

#EuropeDay



THE EIB: ONE YEAR INTO THE COVID-19 PANDEMIC

9 May 2021

Celebrating Europe Day in 2021 is an opportunity to reflect on history and present challenges. As the world struggles with COVID-19, Europe is both heavily affected by the pandemic and at the forefront of combating it. The European Union and its financial arm – the European Investment Bank, or EIB – are helping EU members and countries around the world to cope with the socioeconomic effects of the crisis, build resilience and invest in a sustainable recovery.

Tackling COVID-19: Health and vaccines

Did you know that the EIB financed a vaccine developer that is helping to protect millions of people around the world from getting sick with COVID-19? In June 2020, the Bank signed a **€100 million** loan agreement with **BioNTech**, Pfizer's partner, to support the development and production of the company's COVID-19 vaccine. The Bank had already granted BioNTech a €50 million loan for cancer research in 2019. This enabled the EIB to learn about the value of the company's mRNA research in the fight against COVID-19.

Supporting BioNTech was not a stroke of luck. The EIB invests on average around **€1.4 billion** each year in the health sector. Its medical and pharmaceutical experts, health economists and engineers work to identify worthy projects and promising biomedical companies that might need financial support. This expertise paid off in the COVID-19 pandemic, as it enabled the EIB to move quickly in financing public health infrastructure projects and research and investment into vaccine, medication and diagnostics.

Highlights

A **€75 million** loan to **CureVac** to support the German company's ongoing development of vaccines against infectious diseases, including its COVID-19 vaccine candidate CvnCoV.

A **€24 million** loan to **Atriva** and a €24.5 million loan to **Immunic in Germany** to develop and test medicines that can help COVID-19 patients requiring hospitalisation.

A **€50 million** investment in Israeli biomedical company **Pluristem** to develop therapies for COVID-19 and other medical treatment.

A **€10 million** loan to **Scope Fluidics**, a Polish medical technology company developing innovative products in the field of diagnostics equipment for infectious diseases.



BioNTech's vaccine, BNT162, being tested on a volunteer in Germany.

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COVID-19 Vaccine Volume Allocation (COVAX).

Tackling COVID-19: International partnerships

The COVID-19 pandemic has caused an unprecedented public health, social and economic crisis. Ensuring equitable access to COVID-19 vaccines in the poorest countries is essential to save lives and promote economic recovery. In May 2020, the EIB signed a partnership with the **World Health Organization**, specifically targeting urgent help in ten African countries. [More information online.](#)

In December 2020, it contributed **€400 million** of financing to support the participation of low and middle-income economies in the **COVAX Advance Market Commitment** (COVAX AMC), as part of [Team Europe's €500 million of support to the COVAX initiative](#). The EIB loan complemented a €100 million EU grant to Gavi, the vaccine alliance. COVAX was born under the auspices of [Team Europe](#), the cooperation among European institutions to support developing countries during the pandemic.

Thanks to COVAX, many more countries including 92 low and middle-income countries across Africa, Asia, the Caribbean and the Pacific will have access to 1 billion COVID-19 vaccine doses. As of 8 April 2021, the COVAX Facility had delivered life-saving vaccines to [over 100 economies](#) since making its first international delivery to Ghana on 24 February. Of this total, 61 are among the 92 lower-income economies receiving vaccines funded through the Gavi COVAX Advance Market Commitment (AMC). The international effort is continuing. According to its latest supply forecast, COVAX expects to deliver at least 2 billion doses of vaccines in 2021. See COVAX press release [here](#).

“As part of Team Europe, the European Investment Bank is pleased to provide €400 million for COVAX, representing the EIB's largest ever support for global public health. COVAX has already provided vaccines to vulnerable groups and front-line workers and brought hope to millions more. COVAX demonstrates the benefit of global cooperation to tackle the shared challenge of COVID”, said **Werner Hoyer**, President of the European Investment Bank.

It is by building on experience on the ground that the EIB could make a significant contribution to Team Europe's response to help partner countries tackle the COVID-19 crisis. In global terms, the Bank committed over **€6.54 billion** of financing in 2020, as part of Team Europe's response of €38.5 billion, which is supported by guarantees from the EU budget. It will strengthen urgent health investment and accelerate long-standing support for private sector investment in more than 100 countries around the world.

