Maximising Climate Bank – EIB operations in sustainable transport

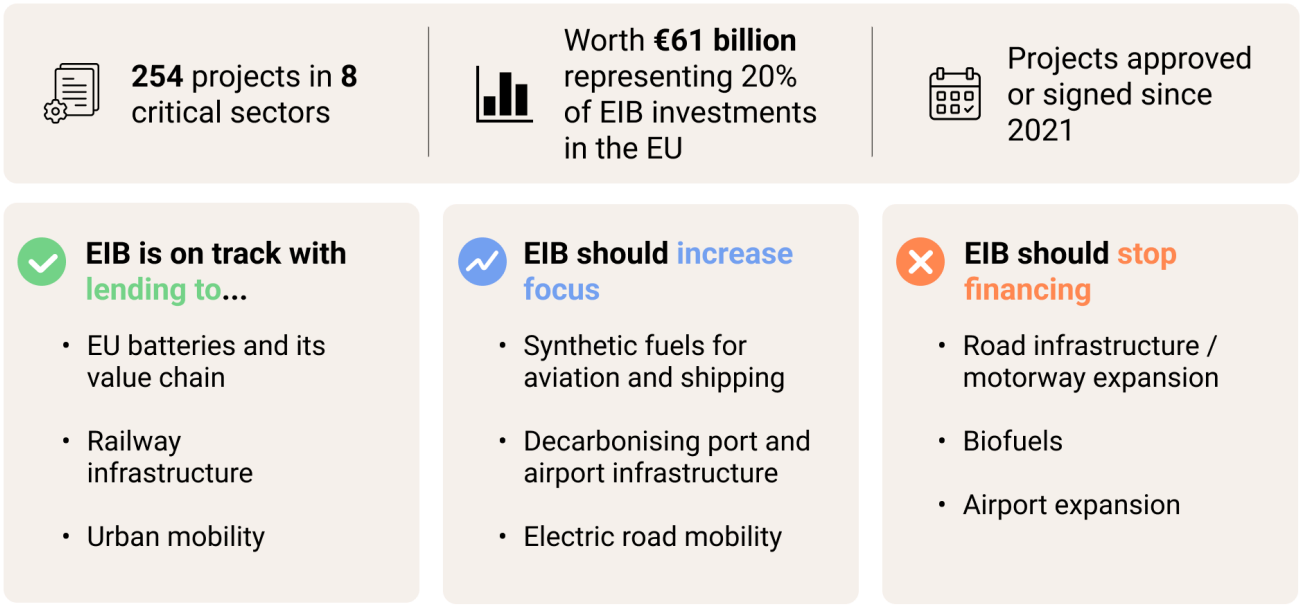
Gaps and opportunities for EIB's transport lending

Summary

Back in 2021, the European Investment Bank (EIB) has committed to become the EU's Climate Bank by adopting the Climate Bank Roadmap. This year, this Roadmap will be renewed for the period 2026-2030.

Transport lending activities are at the heart of the EIB lending portfolio and therefore play a critical role for the clean transition. T&E assessed **254 EIB operations in the EU across eight strategic transport sectors from 2021 up to February 2025, worth €61 billion - nearly 20% of EIB lending in the EU**.

EIB lending for clean transport in the European Union



Source: T&E

The EIB needs to do more to align transport lending with Climate Bank mandate

- **Despite its "climate bank" promise, the EIB plowed €1 billion into biofuels**—technologies that are neither scalable nor sustainable, and that risk diverting funds from genuinely green solutions.
- **The EIB needs to ramp up support for the entire domestic cleantech value chain.** From €3.9 billion for 17 batteries' projects, €2.5 billion went into battery manufacturing. Much less has been flowing into components and materials where the EU remains exposed to dependencies.

- **Roads too dominant:** Since 2021, the EIB has spent €7.79 billion on EU road infrastructure, most of it on new roads. This is more than what the EIB invested in Europe's domestic battery value chains (€3.88 bn) and alternative fuels (€2.36 bn) combined.

- **Of €1.1 billion for port and airport projects,** only two out of 11 ports included any renewable-energy components—and the Bank even backed airport expansion in breach of its own Climate Bank Roadmap commitments.

- **The EIB's "Climate Action & Environmental Sustainability (CA&ES)" label stretches credibility** when it flags motorway expansions through protected Natura 2000 sites—projects guaranteed to spike CO_2 emissions—as environmentally sustainable.

- **Rail and urban mobility— the bright spots:** On the flip side, the EIB funneled €23.6 billion into EU rail upgrades (making it the transport sector's top beneficiary) and €13.3 billion into cleaner urban transport—providing a strong example of how public investment can boost the green transition.

Cementing climate as a top priority for a clean European industry

- **The EIB Climate Bank Roadmap for 2026-2030 should accelerate its transformation into the EU's Climate Bank.** This means full alignment with stringent net-zero pathways for its transport operations, as transport represents 29% of EU emissions in 2022.

- **The EIB needs to make better use of its EU Climate Bank mandate and maximise the complementarity with private lending. It should take more risks and expand its use of de-risking instruments** (guarantees, counter-guarantees). Currently, the EIB invests the majority of its resources into 'low risk' assets, including road infrastructure. Clean future oriented technologies such as batteries, synthetic fuels and their supply chains would benefit from EIB's de-risking capacity as they lack access to conventional financing

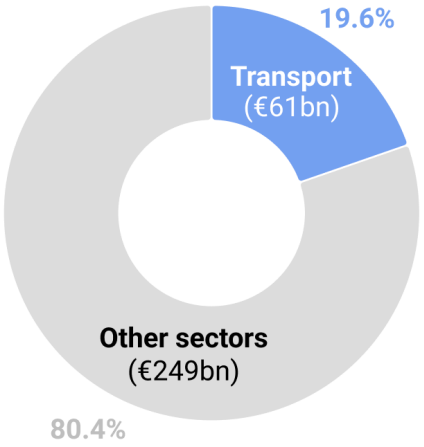
- **The future Climate Bank Roadmap should limit inefficient and environmentally harmful investments in new road infrastructure and biofuels.** Instead, double down on renewable synthetic fuels to decarbonise aviation and shipping. Likewise, the EIB should focus on upgrading airports and ports for a net-zero future instead of supporting expansion.

- The EIB needs to **fully align its operations with a European Green industrial strategy**. Prioritising projects that use locally made components or materials is key to contributing to sustainable competitiveness in Europe. **The EIB can do more to boost EU's clean industrial transition -** developing and scaling up **the domestic battery value chain, e-fuels production and the road e-mobility, including charging.**

Nearly 20% of EIB operations in the EU are for transport

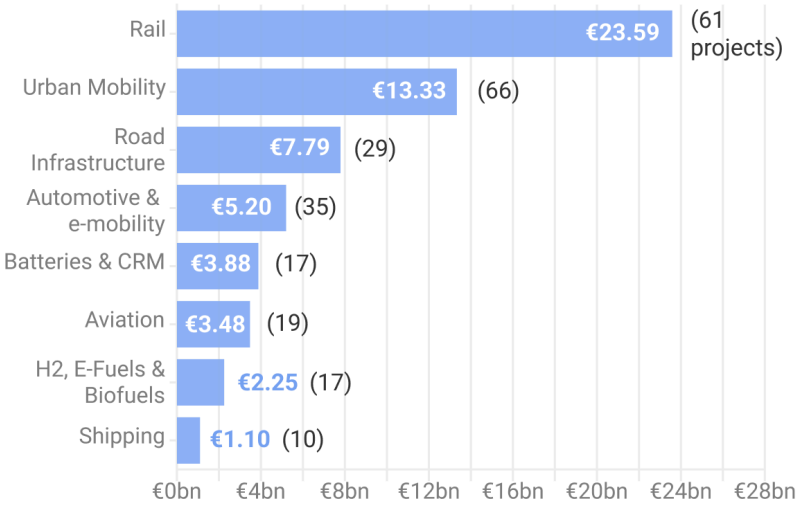
EIB investment

Total investment €310bn



EIB finances 254 projects in 8 key sectors

Approved or signed projects from 2021 onwards



Source: EIB.org

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Financing the Future? The EIB's Role in Sustainable Transport

The European Investment Bank (EIB) is the world's biggest multilateral lender and a major global climate financier. Since 2021, the EIB has been transforming into Europe's Climate Bank. This year, the EIB is renewing its Climate Bank Roadmap for the 2026-2030 period - a key moment to evaluate its track record, particularly in the transport sector.

