

**3rd Working Group Meeting Agenda
17th and 18th April 2008, Leipzig**

**WG 3: Market Organisation
Innovative funding and financing of Public Transport**

Problems and challenges addressed

Problems relating to funding and financing of PT:

- shrinking public budgets and less public resources for PT
- declining PT patronage and thus decreasing cost coverage by fare revenues
- missing operation funding models that are reliable and sustainable
- the already small public PT budget is often entirely used for financing operation. Usually there is little money left from public sources for direct investment in infrastructure and equipment
- given the instable regulatory framework and the unreliable loss-coverage operators are reluctant to long-term and even mid-term investments
- the lack of financial means and severe need to upgrade the ageing rolling stock leads to a vicious circle where reduced service levels deteriorate the bad image of PT and lead to declined patronage resulting in rising fares which cannot be justified as the service levels are ever declining.

Main challenges regarding funding and financing of PT include:

- creating acceptance for the fact that in most cases fare revenues alone cannot fund a PT system
- setting-up of reliable and sustainable funding models enabling PT operators to work within fair framework conditions
- offsetting the increasing constraints of public budgets by innovative financing models and alternative sources of revenues
- identifying alternative ways to fund infrastructure and operation
- identifying measures and options to generate additional commercial revenues
- finding ways and means to finance the urgent renewal of neglected infrastructure, rolling stock and creation of new services to meet changing mobility needs
- identifying alternative ways to finance infrastructure and equipment

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Objectives of WG Meeting

- To identify and validate main problems/challenges, trends and challenges in CEEC related to funding and financing of PT
- To exchange information, experiences and know how and information on funding and financing between CEEC and other European cities/urban areas
- To present and discuss good practices examples from operators and authorities from CEEC and other European Countries
- To derive conclusions on challenges and need for action

Important questions to discuss

- What are the most pressing problems with respect to funding and financing PT?
- What are the most promising alternative funding and financing solutions in urban areas?
- How to devise operators' internal strategies for generating additional revenues by offering additional services creating new market potential?
- How to tap additional sources of funds for PT?
- How to lobby towards the government for more resources or indirect support?
- How to make use of all available financing possibilities?
- What are the possibilities and risks of relying on International Finance Institutions?
- How to access EU funding?

Preparatory documents

Working paper “Innovative funding and finance solutions” including

- State of the art and problems/challenges in the field of funding and financing
- Overview on general models / solutions
- Overview on specific topics

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17th April 2008

12:00 – 13:00 *Lunch*

13:00 – 14:00 Opening session (Plenary)

UITP

14:00 – 14:15 *Coffee break*

14:15 – 15:00 Working Group Session Part 1: Introduction

Rapp Trans

Introduction by cluster leader

- scope of the workshop / topics addressed
- self-introduction of participants
- Objectives / expectations for the meeting
- Questions to be discussed
- Programme for the WG Meeting
- “Communication Rules”
- main trends and challenges in CEEC / other countries
- validation incl. statements from experts & discussion

15:00 – 18:00 Working Group Session Part 2: Opportunities and risks of creating additional commercial revenues

VVO

Introduction by VVO incl. results from inquiry

Presentation: The case of the Verkehrsbetriebe Zurich (VBZ)
by Dieter Egger, Rapp Trans

Presentation: Creating additional commercial revenues - a bouquet of possibilities - some German cases
by Arne Beck, BSL Management Consultants

Structured group discussion

16:30 – 17:00 *Coffee break*

Presentation: Experiences from an international operator
by Michel Quidort, Veolia

Structured group discussion

Conclusions

20:00 *Dinner*

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9:30 – 12:30 Working Group Session Part 3: Financing issues

VTI

Introduction by VTI incl. results from inquiry

Presentation: Financing PT projects by the EBRD
by Guido Bruggeman, independent transport consultant
(former EBRD transport specialist)

Presentation: Financing by International Finance Institutions
- the Sofia case
by Metodi Avramov, Public Transport Company Sofia

Presentation: Financing PT projects by the EIB
by Krzysztof Szyszko, European Investment Bank (EIB)

Structured group discussion

11:00 – 11:15 Coffee break

Presentation: Funding and financing solutions for urban PT
in Madrid
by Angeles Echevarria, Equipo de Técnicos en Transporte y
Territorio S.A. (ETT)

Presentation: Equity finance and risk sharing via PPP - the
Pforzheim case
by Arne Beck, Metropolitan Consulting Group

Structured group discussion

Conclusions

12:30 – 13:30 Lunch

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13:30 – 15:15	Working Group Session Part 4: alternative (non-commercial) sources for funding PT	Rapp Trans
	Introduction by Rapp Trans incl. results from inquiry	
	Presentation: Land value capture in Copenhagen by Bertil Hylen, VTI	
	Presentation: PT funding examples from Switzerland - tourism tax and infrastructure funds by Martin Ruesch, Rapp Trans	
	Presentation: EU funding of PT by Sebastian Emig, UITP	
	Structured group discussion	
	Conclusions	
15:15 – 16:00	Working Group Session Part 5: Main findings & outlook	Rapp Trans
	Conclusions and main findings	
<i>16:00 – 16:30</i>	<i>Coffee Break</i>	
16:30 – 17:30	Closing session (Plenary)	UITP
<i>20:00</i>	<i>Dinner</i>	