

# **EUSEW 2009**

## **Conference on Urban Mobility**

### **Clean Buses Finance Facility**

**An initiative for financing cleaner public  
transport prepared by  
the European Investment Bank**

**Promoting social well-being**

**Minimising adverse environmental impact in all projects**

**(public consensus)**

**3 environmental investment focuses on:**

**tackling climate change**

**protecting and enhancing biodiversity**

**promoting the sustainable use of natural resources & waste management**

**improving the quality of life in the urban environment**



**Preserve, protect and improve the environment**



In order to reach EU goals concerning energy saving and preventing climate change, there are three major possibilities:

- **Improving energy efficiency**
- **Reducing energy consumption (EE) by 20%, being urban areas where most effective measures can be deployed.**
- **Increasing the use of renewable sources of energy (RES) to 20%, with minor impacts being obtained from the urban context.**



To reach these objectives (that would result in a reduction of 20% of greenhouse gases emissions), it is estimated that between 600 and 700 Billion Euro have to be invested until 2020.

**EIB loan up to  
50% of total cost**

**EIB  
lines of action**



**Energy efficiency  
& renewable energy**

**Urban  
Transport  
Actions**




**Energy efficiency  
& renewable energy**




**Public buildings  
Social Housing  
Municipal infrastructure  
(e.g public lighting)**

**ESCO finance facility**

**Combined Heat  
and Power  
(if applicable)**



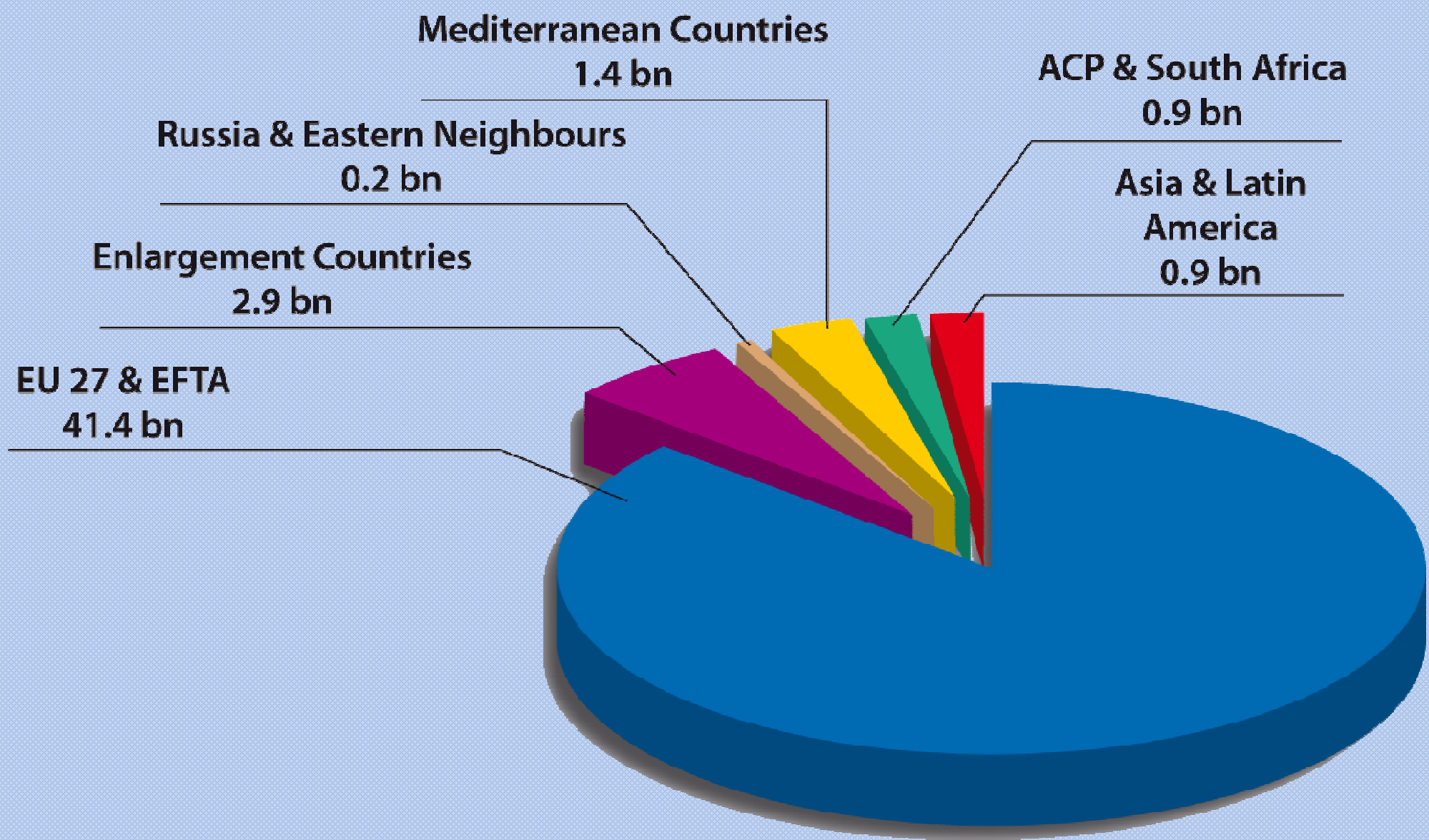
EIB projects “include the construction, extension or rehabilitation of collective transport infrastructures or the acquisition of rolling stock”.



