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Bank**

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**EUROPEAN  
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# Update on EIB's Investment focus and Rail Financing 2019/20

Claus Eberhard, Strategic Railways Division, EIB Projects Directorate

UNECE Working Party on Rail Transport,  
18/11/2020

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- EIB investment focus – Becoming the EU Climate Bank
- Opportunities for rail and EIB rail financing 2019/20

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# EIB: the EU bank

- ▶ The lending arm of the EU since 1958
- ▶ The world's largest multilateral lender
- ▶ Governed by the EU Member States
- ▶ 2019 Lending €63.4bn, out of which about 90% within EU
- ▶ Catalysing investment: lending, blending & advisory
- ▶ Leading provider of climate finance (€19bn in 2019)

## Becoming the EU Climate Bank

- ▶ All financing activities aligned with the principles and goals of the Paris agreement from the end of 2020
- ▶ Financing dedicated to climate action and environmental sustainability to reach 50% of EIB operations in 2025
- ▶ Leverage € 1 trillion of climate action and environmental sustainable investments until 2030
- ▶ **The EIB Board has endorsed the “Climate Bank Roadmap” on 11/11/2020**

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## EIB Group adopts Climate Bank Roadmap and approves € 400 million for COVAX initiative to ensure global access to COVID-19 vaccine, part of € 7.8 billion for COVID-19 support, transport, water and cities.

11 November 2020 .



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- ▶ EIB Board approves EIB Group Climate Bank Roadmap to support € 1 trillion green investment by 2030 and Paris Alignment of all financing activities
- ▶ € 1.8 billion for COVID-19 health, medical and economic resilience
- ▶ € 2.6 billion for private sector investment with global financing partners

- ▶ € 1 billion for sustainable cities and energy efficient housing

The European Investment Bank (EIB) Board of Directors today approved the **EIB Group Climate Bank Roadmap 2021-2025** that will guide future EIB financing to support €1 trillion of climate action and environmental sustainability investments by 2030, and align all financing activities with the principles and goals of the Paris climate agreement by the end of 2020.

### Contact

Richard Willis

- ▶ [r.willis@eib.org](mailto:r.willis@eib.org)
- ▶ +352 4379 - 82155

Press Office

- ▶ [press@eib.org](mailto:press@eib.org)
- ▶ +352 4379 - 21000

### Related pages

- ▶ [Climate action](#)
- ▶ [Coronavirus outbreak: EIB Group's response](#)

### Photos



# “>€1 TRILLION FOR <1.5°C”: Becoming the EU Climate Bank

- ▶ EIB operations dedicated to climate action and environmental sustainability to reach **50% of lending in 2025** (expected volume ~ EUR 30 bn p.a.)
- ▶ **All financing activities aligned** with the principles and goals of the **Paris agreement** by the end of 2020
- ▶ **Leverage EUR 1 trillion** of investments in the critical decade from 2021 to 2030
- ▶ **End financing for fossil fuel** energy projects from end 2021
- ▶ **Just Transition**: special attention to areas most dependent on fossil fuels (No one left behind)

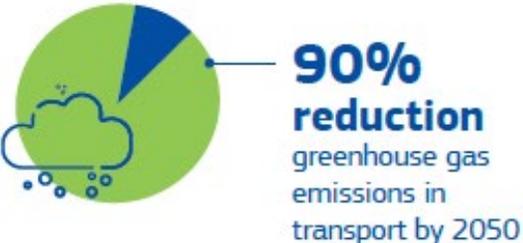


# Update on EIB's Investment focus and Rail Financing 2019/20

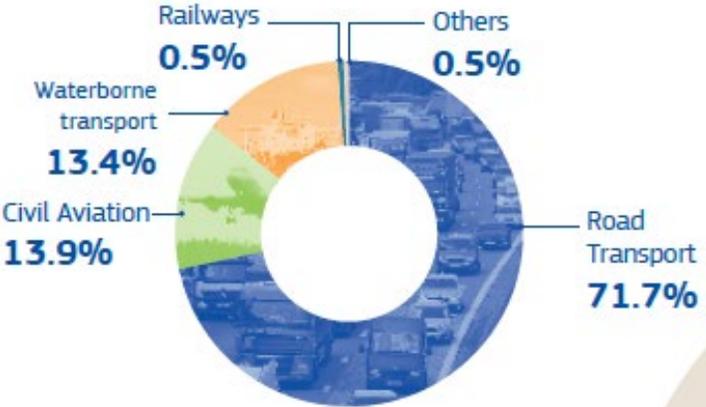
- EIB investment focus – Becoming the EU Climate Bank
- Opportunities for rail and EIB rail financing 2019/20

# Sustainable Mobility in the Green Deal

Transport accounts for a quarter of the Union's greenhouse gas emissions and these continue to grow. The Green Deal seeks a **90%** reduction in these emissions by **2050**.



