

Spain: The EIB joins forces with ICO and PSA Finance to support Spanish SMEs and mid-caps affected by the COVID-19 crisis



©Shutterstock

The European Investment Bank (EIB) is joining forces with the Instituto de Crédito Oficial (ICO) and PSA Financial Services Spain, E.F.C., S.A. (PSA Finance) to support Spanish small and medium-sized enterprises (SMEs) and mid-caps affected by the coronavirus crisis. To this end, the EIB and ICO will subscribe several tranches of a securitisation of a loan portfolio originated by PSA Finance, a joint venture between Banque PSA Finance (50%) and Santander Consumer Finance (SCF) (50%) focused on vehicle financing. The EU bank will provide €250 million while ICO will contribute €100 million.

The EIB and ICO's participation in this securitisation operation will enable PSA Finance to provide €350 million in financing to SMEs to cover the liquidity needs of the Spanish industry, supporting the automotive sector and encouraging the spread of low-emission vehicles in Spain.

This EIB is carrying out this operations as part of the initiatives it launched in March as a rapid response to the crisis caused by the pandemic. The Bank has taken extraordinary measures to speed up its processes and to

make its internal policies more flexible to – among other things – deploy its support as quickly as possible and finance expenses that it would not normally cover, such as the operating costs of European businesses. The agreement signed with PSA Finance falls under this strategy. The EIB funds will make it possible to strengthen the liquidity of SMEs affected by the crisis and to finance their working capital expenditure.

The EU bank and ICO are working together to mobilise financing for Spanish SMEs, providing resources to meet their liquidity needs with the aim of sustaining employment and boosting their long-term investments. In this line of joint action, in May the two institutions agreed on [a loan of up to €1.5 billion to support the investments of self-employed people, SMEs and mid-caps.](#)

EIB Vice-President [Ricardo Mourinho Félix](#), who is responsible for the EU bank's operations in [Spain](#), said: *"Facilitating access to finance for small and medium-sized enterprises and promoting green investments are two key elements of the EIB Group's response to the impact of the coronavirus. That is why we are pleased to be joining forces with ICO and PSA Finance to continue deploying this support and to extend the benefits of our financing to Spanish SMEs in the automotive sector, encouraging the spread of low-emission vehicles. This agreement will protect the industry and employment, promote a sustainable and inclusive recovery of the Spanish economy and improve the standard of living of Spanish citizens."*

ICO Chairman José Carlos García de Quevedo stressed that *"ICO is strengthening all its instruments and financing formulas to enable the self-employed and businesses to cover their liquidity needs and make new investments. The operation with PSA Finance is part of this effort. It will mobilise financing for vehicle renewal by the self-employed and SMEs, thereby driving the transition towards more sustainable transport. This agreement is another example of the partnership between the EIB and ICO to support Spanish businesses."*

EIB response to COVID-19

To combat the economic impact of this crisis and as part of the package of measures the EU is deploying to tackle the economic effects of the pandemic, on 23 April the European Council approved the EIB Group's creation of a €25 billion pan-European COVID-19 guarantee fund focusing primarily on supporting SMEs across the EU. The fund will make it possible to mobilise up to an estimated €200 billion of additional financing.

Under the initial package of financial measures approved in March, the EIB is offering an asset-backed securities (ABS) purchase programme to enable banks to pass on the risk of their SME loan portfolios to the EIB, with the aim of mobilising €10 billion. The EU bank is also adapting its existing financing instruments shared with the European Commission to mobilise up to €10 billion in additional financing for European SMEs and mid-caps. For its part, the EIF (the venture capital specialist subsidiary of the EIB Group) is offering specific EU-backed guarantees to financial intermediaries that will help to mobilise up to €8 billion.

The EIB Group is playing a key role in directly combating COVID-19 by supporting EU efforts to halt the spread of the pandemic, find a cure for the illness and develop a vaccine. To this end, the EU bank is prioritising all investments related to the health sector and research and development programmes focusing on this goal. The EIB's current project portfolio for supporting both critical healthcare infrastructure and research and development investments in the EU health sector stands at around €6 billion. The EIB and the World Health Organization also recently signed an agreement to drive cooperation between the two institutions and work together to strengthen healthcare systems in the countries most vulnerable to the pandemic.

