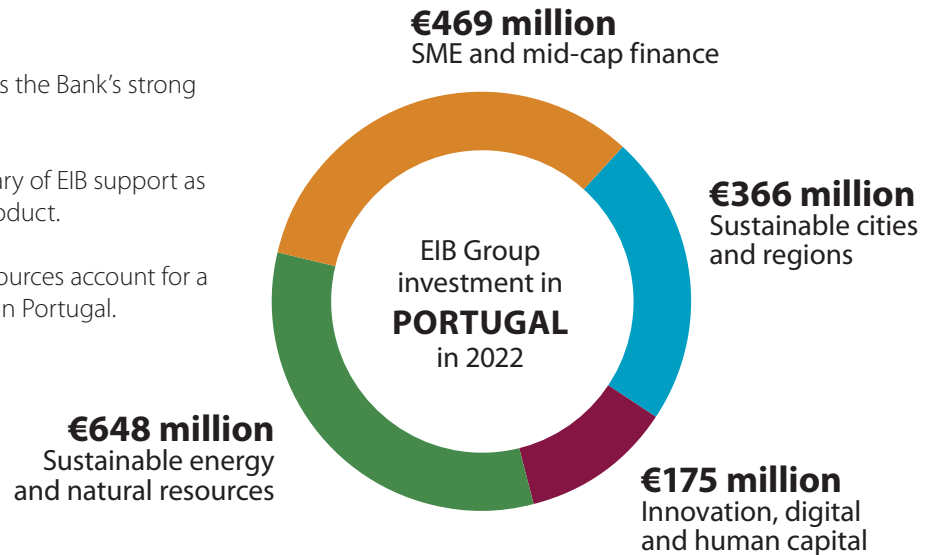


# EIB Group activity in PORTUGAL in 2022



- €1.7 billion of EIB financing confirms the Bank's strong commitment to Portugal.
- Portugal is the 6<sup>th</sup> highest beneficiary of EIB support as a percentage of gross domestic product.
- Sustainable energy and natural resources account for a significant part of the EIB's activity in Portugal.



Portugal continued to be one of the highest recipients of financing from the EIB Group (European Investment Bank and European Investment Fund) in the European Union relative to its gross domestic product (GDP) in 2022. EIB Group finance for projects in Portugal stood at 0.7% of the country's GDP, putting it in the top ten countries across the European Union.

In total, the EIB Group provided €1.7 billion in financing to projects across a wide range of sectors, from credit lines for businesses to finance for sustainable urban regeneration, contributing to improve people's quality of life.

Close to half of the EIB Group finance provided in Portugal targeted sustainable energy and natural resources, bringing greener and cleaner energy to households. Small business finance and investments in sustainable cities and regions accounted for the bulk of EIB Group financing in Portugal.

2022 was also a year of key events for the EIB Group in Portugal. The EIB demonstrated its commitment to the water sector at the UN Ocean Conference in Lisbon. It highlighted its investments in the innovation sector at Web Summit and its focus on sustainability and resilience at the joint conference with the Lisbon School of Economics and Management (ISEG), under the patronage of the President of the Portuguese Republic.



The Resulima Waste Recovery Unit.



**The EIB Group in figures**  
 projects approved by the EIB Group amounted to  
**€1.7 billion**

### €1.6 billion

from the European Investment Bank to boost the economy by facilitating investments in infrastructure, climate action, small and medium-sized enterprises (SMEs) and innovation. We support the economy to foster growth, create jobs and promote sustainable development in the European Union, including in cohesion regions.

### €137 million

from the European Investment Fund (EIF), the specialised arm of the EIB Group that provides risk financing solutions for financial intermediaries to support small and medium businesses and mid-caps and foster innovation.