Share of Greenhouse Gas Emissions by Mode of Transport (2017)



Source: Statistical pocketbook 2019

**Go digital**

- Automated mobility and smart traffic management systems will make transport more efficient and cleaner.
- Smart applications and 'Mobility as a Service' solutions will be developed.

**Use different modes of transport**

More freight should be transported by rail or water. And the **Single European Sky** should significantly reduce aviation emissions at zero cost to consumers and companies.

**Prices that reflect impact on environment**

- Ending subsidies for fossil-fuel
- Extending emissions trading to the maritime sector
- Effective road pricing in the EU
- Reducing free allowances to airlines under emissions trading

# The Climate Bank: an opportunity for EIB to increase its support to railways

Rail is already 20% of EIB Climate Action lending

## Favorable Policy context

More lending opportunities under Green Deal and Climate agenda:

- Modal shift
- Electrification
- New technologies (batteries, H2/alternative fuels)
- Climate resilience
- Introduction of “prices that reflect impact on environment”

## Climate Bank Focus

**Increasing support to rail infrastructure and rolling stock, with restrictions on diesel vehicles and transport of fossil fuels**

**Specific tools** to unlock financing opportunities in rail

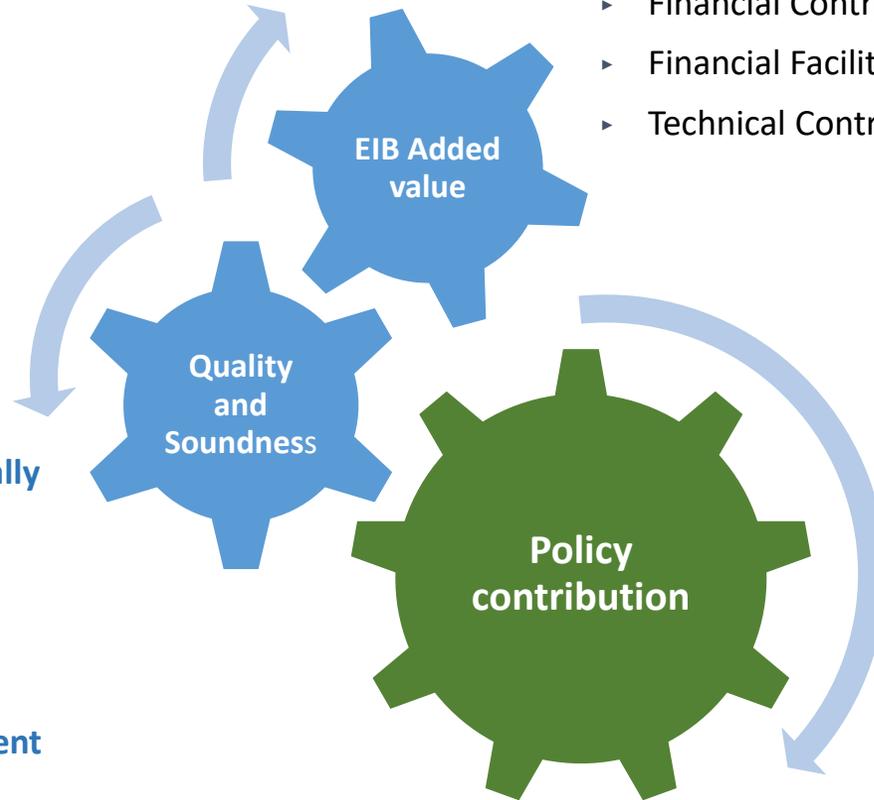
- CEF Blending Facility
- Future Mobility
- Climate advisory
- Technical assistance (for non-EU projects)



# Pillars of EIB project selection

## Does EIB bring value to the project?

- ▶ Financial Contribution
- ▶ Financial Facilitation
- ▶ Technical Contribution and Advice



### Project must be sound:

- ▶ be technically sound
- ▶ be **environmentally and socially sustainable**
- ▶ demonstrate a **satisfactory economic rate of return**;
- ▶ be **financially viable**
- ▶ follow appropriate **procurement** arrangements

### Project must be consistent with a low carbon pathway:

In the rail sector, it is expected that diesel trains with low ridership and vehicles/infrastructure dedicated to the transport of fossil fuels will no longer be eligible in 2021.

