

EIB approves € 5.1 billion for COVID-19 resilience, clean energy, rail transport and urban development



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The European Investment Bank (EIB) today approved € 5.1 billion of new financing to support investment by companies most impacted by COVID-19, alongside backing clean energy, water, sustainable transport and urban development. This includes up to € 1 billion COVID-19 support backed by the new European Guarantee Fund that has now started its operational activity.

The EIB also backed an additional EUR 994 million for medical research, new hospitals and public health, private sector COVID-19 economic resilience lending schemes and financing to accelerate regional economic recovery following the pandemic.

Since the outbreak of COVID-19, the EIB has approved € 24.9 billion to enable public and private partners around the world to better tackle health, social and economic challenges.

“The winter has not even started, and we already face what looks like a second wave of the COVID-19 pandemic across Europe. Health systems are again under stress and we must fear that the situation will worsen in the coming months. In this situation, I am glad that the EIB Board has today agreed the first operation under the EIB Group’s new European Guarantee Fund, designed to help small and medium-sized companies to withstand this crisis. It follows the Board of our subsidiary, the European Investment Fund, who has approved first EGF financing on Monday. Launching the European Guarantee Fund is a key step in the EIB’s rapid response to COVID-19 – a response which saw the EIB Group so far approving nearly EUR 25 billion of high impact investment

essential to fight the pandemic and foster a rapid recovery in the months and years ahead”, said Werner Hoyer, President of the European Investment Bank.

Meeting by video conference, the EIB Board also agreed projects to improve access to clean energy, water, affordable housing and telecommunications across Europe, Africa and Asia.

European Guarantee Fund started its operational activity: EUR 2.6 billion of approvals for EUR 11.3 billion of mobilised investment

Financing agreed today includes the first programme loan under the new European Guarantee Fund (EGF), the EIB Group’s targeted support for companies and health investment in EU member states most impacted by COVID-19.

Under the Chairmanship of the EIB Vice President Dario Scannapieco, the EGF committee of contributor member states gave its green light to global authorisations for € 1 billion EIB lending (EIB Linked Risk Sharing product) and € 1.6625 billion EIF guarantee and equity products, of which 1.5 billion of global authorisations (800m Uncapped Guarantee, 140m Senior Private Credit Funds and 560m Target Fund Size Facility /Selective Loan Funds Facility).

The EGF Committee also approved a 162.5 million uncapped Guarantee to Banca Valsabbina, ensuring that small and medium-sized businesses, as well as larger corporations and the health sector, can access finance through local financial partners across Europe. The total EUR 2.6 billion EGF approvals aim to mobilise EUR 11.33 billion of total financing.

The EGF was established in April following a Eurogroup recommendation earlier that same month. 65% of EGF Investment will go to SMEs, whilst a maximum of 23% will go to companies with 250 or more employees. Up to 5% of the financing can go to public sector companies and entities active in the area of health or health-research or providing essential services related to the health crisis, next to another 7% of EGF-supported financing which can be allocated to venture and growth capital and venture debt in support of

SMEs and midcaps.

As part of its regular business, the EIB approved more than EUR 2.1 billion for new, targeted financing programs to support entrepreneurs and companies. Access to financing will be enhanced by new schemes, to be managed by local financial partners and banking intermediaries, in Germany, Italy, Poland and Spain.

Outside Europe new cooperation with global partners approved today will support private sector investment in India, Morocco, Ghana and Zimbabwe and strengthen activity by microfinance institutions across Africa.

New support for small business in Zimbabwe in cooperation with local financial intermediaries represents the first EIB engagement to support private sector investment in the country since 1994.

€ 1.3 billion to transform access to clean energy and water in Europe and Africa

Today's board meeting agreed to support new investment to increase access to clean energy, cut carbon emissions through improved energy efficiency and strengthen water infrastructure in regions faced with a changing climate.

This includes upgrading electricity distribution networks across Greek islands and mainland Greece to support the energy transition.

The EIB also approved financing to accelerate investment in small-scale water projects across Spain, including water stressed regions and to supply safe drinking water for the first time to 110,000 people in Malawi, a country highly vulnerable to the impacts of a changing climate

€ 381 million to improve sustainable transport in Poland and Ukraine

Regional and urban transport in Poland will be transformed through new EIB support for the Tri-City Fast Urban Railway connecting Gdańsk, Gdynia and Sopot and urban investment

in Bielsko-Biała.

The EIB also agreed to support new investment to improve sustainable transport in towns across Ukraine. This will include new trolleybuses, trams, metro coaches and electric buses as well as upgrading existing infrastructure.

School children, hospital patients and families will benefit from new schools, hospitals and social housing investment agreed by the EIB.

26 schools will be built or renovated in Malmö, the largest city in southern Sweden. Healthcare around the Dutch city of Hilversum will benefit from construction of the new Tergooi regional hospital.

New long-term EIB financing for social housing partners in Austria, Germany and the Netherlands will improve access to affordable energy efficient homes.

The EIB also agreed to support climate focused urban investment in Milan and regional development across Poland.

Overview of projects approved by the EIB Board

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Press Contacts

1. **Eric Mamer**

Chief Spokesperson

eric.mamer@ec.europa.eu

+32 2 299 40 73

2. **Dana Spinant**

Deputy Chief Spokesperson

dana.spinant@ec.europa.eu

+32 2 299 01 50

3. **Elisaveta Dimitrova**

Head of Unit

elisaveta.dimitrova@ec.europa.eu

+32 2 295 88 38

4. **Johannes Bahrke**

Coordinating Spokesperson

johannes.bahrke@ec.europa.eu

+32 2 295 86 15

5. **Vivian Loonela**

Coordinating Spokesperson

vivian.loonela@ec.europa.eu

+32 2 296 67 12

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