



EIB Transport Lending Policy Review

Public Consultation
June 6, 2011



Agenda

- ❖ Welcome by **Philippe de Fontaine Vive**, Vice-President, European Investment Bank
- ❖ Presentation of 2007 Transport Lending Policy and possible areas for reconsideration
- ❖ Open forum for comments
- ❖ Networking reception

Architecte : Sir Norman Foster
Crédit photos : Daniel Jamme - Photothèque Eiffage



Timetable

- **March 2010:** Start of consultation
- **March 2011:** Adoption of Transport White Paper by European Commission
- **6 June 2011:** Consultation meeting
- **24 June 2011:** Deadline for submitting written contributions
- **Sep/Oct 2011:** Revision
- **Nov/Dec 2011:** Approval by EIB's governing bodies.



Context

- EIB lending driven by EU policy objectives at different levels:
 - Policy & eligibility level
 - Project level – ensuring sound projects

- Achieving the 2011 White Paper objectives needs a system approach



Photo Artists Impression, Gdansk Airport



Existing 2007 Policy - Aviation

- Airports if project is of high economic value, including effect of ETS on traffic.
- Fleet acquisition when essential for territorial integrity and fuel efficiency improved.
- Aircraft manufacturing when RDI component to improve efficiency.
- ATM when technically sound.



Developments since 2007 - Aviation

- ❖ Introduction of ETS in 2012.
- ❖ White Paper:
 - ❖ Curbing mobility not an option. Capacity supplied were needed, but more efficient use: slot allocation + SES/SESAR.
 - ❖ Inter-modality: connecting core airports to rail network.
 - ❖ Frontrunner in low carbon fuels: 40% by 2050.
 - ❖ Other: Ground handling, security, passenger rights, working conditions.
- ❖ Airport Charges Directive: cost-recovery but room for internalising local externalities.
- ❖ Financial crisis.



Areas of modification under consideration - Aviation

- Airports: Emphasis on high economic value. Support rail connectivity.
- ATM: Continued support for Single European Sky / SESAR.
- Airlines: Concerns raised by sector during financial crisis. Weakest financial link in air transport value chain.
- Aeronautics: Emphasis on low carbon, sustainable fuels.





- **EIB Lending Policy 2007**
 - **Clear guiding principles and rigorous selection criteria**
 - **Primary focus on R&D and Innovation:**
 - Energy efficiency
 - Emissions reduction
 - Safety enhancement
 - **Secondary priority: manufacturing in Convergence regions**

- **Rigorous criteria for selection of projects in the automotive sector**
 - **Strong support for RDI projects**
 - Sustainable transport: reduction of fuel consumption, CO2 and other pollutant emissions
 - Enhancement of vehicle safety
 - **Selective support to manufacturing projects**
 - Only in Convergence regions, contributing to employment and innovation diffusion
 - Linked with local mid-cap and SME networks
 - In line with EU policy (energy-efficient small cars)



Developments since 2007 - Automotive

- ❖ European Economic Recovery Plan (11/2008)
 - ❖ European Green Cars Initiative (Research PPP)
 - ❖ EIB European Clean Transport Facility (ECTF)
- ❖ EU Regulation for CO₂ emission reduction from new passenger vehicles (04/2009)
- ❖ Europe 2020 Strategy - Flagship initiative “Resource efficient Europe” (03/2010)
- ❖ European Strategy on clean and energy efficient vehicles (04/2010)
- ❖ Draft EU Regulation for CO₂ emission reduction from light commercial vehicles (02/2011)
- ❖ European White Paper on Transport (03/2011)



Areas of modification under consideration - Automotive

- **Focus on sustainability of automotive transport**
 - Fuel efficiency
 - Cleaner vehicles
 - Increased safety
 - Reduced oil dependency
- **Early and accelerated deployment of new technologies**
- **Sustainable transformation of the European automotive industry**
- **Selective approach: breakthrough technologies and more innovative projects**
- **Technology neutral approach**
- **Progressive reduction of attention to non-electrified internal-combustion-engine technologies**
- **Full cycle of R&D, Innovation and Deployment**
- **Infrastructure for market uptake**
- **Pilot and large demonstration projects for technology validation, customer adoption and market uptake**
- **Innovative Manufacturing for breakthrough technologies**
- **Sustainable transition towards a renewed competitiveness and leadership in green technologies**
- **Employment, improved skills and qualification of workforce, promotion of quality jobs**
- **Selected manufacturing projects (Convergence, local mid-cap and SME networks, small energy-efficient cars)**





Existing 2007 Policy - Roads

- ❖ road projects eligible where on the TENT network, in certain regions (convergence, pre accession and ACP mandate), and where they clearly contribute to reduce negative impact of traffic (e.g. ITS, urban areas)
- ❖ projects with high economic value will be given priority
- ❖ projects with weak economic value - particularly those with excess capacity - will be avoided



Developments since 2007 - Roads

- ❖ Directive 2008/96/EC on road infrastructure safety management
- ❖ Joint Statement of 7 MDBs on a shared approach to road safety management, November 2009
- ❖ Action Plan COM(2008)886 and Directive 2010/40/EU on framework for the deployment of ITS
- ❖ Greening Transport Package, July 2008
- ❖ Strategy for the internalisation of external costs COM (2008) 435
- ❖ Proposal on the revision of the Eurovignette Directive 1999/62/EC
- ❖ White Paper 2011 and ongoing revision to TENT



