



Comments on EIB Transport Lending Policy

BusinessEurope's comments on the European Investment Bank's (EIB) Transport Lending Policy are a contribution to the ongoing public consultation by the EIB in this regard. BusinessEurope speaks for a substantive increase in support to the EU transport sector, notably its infrastructure, to address massive challenges of today and needs for the green and digital transition. Public infrastructure financing policies should neither distort the Single Market, nor overlook necessities of intervention.

BusinessEurope's input to the EIB public consultation is largely based on our [comments on the EU Sustainable and Smart Mobility Strategy](#) as well as the recently adopted position on [the revision of TEN-T Regulation](#).

Comments on the *selected general* [public consultation](#) questions:

Chapter 2 question 1 on prioritisation among 6 sub-sectors (urban transport, extra-urban rail, extra-urban roads, inland waterways, maritime, aviation):

BusinessEurope considers that the ambitious climate goals require a massive overhaul across all modes of transport, as all of them have the potential to contribute to those goals. Huge capacity increase of the rail freight network is necessary as well as greater and faster support for rail electrification. At the same time, the lasting importance and transport demands in all other modes of transport – especially the road freight transport which still accounts for the majority of transport performances (regardless of type of drive and/ or power source) and the waterway transport with efficient access to seaports - must be backed up by vast investment lines. All sectors should be given a supported opportunity as they all serve essential needs of the society.

Complementarity of the public-private investment and the value-added in terms of *efficiency and environmental gains* through *free cross-border transport services* should be one of the key criteria for financing at the EIB.

Chapter 2 question 3 on ranking the top five challenges facing the transport sector, as identified by the EIB:

BusinessEurope considers that the cross-cutting (horizontal) challenges should be addressed as priority to create the right business environment in the transport sector. From the EIB's suggested options it follows that BusinessEurope supports 1) connectivity, 2) digitalisation and automation, 3) doing no significant harm to environment, 4) resilient infrastructure and 5) resource efficiency as the first top five priorities. Importantly, focus on these would automatically provide solutions for the equal accessibility or balanced development, for example. BusinessEurope also considers that the challenge 3 on "doing no significant harm" should be considered in a wider context of environmental protection.

BusinessEurope underlines that our members speak for the technology- and mode-neutral approach, because no one can pre-define and anticipate innovation that might come in any of



these. BusinessEurope reminds that the EU Sustainability Taxonomy is a new instrument in its early stages of development. We are therefore concerned that it may be regarded as mandatory criterion for the EIB lending. Such a restrictive approach does not only go beyond the present EU law but also may backfire by slowing down the financing that is necessary for smooth green transition across the transport modes.

Europe should remain open to any path and rather consider cross-cutting, horizontal measures enabling businesses to invest, innovate, adapt and act fast so that the market finds the best answer for transition. Transport research financing is of key importance to create necessary conditions for new breakthrough technologies.

The infrastructure resilience challenge should be considered when assessing foreign direct investments together with public order and security objectives, in line with the EU legal framework on Foreign Direct Investment screening and existing legal frameworks at national level.

Chapter 2 question 9 on the EIB's role in balanced development of the EU Member States and regions:

Building the missing infrastructure links and increasing inter-connectivity and capacities across all modes of transport are key. Enhancing the role of multi-modal terminals in the governance of the core network corridors would be of great importance and allow regions to adapt.

Chapter 2 question 11 on financing the EU's integration to the global economy:

Investment policies should consider new categories of investment necessitated by the constantly evolving connections with third countries. Border crossing points as a category of infrastructure must appear on the TEN-T network development and the EIB lending plans. The inclusion of border crossing points as transport investment category is very relevant for two main reasons: developing the crisis resilience (smoother supplies and balancing the crisis impact) and fighting against smuggling and illegal migration.

The EU should address China's Belt and Road Initiative (BRI) on its TEN-T Corridor Studies and collaborate with China to conduct studies to determine priority corridors to prevent possible bottlenecks and transport constraints. The TEN-T corridor studies should be reviewed periodically to take account of developments in the BRI and other relevant third-country initiatives in order to prevent the emergence of bottlenecks and constraints resulting from the potential increase of traffic generated by the BRI.

The EIB's external transport lending policy should be guided by the revised EU Connectivity Strategy, the so-called Global Gateway Initiative, which is expected to be published in mid-November. In this regard, the EU and Member States need to coordinate their relevant policies more closely to ensure a true Team Europe approach to connectivity. In this way, the connectivity strategy should be flanked by a more coherent foreign economic diplomacy on EU and Member State level. The EU should also better showcase and communicate the benefits of EU-funded projects to increase awareness in partner countries. Finally, EU-funded connectivity projects should not be open to companies and entities from countries that do not grant reciprocal access to their connectivity-related projects to EU operators and the EIB and its implementing partners need to have measures in place to address abnormally low bids.