Decarbonising transport will require at least €310 billion in annual investment through 2030. These investments offer substantial economic and social returns, but the scale and speed of support must match the challenge.

To assess whether the EIB is driving the necessary transformation, **T&E analysed 254 transport operations in the EU worth €61 billion that have been adopted or signed since 2021** - the year when the EIB adopted its Climate Bank roadmap - up to February 2025. Below are our key findings by sector and recommendations on how the EIB can help Europe regain competitiveness through decarbonisation.

Innovative transport technologies are central to the global race for industrial competitiveness

By 2030, **batteries will account for over three-quarters of the €90 billion in cleantech investment needs.** As a cornerstone of the energy transition and Europe's automotive sector, batteries are at the heart of the global cleantech race. Yet, in the absence of a coherent EU industrial strategy, and amid intensifying competition from the US and China, investments in European battery value chains are stalling. Similarly, **uncertainty is delaying final investment decisions in synthetic fuel production, a key solution for decarbonising aviation and shipping**.

Europe needs swift action to ensure critical technologies will be produced domestically. In this context, the EIB has a vital role to play. Strategic investments are needed now to grow a domestic battery value chain, accelerate deployment of synthetic fuels for shipping and aviation, and upgrade European rail and energy networks. This is essential not only to safeguard Europe's industrial relevance, but also to secure high-quality jobs and economic resilience in a shifting global landscape.

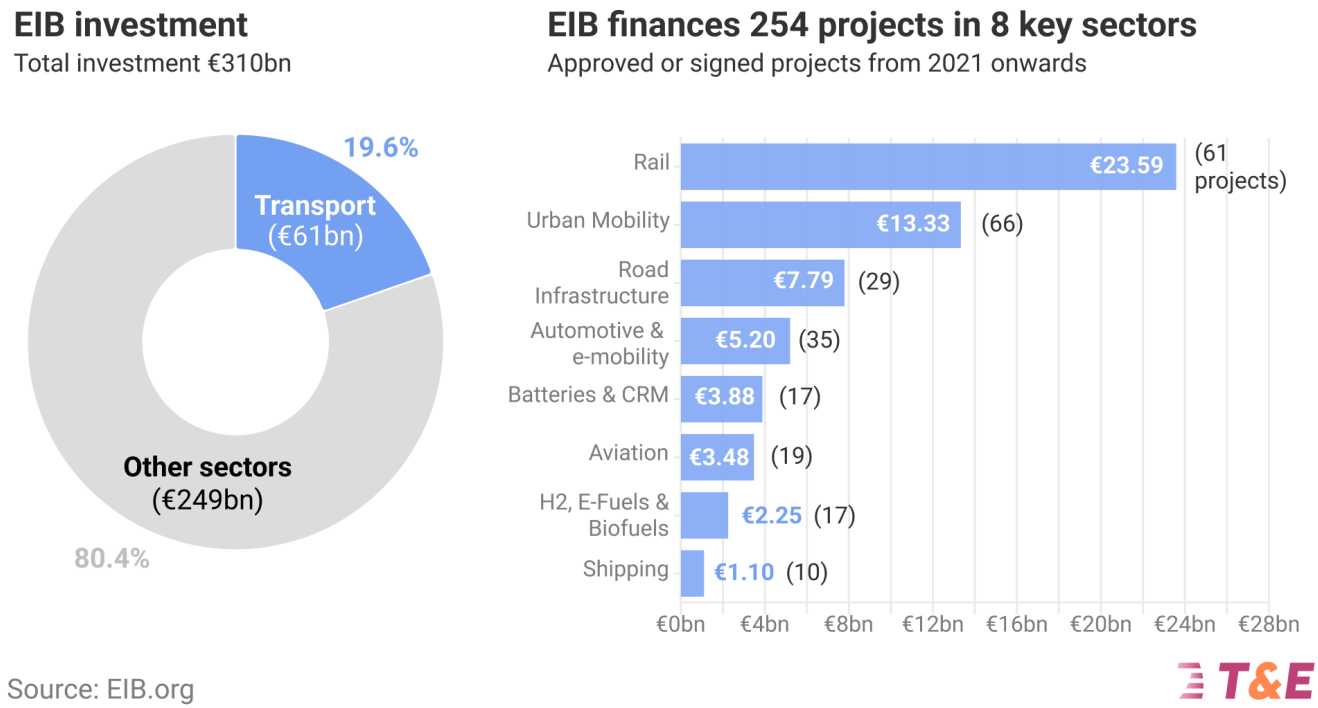
The Climate Bank Roadmap as a critical opportunity

As Mario Draghi highlights in his Competitiveness Report, Europe must invest now to reap the benefits of a growing cleantech market or risk falling behind and deepening strategic

dependencies. In times of constrained public budgets, the EIB plays a pivotal role in mobilising private capital and de-risking innovative projects to accelerate the transition.

The upcoming Climate Bank Roadmap 2026 - 2030 is a key opportunity for the EIB to scale up its support for clean transport. **By prioritising future-oriented investments, the EIB can drive transport decarbonisation in line with EU climate goals while strengthening Europe's industrial resilience, competitiveness, and energy security.**

Nearly 20% of EIB operations in the EU are for transport



Source: EIB.org

Methodology

T&E analysed EIB operations across eight sectors, selected based on their relevance to transport decarbonisation - rather than the EIB's own sectoral delineation. For instance, projects promoting the production of alternative fuels, typically classified under the EIB's energy portfolio, are included in our analysis.

We focused exclusively on operations taking place in the European Union, approved or signed from 2021 onwards (up to February 2025) and therefore falling within the scope of EIB's Climate Bank Roadmap (CBR). The CBR sets concrete criteria and guidelines for the EIB's sectoral lending under its Paris Alignment Framework. Operations from the European Investment Fund (EIF, part of the EIB Group) are not in scope due to the limited availability of granular operations supported by the fund.

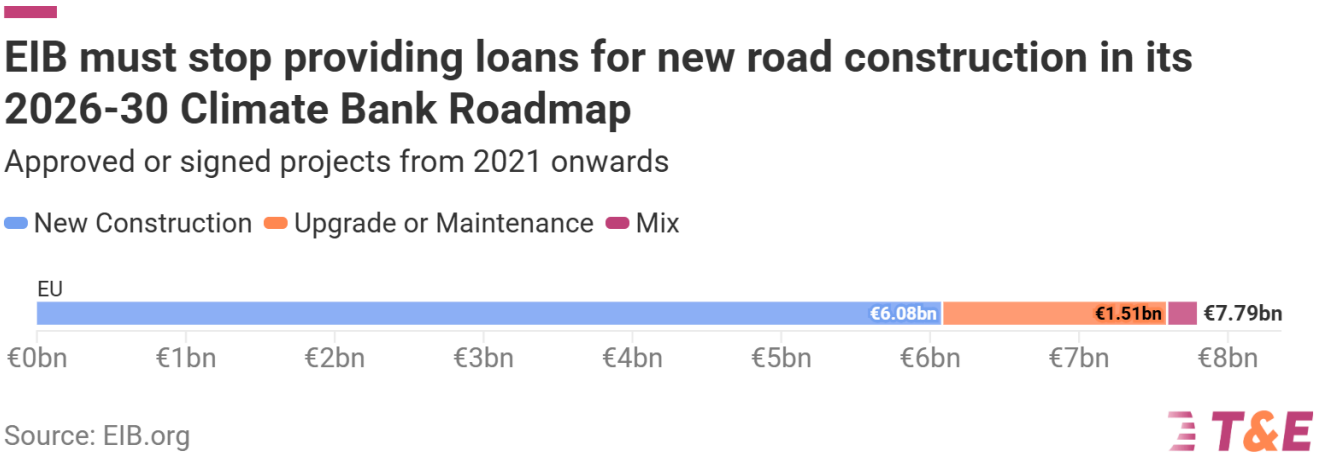
To assess performance, we applied a traffic light system to highlight sectors most in need of improvement. The table below outlines the eight sectors and the key methodological choices underpinning our assessment.

