DG-MOVE’s Systematic Support for Islands
- TEN-T & CEF Programmes
- Organising Private Investment for a Holistic Approach

INSULEUR Meeting
EESC, Brussels, Belgium
05 April 2019

Helmut Morsi, Advisor to the Director & Coordinator for Innovation
European Commission, DG MOVE
Directorate B – Investment, Innovative & Sustainable Transport
Introduction

- Transport is essential for islands, for people and goods to move from and to the main land as well as between and around islands. In addition, many islands need transport for their energy and water supply as well as to manage waste. The number of movements is therefore immense. In addition, demand is strongly increasing because of tourism.

- Consequently, sustainable mobility should not be seen in isolation, but in the context of a holistic strategy for islands, encompassing transport, energy, water and waste. Above all, transport should be clean and efficient, while addressing the requirements of island inhabitants but also of visitors. It is clear, that all islands want such green transport. Solutions exist already, but the question is how can they be deployed soon and for all interested islands in a systematic way? – Finances as well as coordination and collaboration are key elements.

- One objective could be to find out whether current EU legal framework for islands is sufficient to meet the challenge. Another objective could be to start immediately with a practical island strategy using what we already put in place (programmes, funds, organisations, etc).

- What can we learn from EU and national programmes and results. – Many studies and prototypes were done, let’s use best practise and roll-out with large joint projects to save the islands! - The Matrix

- What are the priorities for the next 3 years? (end of current fin.cycle & start of next)
Holistic Approach (1)
- Proposal of the 4plus1 Concept based on Innovation & New Technologies

- Objective: Sustainable Islands

- Scope
  » Synergies: energy, transport, water & waste – 4 sector optimisation problem
  » 2700 islands in the EU
  » 18 EU Member States
  » Total permanent population as large as medium size MS (e.g., Hungary, about 12 million), but during summer in average factor 5 increase by tourism!
  » Deployment of new technology optimised for islands, i.e., isolate area surrounded by the sea – a special case which requires a special optimisation solution(s)!!!
  » Overall: nearly all EU citizens directly benefitting (because of tourism).

- Creating a new business case
  » Preservation of the Environment (essential for Tourism)
  » New era for energy & transport: global transformation as an opportunity for islands:
    • Plus1: High tech production on islands (clean!) – Some examples
    • Better balancing seasonality caused by tourism (-amortisation, social dimension)
    • Selling island-optimised solution(s) to islands across Europe & beyond.
Holistic Approach (2)

- An Island Matrix of Best Cases

- Prototypes too expensive for roll-out on many islands
- Need standard cases to enable mass production (small-medium-large islands; close-far from mainland; with-without water source; usage of desalination?; strong winds - strong sun; waste recycling, water losses, etc
- Joint tendering of equipment by islands to reduce unit costs.
- Joint studies/actions on behavioral change (waste recycl, water usage, etc)
- Include suppliers who were successful in projects using island-optimised equipment.
- Integrate your desire to become part of the production cycle when placing a large order. Tourism & „second income leg“ -> banks: amortisation, bankable
- Don’t start at zero – there is no time: we have to save our planet now!
  - Contact milestone projects and milestone people
  - Collect from all programmes best island cases
  - Collect useful info/products from best mainland cases,
- Matrix cases serve as starting points for decision makers (mayors, govenors), who then further optimise for their island; eg also visit best case islands and team-up „islanders helping islanders to optimise“
- 1 single matrix for all island funding programmes (please not by DG or by islands organisation) => Single Internet Portal (new TENtec module?)
TEN-T's Island History

- Trans-European Networks – Guidelines with maps in all member states incl. islands & some outermost regions.
- Connecting Europe Facility – Budget & Focus = Corridors & Energy PCIs
- Transport, Energy & ICT
  - Large budgets (€33 billion, mostly for transport)
  - Geographical restrictions (networks)
  - Mainly infra-structure, but also vehicles: ships, ferries, etc
  - Hard-core infra, but also soft-topics: innovations, MoS, logistics, transport management systems
- Many projects funded on EU islands, however no dedicated strategy. – *We aim to improve!*
TEN-T Corridors, Core & Comprehensive Networks Example
TWIN-PORT II (incl. EE)

- Real-life trial (study) plus roll-out (works) aiming at upgrading the Maritime link between the Port of Tallinn and the Port of Helsinki.
- Finances investments into the infrastructure of both ports: notably the New Terminal in Helsinki as well as the extention of terminal D and a connection between terminals A & D in Tallinn.
- It financed the environmental upgrades on a new generation vessel "Megastar" which was delivered January 2017. Powered by LNG, this RoPax vessel accommodates 2800 passengers and brings significant environmental, speed and energy efficiency improvements to this link.
Pilot development of an LNG propulsion system for combined passenger and freight transport with a view to provide year-round supply to the peripheral region of Helgoland

2013-DE-92079-S

The project concerns the construction and pilot deployment of a LNG propulsion system for a ferry between the port of Cuxhaven and the island of Helgoland.

