

GREEN RAIL INVESTMENT PLATFORM



European
Investment
Bank

The EU bank



RFI high-speed rail Napoli-Bari

This project consists of upgrading the existing Naples-Bari railway line to higher technical standards, including increasing maximum design speed to 200 km/h and doubling existing single track sections. The project connects the biggest city in southern Italy, Naples, with another major city, Bari, crossing two southern Italian Regions (Campania and Puglia) and is expected to bring substantial time savings for passengers and contribute to a significant modal shift from road to rail, thus having a big impact on decreasing CO₂ emissions.

The project benefited from JASPERS' assistance under the national Operating Programme Infrastructure and Networks 2014-2020: two sections on the corridor (Naples-Cancello and Cancello-Frasso Telesino) received approval for total European Commission funding of €237.8 million. JASPERS' work on the overall Naples-Bari railway corridor also supported the subsequent EIB appraisal process.

Rail as a key mode of transport is expected to accelerate the transition towards sustainable mobility. But the COVID-19 crisis has curtailed investments in the rail sector. Rail operators and stakeholders face a revenue shortfall of several tens of billions of euros, which impairs their investment capabilities.

The Green Rail Investment Platform supports investments in the rail sector to help it recover from the impact of the pandemic and its aftermath. It helps the sector address decarbonisation challenges by expanding electrification and introducing new technologies.

To fast track the implementation of rail investments, the platform offers the lending, blending and advisory services of the European Investment Bank (EIB) and the EU financial instruments made available by the European Commission for rail operators, infrastructure managers, transport authorities and other stakeholders. The Green Rail Investment Platform aims to address specific market needs, explore viable business models and boost opportunities to finance rail transport. It can also help the EU transport sector achieve its climate objectives.

Rail transports about 7% of passengers and 17% of freight in the European Union, but it is only responsible for 0.5% of the greenhouse gas emissions related to transport.



Mitsui Rail Europe locomotive leasing

This is a project with a rolling stock leasing company aimed at the acquisition of 67 new electric locomotives. The rolling stock will be leased to European rail freight operators in Germany, Italy and Austria.

SUPPORTING THE REHABILITATION, EXPANSION AND DECARBONISATION OF RAIL SERVICES ACROSS THE EUROPEAN UNION

The **EIB Climate Bank Roadmap 2021–2025** outlines the EIB goals for climate finance that supports the **European Green Deal** and helps make **Europe carbon-neutral by 2050**. To decarbonise the transport sector, a stronger focus on electrified and more efficient modes of transport such as rail is required.

The European rail system, through the Trans-European Transport Network (TEN-T), provides improved accessibility to cities and regions, thus facilitating the efficient mobility of people and cargo. Modern transport must not only be **fast, safe, comfortable** and **environmentally friendly**: it must also be **resilient** to an ever-growing number of crises, as shown by the COVID-19 pandemic. The objectives of the Green Deal can only be achieved through a **modal shift to the least carbon-intensive modes of transport**. Rail transports about 7% of passengers and 17% of freight in the European Union, but contributes only 0.5% of the greenhouse gas emissions related to transport. Increasing rail's share in the transport mix is essential to achieve lower carbon emissions and to bring significant **savings in other external costs** such as noise, congestion, accidents and environmental pollution.

The rail sector is undergoing **liberalisation of passenger services** and continuing liberalisation of freight services. But the pace of liberalisation remains slow, particularly given the difficulties in **access to rolling stock** and its financing by non-incumbent operators. Further, new investments in the sector are limited by the lack of **long-term financing** matching the economic life of rail investments, often reaching 30 years or more. The rail sector must focus on making the railway network greener by introducing **battery-powered** or **hydrogen-powered vehicles** on non-electrified sections through further developments and investments in this area in the coming years.

Ageing and sometimes failing infrastructure, the EU railway network's incomplete **interoperability**, insufficient **digitalisation and the lack of smart multimodal mobility are structural problems that must be addressed**. The overall backlog of renewal needs in the rail sector could be in the range of approximately €75 billion to €125 billion.¹

The level of service delivered by rail transport has to be improved, notably through **infrastructure rehabilitation**, upgrade and development, in addition to enhancing the **quality of service**, which also requires investment (renewal of rolling stock, renovation of railway stations and multimodal hubs among others).

¹ Based on data collected on the backlog of maintenance between optimum and actual expenditure in the years 2009–2018, the EIB assessed the underinvestment in rail track maintenance for all EU27 Member States over the last ten years. As a conservative assessment (whereby only 50% of renewals expenditure is accounted for), the overall backlog of maintenance need in the rail sector could be in the range of approximately €75 billion to €125 billion.



