The European Investment Bank (EIB) is a long-standing partner of Portugal. The Bank started supporting the Portuguese economy even before the country’s accession to the European Communities in 1986. So far the EIB has lent over EUR 45bn to fund projects in Portugal. The EIB Group has provided financing to more than 25,000 SMEs through credit lines in cooperation with the national banking system. 40 years of a strong relationship financing major projects throughout the country that has contributed to the modernisation of Portugal.

On 7 April 1976, the EIB signed the first project in Portugal: the construction of a thermal power plant in Setúbal. Our common history began then, ten years before Portugal became part of the European family. The accession to the EU increased the EIB funding and long-terms loans in the country. The result is four decades of close cooperation: EUR 45bn to finance in roads, bridges, airports, railways, water systems, schools and other important infrastructure but also in small enterprises.

In close cooperation with Portugal’s major banks, the EIB has been actively working to improve SMEs’ access to credit by increasing flexibility, simplifying procedures and developing new structures that can bring additional funding for SMEs. More than 25,000 small and medium-sized Portuguese companies (SMEs) have been created and developed in every sector of the economy thanks to EIB Group funding. More recently, every year around 5,000 SMEs all over the country benefit from EUR 1bn of EIB loans.

In the past 40 years, the EIB has supported private and public sector projects in Portugal to promote the economic development and cohesion support policies defined by the European Union and the national authorities as well as to contribute to the financing needs of the business sector.

In relative terms, Portugal is now one of the largest recipients of EIB loans in the European Union thanks to the excellent cooperation between the EIB, the Portuguese authorities, the European Commission and public and private sector promoters.
EIB lending by sector in Portugal from 1976 to 2016

The EIB loans in Portugal have contributed to financing projects in the transport, energy, industry, telecommunication and also water supply sectors. In the breakdown of EIB lending in Portugal by sector, small businesses are among the top means of EIB financial support, given their importance in Portugal, in particular in terms of employment and value added.

Signatures by sector in Portugal since 1976

Flagship projects

Transport and communications

The EIB has lent EUR 15.981bn in transport and communications in Portugal in the last 40 years. The Vasco da Gama bridge, one of the longest in Europe, was built to improve traffic in the city and to join the different motorways from Lisbon. It opened in 1998. The EIB lent EUR 305m in this project.

EIB funding has also supported the improvement of Portuguese airports. Funchal, Caniçal and Porto Novo on the Island of Madeira were upgraded with EIB funding, which has also contributed to the extension and modernisation of airport facilities and traffic control systems in Lisbon, Oporto, Faro, Ponta Delgada and Horta.

Starting in 1992, the EIB has lent more than EUR 1.4bn in the extension of the Lisbon underground. The Metro do Porto also testifies to the EIB’s commitment to promoting sustainable urban mobility. The EU bank has lent EUR 800m in building and extending the light metro system that is reducing the number of cars circulating in the streets of Oporto.
Supporting SMEs

Since 1976, the EIB has signed loans with the most important commercial banks in Portugal for an overall amount of EUR 10.165bn, of which EUR 7.439bn has been directly used to support SMEs and midcaps throughout the country.

These loans have helped to finance more than 25 000 small and medium-scale projects in the areas of industry, tourism and services, including research and innovation, energy and environmental protection.

Urban development

In 1998, the Lisbon Expo marked the beginning of the EIB's contribution to urban development works in Portugal. Since that year, different EIB loans have been helping with housing rehabilitation and construction in urban areas in order to improve urban quality of life and address the lack of social housing in the main municipalities of Portugal. The EIB has financed EUR 1.045bn in urban developments throughout the country in the last four decades. In 2010, after the damage caused by floods in Madeira, the EIB approved a EUR 250m loan to rebuild the key infrastructure in the region.

The JESSICA Holding Fund Portugal (JHFP) is the implementation of JESSICA (a joint EIB-Commission initiative to support EU member countries through financial instruments that enable investments in sustainable urban regeneration in Portugal). This financial instrument was setup with a total of EUR 132.5m which was then leveraged with private and public funds. JHFP aims to fund sustainable projects in urban areas having already leveraged over EUR 600m in urban renewal projects that are changing for the better the Portuguese cities and are as diverse as the Tower of Clerics renewal (Gulbenkian prize for urban renewal in 2016) and the Hotel "Bolsa do Pescado" (a 5-star hotel that has earned the urban renewal prize of 2015).

