

EIB Lending in Urban Mobility

The relevance of sound strategic approaches

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Context

- EIB is a publicly owned bank; Policy driven not commercially focused;
- Strong emphasis on project quality – economic, technical, environmental and social
- EIB follows EU policy objectives – Green deal and Fit for 55
- EIB is a frontrunner in the effort to move to a low carbon economy – Climate Bank Roadmap (available from our website); Specific mention is made of SUMP's in context of urban roads
- Revision to our Transport Lending Policy is underway – Public consultation open until the end of October
- Urban Mobility is an important sector – approx. 3bn annually (30% of all transport lending)

Why does a strategic approach matter?

- Transport is a service, an economic enabler;
- Cities are complex systems with competing needs and priorities
- It is well understood that land use planning can have a major impact on the needs of a city
- Proper integration of transport with a city's long term strategic vision is the key to well conceived and economically sustainable transport projects
- Projects which form part of a long term plan are more likely to be aligned with the needs of the different stakeholders in the city and less likely to generate controversy
- EU Commission is designing a “CITIES Mission” to address CO2 emissions reduction at a strategic level

Multi-sector and small investments

- EIB offer suitable promoters framework loans
- Typically based on cities' medium term investment plans which include a range of components from the very small to major projects
- Cities investment programmes are often multisector reflecting its different needs and priorities
- Our appraisal is based around Promoter capability and the consistency of the investments with the SUMP
- For multi-sector programmes we also want to understand the wider planning documents such as the urban development strategy, masterplan, sector strategies and SEA to understand their consistency and the coherence of the proposed investments with them.

EIB's project appraisal

General context

The city and its region

The strategic plans – climate, development and transport

Policy alignment – local, national and European

Economic benefits

Realistic long term demand

Realistic view of cost, contingencies and risk

Appropriate transport modelling

EIB's own CBA analysis

Technical solution

Promoter capability

Soundness of technical solution

Technical risk profile: potential for cost over-runs and delays

Proposed procurement method

Environment, Climate & Social

Compliance with EU legislation - Taxonomy

Climate risk assessment, Biodiversity, pollution, environmental management

Stakeholder consultation; Resettlement; Gender

Conclusions

- EIB is look for a well integrated strategic approach to any project which it finances
- It makes it more likely that:
 - The project can demonstrate high quality – economic, technical, environmental and social
 - The project is aligned with EU policy objectives
 - It is acceptable to local stakeholders
- The existence of a SUMP is a good starting point
- CBR specifically mentions SUMP in context of our assessment of urban road projects

More Information

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