

# FINANCING SUSTAINABLE MOBILITY: *International Projects*



**TMB & EIB a good long term relationship:**  
the case of TMB, the internal operator from AMB.

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# How do you build a relationship?

- Paying a visit to the Head Quarters (EIB & TMB).
- Knowing each other, no matter if people change.
- Trying & proving each other, through a project.
- Being transparent showing your commitment.
- Introducing your technical & financial team.
- Working closely writing down a good questionnaire.
- Working together negotiating a good contract.
- Justifying your steps & investments clearly.
- Proposing new projects no matter how difficult they are.

# TMB & EIB courtship (2004-2010)

- In great projects meetings in Barcelona:
  - under the construction of our automated metro line 9,
  - under the discussions of who will be the operator,
  - explaining we are not builders, but operators,
  - and operators need to renew or purchase rolling stock.
- In great public transport summits (UITP, ITF, UN).
  - Attending its presentations & ask them if our needs match them schemes.
- Inviting them to visit us and showing our premises & services.
  - Trying to convince them to meet they offer with our demand.
  - Knowing always our limitations.
  - EIB adapting to economic conjuncture.

# 2010-2011 (the first serious test)

- **ELENA Project:**

- The first chance to prove each other confidence.
- EIB offered monies to hire good consultancy companies to assess the possibility to invest in buses clean technologies within a new network in our city.
- TMB was able to hire some excellent companies with the commitment to invest at least 25% of the project total cost, in new & more sustainable clean buses.
- It has been a success and the way to get know each other, and it was ended in 2014.

# 2011-2013 (the second investment try)

- **An efficiency energy programme:**
  - **TMB tried to design & implement two investment programmes to be financed by EIB for buses premises & metro premises:**
    - We work hard internally to prepare a complete inventory of possible green investments to reduce energy consumption & to reduce energy cost in our buses & metro exploitation.
    - EIB came to visit a whole week to validate our proposals and prepare the contract for financing those investments, but ... economic & financial crisis arrived.
    - TMB finally decide not to commit financially in an operation which can not repay properly due to the deep recession from the Spanish economy and its public administrations.

# 2016-2018 (the way to financing)

- We kept talking & exchange information from each other between 2016 & 2017.
- In the meantime the EIB change its financing policies reduce the amount need it to finance (from a minimum 100M€ ticket to 25M€.
- In the case of Spain, there was a claim from the Public Transport national association to get financing from the European Investment Bank.
- Finally EIB in July 2018 set up an a financing programme for Spanish cities to get finance for the sustainable buses fleets.

# 2019: TMB & EIB have done it.

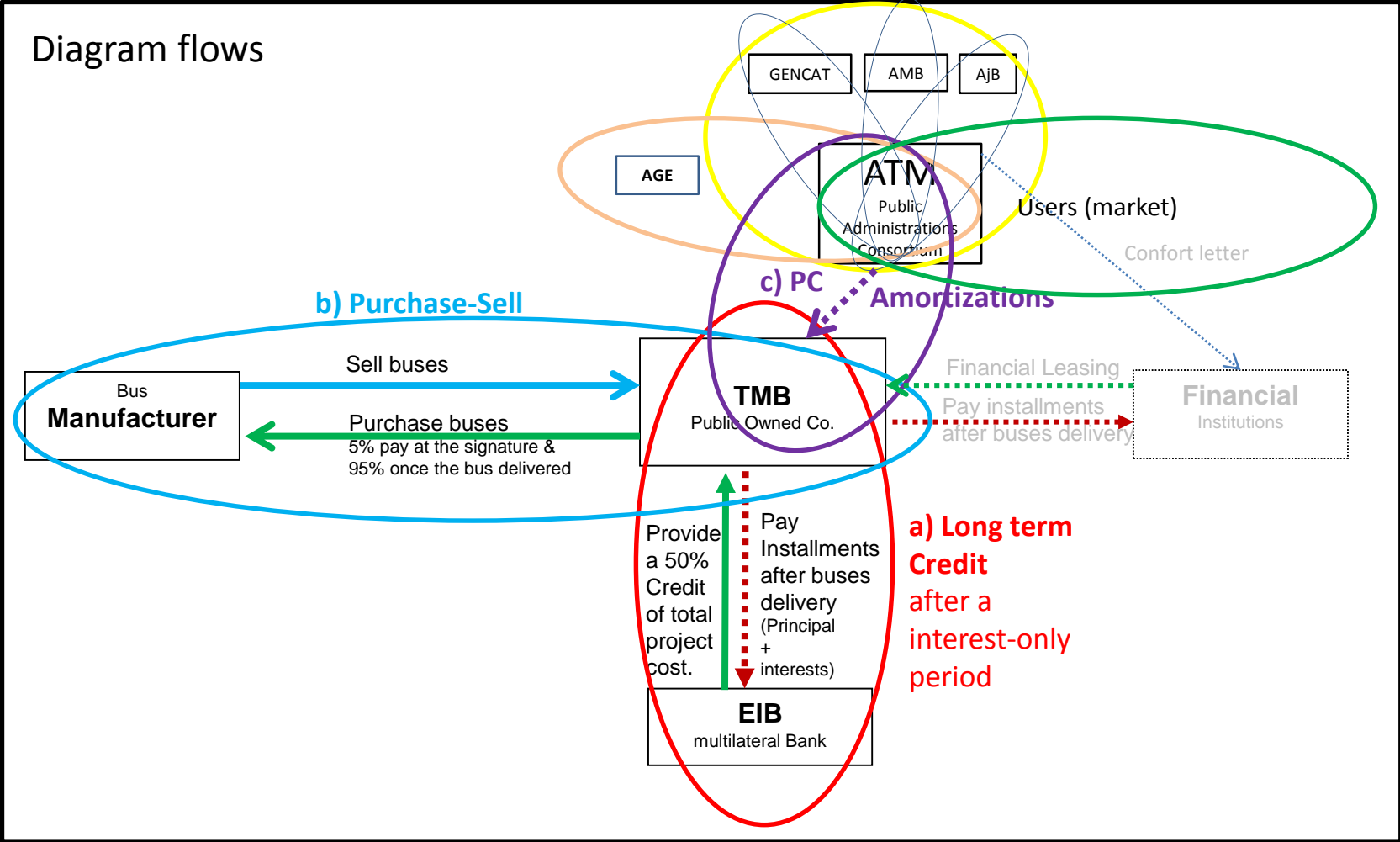
- TMB has obtained a 73,5M€ credit from EIB to finance the **bus** fleet renewal & its electric infrastructure equipment's.
  - We have dedicated time to write-down a technical questionnaire with the support from our technical departments (bus fleet & infrastructure teams).
  - EIB paid us a visit to check the information filled in the questionnaire by TMB.
  - EIB had to pass all its internal committees.
  - TMB had to fulfil all the technical & formal requirements before the credit signature.
  - Time required from the start to the signature: 5 month.

