EIB Group activity in Poland in 2019

- Overall financing of €5.4bn, with significant investments in infrastructure and the environment, and record support for small and medium-sized enterprises (SMEs)
- Loans for innovation, research and health, thanks to agreements with national research centres and university hospitals
- Poland was the fifth largest recipient of EIB Group financing for EU countries after Italy, Spain, France and Germany

Strong activity with a sharper environmental angle

With €5.4 billion in overall financing, 2019 was another strong year for the European Investment Bank (EIB) Group in Poland. For the second year in a row, Poland was the fifth largest recipient of EIB Group financing allocated to EU countries. It also came fifth for loans approved under the Investment Plan for Europe (Juncker Plan). The EIB Group's financing represents more than 1% of Poland’s GDP, above the EU average of 0.35%.

Loans to public and private counterparties (both large and small) granted by the EIB amounted to €4.3 billion, while the European Investment Fund (EIF), the bank’s subsidiary dedicated to small businesses, provided a record €1.1 billion in guarantees and equity investments. The EIB and EIF thus provided Poland’s SMEs with combined support of close to €2 billion. On the innovation front, €480 million went to the Polish Academy of Science along with national science and research centres in Krakow and Warsaw. Climate action accounted for around 31% of the EIB Group’s financing, in line with the Group’s global level last year.

“Last year, the level of activity of the EIB Group in Poland was once again significant. The EU bank financed important projects in all sectors of the economy, with a particular focus on infrastructure and environment, and with record volumes of loans and guarantees to small and medium-sized businesses. We take these positive results as a motivation to continue to support the Polish economy as it faces the daunting task of fighting the coronavirus crisis.”

Teresa Czerwinska
Vice-President of the European Investment Bank
EIB Group activity in Poland in 2019

INFRASTRUCTURE AND ENVIRONMENT
Railways attracted a larger share of EIB loans than roads

Infrastructure projects attracted €1.68 billion, while projects with a direct climate action and environment component received €1.05 billion. Climate action projects accounted for a combined 31% of the EIB Group’s financing, in line with the Group’s global level last year. In many cases, EIB support improves the country’s infrastructure, while at the same time facilitating the transition to a more climate-friendly system. For example:

- **Railways** attracted the lion’s share of EIB loans for transport projects in Poland in 2019 (€738 million), more than roads (€617 million). In particular, the EIB financed the modernisation of 195 km of PLK railway lines between Poznan and Szczecin (£59), as part of the Baltic-Adriatic corridor upgrade.

- **Cleaner energy projects** also received solid backing. The EIB supported the upgrade of municipal heating networks in Bydgoszcz, Lublin and Opole to make them more energy efficient, and signed a €64 million loan to finance the construction by PGE of three onshore windfarms on the Baltic coast for a combined capacity of 97 MW (EFSI-backed).

SMALL AND MEDIUM-SIZED BUSINESSES
A record €2 billion in financing

The combination of EIB credit lines (approximately €854 million) with EIF guarantees and equity investments (slightly above €1.1 billion, the best year so far for the EIF in Poland) provided a record amount of around €2 billion in fresh financing to Polish SMEs and mid-caps. The EIB Group lends to SMEs mainly via partnerships with Polish banks, leasing companies and other financial institutions, including the national promotional bank BGK. It lends to financial intermediaries who, in turn, on-lend to their clients with attractive rates and maturities, making access to finance easier for small businesses. Part of these loan agreements, with partners including mBank and BNP Paribas Polska, will support dedicated energy efficiency programmes carried out by SMEs.

The EIB also provided SMEs with direct financing, such as the EFSI-backed €50 million loan to dairy company Mlekpols.
INNOVATION, RESEARCH AND HEALTH

Besides investing €480 million in science through national agencies and research institutes (see page 1), the EIB also targeted specific projects. University hospitals in Gdansk and Lublin received a €91 million loan for the modernisation and extension of their facilities via an agreement with the Ministry of Finance. This operation followed two direct loans signed in 2018 with university hospitals in Warsaw and Poznan. University hospitals play an important role in providing access to healthcare and training future doctors and nurses.

The EIB also signed a €30 million loan with Mabion, a biotech company developing biosimilar drugs for treating oncological and autoimmune diseases. This is the first biotech company in Poland to receive EIB backing.

URBAN REVITALISATION

EIB loans supported the modernisation projects of mid-sized Polish cities such as Radom and Legnica. The EIB also financed the upgrade of the Warsaw Metro. The combination of EIB loans with EU grants further contributed to 12 urban regeneration projects supported by Decentralised Financial Instruments in Mazovia, Pomerania and Silesia. These include the regeneration of an undeveloped area in Urszulin (Mazovia) for recreational and sports purposes, the revitalisation of old residential buildings in the Lower Town of Gdansk (Pomerania), the revitalisation of the Old Railway Station in Katowice (Silesia) and the creation of new space for socioeconomic development.

INVESTMENT PLAN FOR EUROPE

€21 billion expected to be mobilised

Poland ranks fifth among EU countries for EIB Group financing and also in terms of loans received under the European Fund for Strategic Investments (EFSI), the financial pillar of the Investment Plan for Europe. This plan, launched by the European Commission and the EIB in 2015, helps attract public and private investments for projects, with the EIB taking on a higher risk than usual for its lending activity. Since the plan’s inception, there were 73 approved EFSI transactions in Poland at 31 December 2019, representing a total of €3.9 billion. Thanks to the catalysing effect generated by the EIB’s involvement, these deals are expected to mobilise €21 billion in total investment from public and private sources. The EFSI-backed loans granted by the EIB in 2019 include:

- €45 million loan agreement with the specialty chemicals company PCC Rokita to support its modernisation programme;
- €50 million to help finance a series of investments by Mleko, one of Poland’s largest dairy cooperatives;
- €64 million loan to finance the construction by PGE (Polska Grupa Energetyczna) of three onshore windfarms on the Baltic coast for a combined capacity of 97 MW, which will help decarbonise the energy sector.
# THE EIB GROUP’S ACHIEVEMENTS IN 2019

## Global EIB Group financing
Projects signed by the EIB Group amounted to **€72.22bn**

## Climate finance
31% of all financing signed by the EIB Group was related to climate action projects.

## EIB Group financing in Poland
Projects signed by the EIB Group reached **€5.4bn** representing 1% of Poland’s GDP.

## Investment Plan for Europe in Poland
- **73 projects** approved by the EIB Group since the plan’s inception*
- amounting to **€3.9bn** ... and expected to mobilise **€21bn** in total investment

* At 31 December 2019

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