**But, this is not all.** Urban development (including social housing) in the context of integrated plans (Leipzig Charter) and, in general, urban environment enhancement projects are also eligible for the Bank.

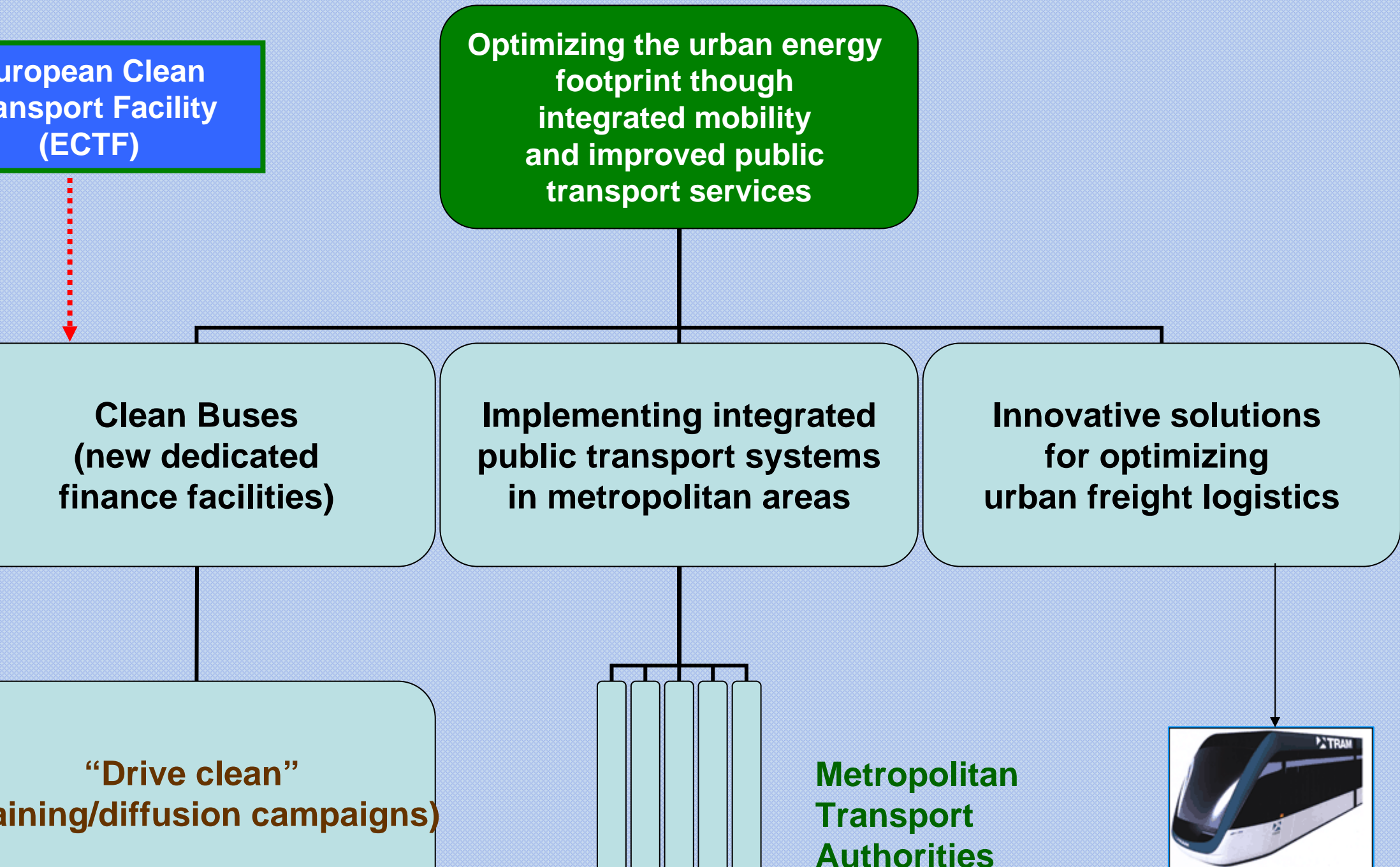


**New financial instruments, including higher assumption of risks (both during construction and operation), are being developed.**



**Lending in favour of sustainable urban development (including social**

# under the Covenant of Mayors framework)







The Bank is currently preparing a new loan facility (using leasing financial principles) oriented to provide advantageous long-term financing to urban transport operators replacing or expanding their bus fleets with new vehicles outperforming existing environmental regulations.

## Related issues:

- European label (adherence of the EC)
- Green and/or joint procurement
- Introduction of EuroV and VI standards
- Incentives to R&D (EC framework programs)
- Particular treatment of O&M costs





The high purchase price and O&M costs of this kind of vehicles (e.g. hybrid electric) and the concerns of operators about their long-term performance makes many transport authorities reluctant to consider innovative buses for their fleet renewal. However, many of those authorities, show a strong interest in the introduction of cleaner vehicles.

