

COPING WITH FUNDING NEEDS & ENSURING FINANCIAL SUSTAINABILITY, POLICY MEASURES - D.T3.2.5

Work paper

Version 1.0
8.2021

1) Introduction

In the bottleneck analysis (D.T1.3.3) for the region of Thuringia the following most important bottlenecks for the extension of rail freight transport have been identified:

- Missing terminals for shipment
- Rail freight transport is only profitable on routes with rail passenger transport
- Infrastructural deficits
- Missing links in railway network

Hence, projects and actions that can remove these detected constraints effectively were sought.

All of the actions in the priority list were mentioned in discussions with different stakeholders and have good prospects for the implementation in different timeframes in Thuringia.

In detail, four actions from the priority area “Transport infrastructure”, three actions from the priority area “Services / operations” and one action from the priority area “Legislation” were identified. These actions are included in the Priority list of actions & cost estimation - D.T1.4.2 and Definition of potential policy measures - D.T1.4.3. These actions are explained in detail below.

2) Funding needs and financial sustainability

Number and name of intervention: Reactivation of the »Ohratal« line for rail freight transport	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	approx. 460.000 €



State of financing <i>Please indicate the percentage of the cost already financed</i>	50%
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Not yet approved national funding
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	ZossenRail GmbH*, Thuringian Ministry for Infrastructure and Agriculture, Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	As part of the pilot action, a set of instructions was developed on how to reactivate rail lines for freight traffic. This was used for the "Ohratal" line in order to determine the costs and forms the basis for the application for financing.

* Line in private ownership -> Federal funding linked to certain conditions

Number and name of intervention: Reactivation of the »Höllental« line	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	approx. 25.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	So far no contract has been signed between the affected federal states of Thuringia and Bavaria. Disagreements regarding an affected nature reserve Not yet approved national funding
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	DB Netz AG, Thuringian Ministry for Infrastructure and Agriculture,



	Bavarian State Ministry for Housing, Building and Transport, Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	As part of the pilot action, a set of instructions was developed on how to reactivate rail lines for freight traffic. This can be used for the "Höllental" line in order to determine the costs and can form the basis for the application for financing.

Number and name of intervention: Reactivation of »Werratal« line - north-west-part	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	approx. 250.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Not yet approved regional and national funding Cost-benefit ratio (insufficient rail freight transport)
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	DB Netz AG, Thuringian Ministry for Infrastructure and Agriculture, Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	As part of the pilot action, a set of instructions was developed on how to reactivate rail lines for freight traffic. This can be used for the "Werratal" line in order to determine the costs and can form the basis for the application for financing.

Number and name of intervention: Reactivation and upgrading of the »Rennsteigbahn« line	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	approx. 15.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %



Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Not yet approved national funding Cost-benefit ratio (insufficient rail freight transport)
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	Thuringian Ministry for Infrastructure and Agriculture, Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	As part of the pilot action, a set of instructions was developed on how to reactivate rail lines for freight traffic. This can be used for the "Rennsteig" line in order to determine the costs and can form the basis for the application for financing.

Number and name of intervention: Closing the rail gap between Coburg and South Thuringia	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	approx. 30.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Not yet approved national funding Cost-benefit ratio (insufficient rail freight transport)
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	DB Netz AG, Thuringian Ministry for Infrastructure and Agriculture, Bavarian State Ministry for Housing, Building and Transport, Federal Ministry of Transport and Digital Infrastructure



REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	As part of the pilot action, a set of instructions was developed on how to reactivate rail lines for freight traffic. This can be used for the “Coburg - South Thuringia - gap” of the Werra line in order to determine the costs and can form the basis for the application for financing.
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Number and name of intervention: Expansion of the Erfurt -Vieselbach container terminal	
Priority area <i>Indicate the priority area of the intervention</i>	Services / operations
Total cost to realize the measure/intervention	approx. 80.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	80 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	./. Space problem
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	DUSS mbH*, DB Netz AG, Municipality of Erfurt, Thuringian Ministry for Infrastructure and Agriculture, Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	Conducting workshops on the subject of railports; Organization of discussion groups with affected stakeholders

* Terminal in private ownership -> Federal funding linked to certain conditions

Number and name of intervention: Reactivation of terminal »Sonneberg«	
Priority area <i>Indicate the priority area of the intervention</i>	Services / operations
Total cost to realize the measure/intervention	approx. 3.000.000 €
State of financing	20 %



<i>Please indicate the percentage of the cost already financed</i>	
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Not yet approved national funding
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	Thüringer Eisenbahn GmbH*, Thuringian Ministry for Infrastructure and Agriculture, Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	Conducting workshops on the subject of railports; Organization of discussion groups with affected stakeholders; Student research project on the topic

* Railport in private ownership -> Federal funding linked to certain conditions

Number and name of intervention: Reactivation, modernization and expansion of the railport Nordhausen	
Priority area <i>Indicate the priority area of the intervention</i>	Services / operations
Total cost to realize the measure/intervention	approx. 216.000 € for phase 1 (Renew and extend the track at the loading ramp and connect it to the existing track)
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds, national funds, private investment
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Financial policy and infrastructure policy that supports in planning, financing and frame-conditions; Creation of cost fairness between the types of transport
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Not yet approved regional and national funding
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	Paul Will GmbH & Co. KG Rail Logistic Center *, Thuringian Ministry for Infrastructure and Agriculture,



	Federal Ministry of Transport and Digital Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	Conducting workshops on the subject of railports; Organization of discussion groups with affected stakeholders; Student research project on the topic

* Railport in private ownership

Number and name of intervention: Maintain and expand state subsidies for rail freight transport in Thuringia	
Priority area <i>Indicate the priority area of the intervention</i>	Legislation
Total cost to realize the measure/intervention	depending on decisions on the budget
State of financing <i>Please indicate the percentage of the cost already financed</i>	depending on decisions on the budget
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Regional funds of the Free State of Thuringia
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Policy measure: Expansion and modernization of the rail infrastructure Regulatory action: Creation of a regional funding instrument to co-finance private investments in rail infrastructure
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Reduction of budget funds, in particular due to financial burdens as a result of the corona pandemic
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	Free State of Thuringia
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	Raising the awareness of political decision-makers through networking, public relations and direct approaches

3) Conclusion

The above-noted list of the individual projects show that the amount of funding required varies widely. Prioritizing the projects should not be based on the amount of expenses, but on the effects that the projects will have on rail freight transport in Thuringia.

Those projects with the greatest effects, such as the expansion of the Erfurt - Vieselbach container terminal, should be taken top priority.

When it comes to further prioritisation, however, it is also important that the projects can be effectively financed. That is why projects with largely secured funding, such as the reactivation of the "Ohratal" line for rail freight transport, should also have high priority.

The deliverable Final Roadmap "new rail infrastructure/ services 2030" (D.T3.2.7) will be based on these prioritization approaches in order to develop a high level of relevance for the decisions and implementation of transport policy in Thuringia.