



INVESTMENT REPORT
2021/2022



Recovery as
a springboard
for change



Glossary of terms and acronyms

EUROPEAN INVESTMENT BANK INVESTMENT REPORT
2021/2022

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Investment Report 2021/2022: Recovery as a springboard for change.

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About the Report

The EIB annual report on Investment and Investment Finance is a product of the EIB Economics Department. It provides a comprehensive overview of the developments and drivers of investment and its finance in the European Union. The report combines an analysis and understanding of key market trends and developments with a more in-depth thematic focus, which this year is devoted to Europe's progress towards a digital and green future in the post-COVID-19 era. The report draws extensively on the results of the annual EIB Investment Survey (EIBIS) and the EIB Municipality Survey. It complements internal EIB analysis with contributions from leading experts in the field.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The director of Economics Department, Debora Revoltella, heads a team of 40 economists.

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Glossary of terms and acronyms



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Glossary of terms and acronyms

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3-D printing	Also known as additive manufacturing. Variety of processes in which material is joined or solidified under computer control to create a three-dimensional object, with material being added together (such as liquid molecules or powder grains being fused together), typically layer by layer.
ABS	Asset-backed security.
Active innovators	Firms that invest in R&D (R&D-to-sales ratio higher than 0.1%).
Adaptation	Addresses the risks posed by climate change rather than the underlying causes.
Adopting firms	Firms that have no substantial R&D (R&D-to-sales ratio lower than 0.1%) but have introduced or developed new products, processes or services, according to the EIB Investment Survey (EIBIS).
Adult learning	The participation of adults in lifelong learning. Usually refers to learning activities after the end of initial education and is a central component of the European Union's lifelong learning policy. The main indicator to measure adult learning is the rate of participation in education and training, which covers formal and non-formal education and training.
Advanced	Firms that have invested in advanced digital technologies but have not taken action to become more digital as a response to COVID-19.
AFME	Association for Financial Markets in Europe.
AMECO	The annual macroeconomic database of the European Commission's Directorate-General for Economic and Financial Affairs.
APP	Asset Purchase Programme. ECB purchase programmes under which private and public sector securities are purchased to address the risks of an excessively prolonged period of low inflation.
AI	Artificial intelligence. A system's ability to correctly interpret external data, to learn from such data, and to use such learning to achieve specific goals and tasks through flexible adaptation.
AOM	Add-on module of the European Investment Bank Investment Survey.
Augmented or virtual reality	Presentation of information integrated with real-world objects, using a head-mounted display.
Automation	Substitution of work activities undertaken by human labour with work performed by machines with the aim of increased quality and quantity of output at lower costs.

Backward citation	Citations referring to previous patents upon which the current invention (described in the patent application) is based.
Baltics	Estonia, Latvia and Lithuania.
Basic	Firms that have not yet implemented any advanced digital technology in their business but have taken action to become more digital as a response to COVID-19.
Benelux	Belgium, the Netherlands and Luxembourg.
Beta-convergence	Refers to a process in which poor regions grow faster than rich regions and therefore catch up with them.
Big data	Extremely large data sets that may be analysed computationally to reveal patterns, trends and associations, especially relating to human behaviour and interactions.
Biotech	Biotechnology, often abbreviated to biotech, is the manipulation of living organisms or their components to produce useful and usually commercial products.
BIS	Bank for International Settlements (Basel, Switzerland).
Blending	Tools to help investors blend financing with additional sources. Blending can include a grant element or guarantees.
Blockchain	A growing list of records (blocks) that are linked using cryptography.
BLS	Bank Lending Survey. ECB survey carried out four times a year, which provides information on bank lending conditions in the euro area.
bn	Billion (1 000 million).
BNEF	Bloomberg New Energy Finance.
Border carbon adjustment	A trade measure intended to level the playing field between domestic producers facing costly climate-change measures and foreign producers facing very few.
Both	Firms that have implemented advanced digital technologies in their business and that have also invested further in digitalisation as a response to COVID-19.
Brown sectors	Sectors that are operating in pollution-producing industries such as oil, gas and coal mining industries. The classification takes into account the EIB's climate risk assessment framework that allocates sectors at NACE 4 digit level into five transition risk profiles (1 representing the low risk sectors and 5 the high risk sectors). Brown sectors include sectors with the highest (5) transition risk scores.