Environmental improvement

The EIB is playing a role in the transformation of water management in Portugal, lending over EUR 2.5bn to improve water supply and waste treatment plants.

In the last decade, the population growth in the Great Lisbon area has increased demand for water significantly. To respond to the challenge, the EIB has supported the improvement of the water distribution network by financing 50% of the operation with an overall cost of EUR 140m. The project is replacing old equipment with modern infrastructure as well as installing solar panels in Empresa Portuguesa das Águas Livres (EPAL)'s facilities and in its treatment plants as part of an energy efficiency programme. While improving the distribution network, the project also aims at reducing the vulnerability of Lisbon's facilities to climate change and improving resilience to natural disasters.
Renewable energy

In 2014, renewable energy accounted for 27% of the gross inland energy consumption in Portugal, which is close to the 2020 target of 31%. The EIB played a crucial role in the financing of many projects in this sector (in particular wind and hydro projects). A very good example of the impact in this market occurred in May 2016 when for 107 hours (more than 4 days) the electricity consumption in Portugal was supplied only through renewables.

EIB investment is helping to finance investments to increase power generation from renewable energy sources on the nine islands of the Azores archipelago. The loan supports the development of geothermal energy and the upgrading of the power distribution and transmission grid, with the aim of maintaining the quality and reliability of the different supply systems. The project will cover investments in geothermal energy, electricity transmission and distribution and oil-fired generation on the nine Azorean islands. It will also help to meet electricity demand in the Azores in an environmentally sustainable way using available natural resources, and will improve the quality of supply, reduce system losses and facilitate the integration of generation from renewable energy sources across the nine islands of the archipelago.

The European Union is also supporting the development of commercial wave energy technology through an innovative project in Portugal signed this year. The EIB has lent EUR 10m in supporting the development for a near-shore underwater device able to convert wave energy into electrical power in Peniche.

Telecom: Enhancing mobile broadband services in Portugal

The EIB has financed the high-speed mobile broadband network in Portugal with a EUR 110 million loan to NOS. This is set to help foster competition in the Portuguese market for mobile communications and bring better and faster services for customers. NOS is Portugal’s biggest communications and entertainment group and a leader in Next Generation Broadband services in the country, with more than 3.2 million mobile subscribers.

Education

The EIB has lent EUR 1.357bn in improving school and universities in Portugal. Most of this, EUR 900m, has supported the modernisation of 166 secondary schools. New facilities have also been built in eight different universities since 1998 with the financial support of the EU bank.
### EIB lending in Portugal, breakdown by region (1976-2016) in EURm

<table>
<thead>
<tr>
<th>Region</th>
<th>Signed amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional nationwide financing</td>
<td>22,916</td>
</tr>
<tr>
<td>Alentejo</td>
<td>2,805</td>
</tr>
<tr>
<td>Algarve</td>
<td>557</td>
</tr>
<tr>
<td>Centro (PT)</td>
<td>4,906</td>
</tr>
<tr>
<td>Lisboa</td>
<td>6,870</td>
</tr>
<tr>
<td>Norte</td>
<td>7,237</td>
</tr>
<tr>
<td>Região Autónoma da Madeira</td>
<td>63</td>
</tr>
<tr>
<td>Região Autónoma dos Açores</td>
<td>174</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45,528</strong></td>
</tr>
</tbody>
</table>

### EIB lending to Portuguese SMES (1976-2016)

**Invested amount**

- **Norte**
  - EUR 2,407 m
  - Number of SMEs/Midcaps: 9,193

- **Centro**
  - EUR 1,734 m
  - Number of SMEs/Midcaps: 6,290

- **Lisboa**
  - EUR 1,094 m
  - Number of SMEs/Midcaps: 4,347

- **Alentejo**
  - EUR 329 m
  - Number of SMEs/Midcaps: 1,202

- **Algarve**
  - EUR 181 m
  - Number of SMEs/Midcaps: 740

- **Região Autónoma da Madeira**
  - EUR 111 m
  - Number of SMEs/Midcaps: 220

- **Região Autónoma dos Açores**
  - EUR 43 m
  - Number of SMEs/Midcaps: 149

- **Additional nationwide financing**
  - EUR 1,540 m
  - Number of SMEs/Midcaps: 4,130