The EIB Group also committed **€1.7 billion** to support the social and economic recovery of the **Western Balkans** from the COVID-19 pandemic, as part of a €3.3 billion financial support package for the region announced on 29 April 2020 by the European Commission.

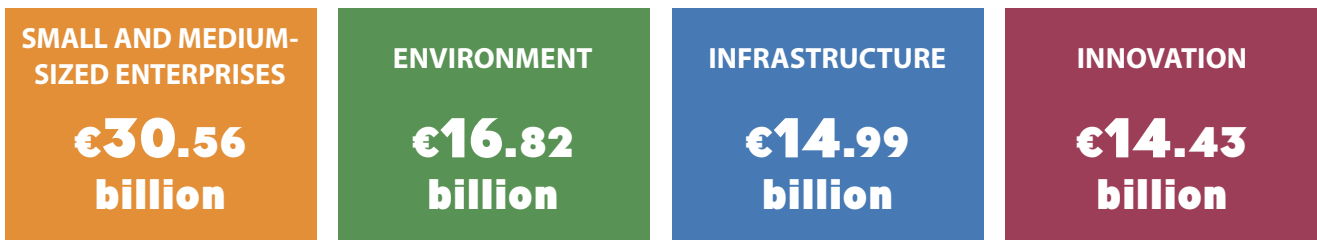
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Tackling COVID-19: Support for small businesses around the world

The EIB and its subsidiary, the [European Investment Fund \(EIF\)](#), are committed to supporting small businesses, which in many countries form the backbone of local economies. In 2020 alone, the combined financing for small and medium-sized enterprises (SMEs) and mid-caps by the EIB Group amounted to €30.56 billion, the largest area of activity for the Group. EIB Group lending supported as many as 420 000 SMEs and mid-caps, employing 4 million people. See chart below.

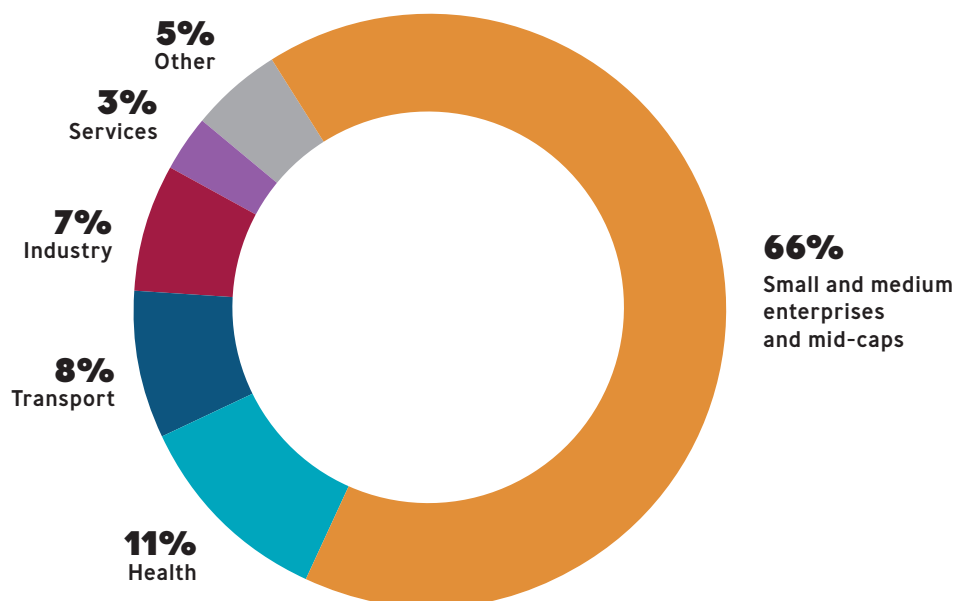
EIB Group 2020 - Total financing €76.8 billion in four priority areas



During the COVID-19 pandemic, thanks to its wide network of partner institutions in the various countries, the EIB Group could rapidly deploy its financial firepower to sustain small businesses, whose survival was imperilled by lockdowns and other restrictions. Support went towards bridging loans, credit holidays and other measures designed to alleviate liquidity and working capital constraints for SMEs and mid-caps.

SME financing represented about 66% of all EIB lending in response to the COVID-19 pandemic. See [webpage](#).

