



Exchange DG MOVE and ELTI CEF Blending - AFIF

Achievements up to now and further developments

Brussels, 17 January 2023

2.30 pm (CET)

Minutes

Welcome

Laurent Zylberberg, ELTI Chairman (LZ)

LZ welcomed the guests from the European Commission (EC) and underlined:

- that the CEF Blending instrument – Alternative Fuels Infrastructure Facility (AFIF) is a useful, efficient, and successful support instrument.
- that the cooperation between the EC and implementing partners (IPs) is extremely important and should be continued in this way.

Herald Ruijters, Director, DG MOVE

Introduction on the CEF Transport Alternative Fuels Infrastructure Facility

The European Commission (EC) representatives thanked ELTI for the opportunity to present the CEF Blending instrument – AFIF, especially to the ELTI members which are not yet IPs. The EC hopes that more NPBI (notably in South-East Europe) will make use of this facility.

Under the current call, 2/3 of the budget (totalling 1,575bn EUR) are reserved for projects accompanied by IPs whilst the rest is reserved for projects accompanied by non-IPs (principally commercial banks). The figures show that much of the envelope reserved for IPs remains available (after the notification of the second cut-off date) and the envelope reserved for commercial banks is consumed at a faster rate. DG MOVE is seeking to establish a long-term relationship with the NPBI, particularly because they represent the general interest, but an immediate challenge will be to maintain the envelope reserved for IPs within a future call for AFIF. The calibration of this pocket will depend on the level of consumption. DG MOVE encourages NPBI which are not yet involved to become implementing partners, and NPBI which are already established as IPs to make use of the facility and to increase the number of projects submitted.

- **Cooperation between the European Union and NPBIs – added value for the climate**

- a) **CDP (Italy)**

- Massimo d'Eufemia, ELTI Vice-President and Head of European Affairs at CDP**

- CDP's Experience in structuring and implementing CEF in Italy*

- Elisa Sola, European Affairs: presentation on two projects supported by CDP**

- i) Be Charge (Plenitude) on the installation of ultra-fast charging infrastructures along motorway networks (IT and EU)
 - ii) F.Ili Cosulich: purchase of an LNG bunkering vessel

- b) **CDC (France)**

- Yannick Kirchhof, Advisor for European affairs at CDC**

- i) Dijon Mobility H2 which aims at deploying two Hydrogen Refueling Stations (HRS) in Dijon to refuel primarily public vehicles (buses and refuse trucks). It also includes the construction of two electrolyzers, using mostly waste-to-energy and RES.
 - ii) Electrification of ground operations at Montpellier–Méditerranée Airport.

- c) **ICO (Spain)**

- Martín Larroque Gancedo, International Financing and European Union Affairs at ICO**

- i) Repsol (oil sector leader) - HY2MOVE project: - Deployment (building and installation) of 6 Hydrogen Refuelling Stations ("HRS") in the Spanish TEN-T Core Network corridors, Atlantic and Mediterranean, together with an electrolyser and two logistic centres and IT system.

- d) **BGK (Poland)**

- Marcin Fronczak - Structured finance expert at BGK**

- i) "Clean Cities – Hydrogen Mobility in Poland (Phase II)" - construction of five public hydrogen refuelling stations in Poland along TEN-T network.

- **Helmut von Glasenapp, ELTI Secretary General**

- Summary of conclusions*

As a preliminary summary of the presentations provided so far, the ELTI Secretary-General mentioned that IPs provide a very crucial service: they are selecting the best projects (especially riskier, small-to-medium sized ventures) in the markets and that they have access to good projects which might not find financing in the market. It was also noted that IPs provide a significant amount of financing, directly through their investment and indirectly, through the involvement of other investors. They do so because they take advantage of the facility which allows them to finance, via a very simple process, projects that would not have been financed otherwise. The cooperation between IPs and DG MOVE is therefore extremely smart and efficient. However, the financing of projects in emerging sectors (i.e., hydrogen) is more challenging.

- **Herald Ruijters, Director, DG MOVE**

Future outlook and next developments of the instrument

The EC representatives underlined that a legal obligation would come soon but it is not clear whether the intensity of the support will remain at the same level after this occurs.

It was mentioned that the eligibility criteria have already been changed and implemented. The financing of fleets would absorb significantly more amounts and could lead to 'crowding-out' effects. DG MOVE hopes to continue the facility after the ongoing call. This must be decided by the respective committee composed of EU Member States representatives. A successful call, demonstrating the important contribution of NPBI in implementing the facility, will help to convince Member States.

- **We can do even more: How can we make more use of the CEF blending instrument?**

- a) **PMV (Belgium/Flanders)**

Johan Reynaert, EU Liaison Officer at PMV

New, innovative projects: The role of NPBI and the timing of the ongoing AFIF call

PMV explained that projects in the hydrogen sector have a long preparatory phase and it is not sure that enough projects will be ready before the fifth cut-off date.

- b) **MFB (Hungary)**

Csaba Harsányi, Head of Brussels office at MFB

What are the obstacles to make use of the CEF blending AFIF instrument? The Hungarian experience.

MFB made the following observations:

1. For public and private sector promoters: they continue to see the programme purely as a grant with the bank "paper" being just one of the many documents of the application.
2. For public projects: the maximum available grant intensity is too low as promoters would prefer to wait for cohesion money. The same can be said from the other angle: often the new technology being implemented in projects are still at a very early stage and thus not (yet) bankable.
3. For private applicants: the non-IP commercial banks can respond quicker to the request and usually have more information about the applicant, so the decision-making process is faster and easier.

- **Discussion**

During the discussion, all participants stated the need to continue the CEF Blending Instrument – AFIF. The European Commission should reflect on a broader eligibility process as well as the high added value of a transfer of the CEF Blending mechanism to other policy fields i.e., digitalisation or energy. DG MOVE explained that they are in contact with other DGs notably CNECT, REGIO or ENER.

- **Conclusion and closing remarks**

- a) **Herald Ruijters, Director, DG MOVE**

DG MOVE will continue the discussion at different levels. They have invited all existing IPs for a discussion about the overall situation on 19 January 2023. This discussion with NPBI should be continued as well. A possible date for this could take place in September 2023. NPBI should be more vocal about the facility.

- b) **Massimo d'Eufemia, ELTI Vice-President and Head of European Affairs at CDP**

Vice-President d'Eufemia stressed the success of the instrument. The Green transition is a long-term process. The banking approach makes sure that IPs are selecting good projects. The continuation after 2023 and the replication of the positive experience of AFIF in other areas, including digitalisation and renewable energy, would further contribute to reaching the objective of the European Green Deal and to increasing the EU's energy independence.

Participants:

European Commission, DG MOVE

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