**TOTAL**

- EUR 7,439 m
  - Number of SMEs/Midcaps: 26,271
Portugal and the Investment Plan for Europe

The European Fund for Strategic Investments (EFSI) is an initiative launched jointly by the EIB Group and the European Commission to help overcome the current investment gap in the EU by mobilising private financing for strategic investments. EFSI is one of the three pillars of the Investment Plan for Europe, which aims to revive investment in strategic projects around Europe to ensure that money reaches the real economy. EFSI’s initial objective was to unlock additional investment of at least EUR 315bn over a three-year period. The European Commission has presented a proposal to extend the Investment Plan for Europe until 2022, and the aim is to generate EUR 630bn of public and private investment.

The EIB Group (the EIB and EIF) and the European Commission have this year approved important projects and financial agreements with intermediary banks under the Investment Plan for Europe in Portugal. So far, the EIB has approved more than 10 projects and financial transactions under the European Investment Plan for a total investment of more than EUR 1.3bn that is designed to mobilise more than EUR 5bn in different sectors such as renewable energy, water supply, urban regeneration, new technologies and innovation.

One of the most important projects of the Investment Plan for Europe aims to transform the Portuguese capital, Lisbon. The Lisbon Urban Regeneration Climate Housing project will invest EUR 250m in the Portuguese capital to improve the quality of public spaces and to better prepare the city for extreme water events, such as floods and storms, by upgrading the drainage system capacity of central city areas. The project seeks to modernise the stock of social housing in Lisbon with new energy efficiency solutions. Other EFSI projects in Portugal are aimed at working with Portuguese banks to provide funds for SMES, midcaps and start-ups in order to contribute to employment creation in the country.

Environmental sustainability and climate policies are also the main goals of another important EFSI project in Portugal. The EIB has approved financial support for building two new power-only biomass plants in Fundão and Viseu. The project will also have a positive employment impact in the areas in which it will be implemented.

The European Investment Bank at a glance

The EIB is the EU bank. It is owned by the 28 EU Member States and provides finance and expertise for sound and viable investment projects which promote the balanced development of the European Union and contribute to furthering EU policy objectives.

Supporting growth and jobs is our top priority

To ensure maximum impact, we are lending to sound projects, blending EU funds with our loans and advising on technical aspects. We support innovation and skills, strategic infrastructure and resource efficiency, with SMEs receiving particular support because they are the backbone of Europe’s economy.

Economically weaker regions receive help, so strengthening Europe’s social and economic fabric. We also have a strong focus on climate action.

Lending is by far the EIB’s principal activity

We offer attractive rates, long maturities and funding source diversification for large entities, both public and private, usually up to 50% of the investment costs.

For investment in research, development and innovation as well as for projects helping to tackle climate change, the Bank’s participation may exceptionally reach 75% of investment costs.
We support investment by small and medium-sized enterprises – or smaller-scale public energy, environmental or high technology projects – through loans to financial institutions, which deploy the proceeds in line with the EIB’s lending criteria.

Enjoying an excellent credit rating, the EIB is able to raise funds on the capital markets at advantageous rates. This benefit is passed on to our clients.

All projects are appraised by the EIB to establish whether they are economically and technically viable and consistent with our objectives and lending criteria, and whether they comply with national and EU legislation in the fields of environment and public procurement.

The EIB approval of a loan often works as a catalyst, attracting other financing to complete the investment plan.

With capital of more than EUR 243bn, subscribed by the 28 EU Member States, the EIB is financially autonomous and raises the bulk of its lending resources on the international capital markets through bond issues.

**The EIB Group**

The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF), the specialist provider of risk finance for SMEs across Europe. Since its first operation in Portugal in 1998 the EIF has supported nine private equity funds and five partner finance and guarantee providers, so benefiting 3 586 Portuguese SMEs.

For further information on the EIB in Portugal: [www.eib.org/portugal](http://www.eib.org/portugal)

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