Bureau van Dijk's Orbis database	Database of private and listed company information from around the world that includes, among others, companies' financial accounts, ownership structures and details of mergers and acquisitions activity.
Business angel	An individual who provides capital for startups, usually in exchange for convertible debt or ownership equity.
Capital cost	A cost deriving from, or forming part of, capital expenditure on a project.
Carbon intensity	The ratio of greenhouse gas emissions divided by activity, such as greenhouse gas emissions/GDP.
Cautious reducers	Firms that have invested in tackling climate change risks but have no plans to continue these investments in the future. This group also accounts for firms that have set climate targets but have not yet invested in climate measures and do not have plans to do so.
Climate change adaptation	Describes measures to deal with the impact of changing weather patterns or extreme weather events.
Climate change mitigation	Mitigation addresses the underlying causes of climate change.
CCUS	Carbon capture, utilisation and storage is a group of technologies that can remove almost 100% of the carbon dioxide from large-scale point sources of carbon such as energy-intensive industries (such as steel, cement and refining) and fossil fuel power.
Cedefop	European Centre for the Development of Vocational Training.
Central and Eastern Europe	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.
Circular economy	A systemic approach to economic development designed to benefit businesses, society and the environment. In contrast to the 'take-make-waste' linear model, a circular economy is regenerative by design and aims to gradually uncouple growth from the consumption of finite resources.
Cognitive technologies	Natural language processing, data mining and pattern recognition. Relevant for automation, machine learning and information technology, such as big data analytics or artificial intelligence.
Cohesion regions	Regions are grouped based on the 2021-2027 cohesion policy. Transition regions and less developed regions, together referred to as cohesion priority regions, have more extensive possibilities for co-financing. More developed regions, also referred to as non-cohesion (priority) regions, have more limited possibilities for co-financing.
Depreciation	A reduction in the value of an asset over time, due in particular to wear and tear; a decrease in the value of a currency relative to other currencies.

Developers	Firms that have substantial R&D (R&D-to-sales ratio equal to or higher than 0.1%) but have not introduced or developed new products, processes or services, according to the EIB Investment Survey (EIBIS).
Digital	Firms that have implemented at least one of the four digital technologies in recent years (see "Digitalisation").
Digitalisation	The adoption of one of four advanced digital technologies in the manufacturing and services sectors respectively. The technologies include 3-D printing, advanced robotics, internet of things, and big data in the manufacturing sector and digitalisation of internal routines, web-based applications for marketing and sales, digital products or services offered over the internet and big data in the services sector.
Disposable income	The amount of money that can be spent after current personal taxes. Refers to income from wages and salaries, self-employed income, income from unincorporated enterprises, social benefits, etc., after taking into account net interest and dividends received and the payment of taxes and social contributions.
Drones	Powered, unmanned aerial vehicles that can fly autonomously or be piloted remotely, can be expendable or recoverable, and can carry a lethal or non-lethal payload.
EBA	European Banking Authority.
ECB	European Central Bank.
EE	Energy efficiency.
EIB	European Investment Bank.
EIBIS	European Investment Bank Investment Survey.
EFB	European Fiscal Board.
EGF	European Guarantee Fund.
EIF	European Investment Fund.
EIOPA	European Insurance and Occupational Pensions Authority.
Energy efficiency gap	The difference between the cost-minimising level of energy efficiency and the level of energy efficiency actually achieved.
Energy intensity	Energy consumption divided by activity, such as energy/GDP.
Energy audit	An assessment of the energy needs and efficiency of a building or buildings.