The development covers the innovative concept and design, implementation and installation of the LNG-propulsion system and its required components, as well as a pilot study on the implementation resulting in recommendations on best practices.
OPS masterplan in Spanish ports

Programme:
CEF Transport

Call year:
2015

Location of the Action:
Spain

Implementation schedule:
November 2016 to December 2019

Maximum EU contribution:
€1,641,815

Total eligible costs:
€6,206,574

Percentage of EU support:
26%

Coordinator:
Organismo Público Puertos del Estado (Spain)

Status:
Ongoing

Transport corridor:
Non pre-identified sections on the Core Network

Transport mode:
Maritime

Last modified:
April 2019

The Action is part of a global project aiming to spread the use of electricity for ships calling at Spanish ports along Core Network Corridors and beyond.

The Action aims to implement, analyse and assess pilot operations and fine-tune the Onshore Power Supply (OPS) system’s technology. It consists of a study with pilot deployment of OPS systems in three ports (Santa Cruz de Tenerife, Las Palmas de Gran Canaria and Palma de Majorca) on the installation of related equipment on eight RO-RO and RO-PAX and ferry vessels of UECC and Fred Olsen for one year. Data will be collected also from the OPS operations in the port of Pasajes (Pasaia), whose system is complementary but not included in the Action.

The Action includes the design of OPS, studies on the regulatory and legal framework, technical solutions, environmental and social impact as well the preparation of a master plan for the roll-out.
The Action involves the implementation of a sustainable and green transport system in Greece. It consists of three all-electric commuter vessels and one hybrid propulsion (Liquefied Natural Gas/Electric) catamaran that will connect the core network port of Piraeus with other ports in the comprehensive network. The Action includes a fleet of four electric buses to transfer the vessels’ passengers from several points of Athens to the port of Piraeus and vice versa. It also involves two Liquefied Natural Gas (LNG) bunkering tanker trucks and various mobile electricity storage systems to supply all vehicles, as well as one LNG/Compressed Natural Gas fuelled truck for the autonomous management of all mobile equipment. Moreover, it involves a multimodal integration electronic platform to facilitate the booking of travel arrangements.
Future Funding Opportunities in CEF 1 (only 2019 & 2020 remaining) (1)

- Opened on 04/12/2018 (Annual) WP 2019 (works 20 to 40%, studies 50%)
  - €100 million on comprehensive network (ports on isolated areas = islands! - *google for „CEF Transport Calls“*
  - InfoDay 17 Jan. & recorded on website, Deadline 24 April, 2019
  - 1) Large infrastructure priority €65 mio: removing bottlenecks, rail interoperability, missing links, etc
     - Plus: Alternative Fuels & Energy, incl. cold ironing, bunkering, plus waste from ships (= 3 sector synergies!!!)
     - emphasis on transport -
     - If no hinterland rail-freight network, removal of bottlenecks (on roads) for isolated areas (islands!) (upto 30% for works)
     - Safety & Security incl. on islands,
  - 2) Innovation priority €35 mio: Rail Noise only
Future Funding Opportunities in CEF 1 (only 2019 & 2020 remaining) (2)

- Blending Facility 2019-20:
  - €350 mio (Brexit reduction to 198 mio),
  - a new, efficient instrument:
  - Continuous submission & 1 Stop shop & simplified and shortened selection process
  - Flexible: core & comprehensive TEN-T network ++
  - 2 topics only:
    - Innovation Art.33(a&b), i.e. alternative fuels; roads, shipping, rail; infra and mobile assets (=vehicles) and adjacent sectors required to do transport innovation, eg energy storage, telematics, IT
    - European Rail Transport Management System (ERTMS)
  - Positive vote on work programme done by CEF Committee on 25/3, EC adoption scheduled for April, Call probably May/June 2019

  - Unclear due to current lack of budgets
  - However 2020 Call likely due to budgetary back-flow from non-performing projects
  - Synergy call (transport & energy) indicatively planned for end2019 / begin’2020
CEF2 - Next Steps to Accelerate Innovation in Europe
- Current legislative status: CEF2 (partial) Common Agreement Reached in March 2019

(Solid) Basis: CEF 1 Financing of Transport Infrastructure (26.5 billion grants & new fin.instr)

- In general: very successful CEF financial format (concept & instruments): Large infra for all modes of transport, i.e. including ports, plus some vehicles, i.e. including ferries (MoS, innov.)

- Specifically for innovation part: short deployment projects (legal base: „studies with integrated deployment“) i.e. 112 real-life trials 2010-2016 co-funded with 50% non-depreciation grants
  - Trials bridge "valley of death" to prepare market, thereby enabling strong private investment.
  - It works: 2017 & 18 many roll-outs into mass-market with blending (20% grants, total € 400 million grants, = 2 billion initial investment), plus even pure loans, it risk low enough, via Juncker, senior credit lines of banks, etc! – about 30 roll-outs for innovation (mainly AltFuels)

CEF2 Proposal for 2021-2027 (06 June 2018, COM2018-438final)

- Total € 42.3 billion: transport (30.6), energy (8.7) & ICT (3.0)
- Incl. € 11.3 billion earmarked for cohesion
- 2 parts: network "development" & "modernisation"
- Larger budget share for innovation being part of "modernisation": up to 40% (was 5%)
- Higher max. funding rates: general 60% / 30%, cohesion 85% / 70%
- New topic: military mobility (6.500), ie dual purpose transport infra
- Simplification & Modernisation: synergy made easier – particularly great for holistic solutions!

(*) all amounts in billion €
THANK YOU FOR YOUR ATTENTION!

Innovation Projects:

TENtec Portal (info, maps etc):
http://ec.europa.eu/transport/infrastructure/tentec/tentec-portal