8 sectors	Types of projects
Urban mobility	Urban tram infrastructure, electric buses, non-motorised mobility.
Regional, long-distance and high-speed rail	All rail projects, excluding those related to urban mobility like trams.
E-mobility	Projects related to the automotive and road sector, including support for vehicle manufacturers (OEMs) and charging infrastructure. Excludes projects focused on the battery value chain.
Road infrastructure	Road infrastructure, excluding charging infrastructure.
Shipping and ports	Projects related to maritime transport, like vessels and related infrastructure. Excludes projects on (alternative) fuels.
Aviation and airports	Air transport projects, including zero-emission aviation and airport infrastructure. Excludes projects on (alternative) fuels.
Alternative fuels and hydrogen	Projects involving alternative fuels including (advanced) biofuels, synthetic fuels, as well as (renewable) hydrogen.
Batteries and their value chains	Projects related to battery manufacturing, the development or production of battery components, the resourcing of components, including mining of minerals.
T&E's traffic light assessment is based on its own methodology and reflects the organisation's independent analysis.	
✕	**EIB needs to change course** The current EIB operations risk undermining the ambition of the Climate Bank Roadmap and EIB's climate commitment. The EIB lending policy in this sector needs to change.
↗	**The EIB should adjust its approach** The EIB contributes to transport decarbonisation, but specific structural shortcomings need fixing.

✓	**The EIB should maintain its current approach** The EIB approach is coherent and impactful, supporting the EIB climate commitments. Increasing support is recommended.

1. Heavy focus on new road infrastructure

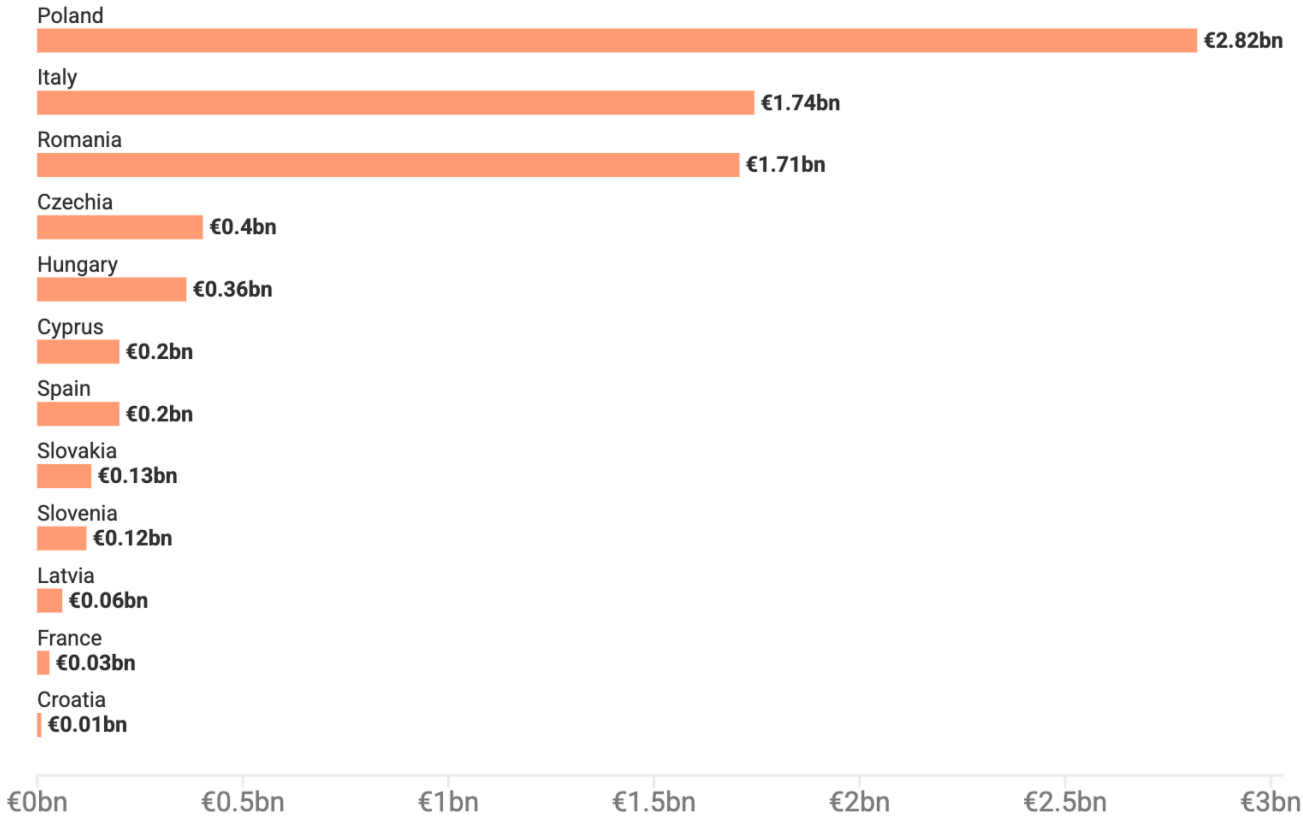
Overview: Since adopting its Climate Roadmap in 2021, the EIB has approved or signed nearly €7.79 billion in road construction and maintenance projects - mostly in Central and Eastern Europe and Italy.



T&E analysis: The EIB has directed the bulk of its road lending - €6.1 billion - towards new road construction, with only €1.5 billion for maintenance. T&E research shows that motorway expansion fuels car dependency and drives up GHG emissions. This contradicts the objectives of the Climate Roadmap and risks deepening fossil fuel reliance in Central and Eastern Europe.

Central & Eastern Europe as main beneficiary of EIB road financing

Approved or signed projects from 2021 onwards, excludes multi-country projects



Source: EIB.org

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A notable example is the EIB's €200 million loan for the construction of a new 56km expressway in mid-Northern Poland, which runs through and borders Natura 2000 areas. The Bank's own assessment estimates the project will generate more than 3,000 tonnes of CO_2-equivalent emissions. Strikingly, the EIB counts this project towards its 'Climate Action & Environmental Sustainability' (CA&ES) portfolio - citing improved resilience to extreme weather (e.g. snowfall) as justification. This raises serious concerns about the credibility of the EIB's CA&ES methodology. Compounding the issue, no investments were made in charging infrastructure as part of the project.

This project exemplifies the type of investments that the EIB must discontinue since they contravene the bank's climate commitments and undermine EU's efforts to reach climate neutrality.

T&E's assessment and recommendations on road infrastructure

The EIB needs to change course.

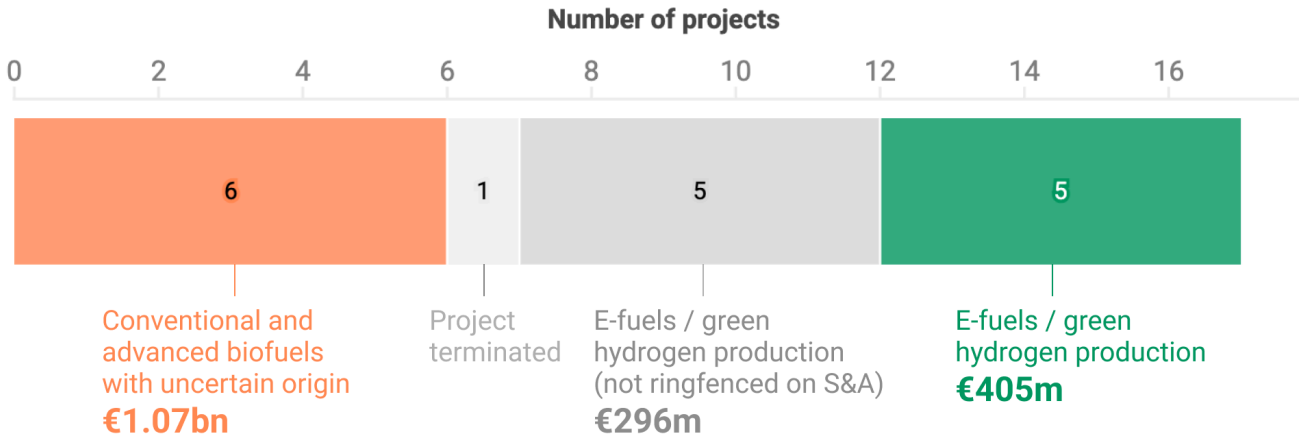
- **The EIB needs to stop funding motorway expansion.**
- **The EIB must pivot its lending away from road building to electrification,** focusing on transmission and charging infrastructure that facilitates the shift to electrified transport.
- The EIB should **adopt a more robust and transparent CA&ES methodology.**

2. EIB off track with harmful biofuels and limited support to sustainable fuels

Overview: Since 2021, the EIB has co-financed 17 alternative fuels projects across Europe, investing €1.8 billion in biofuel refineries, green hydrogen and e-fuels production and research and development projects. However, funding remains modest and concentrated in Western Europe - reflecting the EIB's limited activity in the clean fuels space.

