



PROGRAMME STOA Workshop



FINANCING AND ASSESSING LARGE SCALE INFRASTRUCTURE PROJECTS

September 26th, 2013. 10:00 – 12:30, Conference Room A1E2, European Parliament, Brussels

SUMMARY

Within the European Commission proposing to invest €29 999 million in key infrastructures as a manner of generating growth and jobs across the EU, in line with the 'Europe 2020' Strategy, the aim of this workshop is to present the state-of-the-art regarding the economic and financial instruments available for assessing large-scale infrastructure projects:

- The Infrastructure development to match the demand for transport
- The improvement of the whole broadband network
- The establishment of digital service infrastructure platforms
- The development of the twelve infrastructure priority energy corridors

Therefore, this STOA workshop should act as a forum for a debate among policy-makers, scientists, entrepreneurs and industry representatives presenting their vision of the advantages and disadvantages of the different methods available for assessing and financing large scale infrastructure projects, including the use of "Project Bonds". Perspectives must cover not just time and economy of the projects implementation, also quality and societal points of view should be exposed to truly assess if the benefits expected are materialising in all the designing and implementation phases.

The workshop presentations will be staged by representatives of NETLIPSE¹, JRC²-IPTS³, DG Energy European Commission, Imperial College Business School and the European Investment Bank. Accordingly, this workshop will be able to give a complete picture of the actual state of the art in Large Scale Infrastructure Projects assessment which contributes to the efficiency development of the trans-European networks.

¹ NETLIPSE: Network for the dissemination of knowledge on the management and organisation of Large Infrastructure Projects in Europe.

² JRC: Joint Research Centre. European Commission.

³ IPTS: The Institute for Prospective Technological Studies. JRC.



PROGRAMME

- 09:30 – 10:00** **Arrival**
- 10:00 – 10:05** **Welcome by MEP Mr Antonio Cancian**
- 10:05 – 10:20** **Assessing the Health and Deliverability of Projects**
Stuart Baker, Deputy Director within the UK Department for Transport and Deputy Chairman of NETLIPSE
- 10:20 – 10:35** **Quantitative tools for impact assessments of transport policy measures**
Antonio Soria, Head of Unit Economics of Climate Change, Energy and Transport, JRC Institute for Prospective Technological Studies
- 10:35 – 10:50** **Model-based support to EU policymaking on cohesion, RHOMOLO (regional holistic model)**
d'Artis Kanacs, Senior Scientist at Unit Knowledge for Growth, JRC Institute for Prospective Technological Studies
- 10:50 – 11:00** **Break**
- 11:00 – 11:15** **Connecting Europe: – Politics, Assessment and Financing Strategies for European Energy Corridors**
Brendan Devlin, Adviser, DG Energy, European Commission
- 11:15 – 11:30** **Broadband Access in the EU: An Assessment of Future Economic Benefits**
Pantelis S. Koutroumpis, Imperial College Business School, Columbia Institute for Tele-information
- 11:30 – 11:45** **Instruments to Support Infrastructure Financing & Update on the Project Bond Initiative**
Nicholas Jennett, Director for New Products and Special Transactions, European Investment Bank
- 11:45 – 12:25** **Roundtable Discussion about the Financial and Assessing Instruments for Large Scale Infrastructure Projects, with speakers and Mrs Anna Krzyzanowska, Head of Unit at DG Connect, European Commission**
- 12:25 – 12:30** **Closing remarks by MEP Mr Antonio Cancian**

Registration before 19th September on the STOA website: <http://www.europarl.europa.eu/stoa/>.

For registration, the following data are needed: name, birthdate, nationality and ID number.

Information: Peter Ide-Kostic, STOA Administrator: peter.ide-kostic@ep.europa.eu





10:05 – 10:20 Stuart Baker, Deputy Director within the UK Department for Transport and Deputy Chairman of NETLIPSE

Assessing the Health and Deliverability of Projects

The presentation will be based on the work undertaken by NETLIPSE on understanding the factors which make projects successful. Initially, this was qualitative work and led to the publication of a book, for which Mr Stuart Baker was co-author, in 2008 'Managing Large Infrastructure Projects'. This then followed with quantitative research to produce a numerate tool 'The Infrastructure Project Assessment Tool (IPAT)' to assess the health of an infrastructure project

and the likelihood of it delivering successfully.

Mr Stuart Baker is a Deputy Director within the UK Department for Transport and he has been present in the UK Rail Industry for over 30 years, holding a variety of operational, commercial and project roles at different levels in the industry. His largest project managed was the upgrading of the West Coast (£9bn) and he is currently responsible for a variety of Rail Network Upgrading Projects, totalling some £14bn in value. Since 2006 he has been Deputy Chairman of NETLIPSE. Furthermore, he has received the Order of the British Empire, he is Fellow of the Institute of Transport and Logistics, Fellow of the Institute of Railway Operators and he holds a MA in Chemistry of the University of Oxford.

10:20 – 10:35 Antonio Soria, Head of Unit Economics of Climate Change, Energy and Transport, JRC Institute for Prospective Technological Studies

Quantitative tools for impact assessments of transport policy measures

The activity is centred on the measures foreseen in the White Paper on Transport and the latest revision of the TEN-T. A second set of models simulate the technological development and performance of the vehicle fleets and contribute to the quantification of the impacts of the uptake of new technologies in transport or the introduction of new regulations as regards emissions. Additional tools are developed in order to calculate of external costs of transport and to evaluate new transport projects submitted as part of the Marco Polo programme.



