EIB’s Urban Lending

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THE EU URBAN AGENDA TOOLBOX

Build your sustainable community with the EIB and the CoR

Local government matters to people all across Europe. Over 70% of Europeans live in urban areas, and 55% of public investment is made by regional or local governments. The European Investment Bank and the European Committee of the Regions collaborate on a range of Urban Agenda-related initiatives to share knowledge with local and regional decision-makers in order to improve access to funds and help them use existing funds more effectively. The EIB has provided EUR 95 billion in urban lending over the last five years and is extending that financing to projects with higher risks under the European Fund for Strategic Investments, part of the Investment Plan for Europe. Alongside these loan commitments, these loans reflect all the Priority Themes of the EU Urban Agenda. What are these priorities? We were hoping you would ask. Take a look at projects the EIB has financed under each Theme:

**Priority Theme: Jobs and Skills in the Local Economy**

- **Rzeszow, Poland, 2015**
  - EUR 145 million loan to fund a range of urban projects, including infrastructure services and transport connections to industrial enterprise zones employing local people.

**Priority Theme: Inclusion of Migrants and Refugees**

- **Brandenburg, Germany, 2015**
  - EUR 120 million to refurbish or build accommodation for 113,000 asylum seekers and refugees.

**Priority Theme: Urban Poverty**

- **Royal Liverpool Hospital, UK, 2013**
  - GBP 90 million loan to fund a new 600-bed hospital that serves an area with some of Britain’s highest levels of economic deprivation and poorest health standards.

**Priority Theme: Sustainable Land Use and Nature-Based Solutions**

- **Ginkgo Funds, Belgium/France, 2010 and 2016**
  - EUR 46 million of equity (some funded by the Investment Plan for Europe) for a fund using innovative techniques to decontaminate polluted brownfield sites, which it sells for construction of residential or commercial buildings.

**Priority Theme: Urban Mobility**

- **Budapest, Hungary, 2012**
  - EUR 200 million to upgrade transport infrastructure and integrate public transport and tram networks.
## Lending: EIB Financing Instruments

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<th>Instrument</th>
<th>Examples of potential Smart City financing</th>
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| **Investment Loans**     | • Loan to a City to finance an urban renewal project with smart features  
                          | • Loan to co-finance an Integrated Territorial Investment with structural funds  
                          | • Loan to a private partner to implement a Smart City programme under contract  
                          | • R&D loan to develop innovative Smart technology                                                                                                        |
| Direct loan for a specific investment project or programme, usually > EUR 25m |                                                                                                                                                                           |
| **Framework Loans**      | • Framework loan to a city or region to finance a programme of small or medium Smart investments  
                          | • Framework loan to co-finance sustainable urban investments under a structural fund operational programme  
                          | • Framework loan to a bank to finance smart city investments                                                                                               |
| Loan for a programme of investments meeting defined criteria but not finally prepared at time of signing |                                                                                                                                                                           |
| **Global Loans**         | • Multi-purpose credit line including smart city projects                                                                                                                  |
| Credit lines to banks    |                                                                                                                                                                           |
| **Funds**                | • Investment into an urban development fund, brownfield fund, fund specialised in Smart City investment                                                                   |
| Investment in a fund     |                                                                                                                                                                           |
Investment Loan case – Rouen ecoquartiers

Rouen eco-quartiers Flaubert-Luceline

- Remediation of port/industrial brownfields
- Preparation of sites for mixed residential, commercial, public space, culture, leisure uses.
- Emphasis on sustainable mobility, near-passive energy municipal building, geothermal heating network
Example: Framework Loans in Poland

- Most widely used financing facility for the urban sector in Poland
- Often the main source of investment programme financing after EU funds
- Some cities are on their fifth framework loan
Towards Smart City investment criteria

Sustainable

Sustainable Communities:
• Led by urban strategy, local development plan
• Promote employment and growth
• Alleviate social exclusion
• Brownfield redevelopment
• Public buildings
• Social and affordable housing
• Invest in heritage sites

Sustainable Mobility:
• Fit into a mobility plan
• Public transport infra + rolling stock
• Road safety and energy efficiency improvements
• Intelligent transport systems
• Traffic control systems
• Intermodal transfer
• Demand management measures

Smart?

Sustainable and ....

Integrated
• Smart strategy
• Two or more dimensions

Innovative
• Technology
• Approach

Inclusive
• Stakeholder participation
• Partnership government-business-universities
• Smart governance

Energy efficiency and renewables:
(New EIB lending criteria 2013)
• New buildings – near energy neutral
• Existing buildings – cost-optimum approach
• Efficient lighting – energy savings stream > 50% of investment cost
• Support to meeting EU2020 and national RES targets
• Support to mature and emerging RES technologies
Framework Loan via Intermediary- eg. Belfius  
Smart and Sustainable Cities Financing

Smart cities in Belgium

In 2014, Belfius Bank and the EIB launched a EUR 400m joint financing programme for the implementation of innovative projects to promote smarter, more sustainable cities across Belgium

• Covers wide range of Smart investments and promoters
• Aims to cover the whole country – Smart is not only for big cities!
• Stimulates best practice – integrated approach, innovative governance, use of tested smart technology, consultation
• Recognises Belgian certification schemes (eg. Referentiel Eco-quartier Wallonia, Flanders Duurzaamheidsmeter)
• Relies on an intermediary bank with technical capacity and market reach in the municipal market
First Urban EFSI – Brownfield Sustainable Land-use

Ginkgo Fund

Ginkgo Fund (EUR 120m)

- invests in contaminated former industrial sites,
- remEDIATE sites and sells the upgraded property for further real estate development.
- Approx. 12 schemes in France and Belgium
- Use of environmentally sound, efficient and innovative techniques
- Contributes to Circular Economy by bringing back brownfield sites into economic use
- Avoids urban sprawl
For info or further questions on this seminar and the activities of the JASPERS Networking Platform, please contact:

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