## Reducing emissions and energy bills

The war in Ukraine has painfully reminded us that it is vital to reduce our dependence on fossil fuels and speed up our support for those already on the frontline of climate change. The EIB is committed to increasing the scale of its climate action, its investment in green energy and its support for climate change adaptation. This is necessary to build resilient energy infrastructure in Europe. Sustainable investment requires partnering with and crowding in the private sector.

The EIB is financing sustainable energy projects in Portugal. We help reduce emissions and energy bills by providing more financing for clean energy sources and for innovative solutions to make the Portugal a cleaner, greener place for future generations. In 2022, the EIB's investments in Portugal included clean energy projects such as solar plants. The EIB also financed REN – Redes Energéticas Nacionais, S.A., the electricity and gas transmission system operator in Portugal, supporting the integration of new renewable sources into the grid and to improving the resilience of the network to extreme weather events.

### REPowerEU

Over the past decade, the European Investment Bank Group has channelled almost €100 billion into the EU energy sector in the European Union and beyond. These timely investments are now supporting Europe in the context of the abrupt cut in Russian gas supplies.

In October 2022, the EIB decided to raise the Group's clean energy financing volumes to unprecedented levels in support of the REPowerEU objective of ending Europe's dependence on Russian fossil fuel imports. An additional €30 billion will be invested over the next five years, on top of the EIB's already robust support for the energy sector in the European Union. It is estimated that the REPowerEU package will mobilise €115 billion in additional investment by 2027, thus making a substantial contribution to Europe's energy independence and the EIB Group's target to mobilise €1 trillion in climate finance this decade.

## Investing in sustainable energy

### Sustainable electric vehicle charging network

In 2022, the EIB provided a €22 million loan to finance Galp's electric vehicle charging stations. The project is accelerating the deployment of alternative fuel infrastructure for transport to achieve the EU target of 1 million public charging and refuelling stations on European roads by 2025. The financing of this project will contribute to the overall EU goal of reducing transport-related CO<sub>2</sub> emissions by 90% by 2050 compared to 1990, in line with the Paris Agreement, the EU Low-Emission Mobility Strategy (2016) and the European Green Deal announced in December 2019.

### Green loan for solar photovoltaics

The European Investment Bank and Iberdrola signed a new agreement in 2022 to accelerate Portugal's energy transition by building new renewable energy plants. The EU bank is providing a €70 million green loan for the construction of a portfolio of projects with a total capacity of around 188 megawatts (MW). These new facilities, awarded at auctions in 2019, will produce green and competitive energy equivalent to the average consumption of 65 000 households. These solar projects will receive a total investment of more than €150 million.

The EIB will finance five solar photovoltaic plants and their connections to the grid, located in the Portuguese regions of Algarve, Centro, Alentejo and Lisbon. These projects are mainly located in rural areas that are cohesion regions.

The financing will go to the following projects: Montechoro I and II (37 MWp), Alcochete I and II (46 MWp), Algeruz II (27 MWp), Conde (14 MWp) and Carregado (64 MWp). The financing will also include ancillary infrastructure such as access roads, substations and interconnections. The investments will boost economic growth and employment in these regions. Overall, the new infrastructure will create around 1 000 direct jobs during the construction phase, in addition to those generated in the wider supply chain.



Iberdrola and the European Investment Bank sign a €70 million green loan agreement to boost renewable energy in Portugal

## REN Green Energy Loan

The European Investment Bank signed a €300 million loan agreement to finance REN's 2022-2026 investment programme.

The loan will strengthen the electricity transmission network in Portugal, increasing and modernising its capacity, facilitating the connection and integration of new renewable energy generators and enabling REN to maintain the reliability and quality of the electricity supply. The loan will improve the resilience of the network to climate change events, via the reinforcement of towers and cables.

REN is the exclusive transmission system operator (TSO) in Portugal for both gas and electricity and the second-largest gas distribution operator in the country. The company owns and operates long-term concessions for Portugal's mainland high-voltage electricity transmission grid, a gas distribution network in the coastal region of northern Portugal and the country's high-pressure natural gas transportation network.