# The EIB questionnaire for TMB buses

- **Project context:**
  - short company presentation,
  - Reason goals & project justification and the adopted solution.
- **The Barcelona Metropolitan Region, its PT system and TMB:**
  - Mobility & Infrastructure plans in the region & the City.
  - Institutional & regulatory framework.
  - Last three years on buses exploitation (costs, subventions, Revenues, ratios).
- **Project scope & technical aspects.**
- **Project costs and its breakdowns at estimated market prices.**
- **Project environmental subjects.**
- **Buses exploitation (operation & maintenance), current & future:**
  - Contract programme between the operator & the public administrations.
  - Tariff policies, users estimations in the lines used by the new buses.
  - Key Performance Indicators.
- **Social, economical & financial justification aspects (the new vs old buses).**



# Basic Financial Scheme EIB-TMB Bus



# Basic Data from the financial transaction BEI-TMB buses:

- **Total project cost: €147,5M** (€134,8M TMB buses project plus €14,6M for possible technical & financial contingency costs calculated by EIB).
- **Amount financed by EIB:** up to a maximum of €73,5M (€67,5M requested by TMB buses).
- **Transaction:** Financing -up to 50% of total project cost- trough a **credit** facility for the supply of 254 sustainable buses (116 electrics) with its electric infrastructure in the period 2019-2021.
- **Frame Agreement:** CLEAN URBAN TRANSPORT PROGRAMME LOAN SPAIN from European Investment Bank.
- **Maturity:** Minimum 4 years from the first drawdown and up to a maximum of 16 years.
- **Financial Institution:** European Investment Bank (EIB) rating AAA (maximum solvency).
- **Borrower:** Transports de Barcelona, SA (TMB) owned 100% by Àrea Metropolitana de Barcelona (AMB).
- **Drawdown form:** Freedom to choose in each first drawdown between fixed or variable interest rate.
- **Amortization table in each first drawdown:** it will be different.
- **Drawdown requests:** Certain documentation must be delivered in advance (authorizations, biddings, contracts, etc.)
- **Amortizations:** lineal, annual, by installments.
- **Guarantees:** Company own risks (single signature).
- **Covenants:** Negative Pledge, Pari Passu, Ownership control change.
- **Finantial Ratios:** standard for public companies.
- **Legislation:** Spanish.

# 2019: a key year for TMB metro

- We have to renew 42 trains & the bidding is underway analysing the manufacturers offers.
- We have already fulfil the technical questionnaire and the EIB already made its visit.
- Now we are waiting the results from the EIB committees and we expect the definitive answer (approval) in early September.
- We will combine the multilateral bank finance together with commercial private banks.

# The EIB questionnaire for TMB trains

- **Project context:**
  - short company presentation,
  - Reason goals & project justification and the adopted solution.
- **The Barcelona Metropolitan Region, its PT system and TMB:**
  - Mobility & Infrastructure plans in the region & the City.
  - Institutional & regulatory framework.
  - Last three years on metro exploitation (costs, subventions, Revenues, ratios).
- **Project scope & technical aspects.**
- **Project costs and its breakdowns at estimated market prices.**
- **Project environmental subjects.**
- **Metro exploitation (operation & maintenance), current & future:**
  - Contract programme between the operator & the public administrations.
  - Tariff policies, users estimations in the lines used by the new trains.
  - Key Performance Indicators.
- **Social, economical & financial justification aspects (the new vs old trains).**

# Basic financial Scheme EIB TMB Metro

**Basic Data from the financial transaction *to be drawn & negotiated***

**Thank you very much for your kind attention!**