EIB misses the mark in supporting sustainable fuels

Only a third of the projects follow a promising approach



Source: Own analysis based on EIB data

T&E analysis: A review of EIB-backed alternative fuel projects reveals a misguided approach.

Problem 1: Funding unsustainable and non-scalable biofuels

Six out of the seventeen projects on alternative fuels support the development and production of biofuels. Four of those projects explicitly mention the production of advanced biofuels in their project description. However, while advanced biofuels reflect the ambition to provide higher safeguards on their feedstock, there remain serious concerns about their sustainability and scalability, especially if its feedstocks are imported. Both production sites for advanced biofuels rely on waste and residues, such as used cooking oils. However, we currently lack robust certification on waste imports to the Union, raising risks of fraud, deforestation, and food insecurity outside Europe.

As a case in point, Repsol, a major Spanish petroleum company received €120 million for the first-of-a-kind second generation biofuels production plant in Cartagena. While the company mentions a preference for national or EU-originated wastes as feedstock, a recent investigation highlights that Respol relies heavily on imported feedstock for its biofuel production. Today, companies like Respol rely on weak voluntary certification schemes that are not enough to ensure that their material input is verifiably sustainable.

Publicly co-financed biofuel projects must include strict safeguards to ensure only domestically sourced waste oils are used - such provisions are currently absent from the EIB's lending policy under the Climate Bank Roadmap and should be included in the current revision.

Problem 2: Questionable additionality in projects co-financed by oil majors

In at least four cases, the EIB co-financed projects led by major oil companies, among them Spanish *Repsol S.A.* and Polish *Orlen S.A.*. While Respol received public financial support amounting to more than €500 million alone through two biofuel projects, in early 2025, it announced an increase in dividend payments and a reduction in investments. At the moment when alternative fuels need to be scaled in Europe to maintain competitiveness in a key sector, it is bad news if alleged first-movers prioritise dividends over reinvestments. In a second instance, the Polish petroleum major *Orlen*, beneficiary of €180 million in co-finance for advanced biofuels R&D activities, earlier this year reported a 50% year-to-year increase of net profit for Q1/2025.

Arguably, in some instances, public support for riskier projects might be permissible if otherwise those projects would not be undertaken, irrespective of the profitability of the promoting company. If EIB lending provides the critical support that moves a final investment decision forward, it proves additionality.

Noteworthy in this regard is however that the latest recast of the EU Renewable Energy Directive (REDIII) (Art. 25) requires member states to mandate fuel suppliers to meet binding GHG emission reductions or increasing shares of renewable energy use in transport. Moreover, fuel suppliers are required to provide at least 1% of renewable fuels of non-biological origin (RFNBOs), also called e-fuels, by 2030.

This legal requirement raises questions whether investments into e-fuels production by fuel suppliers would happen anyway as a result of REDIII and therefore not require public subsidies through the EIB. Rather than subsidising compliance with EU law, the EIB could focus on new market entrants that lack capital access and therefore accelerate innovation and competition in the scale up of synthetic fuels.

Moving forward, the EIB should ensure that its support maximises additionality of the projects and is tied to conditions of stronger re-investment rates for the benefitting companies. Profitable petroleum companies have sufficiently easy access to capital to realise those projects without public support.

Problem 3: Lack of sectoral ringfencing in synthetic fuels' production

Hard-to-abate maritime and aviation sectors will have to rely on green synthetic fuels to decarbonise. E-fuels are the cleanest approach to produce synthetic fuels for those transport technologies, where electrification is not feasible.

Today, however, the market for synthetic fuels is rigid and underdeveloped, mostly due to a lack of sizable production and missing uptake agreements. EIB lending can make a critical contribution to de-risking the first movers and therefore promote a market in Europe as well as the implementation of the targets under FuelEU Maritime and ReFuelEU.

While we welcome that the EIB is already supporting ten projects for the production of e-fuels and renewable hydrogen, four EIB-funded projects lack clear sectoral ringfencing. Particularly alarming is that at least two project descriptions ([1],[2]) highlight the use of e-fuels for decarbonisation of road transport, where they are neither cost-effective nor energy-efficient. Using public money in such applications undermines climate goals and wastes limited resources. Only 50% of the reviewed EIB projects specifically target hard-to-abate sectors, notably shipping and aviation - and even then, primarily through biofuels.

Early signals of increased focus on e-fuels

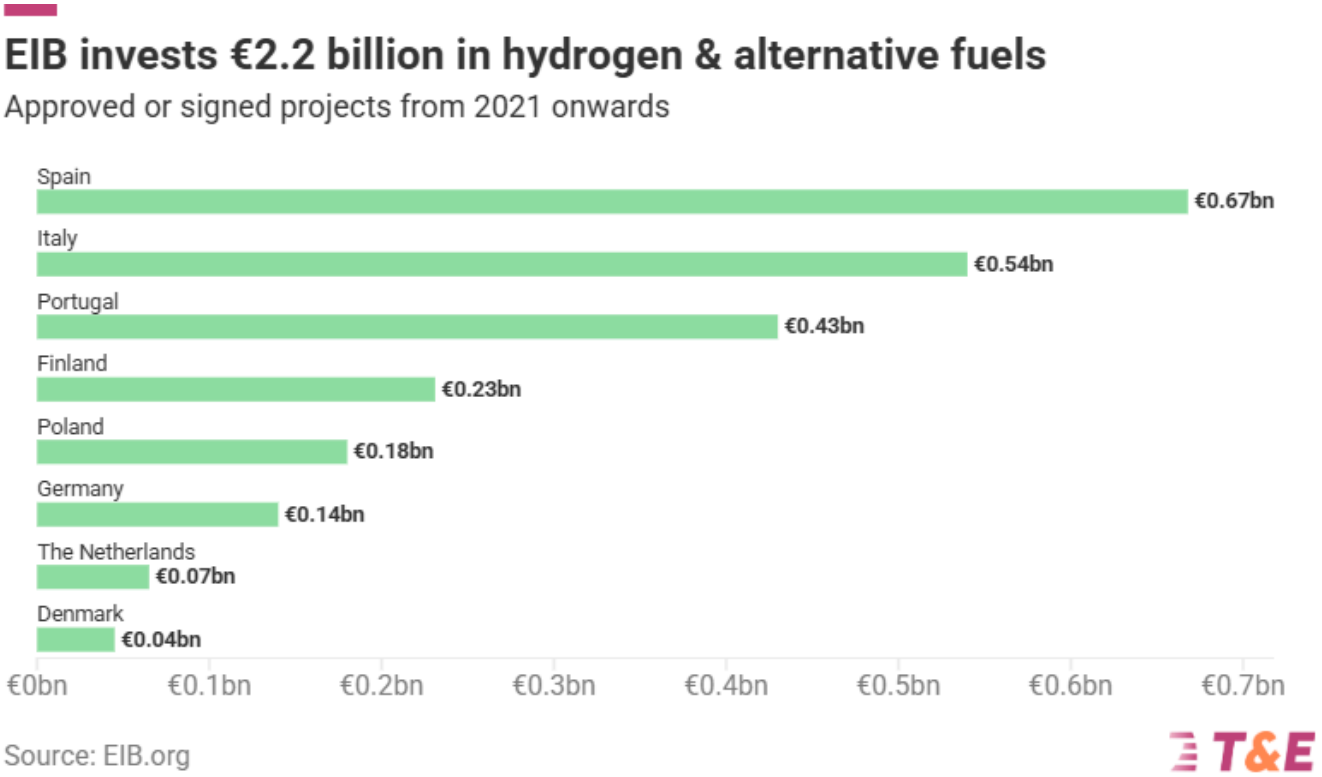
In 2024, the EIB published an analysis of financing barriers for the production of sustainable liquid fuels in Europe. Notably, the high-upfront costs and persistent cost-gap turn into a first-mover disadvantage. The EIB suggests that additional support could alleviate those barriers, within a wider set of demand and supply-side measures, such as contracts for difference or additional surcharges on fossil fuels.

After the release of the study, a promising development is the EIB's approval of six e-fuels projects, including an e-methanol project for shipping in November 2024, an e-fuels project for aviation in December 2024, and a major e-methanol project for shipping in March 2025[1].