Areas of modification under consideration - Roads

- ❖ road safety management to be internalised into the appraisal and supervision process in same way as environment and social matters
- ❖ introduction of ITS alongside civil works investments to be more actively pursued
- ❖ where feasible, inclusion of external costs in economic appraisal and more explicit identification of subsidies/carbon footprint to allow Board to take more informed decisions



Photo: Port de Barcelona



Existing 2007 Policy - Maritime

- Sustainable Transport: Inland waterways, maritime projects (e.g. Motorways of the sea), and inter-modal hubs given priority, even when they are neither TENs nor located in assisted areas.
- Strong commitment to the development of TENs.
- Financing the purchase of vessels is consistent with climate change goals, as is funding the manufacture of rolling stock.
- Further emphasis should be given to RDI activities with vehicle manufacturers. This should primarily focus on ensuring energy efficiency, emissions reduction and safety enhancement.

Developments since 2007 - Maritime

- ❖ **Integrated Maritime Policy (Progress Report, 2009)**
 - Renewed focus on sustainable economic growth, employment and innovation.
 - Promote better maritime transport to foster co-modality, to implement the concept of the Motorways of the Sea, and to improve the EU programme for short sea shipping.
 - Support for innovation and research towards very low or even zero emission.

- ❖ **White Paper 2011 and ongoing revision to TEN-T**
 - Need to drastically reduce world *greenhouse gas emissions*.
 - Support to European transport industry; Technological Innovation.
 - Motorways of the Sea.
 - Support to Sustainable Transport and Improvement to the Supply Chain.
 - Safety and security.

- ❖ **Regional Strategies**
 - European Union Strategy for the Baltic Sea Region (2009): *Clean shipping, Motorways of the Sea*.
 - European Union Strategy for Danube Region (2010): *Development of inland navigation, efficient multimodal terminals*



Areas of modification under consideration - Maritime

As a consequence, renewed focus on:

- ❖ Support to TENs.
- ❖ Intermodal centres as key nodes of the supply chain.
- ❖ Short sea shipping and inland waterway transport solutions as sustainable alternatives to road transport corridors.
- ❖ Development of clean technology, and increased fuel efficiency.



Photo: Metro Athens



Existing 2007 Policy - Urban Transport

- Lending to sound projects in urban transport will be prioritized, even when neither TENs nor located in assisted areas as most promising in terms of reducing GHG emissions per transport unit.
- Focus on improving EE by use of best available technologies and ensuring investments well tailored to demand and efficiently managed.
- Urban transport projects can be formally registered as “energy efficiency” projects, and carbon monetisation in the carbon market pursued.



Developments since 2007 - Urban Transport

- ❖ The Green Paper (2007) on Urban Mobility has defined 5 challenges: 1) free-flowing and 2) greener cities; 3) smarter, 4) accessible and 5) safe/secure urban transport.
- ❖ The Action Plan (2009) on Urban Mobility has defined 20 (mainly soft) actions grouped in 6 main themes.
- ❖ 3 out of 40 actions proposed in The White Paper (2011) on Transport are directly related to urban transport.
- ❖ Regulation 1370/2007 on public passenger transport services (public service procurement, contracts and compensation).



Areas of modification under consideration - Urban Transport

- ❖ Reinforce current EIB's lending policy in sustainable urban transport. Priority should be given to projects that are performing best in terms of GHG & EE. (Improvements in the carbon footprint and energy efficiency methodology necessary.)
- ❖ The existence of strategic transport plans, based on integrated planning, could be considered a pre-requirement for EIB's financing.
- ❖ Expand the scope of EIB's intervention beyond traditional infrastructure e.g. ITS, road user charging and rolling stock that meets EE objectives.
- ❖ Greater use of non financial tools (TA, Jaspers, Elena)



Existing 2007 Policy - Rail

- ❖ Funding railways (...) will continue to be a priority as these are intrinsically the most promising in terms of reducing greenhouse gas emissions per transport unit.
- ❖ Lending to sound projects in rail (...) will be prioritized, even when they are neither TENs nor located in assisted areas. Efforts will be made to enhance lending to these sectors.
- ❖ Eligibility categories: TEN-T; Economic and social cohesion; external mandates; and environment, i.e. supporting sustainable transport solutions is always applicable for rail projects.



Developments since 2007 - Rail

- ❖ Directive 2008/57/EC on the interoperability of the rail system within the Community
- ❖ Commission Communication of 17 September 2010 concerning the development of a Single European Railway Area [COM (2010) 474 final]
- ❖ White Paper: Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system, 28.3.2011 [COM(2011) 144 final]
- ❖ Continuation of support for new rail infrastructure, rail rehabilitation, intermodal terminals, lending for rolling stock investments by incumbent railway operators
- ❖ Diversification of EIB rail lending activities



Areas of modification under consideration - Rail

- ❖ Inclusion of external costs in economic appraisal, adopting the EU “Strategy for the internalisation of external costs” [COM (2008) 435]
- ❖ More explicit appreciation of a project’s merits (value added) in the areas of interoperability, technology (ERTMS), safety/noise, energy efficiency, CO₂ reduction/carbon footprint to allow Board to take more informed decisions

Thank you

