Transport and Infrastructure in the EU External Aid Instruments

Brussels, June 11 2013
Bernhard Hulla
This presentation covers two case studies:

- Civil aviation capacity building in India
- Cleaner energy saving in Mediterranean cities
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- Civil aviation capacity building in India
- Cleaner energy saving in Mediterranean cities
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

<table>
<thead>
<tr>
<th>Context</th>
<th>Key results</th>
<th>Future activities</th>
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In Consortium with:

- Helios
- Center for Asia Pacific Aviation
- AAM Consulting
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

**Context**

**EU interest in India as a strategic partner**

India is a valuable market and the EU is India’s largest trading partner

**Key results**

**Total Trade Value**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>€28.6bn</td>
</tr>
<tr>
<td>2011</td>
<td>€79.9bn</td>
</tr>
</tbody>
</table>

**EU FDI in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>2003</td>
<td>€0.76bn</td>
</tr>
<tr>
<td>2010</td>
<td>€3bn</td>
</tr>
</tbody>
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Source: European Commission
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

EU interest in India as a strategic partner

Key potential growth market
Shift in share of World GDP (%), 2011-2060 (forecast)

Source: OECD
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

**Context**
- EU interest in India as a strategic partner
- Civil aviation as a catalyst for economic growth

**Key results**
- Yet poor infrastructure within India imposes significant constraints to growth and development.

**Future activities**
- Source: Ernst and Young

**Project Team**
- human dynamics
- In Consortium with:
  - Helios
  - Center for Asia Pacific Aviation
  - AAM Consulting

**75%**
- Infrastructure projects that are not completed on-time (2011)
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

Context

- EU interest in India as a strategic partner
- Civil aviation as a catalyst for economic growth
- India experiencing rapid growth in civil aviation

Sustained growth across the civilian aviation market – top 3 aviation market in the world by 2020

Forecast total Passenger Numbers (2020)
- 450 million

Domestic passenger growth rate, p.a.
- 13.1%

Source: IATA
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

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<tr>
<td>EU interest in India as a strategic partner</td>
<td>While there has been notable reform – especially in ownership provisions of airlines – the government remains the key actor within the aviation sector</td>
<td></td>
</tr>
<tr>
<td>Civil aviation as a catalyst for economic growth</td>
<td></td>
<td></td>
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<tr>
<td>India experiencing rapid growth in civil aviation</td>
<td></td>
<td></td>
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<tr>
<td>Government remains the key stakeholder in the industry</td>
<td></td>
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Positive developments include Etihad purchasing 15% of Jet for $600m

Source: Financial Times
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<td><strong>Our objective:</strong> to remove constraints to sustainable growth in aviation</td>
<td><strong>Project Aims:</strong> To strengthen the institutional capacity of civil aviation regulators to ensure enforcement of international standards and best practice</td>
<td></td>
</tr>
<tr>
<td><strong>In Consortium with:</strong></td>
<td><strong>Managed by:</strong> EU Delegation to India</td>
<td></td>
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**Duration:** Originally 36 months; extended to 58 months
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

Currently in 3rd year of Implementation

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Safety Impacts

- ✔ Updated state safety programme
- ✔ Air Navigation Service focused on safety and economic issues.
- ✔ Analysis of regulations and procedures in Commercial Air Transportation (Helicopters)
- ✔ Drafted National Aviation white paper and associated legislation

In Consortium with:

- Helios
- Center for Asia Pacific Aviation
- AAM Consulting
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

Project Team

In Consortium with:
- Helios
- Center for Asia Pacific Aviation
- AAM Consulting

Currently in 3rd year of Implementation

Institutional Impacts

- DGCA capacity increased to implement new safety programme
- Supported key service providers to implement new regulations
- Aircraft Accident Investigation Bureau to be established
- Drafted legislation to establish Civil Aviation Authority

Key results

✔ ✔

EuropeAid/127315/C/SER/IN

Context

Future activities

Institutional Impacts

Institutional Impacts

Institutional Impacts
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

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### Environmental Impacts

- Drafted Indian climate change policy with 12 key recommendations
- Created first study of carbon footprint of Indian aviation
- Noise management policy, with first study for Delhi airport
- Drafting first local air quality policy for Indian aviation
- Series of training workshops in Delhi, Mumbai and Bangalore