These are encouraging steps to tackle the market barriers and contribute to the buildup of a domestic production ecosystem for synthetic fuels. The EIB should build on this momentum

[1] This project falls out of the temporal scope of this study, therefore not reflected in the numbers.

and develop a robust and growing portfolio of e-fuels projects to support the decarbonisation of hard-to-abate transport sectors, while phasing out those projects that rely on unsustainable and unscalable feedstocks as highlighted above.



T&E assessment and recommendations on alternative fuels

The EIB should adjust its approach

- **EIB to drastically ramp up its lending for synthetic fuels** - overcoming its risk-averse lending approach, to support the EU targets for renewable fuels (FuelEUMartime & ReFuelEU)
- **EIB to end support to biofuels** and instead prioritise sustainable solutions like green hydrogen and synthetic fuels.
- **EIB to ensure strict ring-fencing** of green hydrogen and synthetic fuels for hard-to-abate sectors, i.e. aviation and shipping.
- **EIB to attach smart conditions in case of support for fossil fuel companies** to ensure strong additionality of its projects and incentivise private investments.

3. E-Mobility: driving zero-emission solutions, but ICE exclusion must be enforced

Overview: Accelerating e-mobility is essential for the rapid decarbonisation of the transport sector. Since 2021, the EIB has financed 35 electric mobility and charging infrastructure projects specifically in the EU, contributing €5.2 billion. These projects play an important role in supporting the scale-up of electric vehicles (EVs) across Europe.

T&E analysis: The EIB's support has largely been aligned with the goals of zero-emission transport. Many projects explicitly mention zero-emission technologies, focus on developing (super) charging infrastructure and focus research and development on advanced manufacturing for automotive components. However, five of the 35 reviewed projects include technologies beyond fully electric powertrains, such as plug-in hybrid electric vehicles (PHEVs) and internal combustion engine (ICE) technologies. This is inconsistent with the superior climate and efficiency performance of fully electric vehicles.

A positive example is the EIB's €500 million investment with Volvo to electrify heavy-duty vehicles. This project supports the transition of freight transport and automation contributing to industrial innovation and job creation in the EU and across the EU.

T&E's assessment and recommendations for e-mobility & charging

The EIB should adjust its approach

- **EIB is well positioned** to continue its strategic support to roll out EVs in Europe.
- **EIB to exclusively finance zero-emission technologies** - battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs).
- **EIB to stop funding any projects involving ICE technologies**, including hybrid vehicles.

4. Action needed to make ports ready for zero-emission shipping

Overview: Since 2021, the EIB has financed 10 shipping projects in the EU, for a total of €1.1 billion. The shipping sector faces a major decarbonisation challenge that hinges on the

deployment of vessels powered by synthetic fuels. Simultaneously, ports must be upgraded to support a zero-emission maritime ecosystem.

T&E analysis: All ten EIB-financed port projects reviewed focused on conventional expansion of port capacity. None supported electrification or the upgrading of port facilities to accommodate storage and use of synthetic fuels.

Only two included renewable energy generation and access, including the €115 million loan to support the Ejsberg port expansion, signed in June 2024, which backed climate resilience measures (coastal flood protection) and facilitated access to offshore electricity from the North Sea.

Considering that shipping is a hard-to-abate sector, future EIB port investments should incentivise a seamless shift towards the use of synthetic fuels - prioritising infrastructure for the production, storage, and use of alternative fuels - leveraging its public mandate to de-risk early-stage projects, support first movers and catalyse market transformation.

T&E's assessment and recommendations on ports and shipping

The EIB needs to change course

- EIB investments in **port infrastructure should prioritise decarbonisation** - focusing on electrification, greening internal operations (including service vessels, cranes, vehicles, and machinery).
- The EIB should support infrastructure for the production, storage, and safe handling of alternative fuels for the maritime sector.

5. Aviation: Stop financing airport expansion and de-risk innovation

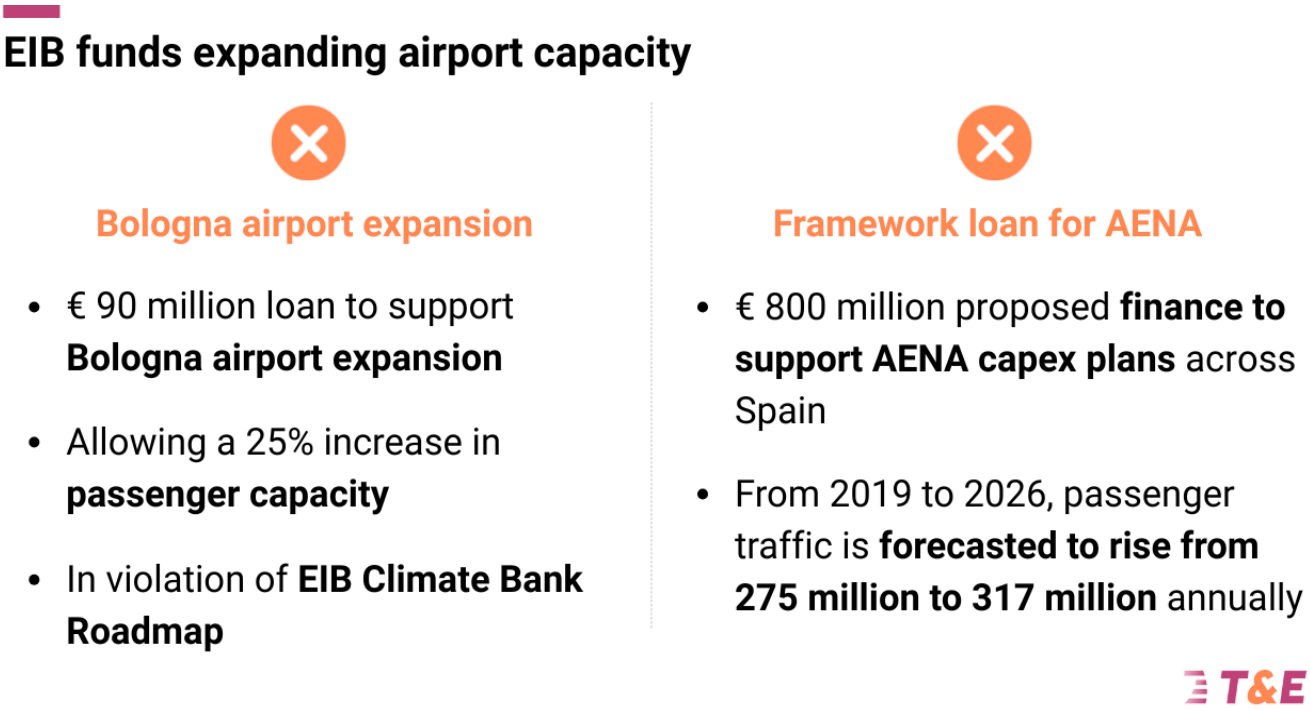
Overview: With €3.5 billion, the EIB co-financed 19 projects in the aviation sector since 2021.

T&E analysis: Of particular concern is the EIB's financing of airport infrastructure. While the EIB Climate Bank Roadmap **prohibits direct funding for airport expansion**, at least one of its investments in European airports directly mentioned airport expansion in the project description.

Particularly problematic is a €90 million loan for investments at Bologna Airport from 2021 which supported the increase of terminal capacity to accommodate traffic growth, enabling plans to increase the number of passengers from 9.5 million in 2019 to 12 million annually. This

project is in blatant contradiction with the Climate Bank Roadmap (Annex 1, Table C), according to which airport capacity expansion is not eligible for support of the EIB.

Another striking example is the €800 million framework loan to Aena, the majority state-owned company that manages general interest airports in Spain. The EIB project finances its nation-wide capital expenditure plan. Aena's 2022-2026 Strategic Plan, updated in 2024, includes projects already underway to support increased capacity in four airports in Madrid (Barajas) and the Canary Islands (Tenerife Sur and Norte, Lanzarote), as well as design work for projects in 2027-31 to support the expansion of nine further airports throughout the country. Spanish passenger traffic is forecasted to rise from 275 million in 2019 to 317 million annually in 2026, under the current DORA II period referenced for the loan. These investments appear at odds with the EIB climate commitments that oppose airport capacity expansion. Supporting airport expansion undermines efforts to reduce aviation emissions and risks locking in high-carbon infrastructure.



