

Spain: Supporting innovation – EIB provides EUR 100m under the InnovFin programme to finance public sector research in Galicia



- The agreement will benefit almost 170 research groups working in public sector centres in Galicia
- Some of the EIB-financed research projects will focus on climate change-related domains
- Employment impact: the project will help attract research talent and safeguard almost 900 positions until 2023

The European Investment Bank (EIB) is set to support public sector research in Galicia by providing EUR 100m to finance research, development and innovation (RDI) projects developed by public sector universities in the region. The agreement signed today by EIB Vice-President Emma Navarro and the Finance Minister of the Xunta de Galicia (Galician Government), Valeriano Martínez, will contribute to the implementation of the Smart Specialisation Strategy put in place by the Xunta de Galicia to drive innovation-based economic growth. It will also make it possible to develop patents and keep research talent in the region, helping to safeguard almost 900 highly qualified RDI jobs.

The EIB is providing these funds under the InnovFin Science programme, a

joint initiative of the EIB Group and the European Commission designed to support research and innovation in Europe, with the support of the EU's Horizon 2020 research and innovation programme. In concrete terms, the financing is being provided using the InnovFin instrument specifically designed for research organisations and universities – RIURO.

The funds will benefit an estimated 170 research groups connected to public sector universities in Galicia over four years until late 2023. These groups will conduct research focused on fields including biotechnology, information technology and health sciences. They will also contribute to climate change adaptation and mitigation in Galicia by studying the region's vulnerabilities with respect to this challenge and strategies to overcome it. The RDI activities will also promote the development of the Blue Economy, which focuses on sustainably unlocking the potential of seas and oceans.

During the signing ceremony in Santiago de Compostela, **EIB Vice-President Emma Navarro, who is responsible for the Bank's operations in Spain**, said: *"Fostering innovation is one of the EU bank's priorities, owing to its key role in generating wealth and employment. We are therefore pleased to be joining forces with the Xunta to support public sector research in Galicia. By signing today's agreement, we are contributing to the development of patents and lines of research in important areas such as biotechnology, health sciences, climate action and protection of the oceans, while helping to retain talent and safeguard highly qualified jobs in the region"*.

Mariya Gabriel, European Commissioner for Innovation, Research, Culture, Education and Youth, said: *"We are supporting public sector research in Galicia with EU funding to create jobs for young researchers and help develop the region's smart specialisation strategy. Thanks to this, Galicia should have a competitive advantage in marine research and health sciences."*

The Finance Minister of the Xunta de Galicia, Valeriano Martínez, added: *"With this agreement the Government of Galicia is placing its money on strengthening our region's innovation capacity and climate action policy by cofinancing the RDI activities carried out by the universities of Santiago de Compostela and Vigo over the period 2020-2023. This operation demonstrates the Xunta de Galicia's commitment to supporting research and innovation as key elements of economic growth and quality job creation"*.

This is the EIB's second operation with the Xunta designed to finance RDI in public sector universities in Galicia. The first, signed in 2013 and totalling EUR 70m, made it possible to stimulate patent production and job creation at the University of Santiago de Compostela.

Background information

About the InnovFin programme and the EIB Group

The EIB is among the world's largest multilateral providers of climate finance. Its goal is to be a leader in mobilising the finance needed to limit the average global temperature increase to 1.5°C compared to preindustrial levels in order to meet the Paris Agreement objectives. On 14 November 2019,

the EIB Board of Directors approved its new climate objectives and the new energy lending policy. The Bank will gradually increase its financing for climate and environmental objectives up to 50% by 2025, with the goal of ensuring that the EIB Group mobilises at least EUR 1tn in the critical decade between 2021 and 2030 to promote investments helping to meet these objectives. It also announced its intention to align all EIB Group activities with the Paris Agreement. To this end, the EIB will cease financing fossil fuel-based projects from late 2021.

InnovFin financial products: Under Horizon 2020, the EU research and innovation programme for 2014-2020, the European Commission and the EIB Group (EIB and EIF) launched a new generation of financial instruments and advisory services in 2014 to help innovative firms access finance more easily. The “InnovFin – EU Finance for Innovators” initiative offers a range of tailored products to provide financing to support research and innovation (R&I) by small, medium-sized and large companies and the promoters of research infrastructure.

Backed by funds set aside under Horizon 2020 and by the EIB Group, the “InnovFin – EU Finance for Innovators” initiative supports R&I activities, which by their nature are riskier and harder to assess than traditional investments, and therefore often face difficulties in accessing finance. All of this initiative’s instruments are driven by existing demand, with no prior allocations between sectors, countries or regions. Firms and other entities located in EU Member States and Horizon 2020 Associated Countries are eligible to become final beneficiaries.

InnovFin – Science is the InnovFin component that aims to support the RDI investments of research institutes, universities and research organisations (both public and private sector), including the financing of buildings and other infrastructure directly linked to RDI activities. This product is offered directly by the EIB in the form of debt or equity-type operations from EUR 25m.