In Consortium with:
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- Center for Asia Pacific Aviation
- AAM Consulting
Technical Assistance for the Institutional Capacity Building for the Civil Aviation Sector in India (ICCA)

Looking forward to 2014, our priorities include:

- **Institutional Development**
  - Continue to provide legislative and safety assistance – including a law to replace the 1934 Aircraft Act to harmonise with EU regulations

- **International harmonisation**
  - Includes working on the Cape Town convention, developing aerosport regulations, alignment with European Aviation Safety Agency procedures

- **Quality Assurance**
  - Working to guarantee the quality of the entire service supply chain, including performance delivery and stakeholder management

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This presentation covers two case studies:

- Civil aviation capacity building in India
- Cleaner energy saving in Mediterranean cities
Cleaner Energy Saving Mediterranean Cities

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Cleaner Energy Saving Mediterranean Cities

Project Team

In Consortium with:

EuropeAid/13260/C/SER/Multi

Context

The key strategic drivers for this project include:

Strategic Driver 1:

Challenge of sustainable development and the threat of climate change, water scarcity and environmental degradation

Strategic Driver 2:

Importance of local ownership of solutions, with long term planning for sustainable development
Cleaner Energy Saving Mediterranean Cities

**Context**

The policy context for this type of project includes:

**Regional context vital for the EU:**
- multiple direct impacts on EU member states and citizens.

**Approach**

Future activities

**Some bilateral challenges:**
- Illegal immigration 129,733 migrants (2011);
- Security and terrorism concerns – e.g. AQIM;
- Significant economic ties 8.6% of EU trade (2011).

Source: Frontex
Cleaner Energy Saving Mediterranean Cities

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<td>European-Mediterranean Partnership;</td>
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<td>The EU as a key climate change actor;</td>
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<td>Maximising regional impact and influence</td>
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Cleaner Energy Saving Mediterranean Cities

The policy context for this type of project includes:

- **Regional context vital for the EU:** multiple direct impacts on EU member states and citizens.

- **Wider strategic policy context:** Strategic Priorities; ENP; Association Agreements and Action Plans

- **Wider regional challenges:** Rapid urbanisation and population growth; water scarcity

- **Major regional changes:**
  - Major urbanisation: 46% (1980) to 75%+ (2015);
  - Renewable water sources fall from 1,045m³ (1997) to 740m³ (2015).

Source: World Bank
Cleaner Energy Saving Mediterranean Cities

The policy context for this type of project includes:

Urban infrastructure investment urgently required, especially:

Transport, energy, water and waste

For example:

Estimated cost of road congestion in Cairo is 4% Egyptian GDP (2012).

50% of the Egyptian population is not connected to the sanitation system.

Source: World Bank; Egyptian Government
Cleaner Energy Saving Mediterranean Cities

The policy context for this type of project includes:

- Urban infrastructure investment urgently required, especially:
  - Transport, energy, water and waste

Challenge of working in the post-Arab Spring political environment:
- Increased civil society activism

In particular:
- Continued political instability and more complex political calculus;
- Emergence of new key stakeholders and greater open dissemination of information
Cleaner Energy Saving Mediterranean Cities

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<td>Ensuring wider policy coherence:</td>
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Multiple development partners: This includes both work by the Commission, but also the wider development community, including the EIB and EBRD.

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**Cleaner Energy Saving Mediterranean Cities**

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**36 month project with the 9 Southern Mediterranean ENPI members**

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<th>Stakeholder Involvement</th>
<th>Policy Coherence</th>
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<tbody>
<tr>
<td>European Neighbourhood and Partnership Instrument</td>
<td>Build stakeholder capacity at regional, national and local levels</td>
<td>Strategic partnership with ENPI on climate change issues</td>
</tr>
<tr>
<td>Deliver against results, not time</td>
<td>‘Bottom-up’ networking – e.g. Covenant of Mayors</td>
<td>Enable synergies with other organisations e.g. ERDB and EIB.</td>
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Cleaner Energy Saving Mediterranean Cities

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Activities focus on:

- Communication, awareness and local ownership activities ongoing at local and regional levels
- Building sustainable energy capacity; work with the Covenant of Mayors and creating Sustainable Energy Action Plans
- Establishing key contacts and links, e.g. best practice exchanges with EU cities and networks
Transport and Infrastructure in the EU External Aid Instruments

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