## Web Summit and ISEG

For the fifth consecutive year, the EIB Group was present at the **Web Summit** in Lisbon, the largest tech conference in Europe that draws 70 000 participants from over 170 countries. As a leading financier of startups, digital economy and innovation in Europe, the EIB Group sponsored the Growth Lounge, a pavilion where experts presented the EIB's financial products tailored to this segment and provided advisory services to potential clients. During the event, the EIB announced venture debt finance for the French-Portuguese fintech Izicap to boost innovation and enhance software as a service solutions. 2022 was the Bank's strongest-ever year for venture debt deals, which primarily support growing technology companies.

**The Lisbon School of Economics and Management (ISEG) and the European Investment Bank, under the high patronage of the President of the Republic of Portugal** welcomed academics and innovators to a conference in Lisbon. The **Innovation for a sustainable and resilient future conference** featured globally renowned speakers, including President of the Republic of Portugal Marcelo Rebelo de Sousa, President Werner Hoyer from the European Investment Bank and the pioneer of solar aviation, Bertrand Piccard, Professor Arlindo Oliveira and Portuguese Minister of Science, Technology and Higher Education Elvira Fortunato. The EIB has been working closely with universities in Portugal. It provided finance for a new campus at the Nova School of Business and Economics, and in 2022 it launched the first EIB course at the University of Coimbra.



## Financing innovation champions

Portugal is one of the highest-ranking countries in the European Union when it comes to innovation, thanks to its strong commitment to research and development, technology and education. It boasts a thriving startup community and is home to some of Europe's best-known unicorns. The EIF has long deployed financing resources that have contributed to this development. InnovFin, for instance, a programme that the EIF manages on behalf of the European Commission, has supported countless creative and disruptive businesses in Portugal. Other programmes, such as **Portugal Tech I**, launched with Banco Português de Fomento (BPF), aim to attract private and institutional equity investment into venture capital and technology transfer funds to support early-stage and seed ICT companies. Through these initiatives, we have facilitated and accelerated access to finance for innovators and helped support five unicorns.

## Contributing to a sustainable blue economy

Seas and oceans are vital for economic prosperity as they provide food, energy and jobs. Yet they are under severe threat. As a largely coastal country, safeguarding the oceans is vital for Portugal. The EIF and the Portuguese national promotional institution, Banco Português de Fomento (BPF), have launched **Portugal Blue**, a €50 million equity partnership to support Portuguese companies working in the blue economy via sustainable and climate impact funds. With the EIF and BPF contributing €50 million, this joint programme is already fully allocated into two blue economy funds. These funds are expected to catalyse over €85 million worth of investment with a climate impact and sustainable development objective.

## Supporting small businesses

### Creating jobs and growth

In 2022, the EIB Group supported more than 37 000 small and medium enterprises and mid-caps employing over 520 000 people in Portugal.

These companies largely benefited from EIB support through financial partners in Portugal that loaned finance to businesses for their investment projects. Small businesses are the backbone of the Portuguese economy and EIB support for this sector remained significant in 2022. Support for companies via banks including Banco Santander financed companies that account for half a million jobs.

### Support for small businesses and mid-caps

The European Investment Bank and Banco Santander Portugal signed an agreement in 2022 to support small and medium enterprises and mid-caps in Portugal with a total investment package of €820 million. This agreement will provide more loans to these companies, especially those operating in less developed regions, supporting over 3 000 businesses. The EIB funds will be made available to Santander via a true-sale ABS structure (backed by a portfolio of consumer finance loans). The agreement increases the financing available to small and medium businesses and mid-caps as the economy recovers from the impact of the coronavirus pandemic, the high energy costs, and rising inflation stemming from macroeconomic impacts of the war in Ukraine that continues to put Portuguese companies under stress.



The EIB and Santander Portugal are providing €820 million for small and medium-sized Portuguese businesses.