AND

### Project must meet at least one of EIB's policy objectives:

- ▶ **TEN-T networks**
- ▶ **Climate Action** (in line with EU Taxonomy)
- ▶ Economic & Social **Territorial Cohesion**
- ▶ Contribution to **EFSI** objectives
- ▶ **R&D and innovation**



# What we finance in railways



## INFRASTRUCTURE

- Rehabilitation or upgrade of existing lines (incl. electrification)
- Construction of new lines
- Electric and signaling systems
- Stations and intermodal terminals



## ROLLING STOCK

- Acquisition and retrofitting of rolling stock: passenger trains, freight locomotives and railcars
- Manufacturing and RDI

Urban railways (LRT, tram-train, metro), regional railways, conventional and high-speed rail



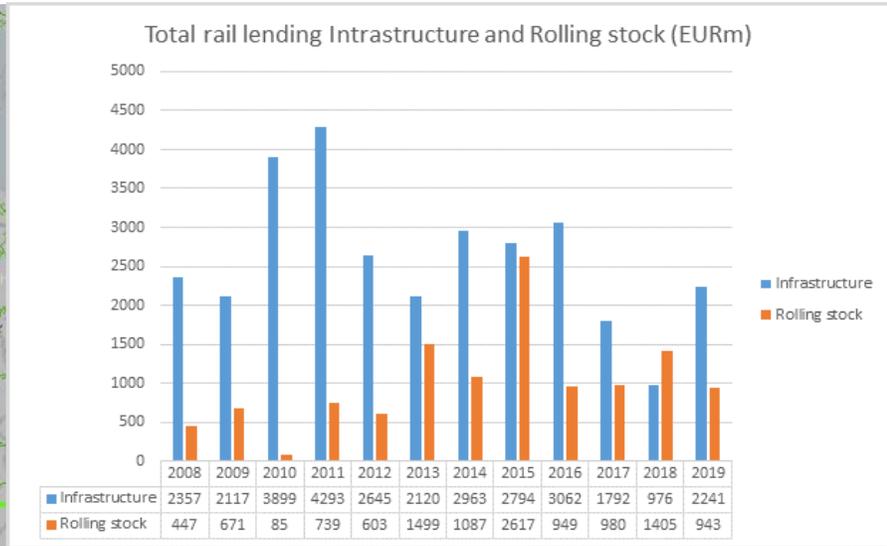
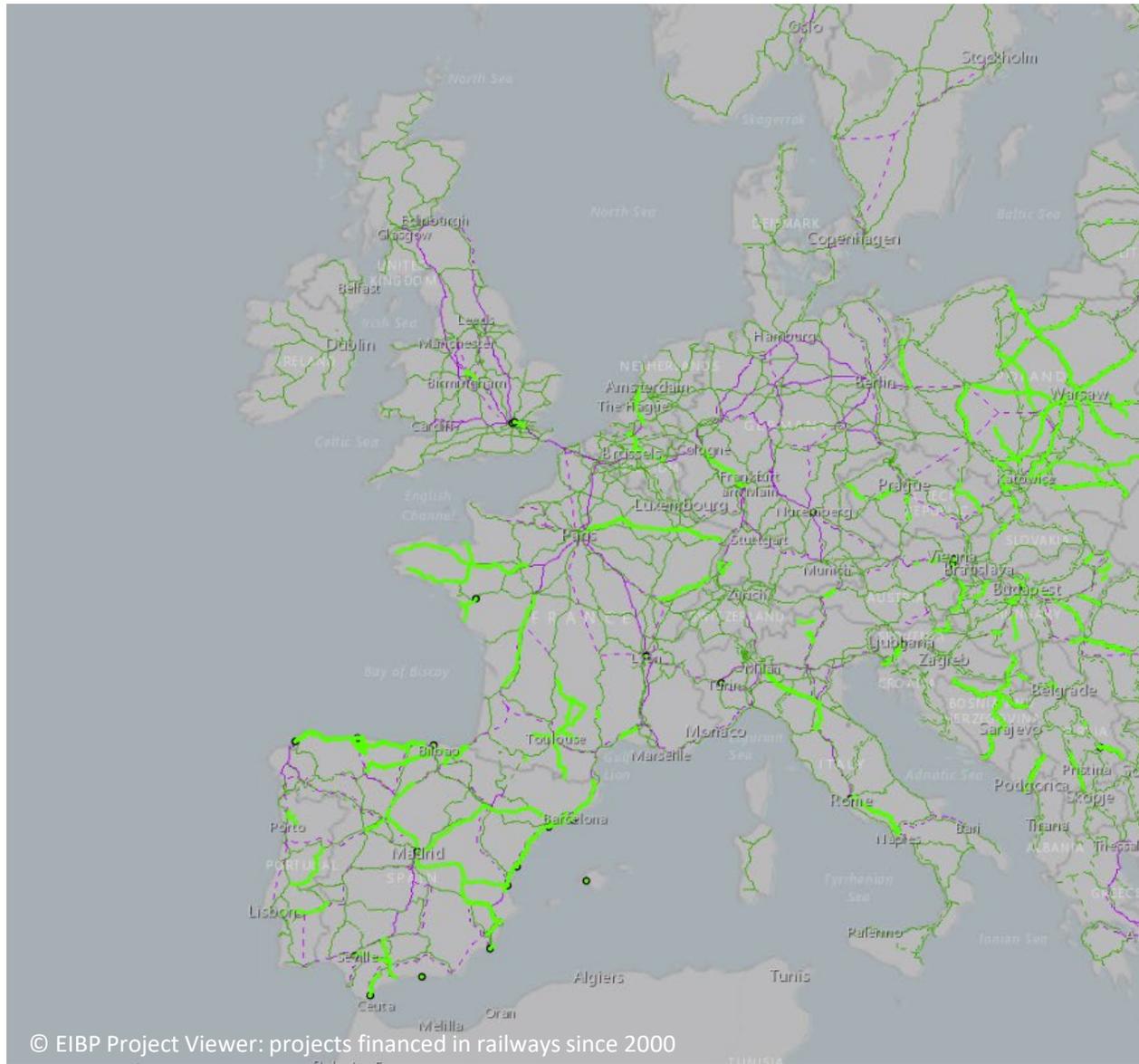
# Climate Bank: Criteria for Paris Aligned and Climate Action in the rail sector