The EIB must instead make an active shift towards lending which can enable and boost the emerging net-zero aviation ecosystem. This means prioritising investments in the infrastructure for the production, storage, refuelling/charging and safe handling of alternative fuels for the aviation sector including e-kerosene and hydrogen. It also entails taking up a greater role in de-risking net-zero aviation by helping to accelerate private investment and industrial adaptation in technology and aircraft, for example through the creation of a private investors guide.

T&E's assessment and recommendations on airports and aviation

The EIB should adjust its approach

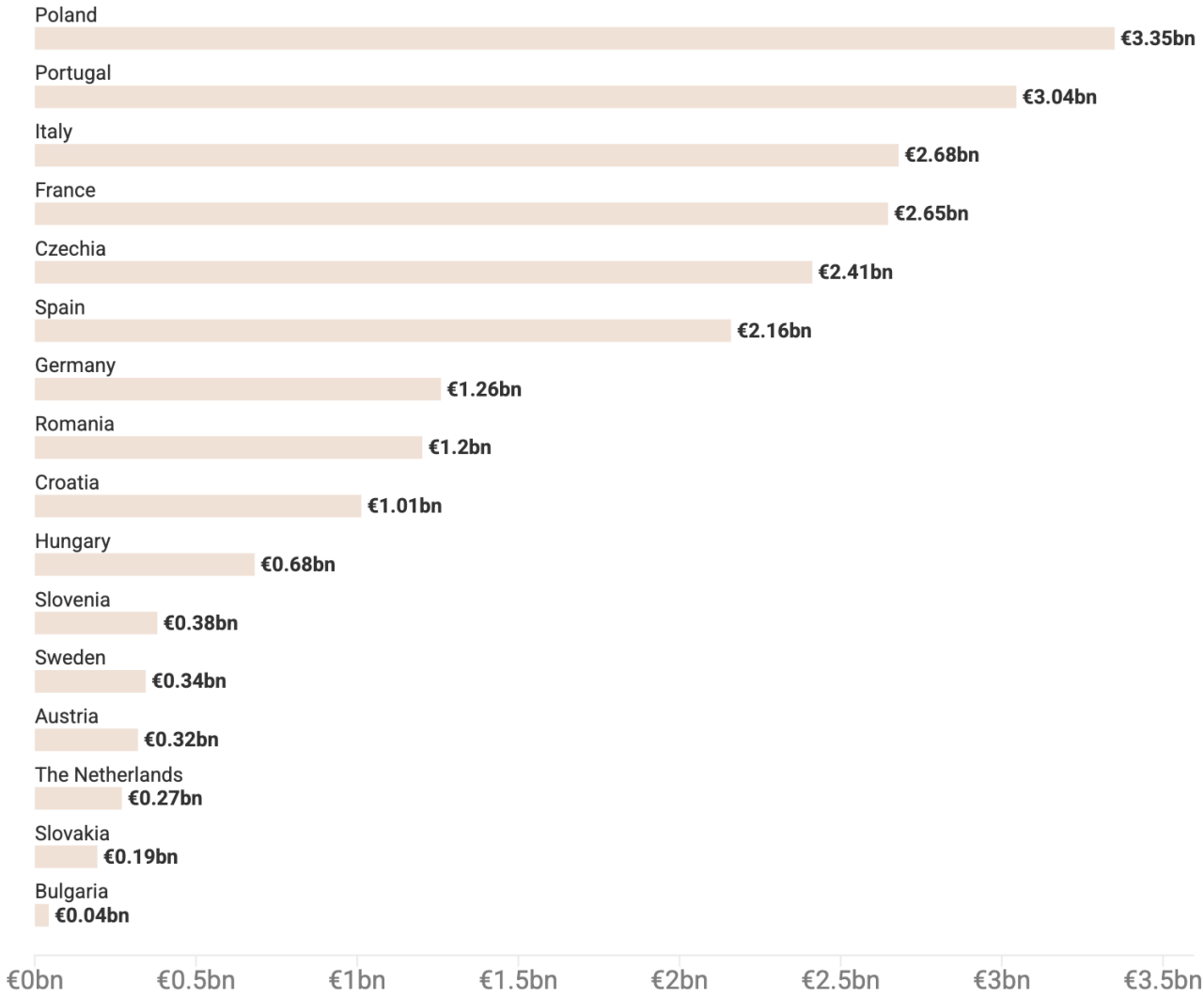
- **EIB to stop support for the expansion of airports, ensuring robust compliance with the Climate Bank Roadmap.**
- **EIB to back the development of airport infrastructure** for the production, storage, refuelling/charging and safe handling of alternative fuels for the aviation sector.
- **EIB to derisk innovative projects for zero-emission aviation ecosystem.**
- **EIB to focus on electrification of airport infrastructure and its ground services.**

6. EIB brings crucial support to rail networks

Overview: Since 2021, the EIB has co-financed 61 rail projects across the EU, covering regional, long-distance, and high-speed rail. The total project value amounts to €64 billion, with the EIB contributing €23.6 billion. This makes it the biggest sector within the transport investments. Investments spanned 16 EU countries, with Poland, Portugal, and Italy as the main beneficiaries.

EIB lends €23.6 billion in rail infrastructure across the EU

Approved or signed projects from 2021 onwards, excludes multi-country projects



Source: EIB.org

T&E's analysis: EIB projects have made a positive contribution to the EU railway network, aligning with the European Commission's 2021 Rail Action Plan. Rather than pursuing large-scale mega projects, the EIB has focused on co-financing the maintenance and upgrading of the conventional network and financing coaches.

For example, the EIB provided €300 million for the electrification of a 166 km-long railway line in North-Western Romania, ensuring higher maximum speed. By making travelling by train more attractive, this project contributes to the modal shift towards low-carbon transport modes.

T&E's assessment and recommendations on rail

The EIB should maintain its current approach

- **The EIB should increase its lending to further strengthen the EU's rail network, particularly by supporting market entrants to boost open access.**

7. Valuable support to batteries and their value chain

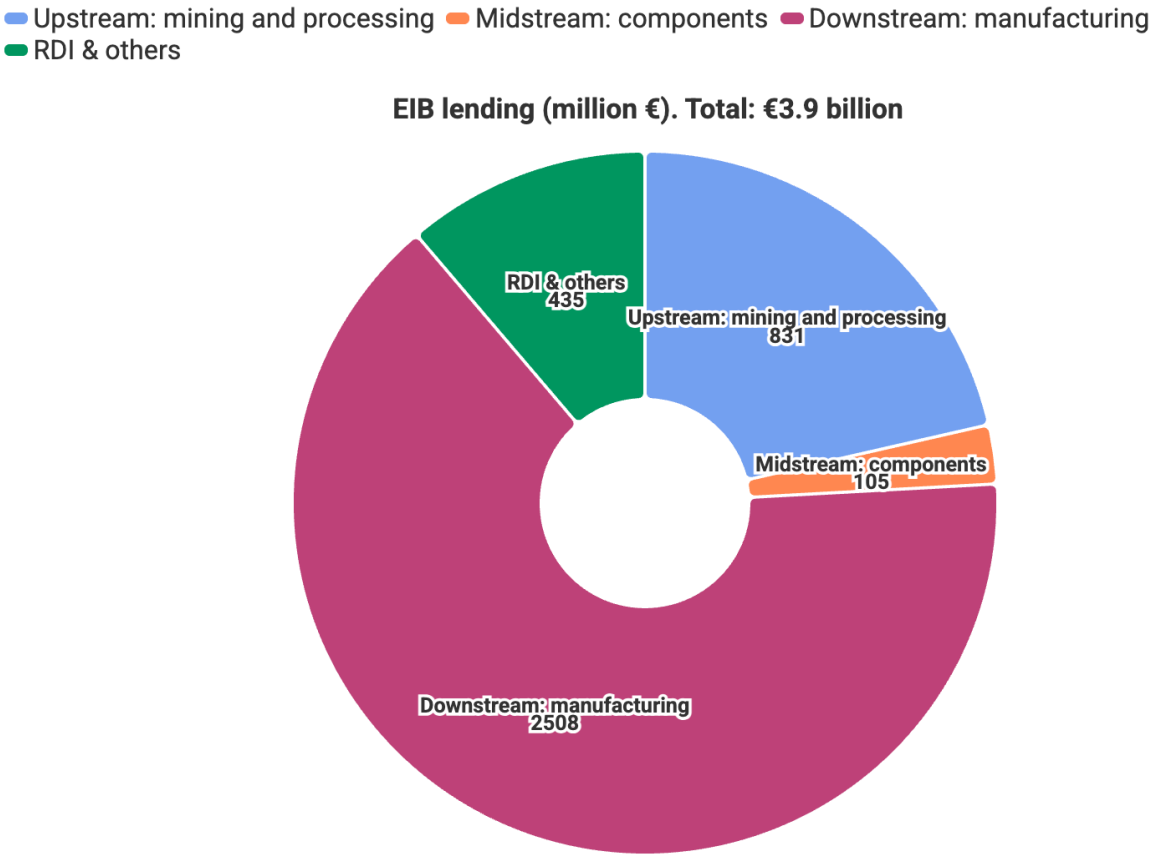
Overview: Since 2021, the EIB has supported 17 projects in the battery value chain, including two focused on mining. Strengthening a homegrown battery value chain is vital for the EU's competitiveness and the development of a clean energy and transport network. However, with €3.9 billion in lending support, the portfolio remains relatively small, and projects are geographically concentrated in Western Europe's economic powerhouses.