Entrepreneurship	The process of designing, launching and running a new business.
EPEC	European PPP Expertise Centre.
EPO	European Patent Office
ESG bonds	Bonds issued for the financing of companies/activities fulfilling environmental, social and/or governance standards.
ESM	European Stability Mechanism.
ESMA	European Securities and Markets Authority.
ESRB	European Systemic Risk Board.
ETS	EU Emissions Trading System.
EU-LFS	EU Labour Force Survey.
Euro 7 emissions standards	European emissions standards for all petrol and diesel cars, vans, lorries and buses.
European Green Deal	Set of policy initiatives by the European Commission with the overarching aim of making the European Union climate neutral in 2050.
European Union	The 27 Member States of the European Union (taken as a whole when used for data comparison with other groups).
External finance	In the EIB Investment Survey, this consists of: bank loans excluding subsidised bank loans, overdrafts and other credit lines; other terms of bank finance including overdrafts and other credit lines; newly issued bonds; newly issued equity (including quoted or unquoted shares); leasing or hire purchase; factoring/invoice discounting; loans from family/friends/business partner; grants (financial support or subsidies from regional or national government); and funding provided by the public sector.
FCI	Financing Condition Index. An index indicative of tensions in financial markets. The index is extracted from a FAVAR model. It synthesises a large set of information contained in time series related to financial developments, uncertainty and asset pricing.
FDI	Foreign direct investment.

Finance constrained	In the EIB Investment Survey (EIBIS), a firm is considered finance constrained if it was : (i) rejected when seeking any external financing for an investment; (ii) quantity constrained (dissatisfied with the terms and the amount received in the last request for external financing); (iii) price constrained (the firm did not apply because it thought the conditions of external financing would be too expensive); or (iv) discouraged from seeking any external financing (the firm did not apply because it thought the application would be turned down).
Forward citation	Citations or references to the patent in question.
Forward-looking explorers	Firms that are investing in tackling climate change risks and have plans to continue such investments in the next three years, as well as firms that fulfil these three criteria: they have invested in climate, have plans to continue to do so in the future and have set climate targets.
FSB	Financial Stability Board.
Furlough scheme	A job retention scheme that directly subsidises hours not worked in jobs that are temporarily suspended.
GDP	Gross domestic product. The total value of goods produced and services provided in a country during one year.
GFCF	Gross fixed capital formation. The net increase in physical assets (investment minus disposals) within the measurement period. It does not account for the consumption (depreciation) of fixed capital, and also does not include land purchases. It is a component of the expenditure approach to calculating GDP.
Global financial crisis	Refers to the worldwide financial crisis of 2007-2008.
High growth enterprises	Enterprises that have an average annual growth rate of turnover greater than 10% per year over a minimum of three years and at least ten employees at the beginning of the growth period.
High-tech knowledge-intensive services	Motion picture, video and television programme production, sound recording and music publishing; programming and broadcasting; telecommunications; computer programming, consultancy and related activities; information services; scientific research and development (NACE codes 59 to 63 and 72).
High-technology manufacturing sectors	Pharmaceutical products and preparations; computer, electronic and optical products (NACE codes 21 and 26).
Human capital	The knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances.
ICT	Information and communications technology.

