
EIB lending in sustainable urban mobility and the role of SUMPs

The Clinic Workshop on Sustainable Urban Mobility Plans

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Policy Context

Principles underpinning EIB lending in sustainable urban mobility

- ↳ EIB's activities in financing sustainable urban mobility are reinforced by **recent policy and legislative developments** such as the **Paris Agreement**, the European Commission's (EC) plan for the EU to become **climate-neutral by 2050**, **EU's Taxonomy for Sustainable Financing** and the publication of the **EIB's Climate Bank Roadmap (CBR)**
- ↳ Investments in sustainable urban mobility and modal shift are the **cornerstone of urban transport climate mitigation**
- ↳ Sustainable urban mobility can help cities reduce carbon emissions, energy consumption and environmental pollution whilst also delivering **wider social and economic benefits**
- ↳ To achieve urban transport climate neutrality, electrification of transport and transitioning to clean fuels will need to come together with **continuous investment in modal shift from private to public/shared transport, reducing the need to travel through densification and integrated land use and transport planning and road pricing**

EIB Lending Policy Framework

The key role of SUMPs and integrated strategic planning

↳ The eligibility for Bank financing in sustainable urban mobility is defined under the **EIB's Transport Lending Policy (TLP)**

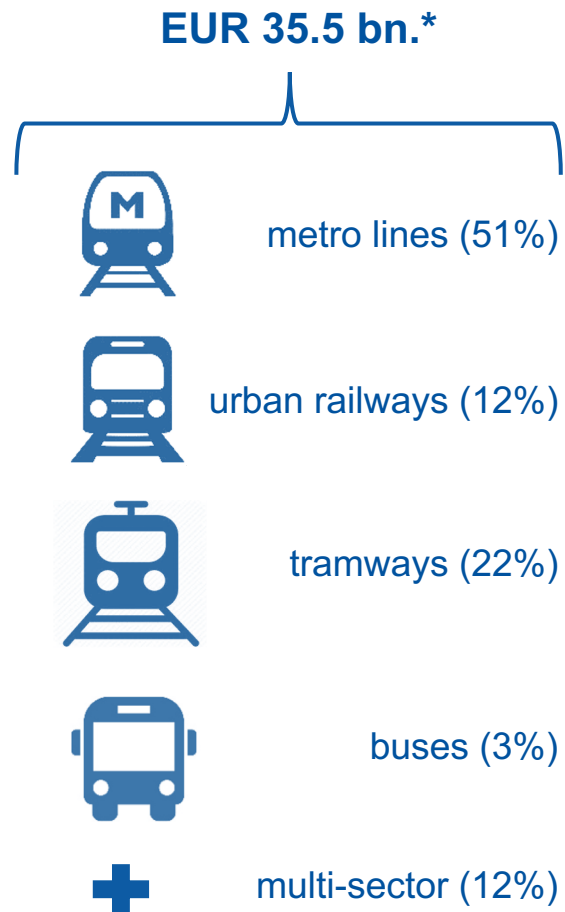
*Urban public transport investments shall **form part of integrated urban mobility plans** [...] urban mobility requires the elaboration of a **comprehensive strategy aiming at providing sustainable urban transport through a combination of different transport modes and measures** [...] **coherent with existing urban development plans. Standalone projects that are not part of an integrated urban mobility plan** are unlikely to be effective in reducing congestion and environmental externalities and **should not be supported**.*

Extract from EIB Transport Lending Policy (2011)

↳ In December 2020 the EIB published the **EIB Climate Roadmap (CBR)** which further reinforces the importance of strategic planning and specifically looks at the alignment of investments in urban roads with the Paris Agreement.