- Prioritization of financing of zero tailpipe transport vehicles. In recognition of the transition pathway, the EIB is considering applying a technical screening criterion that would **limit support for diesel technology** or CNG to cases of high ridership, often associated with operating conditions typical outside the European Union.
- EIB is considering deeming all electrified public transport infrastructure (rail, metros, trams and bus rapid transit systems) as consistent with a low-carbon pathway.
- A residual risk of non-alignment for public transport systems operating on diesel oil or natural gas, albeit potentially diminished in the context of developing countries
- **Infrastructure and Vehicles dedicated to transport or storage of fossil gets excluded**

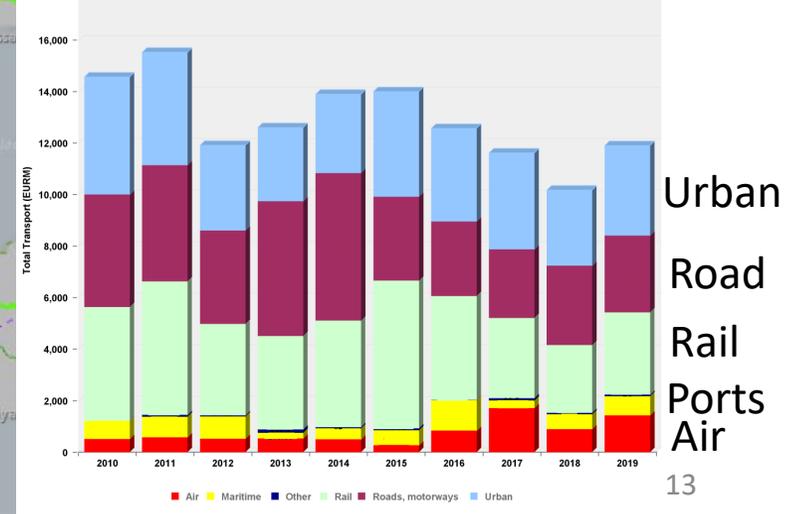
		Paris Aligned	Climate Action
		<ul style="list-style-type: none"> <li>• All EIB financed projects must be consistent with low carbon pathway</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of EIB investments must contribute to CA</li> <li>• CA defined in line with EU Taxonomy</li> </ul>
Rolling Stock	Electric	YES	YES
	Hydrogen, Battery powered, etc.	YES	YES
	Bimode (diesel-electric)	In most cases	In most cases
	Diesel	<ul style="list-style-type: none"> <li>• Rarely for pax (only &lt;50g/pkm)</li> <li>• Most cases for freight (&lt;375 g/ton-km)</li> </ul>	<ul style="list-style-type: none"> <li>• Rarely for pax (only &lt;50g/pkm) (tbc)</li> <li>• Most cases for freight (&lt;375 g/ton-km) (tbc)</li> </ul>
Infrastructure	Electrified	YES	YES
	Non-electrified	YES	YES when one of the following: <ul style="list-style-type: none"> <li>• Operated by H2/Battery Electric</li> <li>• Operated predominantly by diesel trains with &lt;50g/pkm (tbc)</li> <li>• There is a clear plan for electrification</li> </ul>



# EIB finances EUR 3-5 bn p.a. in the rail sector



EIB rail lending volume (2008-2019) and modal lending shares (2010-2019)



