

EIB Press Conference on Annual Results – EIB Group increases financing to €77 billion in 2020, combating the COVID-19 pandemic and the climate crisis



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Documents and 2020 figures

In the year of the worst global health and economic crisis for generations, the European Investment Bank (EIB) Group rapidly redirected its business to fight the COVID-19 pandemic and its economic consequences on all fronts. It increased financing volumes to €76.8 billion, exceeding its own targets. A third of these funds, €25.5 billion, went into the immediate crisis response that started with a first package in March. Most of it went to small and medium-sized businesses to avoid insolvencies and job losses, especially in countries that did not have the budgetary means for massive national rescue packages.

Reflecting the additional need for assistance caused by the [COVID-19](#) pandemic, EIB Group support for [small and medium-sized companies](#) grew by €5 billion to €30.6 billion. In total, more than 425 000 companies profited from

financing, sustaining more than 4.2 million jobs. The EU bank achieved this without neglecting its other investment priorities: [environmental](#) investment reached €16.8 billion, [infrastructure](#) projects were supported with €15 billion and €14.4 billion went to [innovation](#) projects.

“We demonstrated in 2020 that there is no trade-off between investing in the economic recovery and investing in climate action and innovation. All our objectives are interlinked. Europe can only emerge stronger from this crisis by investing in the green and [digital economy](#) of the future and not in structures of the past – making sure it leaves no region in Europe behind and working with our partners outside of the European Union”, said EIB President [Werner Hoyer](#) at the EIB Group’s annual press conference on 20 January, via video conference from Luxembourg.

Crucial investment in the health sector

As part of the COVID-19 response, the EIB Group massively increased its financing for the [health](#) sector. It not only supported hospitals, but also played a substantial role in the development and mass production of vaccines to stop the devastating virus. Early in the year, the EU bank quickly approved a €100 million loan to [BioNTech](#), the German company that brought us the first COVID-19 vaccine in association with Pfizer. The Group financed a number of vaccines, but also companies that develop COVID therapies and testing technology.

“In the course of the year we dramatically increased and accelerated our involvement in fighting this devastating pandemic, helping thousands of companies in the European Union and across the world”, stated EIB President Werner Hoyer. “The fight against the pandemic and its economic consequences will keep us busy in 2021. On top of the €25 billion already provided, our Board has already approved close to another €25 billion of financing for ailing companies and the health sector.”

Part of this financing will come from the [European Guarantee Fund](#) (EGF), which started operations in the autumn of 2020. The EU Member States have provided guarantees of nearly €25 billion to enable the EIB Group to provide additional funding for mostly small and medium-sized companies affected by the crisis.

Progress on the road to the EU climate bank

At the same time, the EIB kept its promise to increase green investment and transform into the EU’s climate bank. The share of EIB investments that went to climate action and environmental sustainability projects rose from 34% to 40% last year, in spite of the COVID crisis, bringing the EU bank closer to its 50% target. The Group aims to mobilise €1 trillion in investment for the climate and the environment by the end of the decade. In November 2020 the EIB Board approved the [Climate Bank Roadmap](#), which defines the way in which it will achieve these ambitious targets. The Roadmap provides for the phasing-out of financing for high-emission projects such as airport expansions and sets stringent criteria for the financing of others, such as

motorways, after the Bank already announced an end to unabated gas projects.

“The fight against climate change cannot wait until the pandemic is over. The COVID crisis is not a reason to stop tackling the climate and environmental challenges facing humanity. The EIB Group has made great progress with its Climate Bank Roadmap. I call on the other financing institutions to take similar stands against environmentally unsustainable projects. Instead of financing assets we will have to write off tomorrow, we must invest in energy efficiency, renewable energy, sustainable mobility and green innovation. We need massive investment in a green recovery”, said President Hoyer.

Danger of a growing investment gap in Europe

A growing investment gap threatens Europe’s ambitions for a green recovery, the new EIB [Investment Report](#) shows. According to the report to be published on Thursday 21 January, 45% of EU companies expect to reduce their investment in the aftermath of the crisis, while only 6% expect to increase it. The report warns that companies are aware of an urgent need to invest, especially in digitalisation and climate action, but the COVID crisis deprives them of the means to do so.

“We should be worried by the huge dent the coronavirus has made in the intent to invest. The European Union is in danger of losing ground in the global competition if it does not mobilise more money for innovation”, Hoyer said. “But we should also be encouraged by the success of the financial pillar of the Juncker Plan, the [European Fund for Strategic Investments](#), which achieved its increased target to mobilise €500 billion of investment last summer, ahead of schedule. We showed that, with creative instruments and effective complementarity between financial tools and budgetary support, a relatively small pot of public money is able to draw a massive amount of private investment to projects that would otherwise struggle to find financing.”

A record year for the EIF

Another example of a highly efficient use of public resources is the [European Investment Fund](#) (EIF), the EIB subsidiary that supports high-tech start-ups and SMEs across Europe. It had another record year, signing operations with a total volume of €12.9 billion – an increase of 26% on 2019. The EIF generated much-needed financing for more than 330 000 SMEs and small mid-caps.

Operations signed in the last year alone will provide close to 66 000 households with refurbished or new social and affordable housing and 1.4 million households with high-speed broadband services. 280 million people will receive a COVID-19 vaccination thanks to EIB funding, nearly 30 million will benefit from safer drinking water and more than 15 million from improved sanitation. Over 145 000 hectares of new forest will be planted and electricity generation capacity will grow by more than 10 GW, of which 83% will come from renewable sources. These are just a few examples of the concrete impact EIB Group investment has for people in Europe and around the world.

Investing around the world to build resilience and combat climate change

The COVID-19 pandemic and the climate crisis are a twin challenge for the whole world, and this is why the EIB Group increased its efforts to support the EU neighbourhood, Africa and other regions. 13% of last year's financing – €10.2 billion – went into countries outside the EU, helping the European Union achieve its policy goals, improving people's lives, modernising health systems and building economic resilience. The EU bank achieved record lending in Africa, signing a volume of more than €4.7 billion, a 50% increase over the year before. We reached the target for [SheInvest](#), our initiative to mobilise €1 billion in investment to boost gender equality and economically empower women across Africa.

"The EIB Group is concentrating its efforts on helping some of the most vulnerable countries, where people's livelihoods are threatened by the climate crisis today. One example is our recently announced engagement in the Great Green Wall Initiative, providing financial and technical support to back sustainable [agriculture](#), clean [energy](#) and [water](#), [infrastructure](#) and private sector investment in 11 Sahel countries", President Hoyer said.

A leader in attracting money from sustainable investors

To finance such activities, the EIB Group has added biodiversity to the range of activities it finances with its [Sustainability Awareness Bonds](#), the most recent addition to its bond family. The EIB, which finances its activities on the global capital market and benefits from an AAA rating, has already pioneered the [Green Bond](#) market: it issued its first green bond in 2007 and today leads the market with a volume of more than €35 billion issued. Overall, the EIB borrowed €70 billion in the last year from international investors, almost 20 billion more than the year before.

"The EIB is not just the world's largest multilateral lender: as it finances itself on the financial markets, it is also the world's largest multilateral borrower. The Bank's creative approach to borrowing sets standards in making investors aware of their power to shape and support the right policies. Climate and sustainability awareness bonds were considered a gamble when we introduced them. Now they set standards that everyone wants to meet, strengthening the green economy worldwide", President Hoyer said.