[More detailed information on the support offered by the EIB and EIF](#)

ICO Group:

On the basis of public-private cooperation, ICO is working intensively to manage government-approved guarantee lines to provide financing for businesses and the self-employed to mitigate the economic effects of the global COVID-19 health crisis. In parallel, it is strengthening the various financing instruments it offers to Spanish companies, rendering them more flexible to drive the recovery process and the transition of the Spanish economy to a more sustainable and digitised growth model.

In March, the Ministry of Economic Affairs and Digital Transformation implemented a €100 billion guarantee line aiming to secure access to liquidity for the self-employed, SMEs and companies, and to mitigate the economic and social impact of COVID-19 and safeguard industry and jobs. This guarantee line made it possible to inject over €103 billion in financing via more than 834 000 operations for the self-employed and businesses.

In addition, a new €40 billion guarantee has been activated to promote the granting of new financing to the self-employed and companies to enable them to make new investments in Spain to adapt, expand or renew their production and service capacities or to relaunch or reopen their businesses.

Supporting small and medium-sized enterprises (SMEs) is one of the EIB Group's key priorities in Spain. The Bank dedicated over €4.8 billion to this goal last year, representing 57% of the EIB Group's activity in Spain, which received more support for SMEs than any other country. These funds benefited more than 82 600 Spanish companies employing 766 000 people.

The **Instituto de Crédito Oficial** (ICO – www.ico.es) is a corporate state-owned entity attached to the Spanish Ministry of Economic Affairs and Digital Transformation. ICO has become a reference point for the financing of both SMEs and large investment projects. ICO contributes to inclusive and sustainable growth, supporting economic activities meriting promotion and development as a result of their social, cultural, innovative or environmental importance.

Italia: la BEI finanzia la costruzione di tre navi idro- oceanografiche della Marina Militare



©Ministero della Difesa

- Saranno destinate prevalentemente a usi civili: mappatura dei fondali, realizzazione di carte nautiche, sicurezza della navigazione e ricerca sui cambiamenti climatici
- Le due unità più piccole saranno impiegate soprattutto in attività nel Mediterraneo, la più grande sarà utilizzata anche negli oceani e nelle regioni artiche
- restito di 220 milioni al MEF per la Difesa, con i vantaggi della provvista della banca della UE

Il Ministero della Difesa italiano entra nella lista dei destinatari di un finanziamento della banca della UE. Con una operazione innovativa a livello europeo è stato perfezionato un prestito di 220 milioni tra la Banca europea per gli investimenti (BEI), il Ministero dell'economia e delle Finanze (MEF) e la Difesa, appunto, finalizzato alla costruzione di tre navi che saranno utilizzate dall'[Istituto Idrografico della Marina Militare Italiana di Genova \(IIM\)](#).

Il progetto prevede la costruzione di una nave grande e due più piccole: sostituiranno quelle attualmente in esercizio (*Magnaghi, Aretusa e Galatea*), che hanno raggiunto o raggiungeranno a breve la fine della loro vita operativa. Le tre navi svolgeranno attività prevalentemente a favore della collettività: ricerca sul clima in ambiente marino e sicurezza della navigazione grazie all'opera di mappatura dei fondali necessaria per la produzione delle carte nautiche ufficiali delle acque italiane.

Delle tre navi, la più grande verrà utilizzata soprattutto per la ricerca idrografica e oceanografica nel mediterraneo e negli oceani ma anche nelle regioni artiche ed antartiche. Le due più piccole saranno destinate a operare essenzialmente nel mar Mediterraneo. La costruzione delle tre unità avverrà

nel periodo 2021-2027.