# Our recent transport financing portfolio

Date of entry	Title	Country
28/10/2020	RFI HIGH SPEED RAIL NAPOLI-BARI	Italy
15/10/2020	SOUTH-MORAVIA REGIONAL ROLLING STOCK	Czech Republic
07/10/2020	NEW SLUSSEN STOCKHOLM	Sweden
01/10/2020	S6 EXPRESSWAY BOZEPOL - TRICITY BYPASS	Poland
30/09/2020	CENTRAL BOHEMIA REGIONAL INFRASTRUCTURE	Czech Republic
31/08/2020	KANPUR METRO PROJECT	India
21/08/2020	AUTOBAHN A49 FRITZLAR-OHMTAL DREIECK (PPP)	Germany
06/08/2020	ITALIAN ENERGY EFFICIENCY FUND II	Italy
30/07/2020	BADEN-WURTEMBERG REGIONAL ROLLING STOCK & ERTM	Germany
30/07/2020	ENDESA EV SUSTAINABLE CHARGING NETWORK	Spain
29/07/2020	PARIS LIGNE 15 SUD MATERIEL ROULANT	France
23/07/2020	TRENITALIA ROLLING STOCK RENEWAL PROGRAM	Italy
21/07/2020	ADIF INFRASTRUCTURE INSPECTION & MAINTENANCE RS	Spain
10/07/2020	DUISBURGER HAFEN II	Germany
06/07/2020	SUD PROVENCE-ALPES-COTE-D'AZUR MATERIEL ROULANT	France
29/06/2020	E-MOBILITY - HIGH POWER CHARGING STATIONS	Belgium-France-Germany-Luxemb.
24/06/2020	PROJET CITEZEN BHNS - THIONVILLE	France
23/05/2020	SPANISH SUBURBAN AND REGIONAL ROLLING STOCK	Spain
23/05/2020	POLAND ROAD MODERNISATION IV	Poland
22/05/2020	PARDUBICE REGIONAL INFRASTRUCTURE IV	Czech Republic
08/05/2020	OCCITANIE MATERIEL ROULANT	France
07/05/2020	CARGO ROLLING STOCK MODERNISATION	Poland
17/04/2020	PLK E65 SOUTHERN SECTION PHASE I	Poland
07/04/2020	AUTOBAHN A3 BIEBELRIED - FURTH ERLANGEN	Germany
04/03/2020	ESTONIAN RAILWAY	Estonia
27/02/2020	CORRIDOR VC CENTRE	Bosnia and Herzegovina
13/02/2020	KARAVANKE TUNNEL SAFETY UPGRADE	Slovenia
27/12/2019	AMSTERDAM PUBLIC TRANSPORT FLEET RENEWAL	The Netherlands
23/12/2019	MALOPOLSKA REGIONAL INFRASTRUCTURE II	Poland
23/12/2019	SAAMBAT SUSTAINABLE RURAL DEVELOPMENT CAMBODIA	Cambodia
20/12/2019	CFL MATERIEL ROULANT	Luxembourg
20/12/2019	BHOPAL METRO RAIL PROJECT	India
20/12/2019	SAO TOME SUSTAINABLE ROADS	Sao Tomé e Príncipe
20/12/2019	LAO RESILIENT ROADS FRAMEWORK LOAN	Lao People's Democratic Rep.
20/12/2019	PORTO DI TRIESTE	Italy
20/12/2019	DEPA LNG BUNKERING VESSEL	Greece
19/12/2019	EAV CIRCUMVESUVIANA RAILWAY NEW ROLLING STOCK	Italy
