

## EIB Group in Poland in 2020: strong support for COVID-19 response and for green recovery



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- **Total financing reached €5.2 billion**
- **One third of the financing contributed to build resilience against the pandemic**
- **41% of the funds supported climate action and environmental sustainability, making 2020 a record year for EIB green investments in Poland**
- **Financing for innovation included projects in renewable energy, mobility and biotech**

In a year heavily marked by the COVID-19 pandemic, the EIB Group confirmed its strong support to the Polish economy, providing **€5.2 billion** of overall financing to the country's public and private sectors. Volumes delivered in 2020 were largely in line with the trend of the previous years, a sign that the country responded swiftly to the pandemic and continued to invest in the future despite the forced downturn.

Loans granted by the European Investment Bank (EIB) amounted to **€4.6 billion**, while the European Investment Fund (EIF) provided **€660 million** in guarantees and equity investments to small and medium-sized businesses and mid-caps. In absolute terms, Poland was the fifth biggest recipient of EIB Group financing among the 27 EU Member States after Italy, France, Spain and Germany.

This overall financing represents around **1%** of Poland's GDP, making the country the first recipient of EIB Group financing on a "per GDP basis" among the 15 largest EU economies.

*"If anything can be learnt from the past year, it is that emergency action can and must be accompanied by investments in the future. It is indeed significant that in 2020 the EIB Group not only maintained a high level of support to the Polish economy, but it also managed to invest around one third of its funds into COVID-19 related response initiatives and around 40% into climate action and environmental sustainability. We scaled up our green financing and we will continue to do so this year, while helping the public and private sectors to cope with the pandemic. A green recovery and support for innovation are two goals shared by Poland and the EIB"* – said **EIB Vice-President Teresa Czerwińska**, who is in charge of operations in Poland.

*"A sustainable development and climate action are very important goals for Poland. The Covid-19 pandemic has shown clearly that we also have to invest much more in the digital area. Development of cutting-edge technologies will be crucial in the process of digitalization of our economies and will help our citizens in their work and various social activities. I encourage the EIB to back Poland in financing our digital projects"* – said **Tadeusz Kościński**, Minister of Finance, Development Funds and Regional Policy.

### **COVID-19 response**

The EIB provided support to the **government's Anti-Crisis plan** to fight the pandemic and its economic and social consequences, with a EUR 650m loan to the [Ministry of Finance](#) for COVID-19 financing, which was signed in September. A milestone was the first operation in December with the development fund [Polski Fundusz Rozwoju \(PFR\)](#), which saw the EIB engaged in a bond buying operation for PLN 500m (€110 million) to support the Financial Shield Program, a key nationwide initiative that aims to protect employment and ensure access to financing during a period of severe economic disruption. A second bond buying operation for PLN 2 bn was signed in early February 2021.

Other operations included loans to Small and Medium-sized Enterprises (SMEs) and to municipalities. A EUR 10 m loan to [Scope Fluidics](#) came in support of the biotech sector, contributing to research on diagnostics, including for infectious diseases like COVID-19.

Overall EIB Group financing for projects and initiatives linked to the pandemic response in Poland corresponded to about **one third** of the total financing to the country last year.

### **Green recovery, energy transition and mobility**

The EIB scaled up its financing in support of Poland's energy transition. Two major operations were signed with [Pomerania Wind Farm](#), a local subsidiary of the Lithuanian group Ignitis Renewables, and with the German developer company [wpd AG](#), for the construction of on shore wind farms. The latter project was financed jointly with Landesbank Baden-Württemberg (LBBW) and

received the backing of the European Fund for Strategic Investments (EFSI).

The EIB also signed its first operation to build solar plants with [Energy Solar Projekty](#), a subsidiary company of the Energy and Infrastructure SME Fund managed by the Lithuanian-based investment management company Lords LB Asset Management.

Two operations signed last year are helping to create around Wrocław an **ecosystem for the production of electrical vehicle batteries**. In March, the EIB signed a €480 million loan agreement with [LG Chem Wrocław Energy](#), the Polish subsidiary of the LG Chem Group, for the construction and operation of highly automated and innovative manufacturing facilities for advanced lithium-ion (li-ion) cells and batteries for battery-powered electric vehicles (BEVs). In June, the Bank signed a €125 million loan with [Umicore](#), the Belgian-based global materials technology and recycling group, to finance the greenfield production facility for cathode materials that will be supplied to battery manufacturers of high-tech lithium-ion batteries, including LG Chem.

The EIB continued to finance the **sustainable development and revitalization plans of Polish cities and regions**. In 2020, 17 cities and regions received EIB loans, for PLN 4.4 billion (equivalent to approximately €1 billion) in aggregate. The first EIB loan to a Polish city below 100.000 people (Ostrow Wielkopolski) was signed in September thanks to a joint financing scheme launched with BGK that will be followed by more such loans under a new PLN 700m programme for small and medium municipalities approved at the end of 2020.

Within its urban financing, the EIB also supported environmental-friendly public transport in cities, including the metro in Warsaw, tramways in Krakow and commuter trains in the Tri-City (Gdansk-Gdynia-Sopot). National rail networks PLK and PKP Cargo also received backing.

Overall, in 2020, **climate action and environmental sustainability projects reached 41%** of the total EIB group financing in Poland (record year).

### **EFSI: Poland part of the success story of the Juncker Plan**

Poland has also been an important recipient of funds under the European Fund for Strategic Investments (EFSI), the main pillar of the [Investment Plan for Europe](#) (Juncker Plan), a joint initiative of the EIB and the European Commission running between 2015 and 2020.

As of 31 December 2020, approved financing under EFSI reached **€4,2 billion** (of which **€276 million** in 2020), which are expected to trigger **€21,9 billion** of mobilised investments. This made Poland rank fifth among EU countries in terms of funds received. The EIB Group looks forward to making the most of InvestEU, the successor of EFSI under the European budget 2021-2027.

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Poland [page](#)

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