Distribution of EIB lending in response to the COVID-19 pandemic



In late 2020, the EIB Group launched an additional crisis response mechanism for EU countries specifically: the **European Guarantee Fund (EGF)**, based on a €25 billion guarantee by EU Member States, which could trigger up to €200 billion of financing mainly for small businesses. The EIF plays a big role in the fund. As of the end of April, projects worth €11.7 billion were approved under EGF and are expected to mobilise €93.9 billion. [More information online.](#)

More than a crisis tool: Cohesion, development, climate action

The European Union is more than a crisis response tool. It is a partner for long-term investments that help societies build a healthier environment and more resilient economies. Even during the COVID-19 pandemic, the EIB continues to finance cohesion, development and climate action.

- **Economic and social cohesion and convergence** in Europe attracted 35% of total financing in 2020, higher than the 30% that the Bank had invested in cohesion on average in previous years.
- **Development projects beyond the European Union** surpassed €10 billion, with record flows to Africa.
- **Green financing, including climate action and environmental sustainability**, reached a historic 40% of our total financing, with projects signed worldwide.

Cohesion policy is unique to the European integration process and was one of the original reasons behind the establishment of the EIB in 1958. It remains one of the Bank's priorities. The EIB complements EU grants with loans and other financial instruments for projects and programmes that support economic, social and territorial cohesion. The EIB's cohesion financing supports projects in EU regions with GDP per capita below the EU average.

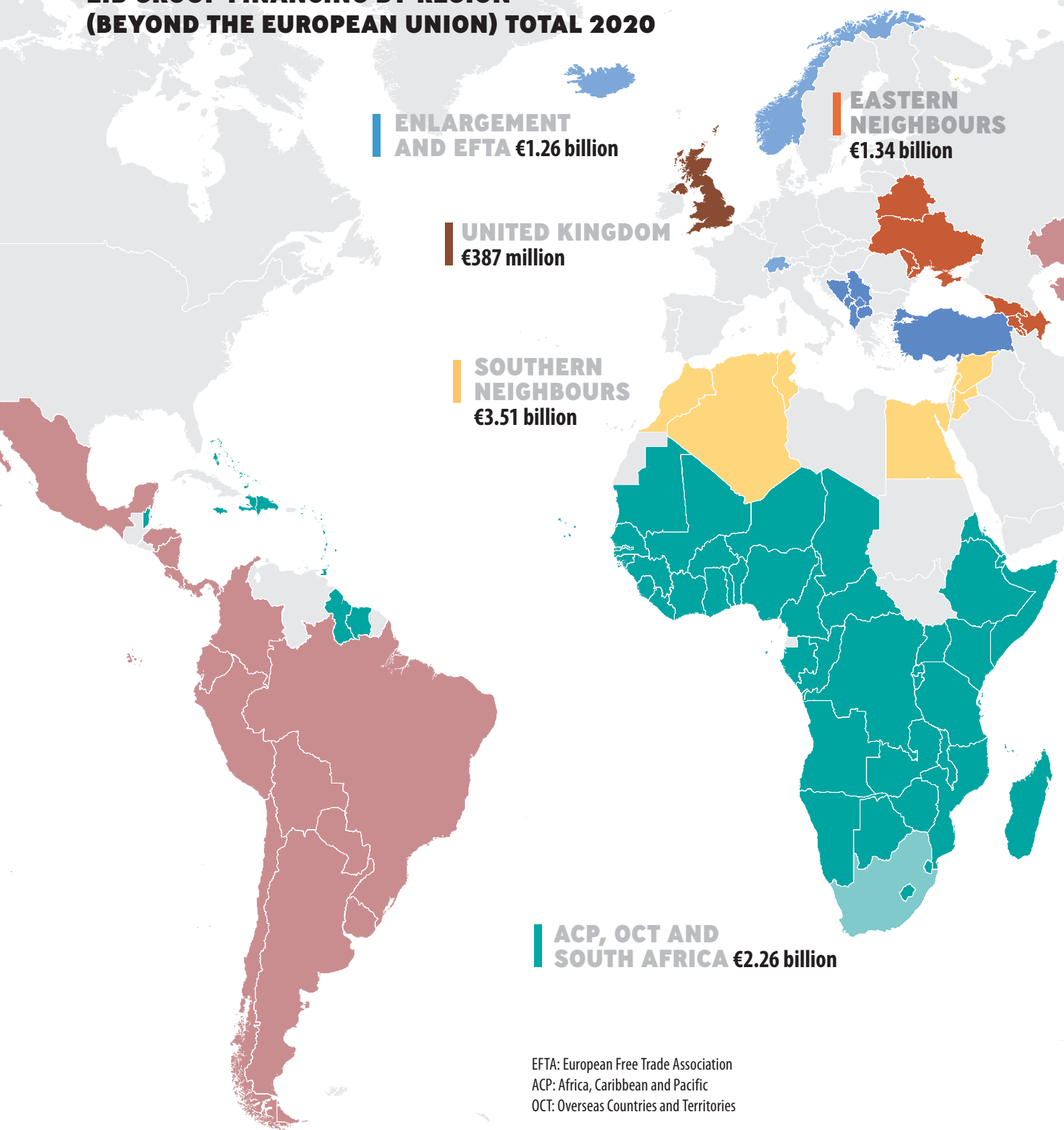
An independent evaluation of our cohesion financing for the period 2007-2018 found that investments supported by EIB cohesion financing had a positive impact and reduced inequalities between regions. The evaluation's macroeconomic modelling found that projects financed by the EIB under its cohesion objective increased the GDP of cohesion regions on average by **1.3% per year** in the medium term and **1.0% per year** in the long term.