## The European Investment Fund

### Largest volumes ever committed to Portuguese venture capital

The EIF made five equity investments in 2022, committing €123 million, which leveraged €500 million of equity finance. These figures highlight the largest volumes ever committed by the EIF to Portuguese venture capital and private equity funds.

On the debt side, the European Agricultural Fund for Rural Development (EAFRD) initiative for agriculture in Portugal (which pools resources from the Portuguese Rural Development Programme and the European Fund for Strategic Investments) is showing tangible results on the ground as the pace of roll-out is reaching cruising speed. Implemented by four Portuguese financial intermediaries and having achieved commitments to final recipients of approximately €100 million as at the third quarter of 2022, the EAFRD initiative has already financed 218 agricultural small businesses or farmers and supported over 2 500 jobs.

Under the European Guarantee Fund (EGF), the EIF provided continued support to the Portuguese economy through the risk-sharing guarantees signed with financial intermediaries in 2021. EIF finance of around €4.4 billion supported a loan volume of approximately €9 billion.

In 2022, the EIF signed the first guarantee agreement under InvestEU in Portugal with Banco Santander Totta, which will continue to support Portuguese SMEs and small mid-caps to sustain the recovery after the coronavirus pandemic. Two additional agreements (with Banco Santander Totta and Banco BPI) with a focus on climate and innovation were signed already in early January 2023.

The number of small and medium businesses supported by the EIF increased significantly year on year, from 12 000 in 2021 to 26 000 in 2022. The same strong results were achieved in terms of jobs supported, which increased from 188 000 in 2021 to 340 000 in 2022, as a result of the large amounts signed in 2021 under the European Guarantee Fund.

The EIF has provided support in Portugal under a wide range of programmes and mandates, such as COSME, InnovFin, and the Cultural and Creative Sectors Guarantee Facility.

### EIF Cultural and Creative Sectors Guarantee Facility

The Cultural and Creative Sectors Guarantee Facility offers financial intermediaries training on the specific needs of cultural and creative businesses and encourages the adoption of a credit assessment approach tailored to the sector.

### Fado Filmes Portugal: Film and destiny

**“Fado means destiny and it’s used to refer to the traditional Portuguese music that is typically melancholic and narrates drama, loss and saudade (nostalgia). I chose that name for our company because I felt that cinema was my destiny. It’s a beautiful word, easy to remember and it has a deep meaning,”** says Luis Galvão Teles who, along with his son Gonçalo, runs Fado Filmes, a film production company in Lisbon.

Fado Filmes has mainly been involved in film co-productions. “We have produced over 40 films to date with most of them being co-productions. One of my first was Elles with Samsa Film back in 1997, which sold in over 30 countries. We’ve always sought to co-produce and reinforce European connections.” More recently, Fado Filmes has shifted its focus to producing TV series.

An EU-guaranteed loan from Caixa Geral de Depositos, backed by the EIF under the Investment Plan for Europe, provided the necessary cashflow for series production. “It was better than other financing arrangements in the sense that there was less bureaucracy involved, and we also felt that we had a partner who really understands our activity.”

“While Portuguese cinema is funded mainly by the state, and most of the funds are secured before shooting, with series it’s very different. They are financed by private TV networks or platforms and they only pay once the episodes are delivered. This creates a cashflow problem, and this meant that we needed a loan. Also, the cost of production for a series is quite high and I don’t know where we would have been without the loan,” Luis says.



## EIB Group achievements in 2022

**Projects approved**  
by the EIB Group amounted to  
**€72.2 billion**

**EIB finance for climate action  
and sustainability**  
Over  
**60%**

**EIB Group**  
Total mobilised amounted to  
**€260 billion**

**EIB social cohesion projects**  
reached  
**70%**

**EIB Global**  
Financing outside the European Union of  
**€9.1 billion**

**Sustainable energy and natural  
resources**  
in Portugal totalled  
**€648 million**

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