

**Informal Meeting of Transport Ministers
5-6 September 2011
Sopot**

Subject: "Mobilizing private financing for transport infrastructure"

SPEAKING POINTS

First of all, let me thank the Polish Presidency for organising the Informal meeting of transport ministers on the subject of "mobilizing private financing for transport infrastructure".

Attracting more private investment into transport infrastructure should be one of the most effective ways to deliver on our ambitious TEN-T goals while respecting the constraint exercised by the current difficult budgetary situation of most Member States.

This meeting comes just about a month after the Commission has adopted its proposal for the next Multi-Annual Financial Framework and has proposed to set up a dedicated Connecting Europe Facility to help fund EU-level priorities in the areas of transport, energy and ICT. In the area of transport, this means that the Facility will focus on the realisation of the Core Network that the Commission will formally propose as part of new TEN-T Guidelines.

In the Commission's proposal the Connecting Europe Facility allocates €1.7 billion to transport in the period 2014-2020, of which €10 billion are ring-fenced within the Cohesion fund to be spent according to the rules of the Connecting Europe Facility.

This proposal represents a qualitative change in our ambition and instruments to meet difficult challenges faced by transport in the next decade, outlined in White Paper.

If we are serious about creating a single transport area; serious about really connecting the transport infrastructure of east and west; serious about removing the many bottlenecks that slow down the mobility of

people and goods; serious about the decisive push to be given to the implementation of key cross-border links; and last, but not least, if we are serious about building the infrastructure needed to face the challenges of climate change, then we must have a **consistent smart funding strategy** for transport infrastructure.

Smart, because this strategy will not only focus on hard infrastructure, but also on the most advanced traffic management systems to ensure their synchronised deployment across the entire EU. Let me mention here SESAR that needs to be deployed by the end of the decade.

Smart, because this strategy will not simply increase the EU budget to spend on traditional grants, but will also create new innovative financial instruments, such as project bonds, that can truly leverage the private sector's contribution to transport infrastructure.

Smart, because instead of running in parallel with the Member States' priorities, we have taken care to ensure that our project pipeline is also yours. Therefore, one euro spent at EU level will be much more than one euro saved at national level since we will ensure a common prioritisation, and synchronisation of investments across borders.

Smart, because we will introduce new implementing tools such as the corridor approach to focus our resources where progress is needed most urgently and they can have the greatest impact.

Smart, because this strategy will maximise synergies between the different sectors of transport, energy and ICT with aim at creating a fully-fledged infrastructure asset class to facilitate the entry of long-term institutional investors in our projects.

And also smart because it will draw on the successful implementation of TEN-T, to continue to ensure strict standards of technical, financial and budgetary discipline.

This strategy will be fully coordinated across the different instruments and partners. The Connecting Europe Facility, the Cohesion and Structural Funds, and the instruments managed by the EIB will work towards the fulfilment of our same TEN-T goals, and will focus on where the EU added value is the greatest.

The Commission will present in the coming weeks the concrete legal proposals to turn this vision - our common vision - into a reality for the

next financial period. These proposals will be on the next TEN-T Guidelines and the Connecting Europe Facility regulation and on the project bonds.

As far as the questions you submitted to foster the discussion, I would like to underline the importance of the value for money assessment of a project when considering a PPP procurement. The important task of determining the feasibility of a project for procurement as a PPP is time-consuming and costly endeavour. Therefore, the 2010 TEN-T Annual Call for Proposals offered funding to support feasibility studies for PPPs, including the value for money assessment. Such direct, targeted support to assist in feasibility studies and the further development of mature projects identified as PPP candidates will continue in future calls for proposals under the current TEN-T programme.

The Commission is also working with the European PPP Expertise Centre to better define the needs of Member States in relation to feasibility studies. Moreover, the cooperation framework established between the Commission services and the Expertise centre will focus more on support to encourage Member States to use PPPs, including the provision of relevant expertise.

Finally, in the preparation of the Connecting Europe Facility, the Commission would aim at establishing a PPP test before EU grant money is allocated in order to see whether a PPP procurement is not better suited to the project under consideration. This should be done without creating undue administrative burden for your administrations.

Thank you for your attention and I look forward to our discussions today.