19/12/2019	HAMBURGER HOCHBAHN E-MOBILITY PROGRAMME	Germany
19/12/2019	GRUPO RUIZ CLEAN BUS FLEET	Spain
19/12/2019	ARIANE 6 EUROPEAN SPACE LAUNCHER PROGRAM	France-Germany-Italy
18/12/2019	YOLAN PUBLIC TRANSPORT FLEET RENEWAL	Hungary
18/12/2019	PORT OF YSTAD INFRASTRUCTURE	Sweden
17/12/2019	BRATISLAVA SUSTAINABLE URBAN MOBILITY	Slovakia
16/12/2019	EV CHARGING ITALY (FM)	Italy
16/12/2019	GRIMALDI FLEET ENVIRONMENTAL RETROFIT	Italy
13/12/2019	TRAFFORD PARK METRO LINE EXTENSION	United Kingdom
13/12/2019	NEW HERAKLION INTERNATIONAL AIRPORT PPP	Greece
13/12/2019	QUAERO EUROPEAN INFRASTRUCTURE FUND II	France
11/12/2019	NIEDERRHEIN-MUENSTERLAND-NETZ	Germany
06/12/2019	ST MAARTEN AIRPORT POST-HURRICANE RECONSTRUCTION	St. Maarten
05/12/2019	BOURGOGNE-FRANCHE-COMTE MATERIEL ROULANT	France
02/12/2019	MANO RIVER UNION ROAD	Liberia
02/12/2019	A3 AMSTERDAM PPP	The Netherlands
02/12/2019	RENFE SUBURBAN SUSTAINABLE TRANSPORT MADRID	Spain
29/11/2019	EU FUNDS VALENCIA CO-FINANCING 2014-2020	Spain
29/11/2019	Dw's PAN-EUROPEAN INFRASTRUCTURE FUND III	
28/11/2019	KARAWANKENTUNNEL ASFINAG	Austria
27/11/2019	COUNTY OF CORK INVESTMENT PROGRAMME	Ireland
22/11/2019	EUROPEAN ROADS UKRAINE III	Ukraine
08/11/2019	PIRAEUS PORT EXPANSION	Greece
08/11/2019	HELSINKI AIRPORT EXPANSION II	Finland
07/11/2019	RENOUVELLEMENT METRO MARSEILLE	France
04/11/2019	OEPNV GRAZ	Austria
30/10/2019	NETZ ELBE SPREE ROLLING STOCK	Germany

Since 30. October 2019, the EIB has signed new finance contracts for

- ▶ 64 transport projects
- ▶ of which 10 (mainly) rail infrastructure (yellow background)
- ▶ of which 12 rail rolling stock (orange background)

Out of the 12 rail rolling stock projects

- ▶ 4 were with incumbents
- ▶ 6 were in support of sub-national rolling stock pools
- ▶ 1 bespoke suburban/metro rolling stock fleets
- ▶ 1 using PPP-like finance structured with strong guarantees
- ▶ none with classic leasing companies

Total signature volume over the period

- ▶ 2.0 bn€ for rail infrastructure projects
- ▶ 2.9 bn€ for rail rolling stock projects



# Thank you!

[Claus Eberhard](#)

[eberhard@eib.org](mailto:eberhard@eib.org)