T&E's analysis: EIB investments support a diverse range of projects across the EU battery value chain, including mining initiatives that exemplify environmental best practices. The EIB also backs key technologies such as cathode-active materials and precursors (CAM and pCAM) and direct lithium extraction (DLE), which are currently underdeveloped in the EU. As a case in point, the EIB co-finances the construction of a Verkor battery gigafactory with more than €300 million in France. If successful, this project would equip 300,000 electric vehicles with EU-manufactured batteries per year.

When looking at the EIB lending across the battery value chain, there is a huge focus on the downstream manufacturing of batteries, while components, the midstream part of the value chain, is currently neglected.

EIB lending for batteries and its value chain

Approved or signed projects from 2021 onwards



Source: EIB.org

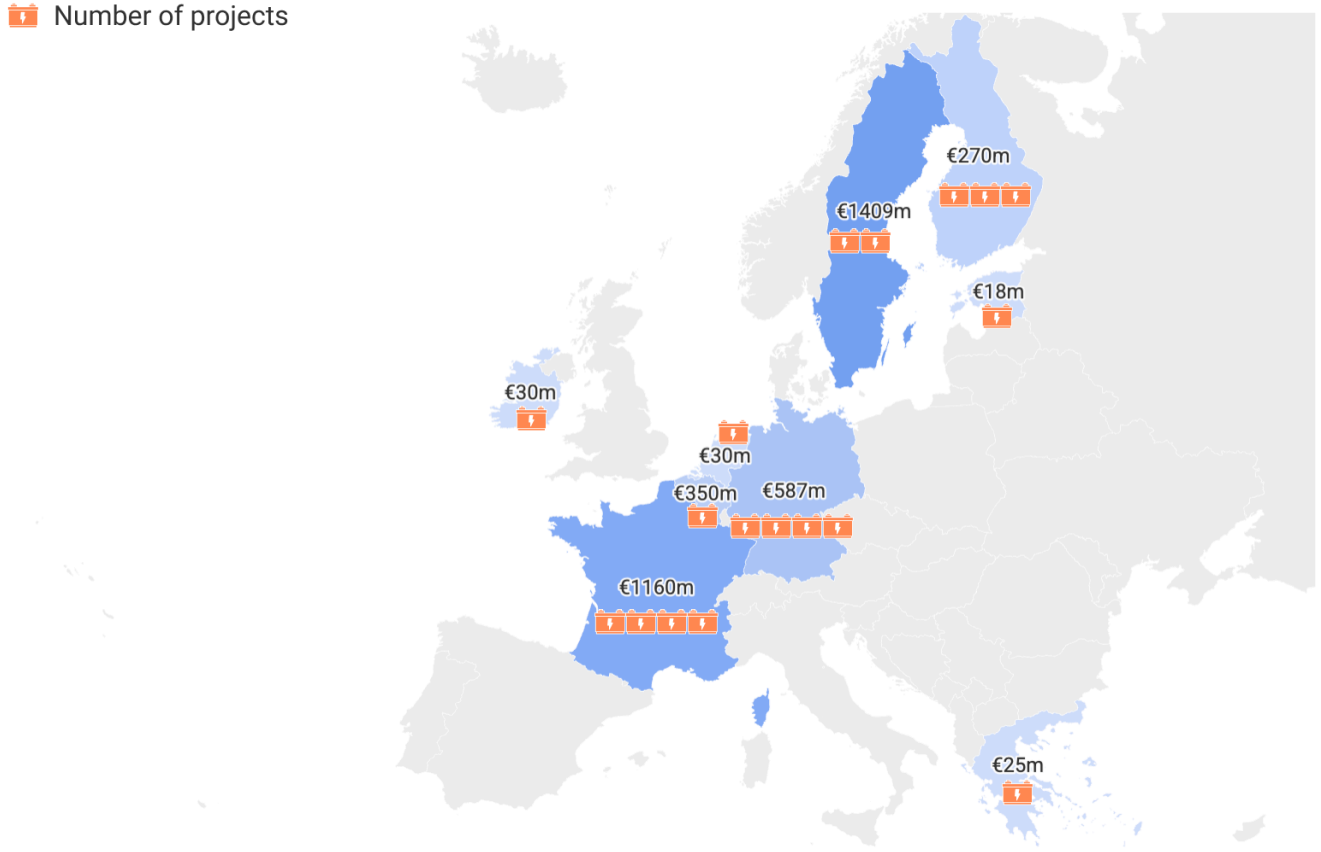
Overall, the EIB investments demonstrate the bank's critical role in supporting the entire domestic battery value chain - from mining and innovative extraction technologies to scaling up manufacturing capacity. However, manufacturing alone is insufficient, as the EU remains heavily reliant on material imports and processing. To enhance the EU's strategic autonomy, the EIB should focus on increasing the EU's capacity across mid- and upstream segments of the battery value chain, with a particular emphasis on material recovery through recycling. A promising investment is the construction of two demonstration plants that pioneer the production of battery-grade lithium hydroxide monohydrate in central France. The EIB finances this project with a €60 million loan.

EIB invests €3.9 billion in EU battery value chain

Approved or signed projects from 2021 onwards

EIB finance €0m €1500m

Number of projects



Source: EIB.org

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T&E's assessment and recommendations on domestic battery value chain

The EIB should build on its current approach

- **The EIB to boost financing of mid- and upstream** material production.
- **Increased focus on midstream elements** such as cathodes and precursors, mineral processing, and the recovery stage of recycling processes.

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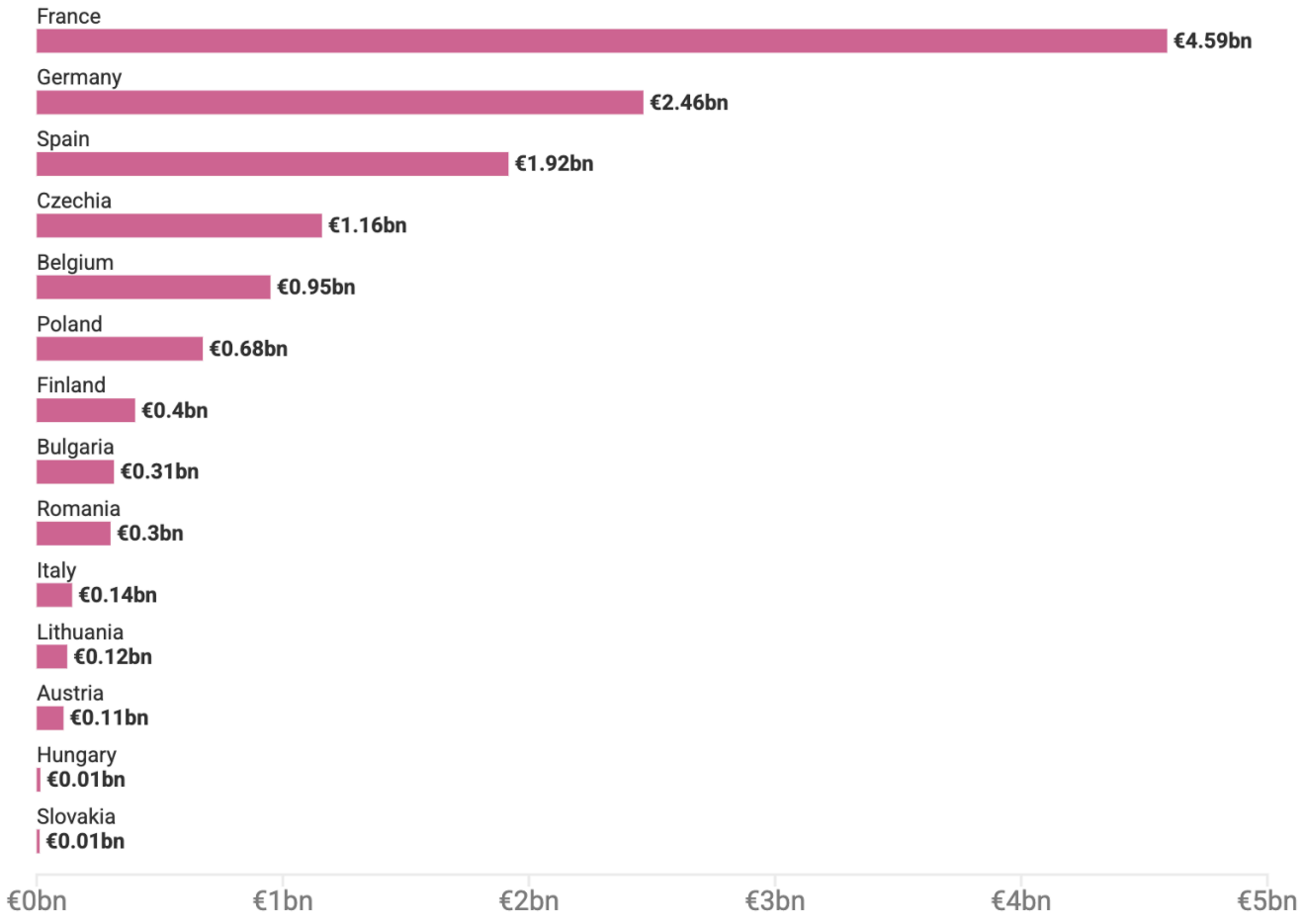
8. EIB promotes clean urban mobility but needs to tackle highest pollution spots

