

EVALUATION OF EIB SUPPORT FOR URBAN PUBLIC TRANSPORT IN THE EUROPEAN UNION (2007-2019)



CONTEXT

The Evaluation function within the European Investment Bank (EIB) Group carried out an independent evaluation of EIB support for urban public transport (tramways, trains, metros and buses) in the European Union between 2007 and 2019. This evaluation assessed the relevance and results of this support, and gave recommendations for how the EIB could enhance its impact in the future, with these feeding into the revision of the EIB's Transport Lending Policy launched in 2021.

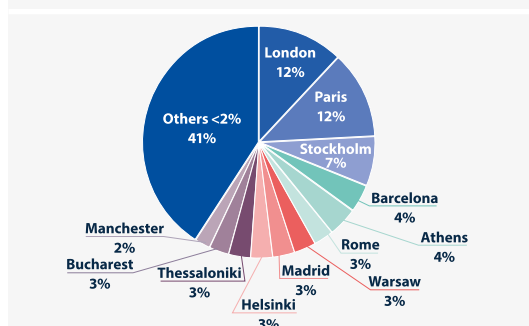


KEY FINDINGS

The evaluation found that the EIB addressed municipalities' needs in the urban public transport sector across Europe, in particular during the economic and financial crisis:

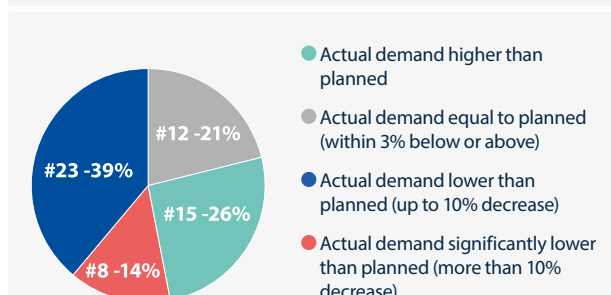
- The EIB product offer met demand from both larger and smaller municipalities.
- The EIB played a countercyclical role in this sector during the economic and financial crisis. In the years after the 2008 crisis, the EIB substantially increased its lending to the sector against a backdrop of reduced availability of financing for urban transport investments.

Distribution of UPT investments by city



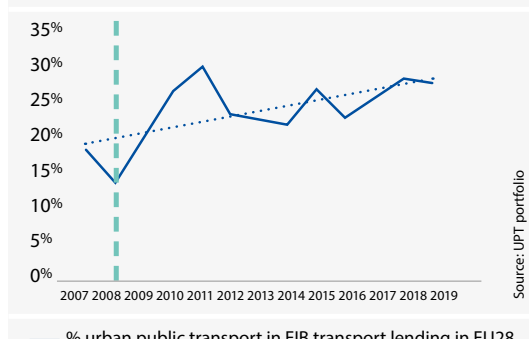
The vast majority of completed projects supported by the EIB delivered their production targets, but about half did not achieve their expected level of ridership.

Achievement of ridership objectives



Based on 58 completed projects, for which data was available at appraisal and at completion

Share of UPT in total EIB transport lending (signed in EU28)



The evaluation found three main causes explaining the deviation between expected and actual ridership:



Other key outcomes (such as enhancing quality of services, improving accessibility and increasing modal shift from cars to public modes of transport) were largely undocumented after project completion.

The vast majority of completed projects were economically sound after completion, but a few exceptions called for a strengthened ex-ante review and ex-post estimate of ridership for these projects, both at their appraisal stage and after their completion.

The EIB has gradually expanded its product offer to address a more fragmented investment landscape characterised by smaller and riskier interventions and higher demand for cleaner technologies. The evaluation found that the EIB is therefore on the right track to offer integrated, multi-sector and client-focused support to municipalities by combining financing and advisory services.



CONCLUSION

The evaluation concluded that EIB support has been in line with the urban public transport needs of municipalities across Europe. Moreover, the EIB is well placed to respond to the new investment landscape in the urban public transport sector and to further support the transition towards new and cleaner technologies. This is particularly relevant for the EIB Group's Climate Bank Roadmap and the revised EIB Transport Lending Policy.



RECOMMENDATIONS

To enhance the impact of urban public transport operations under the upcoming new EIB Transport Lending Policy, the EIB should:



Enhance the monitoring of the outcomes of urban public transport projects, including by collecting more data on service quality, accessibility and modal shift from cars to public modes of transport. In particular, enhancing the measurement of modal shift constitutes a valid and affordable proxy for estimating the project contribution to the EIB's climate and environment objectives.

Strengthen its ex-ante review and ex-post estimate of ridership, including by enhancing the analysis of risks to the projects' economic soundness at the appraisal stage. A more robust analysis of ridership is particularly important for projects characterised by a marginal economic rate of return.

Assess the feasibility of offering municipalities more integrated support combining financing and advisory. This could help municipalities to speed up the transition to cleaner urban public transport technologies.



PLEASE CLICK HERE TO SEE THE FULL REPORT:

<https://www.eib.org/en/publications/evaluation-eib-support-to-urban-public-transport-in-the-eu-thematic>