

## Infrastructure investment is a no-brainer

The Bruegel Institute published a blog-post with the above title in October 2014<sup>1</sup>. Since then a lot has happened to deliver on this idea:

- Two, several-times oversubscribed CEF Transport<sup>2</sup> calls were completed, whereby most of CEF Transport funds available until 2020 were allocated to projects proposed by Member State governments.
- The European Fund for Strategic Investment (EFSI)<sup>3</sup> was constructed - partially using CEF Transport money - under the initiative of Commission President Jean-Claude Juncker to act as a risk mitigation vehicle to support strategic investments within the European Union, including - among others - into the field of transport. €315 billion worth of investments are foreseen to be catalysed by this programme, also to fulfil the key Bruegel concept of:

*"Europe needs mechanisms for carrying out self-financing infrastructure projects outside existing budget caps"*

The first report of EFSI Transport projects was issued in March 2016<sup>4</sup>. A year before this report several European transport associations warned<sup>5</sup> that transferring CEF Transport funds to EFSI would divert to road vital resources predominantly designated to more sustainable modes of transport (rail, IWW, SSS). 29 transport associations – including UIRR – issued a call to ensure that investment funding continues to be made available to strategic investments needed by Europe's sustainable modes<sup>6</sup>.

Alternatively, Member States of the European Union should consider making the legal changes needed to enable sustainable modes, and rail in particular, to qualify for genuine private capital investments - like it is already possible within the road sector. Whereas concession highway construction, funded entirely by private investors (outside public budget caps), is possible even if these highways are part of the TEN-T network, yet only exceptional cases may be mentioned for similar financing schemes for railway investments. Considering that vast portions of Europe's rail network was constructed on private initiative and using private capital in the 19<sup>th</sup> Century, the same should be made possible again today, in the 21<sup>st</sup>.



**More EU budget  
for transport**

**The best Investment  
Plan for Europe!**

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<sup>1</sup> <http://bruegel.org/2014/10/infrastructure-investment-is-a-no-brainer/>

<sup>2</sup> Under Regulation 1316/2013

<sup>3</sup> <http://www.eib.org/efsi/>

<sup>4</sup> [http://ec.europa.eu/priorities/sites/beta-political/files/transport-ip-state-of-play-march-2016\\_en.pdf](http://ec.europa.eu/priorities/sites/beta-political/files/transport-ip-state-of-play-march-2016_en.pdf)

<sup>5</sup> <http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2015/mediacentre/697-associations-warn-against-risks-of-shifting-cef-money-to-efsi.html>

<sup>6</sup> [http://www.uirr.com/index.php?option=com\\_downloads&id=1167](http://www.uirr.com/index.php?option=com_downloads&id=1167)



Ralf-Charley Schultze

*"UIRR proclaims fair competition within the world of transport. This should entail discrimination-free access to private capital for strategic infrastructure investments. At a time when public resources are scarce, yet unprecedented quantities of capital is searching for investment outlets, it is the duty of Member States to open the gates to this capital for investments in Europe's strategic rail network." - noted UIRR President Ralf-Charley Schultze.*

### Who is UIRR?

Founded in 1970, the **International Union for Road-Rail Combined Transport** (UIRR) represents the interests of European road-rail Combined Transport Operators and Transshipment Terminal Managers.

Road-Rail Combined Transport (CT) is a system of freight forwarding which is based on efficiently and economically inserting electric rail into long-distance (road) transport-chains through the use of intermodal loading units (ILU).