Overview: Since 2021, the EIB has invested €13.3 billion across 66 urban mobility projects in the EU. Along with rail and grid investments, urban mobility is one of the largest sectors for EIB lending. However, lending is highly concentrated, with France receiving one-third of the funding. Together, France, Spain, Germany, Czechia, and Belgium account over 80% of the total funding, predominantly benefiting wealthier EU member states.

EIB loans for urban mobility highly concentrated

Approved or signed projects from 2021 onwards, excludes multi-country projects



Source: EIB.org

T&E

T&E's analysis: Urban investments are crucial for both the climate transition and addressing health impacts from pollution and congestion. Modern, clean public transport solutions promote a shift away from private motorised transport, particularly in densely populated urban areas. EIB lending in this sector is positive, focusing on zero-emission vehicles, such as electric buses, and heavily investing in rail-based urban transport like trams.

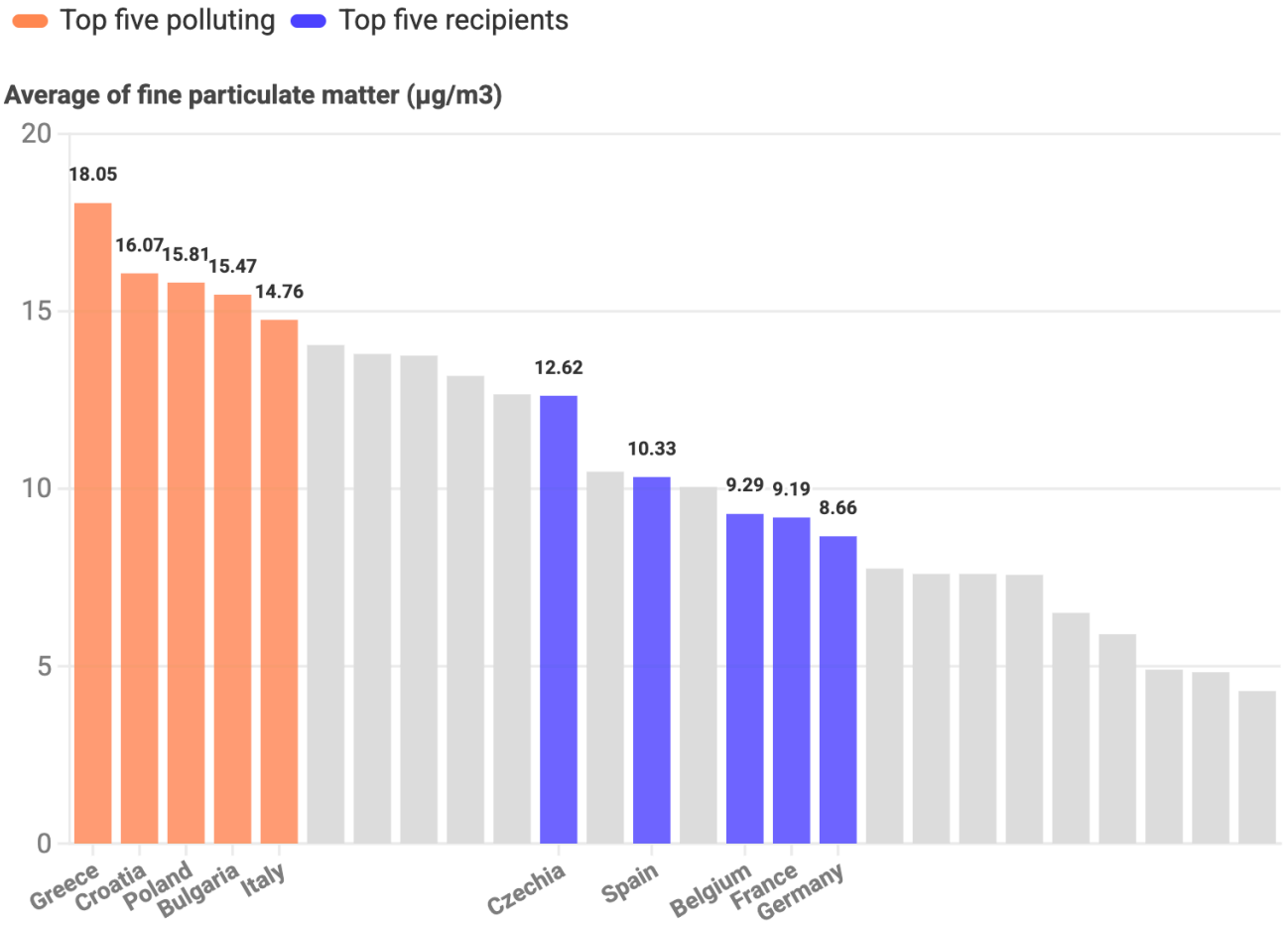
T&E

For example, the EIB contributed €90 million to the construction of two electric bus rapid transit lines and the procurement of 54 electric buses in Clermont Ferrand, France.

However, one limitation is that the current EIB operations fall short of targeting Europe's most polluted urban areas. None of the EU countries with the highest urban air pollution levels are among the top five recipients of EIB investments in urban mobility. Instead, funding is concentrated in wealthier Member States - raising serious questions about whether the Bank is truly maximising its climate and social impact.

Most polluted countries lose out on EIB funding for urban mobility

Average air pollution in cities per country



Source: European Environmental Agency

T&E's assessment and recommendations on urban mobility

The EIB should adjust its approach

- **The EIB to keep on investing into zero-emission public transportation modes.**
- **The EIB should ensure a better geographical repartition** to focus its funding on the most polluted urban areas in Europe to drive modal shifts where they are most needed.

Key recommendations

1. Climate Bank Roadmap: Update sectoral lending approach to increase ambition for targets under Fitfor55 and net-zero transition pathways. Improve the credibility of Climate Action and Environmental Sustainability spending.

2. Road infrastructure: Shift from motorway expansion to electrification.

3. Synthetic Fuels: Ramp up lending for decarbonisation of shipping and aviation. Shift lending from biofuels to e-fuels support.

4. Road E-mobility: EIB to exclusively finance zero emissions technologies.

5. Port infrastructure: Support infrastructure that prepares for climate impacts and renewable energy production and usage.

6. Aviation: Fully implement the existing Climate Bank Roadmap and do not finance airport capacity expansion.

7. Batteries value chain: The EIB to ramp up its support for EU value chains, increasingly focus on mid-stream components.

8. Rail and urban mobility: Maintain current lending approach , focussing on upgrades of existing infrastructure to maximize emission reduction, social and geographic repartition.

Further information

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