

CORONAVIRUS CRISIS RESPONSE

Our contribution to combating the coronavirus



The European Investment Bank Group is the lending arm of the European Union. We are the biggest multilateral financial institution in the world and the largest provider of climate finance. We finance projects of common interest to several EU Member States which are of such size or nature that they cannot be funded entirely by the various means available in the individual countries.

Establishing a protection shield for the European economy to deal with the fallout of the coronavirus breakout is such a project of common interest. On 9 April 2020 the Eurogroup, recognising COVID-19 as an unprecedented challenge with very severe socio-economic consequences, welcomed the EIB's initiative to create a guarantee fund of €25 billion, which could support up to €200 billion of financing for European companies, with a focus on SMEs.

Moreover, the EIB Group has established a financing package consisting of:

- Dedicated guarantee schemes based on existing programmes for immediate deployment. Based on a €1 billion guarantee tranche, the EIF will provide guarantees worth €2.2 billion to financial intermediaries, unlocking €8 billion in available financing.
- Dedicated liquidity lines to banks to ensure additional working capital support for SMEs and mid-caps of up to €10 billion.
- Dedicated asset-backed securities (ABS) purchasing programmes to allow banks to transfer risk on portfolios of SME loans, mobilising up to another €10 billion of support.

In parallel, the EIB announced a €5 billion pipeline of projects in the health sector using existing financial instruments, primarily the InnovFin Infectious Disease Finance Facility, to finance projects that work towards halting the spread of or finding a cure for the coronavirus. The EIB Group will also support emergency measures to finance urgent infrastructure improvements and equipment needs in the health sector, using existing framework loans or undisbursed amounts from existing health projects.

Outside the European Union, we have announced €5.2 billion of accelerated financing and targeted technical assistance. This has been made available for clients in 100 countries as part of the 'Team Europe' response to the coronavirus and will strengthen urgent health investment and help to sustain jobs and livelihoods in sectors most threatened by the economic and social impact of the coronavirus.

A CONVINCING TRACK RECORD

The EIB has stood ready to deliver when the EU has faced joint challenges over the past decade.

- During the sovereign debt crisis, the EIB was turned into a countercyclical economic policy instrument. Our capital was increased so that in times of a liquidity deficit we could restart investment on the continent.
- The European Union turned to the EIB again in the face of the crisis in the competitiveness of the EU economy. The result was the European Fund for Strategic Investments (EFSI), which enables the EIB, and thereby the companies we support, to invest in more innovative projects. With the support of a €26 billion guarantee from the European Commission, we have been able to invest in more than 1 200 solutions and mobilise close to €460 billion.
- In response to the climate crisis, in 2019 the EIB committed to raising its climate action and environmental sustainability financing to 50% of its total, to phase out financing for gas, and to target €1 trillion in mobilised investments for climate and the environment by 2030.

READY TO GO

The impact of the coronavirus on the European economy requires a rapid response. The EIB Group is well placed to provide this as we have:

- A set of proven guarantee products, both funded and unfunded, that will support the companies most affected by the crisis fast and effectively. These products have worked well in times of stress, and they will work again now.
- A pan-European network of partner banks, venture capital firms, and direct clients that can make sure the financing reaches final beneficiaries swiftly.
- Unique expertise in the health sector that enables us to identify the most promising biotech and healthcare companies across Europe and accelerate the development of treatment and vaccines through high-risk finance. Many EIB projects already signed are proving invaluable on the front line of the fight against the coronavirus: for example, diagnostics companies like Mobidiag and Curetis have focused on testing solutions for COVID-19 and associated conditions.
- The governance structure in place to enable Member States to monitor closely the performance of the European Union's joint measures.

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WORKING TOGETHER

The European Investment Bank Group cooperates extensively with EU institutions, national promotional banks, and international financial institutions. We also work closely together with UN agencies, such as UNICEF, UNDP and the World Health Organization (WHO), other organisations such as the Wellcome Trust, and many more.

- The EIB and WHO have worked on a framework for collaboration in the context of the current worldwide health crisis, and to anticipate and prepare for future epidemics.
- The EIB and the Bill and Melinda Gates Foundation have worked together on initiatives such as the African Health Diagnostics Platform, under the European Union's External Investment Plan. This platform aims to significantly improve diagnostic services and health outcomes for low income populations, and its rollout has been accelerated due to COVID-19.
- We have provided a guarantee facility for GAVI, the vaccine alliance, under the Cotonou partnership agreement.
- The EIB is entering into an InnovFin Advisory agreement with CEPI, the Coalition for Epidemic Preparedness Innovations, to advise their beneficiaries involved in vaccine development.

EIB Group **CORONAVIRUS CRISIS RESPONSE**

THE EIB GROUP PLANS TO MOBILISE
more than

€ **200** bn

- **€200bn** of support through a dedicated, **€25bn guarantee fund** set up by EU Member States
- **€10bn** of additional working capital through **liquidity lines to banks**
- **€10bn** of loans to **SMEs** through **asset-backed securities purchasing** programmes
- **€8bn** of financing through **guarantee schemes** for immediate deployment
- **€5.2bn** of EIB financing for COVID-19 related projects **outside the EU**
- **€5bn** of EIB financing for investments into **healthcare infrastructure and the development of vaccines and drugs**



The **EIB Group** consists of
the European Investment Bank and the European Investment Fund.

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