Strong Sector for Climate Action and SDG Lending

Sector growing in importance and complexity



↳ Total financing amounted to **€35.5 billion between 2007 and 2019**

↳ A quarter of the EIB's support for the transport sector over the past decade (**5% of total EIB lending in the EU-28**)

↳ **216 lending operations** included an urban mobility component (74 multi-sector)

↳ **Lending volumes have increased** more than the rise in EIB lending for transport

↳ Financing was mainly geared towards **large-scale backbone infrastructure investments**

↳ **Investment loans**, supporting a single large project or an programme, were **the most frequently used instrument**

↳ **Framework loans** account for one third of the total number of operations (8% of the lending volume over the period 2007- 2019) these **instruments aim to finance in a flexible manner cities' investment programmes (including small or large projects) and are suitable for SUMP**s

*Evaluation of EIB support for urban public transport in the European Union (2007-2019) – Thematic report

Common Barriers to Investment

Planning and implementation capacity remain main constraints



- ↳ Investment in this sector is stagnating and efforts must be stepped up to facilitate and switch to less carbon-intensive modes of transport
- ↳ The majority of EU municipalities report infrastructure investment gaps, especially for climate, digitalisation and urban transport
- ↳ Two-thirds of municipalities lack the capacity to execute green projects and nearly half lag behind in digital sophistication
- ↳ All EU geographies and municipality sizes report investments gaps in walking, cycling and electric charging infrastructure
- ↳ Urban transport represents the largest share of city budget expenditure

Lessons Learned from Lending in Urban Mobility

Different context similar challenges



Evaluation of EIB support for
urban public transport in the
European Union (2007-2019)

Thematic report

February 2021



- ↳ The fragility of municipal mobility policies affects incentives for ridership and for shifting towards public transport
- ↳ The integration of projects within cities' urban mobility strategies facilitated the long-term sustainability of project effects
- ↳ The magnitude of broader impacts depends on how cities combine their public transport, land-use and social policies and on the project size with respect to the city size (e.g. the construction of the first tramway or metro line in a mid-size city is likely to generate large city-level effects compared to the extension of an existing metro network by a few kilometers or to the purchase of new rolling stock).
- ↳ There are still many cities, including CEE capitals, that still need to build part of their backbone public transport infrastructure to cope with severe congestion problems

Recent Lending and Technical Assistance

Strengthening support for EU Cohesion regions and outside EU

Serbia: EIB provides €500 000 grant to ensure sustainable future of urban mobility in Niš

- ↳ EIB grant will fund the preparation of a sustainable urban mobility plan, as a framework for major investments in the transport network of Niš
- ↳ The investments will help deliver greener mobility by promoting public transport and introducing a wider range of transport options

January 2022

Bulgaria: EIB and Sofia Municipality sign €60 million loan for sustainable mobility projects

- ↳ Residents to benefit from travel time savings, improved air quality and road safety
- ↳ Road, street, tramway, walking and cycling infrastructure to be built and upgraded
- ↳ The loan supports Sofia Municipality's Sustainable Urban Mobility Plan 2019-2035

September 2021

India: EIB welcomes opening of Lucknow metro – one year ahead of schedule

- ↳ EUR 450 million (Rs.33 billion) long-term loan from the European Investment Bank
- ↳ 23km and purchase of a fleet of metro trains
- ↳ expected to increase use of public transport from 10% to an estimated 27% in the city of 3 million people

March 2019

EIB Technical and Advisory Support

Strong experience in EU cohesion regions and neighbouring countries



**ELENA – European
Local ENergy
Assistance**

Inside the EU:

- ↳ Strong advisory and technical assistance offer for urban mobility via JASPERS, European Investment Advisory Hub (EIAH) and ELENA
- ↳ Working in part of Europe where the need for investment remains greatest and also expanding activity in the neighbouring countries and the Western Balkans.

Outside the EU:

- ↳ Looking to develop a pipeline of projects that meet the Bank's objectives and are prepared in a manner that meet our environmental and social standards and Climate Bank Roadmap requirements.
- ↳ Technical assistance can be provided via lending mandates and cooperation agreements

Thank you!

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