Il progetto sostiene in modo significativo gli obiettivi primari di innovazione e l'azione per il [clima della BEI](#) e contribuisce al raggiungimento di numerosi obiettivi europei. I dati oceanografici che saranno raccolti dalle navi sono una componente chiave dei modelli climatici che contribuiscono alla comprensione del *climate change* e sono alla base delle decisioni in merito alle azioni da adottare per mitigarne gli effetti.

Sotto il punto di vista finanziario, l'operazione prevede un contratto di prestito tra la BEI e il MEF e un "contratto di progetto" tra la BEI e la Difesa. La durata del finanziamento è di 25 anni, in linea con la vita economica delle navi. Per lo Stato italiano utilizzare i prestiti della BEI ha un duplice vantaggio: durate più lunghe e tassi molto bassi, visto che la BEI raccoglie risorse sui mercati internazionali con l'emissione di obbligazioni tripla A.

"La difesa dell'ambiente è il pilastro dell'attività della BEI: come banca del clima siamo quindi molto soddisfatti di poter sostenere il Ministero della Difesa in questo progetto nel settore civile. Le acque coprono il 70% del Pianeta, e dallo studio di oceani e mari si ottengono le informazioni fondamentali per poter adottare a livello mondiale le decisioni opportune per arginare i fenomeni negativi del cambiamento climatico", ha dichiarato **Dario Scannapieco**, Vicepresidente della BEI.

"Iniziativa virtuosa che coniuga la ricerca in un settore importante per il Paese e per l'intera collettività internazionale, quale l'ambiente e il mare, con lo sviluppo industriale grazie agli strumenti finanziari resi disponibili dall'Europa. L'accordo rappresenta il primo passo per future collaborazioni finalizzate al sostegno dei programmi di innovazione della Difesa", ha commentato il Ministro della Difesa **Lorenzo Guerini**.

Queste unità, una volta ultimate, verranno affidate al Comando della Squadriglia Navi Idrografiche e Esperienze (Comsquaidro) e contribuiranno a effettuare i rilievi che permettono l'aggiornamento della cartografia ufficiale dello Stato a garanzia della sicurezza della navigazione e a incrementare la conoscenza dell'ambiente marino.

Un complesso di ricerche, svolte in collaborazione con l'Istituto Idrografico della Marina Militare e con importanti enti di ricerca nazionali e internazionali, che ogni anno impegna circa 200 militari specializzati in idroceanografia, imbarcati su unità idrografiche dotate di strumentazione all'avanguardia.

[The Joint Initiative on Circular](#)

Economy reaches over a quarter of its five-year target and supports ground-breaking circular economy projects



- Five European national promotional banks and institutions and the European Investment Bank (EIB) report progress on their joint €10 billion initiative to accelerate the transition to a sustainable and circular economy
- In 2019, a combined financing of €2.7 billion was provided for circular economy projects

After its first year of operation, the [Joint Initiative on Circular Economy](#) provided €2.7 billion of long-term financing for projects that will help accelerate the transition towards a circular economy. This initiative launched by the six largest public financial institutions in the EU aims to finance at least €10 billion of investments to support the circular economy over five years (2019-2023).

Members of the initiative are the Bank Gospodarstwa Krajowego (BGK – Poland), the Caisse des Dépôts Groupe (CDC – France), including Bpifrance, Cassa Depositi e Prestiti (CDP – Italy), the European Investment Bank (EIB), Instituto de Crédito Oficial (ICO – Spain) and KfW (Germany).

Over the last year, these six financial institutions supported projects across a variety of sectors including agriculture, industry and services, mobility, urban development, waste and water management. The projects span over all stages of the value chain and lifecycle of products and services, from circular design to value recovery. The most recent companies and projects supported include:

- [CREAPAPER](#), a German start-up for circular paper production and innovative packaging. It produces paper from grass, which not only saves wood as a raw material but also results in significantly lower CO₂ emissions and water consumption
- [Vestiaire collective](#), an online marketplace that allows its more than 9 million users to sell and buy second-hand luxury fashion pieces
- [Winnow](#) to develop software and hardware solutions to reduce food waste in professional kitchens
- [Aguaservice](#), a leading Spanish water service provider that reuses and recycles all its material and carries out maintenance with a repair and reconditioning programme
- [Palazzo delle Finanze \(Firenze\)](#) a recovery intervention of the existing buildings aimed at the establishment of new productive uses and annexed offices as well as the complete redevelopment of the area outside the complex
- [Starmeat](#), top quality meat processing Polish manufacturer using an innovative process to reduce wasted meat

The Joint Initiative on Circular Economy (JICE) provides loans, equity investment, guarantees and technical assistance to eligible projects and develops innovative financing structures for public and private infrastructure, municipalities, private companies of different sizes as well as for research and innovation projects. In addition, JICE contributes to the ongoing initiatives led by the European Commission by building knowledge through dedicated working groups and developing financing schemes. In that sense, it will increasingly engage in circular economy knowledge dissemination activities that will help develop and spread a circular economy culture across European business and financial landscape.

BGK President of the Management Board Beata Daszyńska-Muzyczka said: *"We treat the circular economy investments primarily as a care for the natural resources and care for the life quality of future generations. These projects usually require more financial support. We already know that public funds will not cover all needs. The solution is, among others, sustainable financing, i.e. engaging private capital and encouraging companies to implement green projects. I am convinced that it is the banks and development institutions, just like BGK in Poland, that will play an important role in this process. JICE shows that we can act in close cooperation and effectively at the European level."*

CDC CEO Eric Lombard said: *"Caisse des dépôts Group is proud to contribute to this joint initiative and will continue to support the transition towards a circular economy in France and with our European partners. The results we achieved collectively over the first year of the JICE are promising signs for the future development of circular economy in our territories. The current health and economic crisis is an incentive to do more to promote responsible use of our resources in the upcoming years. That is why Caisse des Dépôts' contribution to the French recovery plan puts a strong emphasis on climate and nature preservation, including circular economy, in line with the European Recovery Plan and the European Green Deal."*

CDP CEO Fabrizio Palermo said: *"CDP Group strengthened its support to public administrations and local communities, aiming at promoting the transition to a more sustainable and circular development model. This demonstrates how the idea behind the launch of the Joint Initiative on Circular Economy (JICE) was both appropriate and timely. For this reason, I am convinced that the common efforts of the institutions involved with the JICE will be crucial to develop a relevant response to the new challenges posed by the current crisis, which make the transition to a global circular economy more urgent than ever"*.

EIB President Dr. Werner Hoyer said: *"JICE is a tangible example of how value can be created by increasing coordination across stakeholders on circular economy. The largest European public financial institutions now have a common definition of circularity, share best practices and can get circular economy projects off the ground more easily. We are looking forward to continuing this collaboration, reflecting the shared climate ambition to achieve the Paris agreement targets."*

ICO Chairman José Carlos Garcia de Quevedo said: *"Circularity is a concept intimately linked to life on this planet and its possibilities of maintenance*

over time. We know it for sure and we need to incorporate it with determination into our policies. In this sense, JICE is perfectly linked to Spain's sustainability policy, and therefore to that of ICO. For this reason, we are encouraged by the good start of this initiative in its first anniversary and we are committed to redouble our financial efforts and collaboration with our European partners in the field of the circular economy. At the same time, we will work on maximizing the great impetus that European programs can give to this initiative, within the framework of the next EU budget, the European Recovery Plan and the European Green Deal."

KfW CEO Dr. Günther Bräunig said: "Besides cutting climate-damaging greenhouse gas emissions, the reduction of consumption of new resources is a further central challenge on the way to a future-proof economic system. The transformation to a sustainable economy requires enormous investments which can only be done jointly. We are proud of the success we have achieved in promoting a circular economy together with our partners in Europe. We will not rest on our achievements and rather see them as further encouragement."

