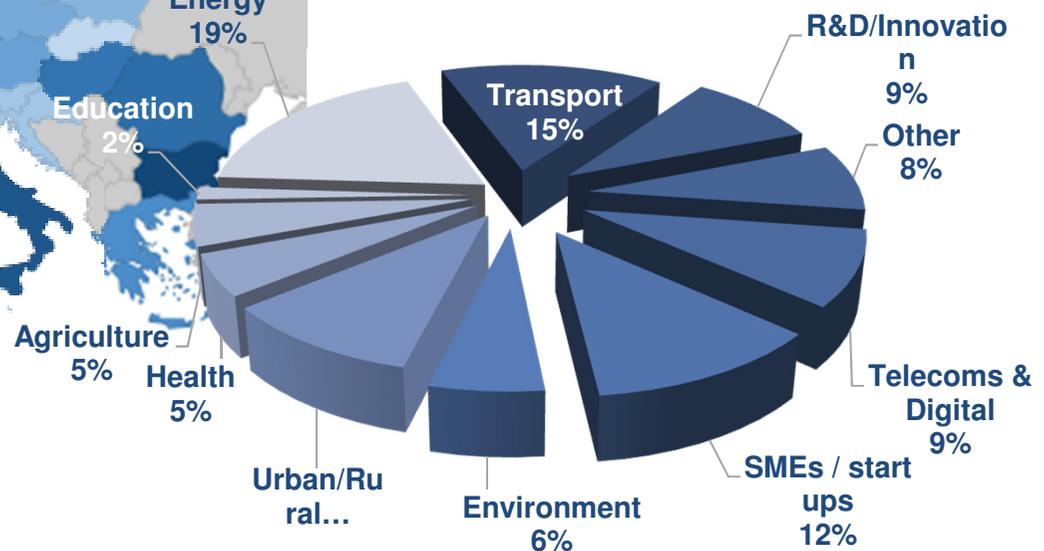
Country	No. of requests
United Kingdom	22
Bulgaria	19
Italy	19
Belgium	18
Spain	17
Romania	14
Hungary	13
Germany	13
France	12
Greece	12
The Netherlands	9
Latvia	8
Austria	8
Luxembourg	8
Czech Republic	7
Cyprus	7
Lithuania	6
Poland	6
Finland	5
Slovenia	4
Croatia	4
Ireland	3
Portugal	3
Malta	2
Slovakia	2
Denmark	2
Sweden	1
Estonia	1
Total	245

*excludes 10 requests from non-EU countries



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

Project-specific requests by sector (Tot. 195)



*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/coordination 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.



Outlook

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



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What European policies?

Dirk PETERS, Senior Expert
Senior Specialist for European territorial cooperation
and EGTC, DG REGIO European Commission





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