Cohesion policy is high in the priorities of the European Union's budget for the period 2021-2027, known as the Multiannual Finance Framework or MFF. The transition to a net zero emissions economy by 2050 will entail profound socioeconomic challenges for those regions that heavily depend on carbon-intensive activities. The likelihood of significant job losses, lower regional GDP and shrinking tax revenues in these regions calls for a broad-based strategy that makes the green transition just and fair for all. The EIB Group is participating in the European Union's **Just Transition Mechanism**, which will generate investment to benefit the affected regions.



Lake Turkana Wind Power.

EIB GROUP FINANCING BY REGION (BEYOND THE EUROPEAN UNION) TOTAL 2020



EFTA: European Free Trade Association
 ACP: Africa, Caribbean and Pacific
 OCT: Overseas Countries and Territories

The European Investment Bank does not endorse, accept or judge the legal status of any territory, boundaries, colours, denominations or information depicted on this map.

Following EU sanctions against Syria in November 2011, the EIB suspended all loan and advisory activity in the country. However, the EIB is part of the Syria core donor group monitoring the situation under EU and UN co-leadership.



**ASIA, CENTRAL ASIA AND
LATIN AMERICA €1.47 billion**

Development. The EIB is one of the largest multilateral development banks, with around 10% of its annual financing going to countries beyond the European Union. In 2020 alone, the EIB provided **€9.3 billion** in new financing to developing countries outside the European Union. Half of this, a record **€4.7 billion**, went to **Africa**, and more than **€3 billion** went to Least Developed Countries and fragile states.

The EIB is active in 43 of the 59 fragile states and least developed countries. It invests in the public and private sectors to foster balanced and resilient economies in these countries.

Human rights protection and gender equality are key elements of EIB activity. [More information on how the EIB invests in development.](#)



A green recovery and a climate roadmap. The pandemic did not distract the EIB Group from its commitment to become a climate bank. Global EIB climate action financing in the period 2016-2020 reached \$112 billion, exceeding the Bank's target of **\$100 billion** set for that period.

The EIB has steadily increased the proportion of financing in climate action projects against total financing, from 25% in 2014 to **37% in 2020**. In 2020, EIB climate action financing reached €24.1 billion, from €19.3 billion in 2019. **Environmental sustainability** financing amounted to approximately €1.8 billion or 3% of total financing. This included projects in drinking water and wastewater treatment. **Total green financing** (climate action and estimated environmental sustainability financing) in 2020 was therefore **€26 billion (40% of total financing)**.

In November 2020, the EIB adopted its [Climate Bank Roadmap 2021-2025](#). In this milestone document, the Bank took several commitments:

- raising annual financing for climate action and environmental sustainability to more than 50% of the EIB's business volumes by 2025;
- the goal of supporting €1 trillion of climate action and environmental sustainability over the critical decade 2021-2030;
- aligning all its activities with the goals and principles of the Paris Agreement from 2021 – in line with the EU's aim to be carbon neutral by 2050 – and applying a revised shadow carbon pricing policy.

This makes the EIB the first Paris-aligned multilateral development bank.

As per our roadmap, we support a green recovery from the COVID-19 crisis; we fully back the **European Green Deal**, including its Just Transition; we keep supporting countries in need beyond the European Union; and we contribute to the achievement of the **UN Sustainable Development Goals**.



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