Background information:

Bank Gospodarstwa Krajowego (BGK) is a state development bank whose mission is to support the social and economic development of Poland and the public sector. BGK is a financial partner for strategic investment projects and stimulates entrepreneurship. www.bgk.pl

Caisse des Dépôts (CDC) and its subsidiaries form a public long-term investor group serving the general interest and economic development of local areas. It combines five areas of expertise: pensions and professional training, asset management, monitoring subsidiaries and strategic shareholdings, business financing (with Bpifrance) and Banque des Territoires. <http://www.caissedesdepots.fr/en>

Cassa Depositi e Prestiti (CDP) is the National Promotional Institute, which has been supporting the Italian economy since 1850. The main goal of CDP is to accelerate the industrial and infrastructural development of Italy to boost its economic and social growth. CDP focuses its activities on sustainable development at local level, supporting the innovation and growth of Italian enterprises, also in the international arena. It partners local authorities, in a financing and advisory capacity, to create infrastructures and improve services of public value. CDP also participates actively in international cooperation initiatives to realize projects in developing countries and emerging markets. www.cdp.it

Instituto de Crédito Oficial (ICO) is a Corporate State-owned Entity attached to the Spanish government's Ministry of Economic Affairs and Digital Transformation. ICO has become a point of reference in the financing of both SMEs and large-scale investment projects. ICO contributes to sustainable growth, promoting those economic activities, which, due to their social, cultural, innovative or environmental significance, are worthy of promotion and development. www.ico.es

Kreditanstalt für Wiederaufbau (KfW) is one of the world's leading

promotional banks. Since 1948 KfW has been committed to improving economic, social and ecological living conditions all around the world on behalf of the Federal Republic of Germany and the federal states. To do this, it supplied funds totalling EUR 77.3 billion in 2019 alone; of this total, 38% was spent on measures aimed at protecting the climate and the environment. www.kfw.de

[Poland: EIB and LBBW finance four wind farms near Poznan](#)



©EIB

- EIB loan of PLN 184 million (€42 million) helps build four wind farms in western Poland
- Landesbank Baden-Württemberg (LBBW) provides term loan financing of PLN 184 million plus ancillary tranches of €57 million as well as interest and currency hedges
- EIB financing is backed by a guarantee under the European Fund for Strategic Investments, the financial pillar of the Investment Plan for Europe

The European Investment Bank (EIB) and LBBW are providing PLN 184 million (approximately €42 million) each to finance the construction and operation of four wind farms in Poland's Wielkopolskie region. The wind farms will be

developed by German wpd AG in Jarocin Kozmin, Jarocin Wschod, Krotoszyn and Slupca Kolaczkowo near Poznan. They will have a total installed capacity of 102.5 MW, which enables them to power more than 60 000 households at peak times.

The EIB financing is backed by a guarantee from the [European Fund for Strategic Investments](#) (EFSI), the central pillar of the [Investment Plan for Europe](#). Under this plan, the EIB and the European Commission are working together as strategic partners to boost the competitiveness of the European economy. One of EFSI's objectives is to develop the energy sector, especially the use and supply of renewable energy. The project will contribute to reducing CO₂ emissions and air pollution, thereby making a strong contribution to climate change mitigation. In addition, it will support a less-developed region, thus helping to reduce regional disparities.

"Poland is looking to reduce its dependence on coal, while creating new jobs in the energy sector," said [Teresa Czerwinska, EIB Vice-President](#) responsible for operations in Poland. "Wind power is the renewable energy source with the biggest growth potential in the country, and the EIB is glad to support this transition. Thanks to EFSI, we are able to address a gap in affordable long-term finance for renewable energy generation in Poland. This is important, as we need to offer the country and its people the best possible conditions to embrace a clean and climate-friendly future."

[Paolo Gentiloni, European Commissioner](#) for the Economy, said: "I warmly welcome the fact that EIB financing under the Investment Plan is facilitating the construction of new wind farms in Poland. Thanks to EU support, around 60 000 Polish households stand to benefit from clean energy. This is a tangible example of what the European Green Deal means for Polish citizens. With every investment of this kind, we take another step closer to our goal of making the European Union climate neutral by 2050."

