



# The "blending call"

## Work Programme and Financial Readiness

**Finland Info Day**  
**Blending call**  
**Helsinki, 8 May 2017**

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## CEF Blending Call 2017

- Blending, in the context of the CEF Call, is the combination of CEF grants with finance from the EIB, notably the EFSI, or with finance from National Promotional Banks or private investors
- As for a "conventional call", but :
  - Letter of support by public or private financial institutions to be included in the submission
  - Financial readiness evaluated to assess project "maturity"
  - Disbursement of grants conditional to financial closure

## **Other specificities**

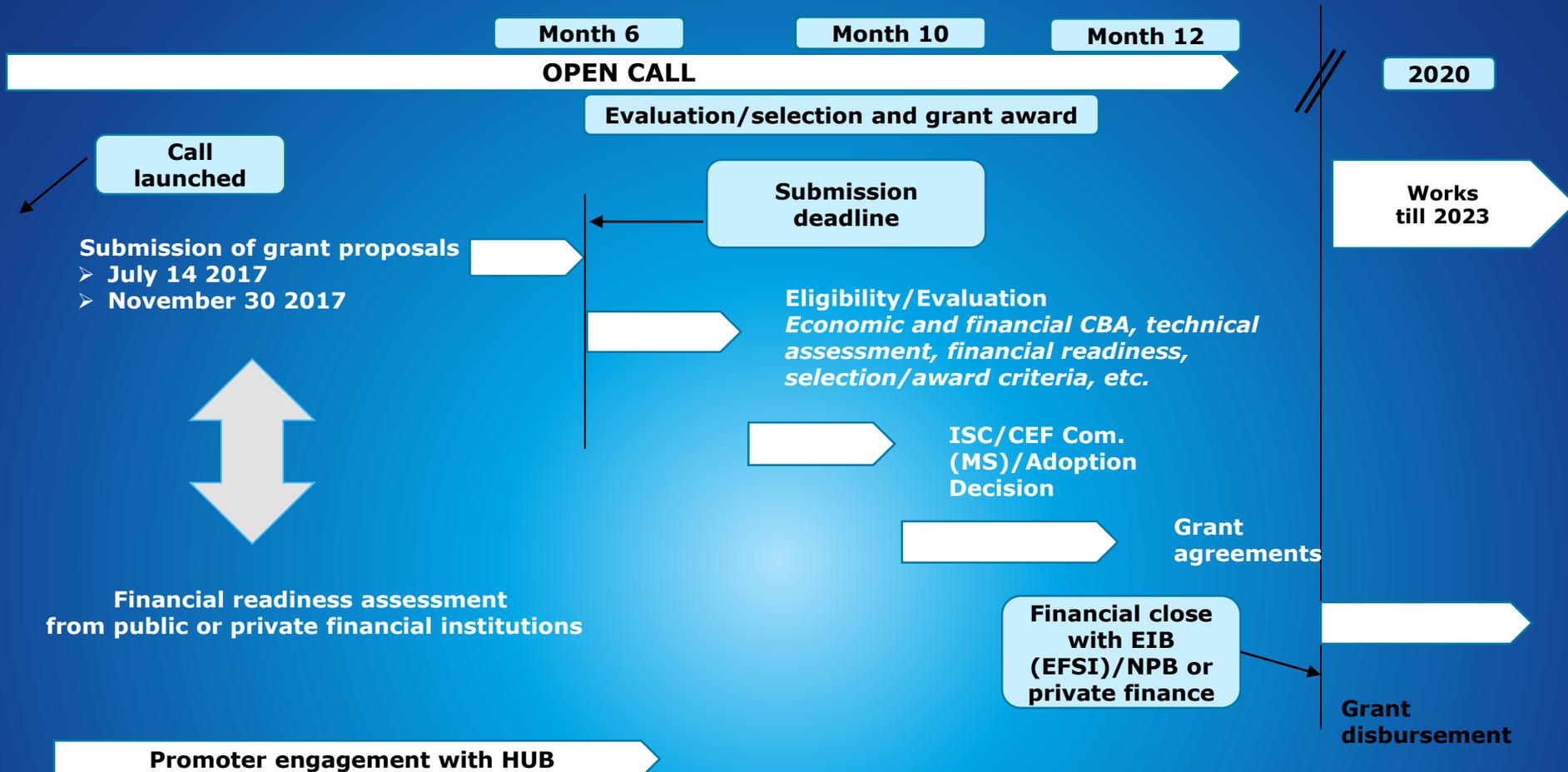
- **Co-funding rates as for a "conventional call" (General envelope)**
- **The project total cost should be in excess of EUR 10 m**
- **Only works are supported (not studies)**
- **Sections criteria streamlined**
- **CBA/funding gap methodology streamlined**
- **Implementation of the Action till 2023**

## Funding priorities

All MAP funding priorities (except RIS) established by the CEF Delegated Regulation:

- ✓ infrastructure projects on the TEN-T Core Network in sustainable modes of transport such as rail and inland waterways (EUR 550 million)
- ✓ Rail interoperability (EUR 50 million)
- ✓ ERTMS (EUR 100 million)
- ✓ Innovation and new technologies (EUR 140 million)
- ✓ Safe and secure infrastructure (EUR 10 million)
- ✓ SESAR (EUR 40 million)
- ✓ ITS (EUR 40 million)
- ✓ MoS (EUR 40 million)
- ✓ Core Network nodes (EUR 10 million)
- ✓ Multimodal logistics platforms (EUR 20 million)

# Blending call : process



# Options for blending/grant disbursement

Grant disbursement for selected Actions will be conditional to:

- For all Member States/projects : CEF grants + EFSI
- Only for projects aiming at removing bottlenecks, projects with cross-border impact, or projects in cohesion Member States: CEF grants + NPBs or EIB or at least one private sector investor for at least the value of the CEF grant awarded

*For clarity:*

- *EIB involvement in financial close is not a requirement for grant disbursement (i.e. a project may receive EFSI Investment Committee EIB Board of Director approval, but then subsequently choose to close with other providers of finance than the EIB)*
- *NPB: an institution with lending capacity and operating under public mandate (i.e. using loans as instruments of achieving public policy goals)*

## Financial readiness

- **The applicant shall submit a letter of support from one or several public or private financing institutions evidencing the financial readiness of the project**
- **For all transactions with the exception of PPP/concessions, the letter of support should provide evidence, through the information referred to in Form E1, that the financing institution(s) has(have) carried out a financial and project assessment and should indicate the level of finance that it/they could provide**
- **Only for PPPs/concessions, the letter of support should provide evidence (of the financial readiness of the project), through the information referred to in Form E2 (which includes the expected timetable to financial closure)**

## General Case – Letter of Support

Letter of Support: drawing on the information provided by the Applicant in Application Form E.1, shall demonstrate that the timetable allows for a Financial Close within 12 months after grant agreement.

### Information to be included:

- 1. Identity of the Borrower (if not the same as the applicant)*
- 2. Brief project description*
- 3. Type & Level of financing that the institution(s) could provide, and conditions*
- 4. Stage of approval and expected timetable and foreseen date of financial close and conditions*
- 5. Financial capacity and business plan of the grant applicant, grant beneficiary and borrowing entity as appropriate and conditions*

Supporting document summarized and listed in form E.1

## Form E.1 – General Case

Subject to confidentiality, the applicant is required to provide information on:

1. The project (information additional if the scope of project includes activities that are beyond the scope of the Actions)
2. Maturity of the project
3. Borrowing entity (if different from the applicant)
4. Financial readiness as regards:
  - The Sector
  - Management and corporate governance
  - Financial aspects
  - List of supporting documents: supporting documents (analysis, surveys, contract,..) not required, but listed

# **Form E.1 – General Case**

## **Examples of information required under the Financial Readiness section**

- **Business plan (sector, commercial proposition)**
- **Governance**
- **Financial strategy, capital structure, operating costs, financing plan**
- **Risks assessment**
- **Financial Models (scenarios...)**
- **Timetable/milestones to Financial Close**

## PPP/Concession – Letter of Support

Letter of Support: , drawing on the information provided by the Applicant in Application Form E.2, shall provide evidence that the preparation phase of the project has been completed, and that the PPP/concession, when procured, may proceed successfully to financial close.

### **Information to be included:**

- 1. Identity of the Borrower (if not the same as the applicant)*
- 2. Brief project description*
- 3. Stage of approval and expected timetable and foreseen date of financial close and conditions*

Supporting document summarized and listed in form E.2

## **Form E.2 - PPP/Concession**

**Subject to confidentiality, the applicant is required to provide information on:**

- 1. The project (information additional if the scope of project seeking financing beyond the scope of the Actions for which a grant is sought)**
- 2. Maturity of the project**
- 3. Borrowing entity (if different from /if already known)**
- 4. Financial readiness (including list of supporting documents)**

## **Form E.2 – PPP/Concession**

### **Examples of information required under the Financial Readiness section**

- **Suitability of procurement form (e.g. Value for Money, affordability, stakeholders support)**
- **Permits and approval**
- **Market appetite**
- **Governance**
- **Risks assessment**
- **Key contractual terms (outputs, payment mechanism...) and modelling**
- **Details of the activities/timetable for preparing/procuring the contract**

## Support Actions

- **To enhance the quality and bankability of TEN-T projects, to attract private sector financing, and reinforcing the take-up of innovative financial instruments**
- **Technical support will be set up under the coordination of the European Investment Advisory Hub (EIAH) and supplementing EIAH support in particular for cohesion Member States.**
- **Support can be requested from the EIAH up to September 2020**
- **Budget : EUR 4 000 000 (EUR 1 000 000 per year for the year)**



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