Czech railway infrastructure rehabilitation

The project concerns the modernisation of railway infrastructure on eight sections of the Prague–Brno–Přerov–Ostrava–Petrovice u Karviné–Polish border railway corridor. The modernisation will bring these sections into compliance with the TEN-T standards, increase their capacity and maximum speeds, thus contributing to improving rail competitiveness.

The objective of the Green Rail Investment Platform is to support sustainable rail investments in infrastructure, rolling stock and digital systems, in particular:

- The development of the rail network, its renewal and upgrade.
- The acquisition and retrofitting of rolling stock by train operators and rolling stock leasing companies², to be used for rail services under public service contracts³ and for commercial rail services, including night trains and freight services.
- The development of intermodal transport, including terminals, rolling stock and cross-border facilities.
- The digitalisation and automation of core planning, operational and commercial processes, such as asset, capacity and traffic management, for infrastructure managers, railway undertakings and other relevant stakeholders, such as terminal and intermodal operators, to improve the efficiency of multimodal logistics chains involving rail.



2 In line with the Climate Bank Roadmap.

3 As defined in the REGULATION (EC) No 1370/2007 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70.



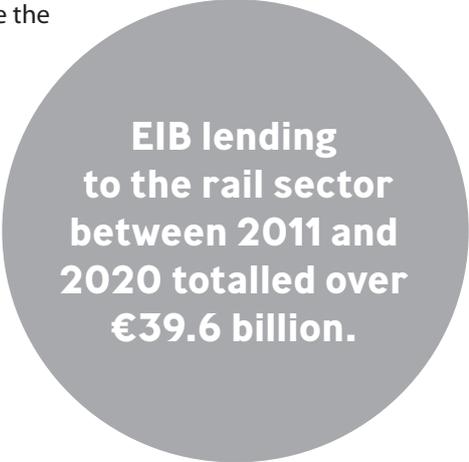
CASA transport ferroviaire regional

This is an intermediated loan financing modernisation, rehabilitation and regional railway development projects in France and also grouping the investments or investment components linked to rail infrastructure, railway nodes (stations and multimodal interchange hubs) and/or rolling stock and associated infrastructure.

LENDING

Between 2011 and 2020, the EIB's lending to the rail sector totalled over €39.6 billion, out of which €4.5 billion was lent in 2020. The increasing share of rolling stock is a noticeable trend in EIB financing for rail: it grew from 36% of the total loan amount signed in 2016 to 60% in 2020. Lending is offered either directly to public and private project promoters or through the Bank's intermediaries.

The EIB finances most projects with its own resources, but some also benefit from EU guarantees and grants that enable the EIB to support projects with higher risk profiles.



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INVEST EU

The EIB is responsible for executing 75% of InvestEU, the European Union's flagship investment programme aimed at kick-starting the European economy by providing long-term funding to promoters and supporting EU policies for COVID-19 recovery. Thanks to InvestEU, the Bank can finance more projects, in particular those with higher risk, through the additional financing instruments available to support rail investments.

Under InvestEU, which is a continuation of the European Fund for Strategic Investments (EFSI), financing will be available for sustainable transport projects, particularly for TEN-T infrastructure and cleaner, safe and smart mobility, including freight transport services, rail rolling stock and the deployment of alternative fuels.

Future Mobility, an initiative backed by a guarantee from the European Commission, will help in the acquisition of rolling stock for cross-border and long-distance commercial passenger operations, cross-border high-speed freight services, high-risk deployment of alternative fuel infrastructure, the initial phases of commercial roll-out of innovative technologies and introduction of smart mobility services, including H2 (hydrogen-powered) or battery-electric fleets and related infrastructure.

The EIB supports investment projects through direct loans, programme loans and framework loans

LENDING



Size

Projects are provided with loans covering up to 50% of the project cost. For certain innovative projects, the smallest loan offered is €7.5 million, but in general direct loans are bigger than €25 million. By aggregation and/or delegation smaller projects can be financed.



Borrower

Public and private entities can be borrowers (for example, public transport authorities/operators, leasing companies vehicle manufacturers, infrastructure operators/managers). Entities requiring a loan can contact the EIB directly.



Eligible costs

Infrastructure and assets (for example vehicles), project preparation and implementation costs.



Appraisal criteria

Projects are assessed against economic, financial, social, environmental, technical and procurement criteria.

<http://www.eib.org/products/lending/>

KEY BENEFITS OF EIB FINANCING



Attractive pricing

The loan pricing reflects the EIB's advantageous funding conditions on the market.