Dr Antonio Soria has been since 2010 the Head of the Unit "Economics of Climate Change, Energy and Transport" in the European Commission's JRC IPTS. Prior to this, he acted as coordinator of the group "Energy and Climate Change" within the Unit "Sustainability in Industry, Energy and Transport" (SIET). Antonio Soria holds degrees in Industrial Engineering (Universidad Politécnica de Valencia) and Economic Science (Universidad Nacional de Educación a Distancia). He earned his doctoral degree in Energy Engineering at the Universidad Politécnica de Madrid.





10:35 – 10:50 d'Artis Kancs, Senior Scientist at Unit Knowledge for Growth, JRC Institute for Prospective Technological Studies

Presentation of model-based support to EU policymaking on cohesion, RHOMOLO (regional holistic model)

The model RHOMOLO is a newly developed dynamic spatial general equilibrium model of the European Commission to be used to assess the impact of Cohesion Policy at NUTS2 level. The model can analyse the interplay between agglomeration and dispersion forces. A particular attention is paid to income, migration flows and capital movements within and between regions that are generated by Cohesion Policy expenditure. This will allow an assessment of the feedback to the Member States and regions and the possibility that in the longer run they all benefit from the additional growth that is generated. Simulations of the impact of expenditure in infrastructure, human capital and innovation will be presented.



Dr d'Artis Kancs is a senior scientist at the DG Joint Research Centre of European Commission. At present, his major work focuses on development of the RHOMOLO model and ex-ante impact assessment of European Cohesion policies for the 2014-2020 period. Before joining the European Commission, he was Professor at the University of Leuven. Dr d'Artis Kancs holds a PhD degree from the London School of Economics.



11:00 – 11:15 Brendan Devlin, Adviser, DG Energy, European Commission

Connecting Europe: – Politics, Assessment and Financing Strategies for European Energy Corridors

Brendan Devlin is an Advisor in Directorate General for Energy, European Commission. At present, his major work focuses on the development of Caspian energy links with the European Union. He has guided the negotiation and signature of the Nabucco intergovernmental agreement of 13 July 2009, worked on developing the EU Southern Gas Route Strategy and worked on investor protection issues in non-EU states.

He began working in the Commission at the DG for Competition leading major cases looking at the gas market in Germany and the North Sea. Then for three years, he worked as a note-taker at EU-US Summits. By training, Mr Devlin is a lawyer and economist. He worked as a journalist before entering the Commission, writing in the UK national press and as an editor on a specialist political/economic journal. He has also worked in a Fortune 500 company and as teacher of political economy at the London School of Economics.



11:15 – 11:30 Pantelis S. Koutroumpis, Imperial College Business School, Columbia Institute for Tele-information.

Broadband Access in the EU: An Assessment of Future Economic Benefits

This joint work with the European Investment Bank evaluates the net benefits of the broadband Digital Agenda for Europe for the period 2013-2020. In this context, we provide estimation for the actual returns from broadband infrastructure for the preceding periods (2005-2011), accounting for scale and quality differences in the region. Our findings suggest that the overall benefits outweigh the costs by 32% for the entire Union. We further extrapolate the returns by country under different implementation scenarios and evaluate the national and regional particularities. This work is an on-going effort that helps fine-tune existing policy tools with real world situations and feed the findings back to the decision making units.



Dr Koutroumpis is a Research Fellow at the Innovation and Entrepreneurship Group of Imperial College Business School and a Fellow of the Columbia Institute of Tele-Information at Columbia Business School. He has worked on projects with the World Bank, the European Investment Bank, the International Telecommunications Union, the OECD, major telecommunications’ operators and equipment vendors, etc. He received the 2011 Dissertation Award by the Telecommunications and Public Utilities Group of the American Economic Association and the 2010 Principal’s Award for the ‘Most Outstanding Doctoral Thesis’ by Imperial College London. He received his Ph.D. in Economics from Imperial College London and an M.Phil. in Technology Policy from Cambridge University.



11:30 – 11:45 Nicholas Jennett, Director for New Products and Special Transactions, European Investment Bank

Debt Instruments to Support Infrastructure Financing & Update on the Project Bond Initiative

The first EIB Project Bond was recently launched in the framework of the EU2020 Project Bond Initiative. Given the large size and strong demand for the issue, this was seen as a powerful demonstration of the scope for institutional investment in infrastructure and the catalytic role played by the EIB, who also purchased bonds as an anchor investor. The opening of the project bond market has been strongly supported by the European Commission given the potential of long term investors to support Europe’s infrastructure needs.

Nicholas Jennett is the Director for New Products and Special Transactions Department of European Investment Bank’s (EIB) and previous to this he was Head of the European PPP Expertise Centre (EPEC). Before joining the Bank, he worked as a consultant, advising the public and private sector (including banks and sponsors) on PPP transactions, as an economic advisor for the UK Department of Health and as a lecturer in economics in a number of universities. Mr Jennett has degrees in economics from the Universities of York and London (London School of Economics) and an MBA from the University of Keele.