"LBBW is pleased to cooperate with the leading German renewable energy developer wpd AG and the European Investment Bank in this landmark transaction," said Thomas Christian Schulz, head of Infrastructure and Transportation Finance at Landesbank Baden-Württemberg. "Breaking new ground is part of our DNA, and based on thorough analysis, we arranged our first renewables financing in Poland partly refinanced by KfW-funds"

"We are pleased about the positive development of the Polish market with further successful projects for wpd. These projects are of great importance to us and show that we have successfully established ourselves in another market," says Hartmut Brösamle, member of the board at wpd, and adds: "With a strong team and an extensive project pipeline, we have a long-term commitment in Poland."

The facilities will be operated by project companies belonging to wpd europe GmbH, a subsidiary of wpd AG. wpd AG has developed and implemented more than 4 GW of wind capacity globally since the end of the 1990s, and the EIB has previously supported offshore wind projects from the company in France and Germany. The wind farms will benefit from the Polish support scheme for Renewable Energy for part of the electricity produced.

Background information

About wpd AG

wpd AG was founded in Bremen in 1996. The company plans and operates wind projects on- and offshore as well as solar projects in Germany, Europe, Asia and on the American continent. It supports projects for their whole duration, from the first idea to dismantling or possible repowering. It leases space, designs the wind or solar parks in accordance with their individual requirements, takes care of the permissions, structures the finance, secures the best terms for purchasing the technical equipment and guarantees that the project will run smoothly. wpd AG employs more than 2 200 people working in 21 countries.

About Landesbank Baden-Württemberg (LBBW)

With total assets of €257 billion and 10 000 employees (2019), LBBW is one of the largest banks in Germany. As a Mittelstands-minded universal bank, its core activities are the corporate customers business, as well as the business with private customers and savings banks. A further focus is placed on real estate and project financing and the customer-oriented capital market business with banks, savings banks and institutional investors. With deep roots in Baden-Württemberg, LBBW is also represented with 19 international offices in 18 countries worldwide.

[Press release – COVID-19: MEPs call for measures to close the digital gap in education](#)



The resolution was adopted on Thursday by 593 votes in favour, 58 against and 36 abstentions.

Digital education must be reality for all

MEPs deplore the “severe discrepancies” in learning across the EU during the lockdown, with 32% of pupils in some member states not having had any access to education for several months. They fear that this will decrease future income levels for a whole generation and negatively impact labour productivity and competitiveness for the European Union as a whole.

Therefore, closing the digital divide must be an immediate concern, with the Commission prioritising investments in connectivity and equipment, particularly in remote and rural areas, as well as instructing and assisting teachers and trainers in how to use the new technology.

Beef up investment to prepare for the second wave

“Many countries are still unprepared in the face of the second wave that is now hitting Europe. More should be done to guarantee access to quality education and training for all, and for that we need to invest in education. We deeply regret that the Council is proposing cuts to programmes that support education and training. We reiterate the call for the Erasmus+ budget to be tripled. We encourage Member States to significantly increase public spending on education. The Commission must prioritise investments in education in the Recovery plan”, said Victor Negrescu (S&D,RO), speaking on behalf of the EP’s Committee on Culture and Education [in the plenary debate ahead of the vote.](#)

A bold vision for European Education Area

MEPs also criticise the lack of coordination and the exchange of best education practices during the crisis, and say that the EU should be more active in coordinating between states. They proposed that a platform should be provided for member states to share practices and called for the European Education Area to progress “from a loose vision based on broad principles into a concrete work programme”.

“We welcome the [education package](#) put forward by the Commission at the end of September; however, it is only the first step. It is now time for the vision for a European Education Area and a revamped Digital Education Action Plan to be backed up by concrete measures and with the funding to deliver them”, said the rapporteur Sabine Verheyen (EPP,DE) after the vote.

Note to editors

According to UNESCO, even in the world’s most developed countries, during the first COVID-19 crisis, access to digital education was around 90 %, with 10 % of school pupils still being left behind. Fewer than 25 % of low-income countries have provided some form of remote learning.