Long term

Our financing terms match the economic life of each project — which can sometimes exceed 30 years!



Up to 50% project cost covered

We typically cover up to 50% of a project's total cost with loans starting at €25m and even lower amounts in some cases.



Support for small businesses

Our intermediated lending partners provide funds to small and medium-sized enterprises in amounts up to €12.5m.

CargoBeamer

The first rail project financed through the Future Mobility initiative was the development and automation of three combined transport railroad terminals in Calais (France), Kaldenkirchen (Germany) and Domodossola (Italy), in addition to the acquisition of 216 combined transport wagons. The terminals and the wagons use the CargoBeamer technology to operate rail motorway, or fast rail freight transport services.



Project support

We offer our expertise in the financial and technical aspects of preparing a project, when needed.



Blended finance

Financing can be blended with additional sources of investment such as financial instruments and grants from the European Union and other donors.



Signalling effect

EIB financing is often seen as a mark of quality, helping the project attract additional investors.



Bespoke financing

Loans can be secured or unsecured and provide different levels of subordination. Depending on the project, the loans can even be contingent on the company's growth.



Regional rolling stock MÄLAB

12 new double-decker electric multiple units were acquired to provide regional and suburban rail services in the Stockholm-Mälaren region in Eastern Sweden.

BLENDING

The EIB loans complement various EU grant instruments with which the EIB financing can be blended. The EIB was the first implementing partner for the CEF Transport Blending Facility⁴. Multiple EIB rail projects received support from the CEF Blending Facility for the deployment of the European Rail Traffic Management System (ERTMS) and hydrogen-powered rolling stock.

The EIB is now an implementing partner for the **Alternative Fuels Infrastructure Facility**. Borrowers with an approved EIB loan can use the facility to apply for EU grants to finance hydrogen-charging infrastructure.

Baden-Württemberg regional rolling stock and ERTMS

This is a project targeting the acquisition of 120 new trainsets for regional rail services in Baden-Württemberg retrofitted with ERTMS and procurement of automatic train operation (ATO) equipment for 118 existing vehicles. The project received a grant from the CEF Blending Facility for ERTMS equipment.



⁴ CEF stands for Connecting Europe Facility, an EU funding instrument to promote growth, jobs and competitiveness through targeted infrastructure investment.



The EIB, under a **JASPERS advisory assignment**, is supporting the preparation phase of the modernisation of several sections of the extended core TEN-T in Serbia, such as Croatian/Serbian border — Belgrade and Nis — Serbian/North Macedonian border. The objective of these projects is to upgrade the rail infrastructure up to the TEN-T and interoperability requirements. The technical assistance for the projects includes preparing a feasibility study, environmental and social impact assessment, preliminary design and tender documents, in accordance with the high standards required for building this key infrastructure for Serbia. This initiative is supported by the **Western Balkans Investment Framework**

ADVISORY

Advisory services complement the EIB's lending activity and form an integral part of our lending, blending and advising strategy.

<http://www.eib.org/products/advising/>

Some relevant examples are:

JASPERS

JASPERS is a partnership between the European Commission and the EIB and is available as a free advisory resource for beneficiaries of the EU funds.

JASPERS supports the development of strategies, programmes and projects with the aim of promoting growth and paving the way to a smarter, greener and more connected Europe.

<https://jaspers.eib.org/>

EIAH

The European Investment Advisory Hub is a joint initiative of the EIB and the European Commission designed to help project promoters across the European Union in the identification, preparation and development of investment projects. The EIB will remain the European Commission's main partner for advisory services under InvestEU, helping to meet the climate, digital and social objectives of the European Union in the years to come. Advisory services are expected to remain at the core of our activities, supporting many EU objectives, including green rail investments.

www.eib.org/eiah/

EPEC

The European PPP Expertise Centre

This European advisory programme is designed to help the public sector to deliver sound public-private partnerships (PPPs) by helping governments to create conducive environments for PPPs, as well as helping public authorities to assess their suitability for delivering infrastructure projects and to prepare, procure and manage them. Appropriate, well-designed PPPs — including those that combine private financing with EU funds — are an option for effectively delivering green rail investments.

www.eib.org/epec/

PLK GSM-R IMPLEMENTATION aims at installing a mobile network using the global system for mobile railway communications (GSM-R) technology and an optical fibre transmission network to cover most Polish railway infrastructure (approximately 13 800 km). The network is installed to provide voice and data services for operating and transmitting the signalling information (ERTMS) for trains in Poland.





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