In order to establish an affordable solution, EIB intends to launch a specific introductory study that should include a global presentation of the state-of-the-art of clean bus technologies, an in-depth analysis of the applicable (present and foreseen) EU regulations and the elaboration of a proposal of eligibility criteria to be applied to CFFF.

The second part of the work consists of a detailed study of the institutional and financial scenarios for one EU transport operator/authority (to be decided by the EIB), identifying the barriers to the use of the CFFF, the financial leverage needed to stimulate the renewal of its bus fleet with new vehicles outperforming existing regulations, in particular concerning environmental and energetic performances, and how such leverage could be obtained by

## (first exploratory study)

### scope of works (to set up and personalize CFFF)

1. Market and technology issues (available technologies, suppliers ongoing projects)
2. EU standards for buses and **CFFF eligibility criteria**
3. Purchasing procedures (characteristics of buses, EU regulations needs for special financial aids)
4. **Proposed financial solutions for the local CFFF (establishment of tailored finance facility)**
5. **Evaluation and implementation results**
6. **Definition of ToR for further studies**

<b>Identification of interested cities</b>	<b>End January 2009</b>
<b>Launching the first study</b>	<b>March 2009</b>
<b>Setting up CFFF</b>	<b>November 2009</b>
<b>Implementation</b>	<b>Over 2010</b>

**Thank You**

**Investment  
Bank**



[www.eib.org](http://www.eib.org)