

Spain: EIB provides ICF with loan of up to EUR 250 million to help small businesses cope with COVID-19 crisis

The European Investment Bank (EIB) is providing the Institut Català de Finances (ICF) with a loan of up to EUR 250 million to support SMEs, the companies most vulnerable to the COVID-19 shock. The two institutions have signed the first EUR 150 million instalment of this financing agreement under an accelerated approval procedure put in place by the EIB in this emergency to ensure that the funds reach Spanish firms as quickly as possible. This is one of the first operations mounted under the EIB's EUR 5 billion programme to safeguard European businesses in the face of the coronavirus crisis.

The EIB funds made available to the ICF will help to alleviate the liquidity needs of small and medium-sized Catalan businesses and will be deployed without delay by the Catalan public financial institution through a range of financing solutions that it has been putting place since the beginning of the pandemic.

After Madrid, Catalonia is the Spanish region hit second hardest by the coronavirus health emergency. The pandemic is having a negative economic impact on 90% of Catalan SMEs, three quarters of which are suffering from liquidity problems, according to a report by the region's small business support agency PIMEC. This EIB and ICF funding will help to preserve Catalonia's productive fabric at this time of crisis.

EIB Vice-President Emma Navarro, who is responsible for the EU bank's activity in Spain, said: *"We are pleased to sign this new agreement with the ICF, strengthening our support for Spanish SMEs in these difficult times. Small businesses are the backbone of the European and Spanish economy, and are therefore in the front line of the EIB's response to the coronavirus crisis. We shall continue working to help them address the liquidity needs caused by the pandemic in order to safeguard jobs and launch the economic recovery as quickly as possible."*

ICF's CEO, Josep-Ramon Sanromà, said that *"these funds will enable us to continue financing the liquidity needs of Catalonia's business fabric while at the same time safeguarding jobs. That is our role as a public financial institution: supporting companies and providing them with financing solutions matching their needs. With this aim in mind, we have already set in motion a variety of solutions that will together make available more than EUR 1 billion worth of funding for the self-employed, SMEs and other companies."*

The EIB's response to the COVID-19 crisis

The EIB Group is playing a key role in combating the COVID-19 crisis head-on, supporting European efforts to stop the spread of the pandemic, find a cure for the disease and develop a vaccine. Accordingly, the EU bank is giving

priority to all investments relating to the health sector and R&D programmes focused on this goal. The EIB's portfolio of projects supporting critical health facilities and R&D investment in the health sector in the EU currently amounts to some EUR 5 billion. In addition, the EIB and the World Health Organization recently signed an agreement to boost cooperation between the two institutions, working together to strengthen public health systems in countries most vulnerable to the pandemic.

To tackle the economic impact of the pandemic in Europe, and following the Eurogroup's recommendation of 9 April, on 16 April the Bank's Board of Directors endorsed the creation of a EUR 25 billion pan-European COVID-19 guarantee fund. It is estimated that this fund will enable the EIB Group to leverage up to EUR 200 billion of additional financing largely targeting SMEs.

At the same time, the EIB Group is refocusing its activity to meet the financing needs caused by the COVID-19 crisis and provide immediate help to European firms. In March it announced a set of emergency measures with this aim. In this first response package, the European Investment Fund, the EIB Group subsidiary specialising in supporting small businesses, is providing dedicated EU-backed guarantees to financial intermediaries that will help to mobilise up to EUR 8 billion worth of finance. For its part, the EIB is adapting the existing joint financial instruments with the European Commission to deliver up to EUR 20 billion of additional finance for European SMEs and mid-caps.

In addition, the EIB has adopted extraordinary measures to speed up its procedures and relax its internal policies with the aim, amongst other things, of deploying its support as quickly as possible and financing costs that it would not finance in normal circumstances, such as the current expenditure of European firms. The agreement with ICF is an example of this strategy.

[Find out more about the proposed EIB and EIF support](#)

About the ICF:

The ICF is Catalonia's public financial institution. Its principal mission is to promote the funding of Catalonia's business fabric with a view to fostering the growth, capacity for innovation and sustainability of the Catalan economy. In this connection, it actively pursues the achievement of the Sustainable Development Goals in line with the United Nations' Agenda 2030.

The ICF acts as a complement to the private financial sector, providing a wide range of financing solutions centred on loans, guarantees and venture capital investments. Since 2014, it has been a member of the European Association of Public Banks (EAPB), which brings together a large part of the banks and public financial entities operating in Europe.