IEA	International Energy Agency.
IFRS 9	Expected Credit Loss (ECL) approach. International Financial Reporting Standard 9 introduces a new impairment model based on expected credit losses, resulting in the recognition of a loss allowance before the credit loss is incurred.
ILO	International Labour Organization.
IMF	International Monetary Fund.
Incremental innovators	Firms that have substantial R&D (R&D-to-sales ratio equal to or higher than 0.1%) and have introduced or developed products, processes or services that are new to the company, according to the EIB Investment Survey (EIBIS).
Information asymmetry	A situation in which one party to an economic transaction (usually the seller) possesses greater material knowledge than the other party (usually the buyer); also called asymmetric information.
Infrastructure	Infrastructure as defined for the EIB Infrastructure Database includes the following sectors for its macro-analysis: transport, utilities, health, education and communication. Infrastructure in the EIB Municipalities Survey captures social, urban transport, digital, water and waste utilities, climate change mitigation and climate change adaptation.
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
Institutional sectors	The general government, corporations and households are the three institutional sectors in this report.
Intangible investment	In the EIB Investment Survey (EIBIS), intangible investment consists of investment in: research and development (including the acquisition of intellectual property); software, data, IT networks and website activities; training of employees; and organisation and business process improvements (including restructuring and streamlining).
Intellectual property products	In the European System of Accounts, intellectual property products are defined as fixed assets that consist of the results of research and development, mineral exploration and evaluation, computer software and databases, entertainment, literary or artistic originals and other intellectual property products, as defined below, intended to be used for more than one year.
Internal combustion engine	Engines powered by burning fossil fuels, such as oil or petrol.
Internal finance	In the EIB Investment Survey (EIBIS), internal finance consists of internal funds or retained earnings (such as cash, profits).

IPCC	Intergovernmental Panel on Climate Change.
IRENA	International Renewable Energy Agency.
IRR	Internal rate of return.
ISCED	International Standard Classification of Education. A statistical framework for organising information on education.
ISCO	International Standard Classification of Occupations.
Knowledge-intensive market services	Water transport; air transport; legal and accounting activities; activities of head offices, management consultancy; architectural and engineering, technical testing and analysis; advertising and market research; other professional, scientific and technical activities; employment activities; security and investigation activities (NACE codes 50, 51, 69, 70, 71, 73, 74, 78, 80).
Large companies	Firms with at least 250 employees.
Latency	The time it takes to for data to be transferred between its original source and its destination, measured in milliseconds.
Leading innovators	Firms that have substantial R&D (R&D-to-sales ratio equal to or higher than 0.1%) and have introduced or developed products, processes or services that are new to the country or to the global market, according to the EIB Investment Survey (EIBIS).
Less developed regions	EU NUTS 2 regions with GDP per capita below 75% of the EU27 average.
Lifelong learning	Encompasses all learning activities undertaken throughout life with the aim of improving knowledge, skills and competences, within personal, civic, social or employment-related perspectives. The intention or aim to learn is the critical point that distinguishes these activities from non-learning activities, such as cultural or sporting activities.
Low-carbon economy	An economy based on low-carbon power sources (not based on fossil fuels).
Low-carbon sectors	Firms operating in already low-carbon industries such renewables, electricity grids and railways. The classification takes into account the EIB's climate risk assessment framework that allocates sectors at NACE 4 digit level into five transition risk profiles (1 representing the low risk sectors and 5 the high risk sectors). Low-carbon sectors include sectors with the lowest (1) transition risk scores.
Low-technology manufacturing sectors	Sectors with NACE codes 1–18 and 31–32.
Manufacturing	Based on NACE classification of economic activities, firms in group C (manufacturing).

Market income	Income from labour and capital plus private transfers.
Mark-up	The ratio of the cost of a good or service to its selling price, expressed as a percentage of the cost.
More developed regions	EU NUTS 2 regions with GDP per capita above 100% of the EU27 average.
MW	Megawatt.
MWh	Megawatt hour.
NACE	“Nomenclature statistique des activités économiques dans la Communauté européenne”: Statistical Classification of Economic Activities in the European Community, the industry standard classification system used in the European Union.
Neither	Firms that have not invested in advanced digital technologies or in becoming digital as a response to COVID-19.
NGFS	Network on Greening the Financial System.
No innovation	Firms that have no substantial R&D (R&D-to-sales ratio lower than 0.1%) and have not introduced or developed new products, processes or services, according to the EIB Investment Survey (EIBIS).
Non-digital	Firms that have not yet implemented any of four advanced digital technologies considered in recent years or have not heard of them (see “Digitalisation”). The technologies include 3-D printing, advanced robotics, internet of things, and big data in the manufacturing sector, and digitalisation of internal routines, web-based applications for marketing and sales, provision of digital products or services over the internet, and big data in the services sector.
Non-PPP projects	Projects carried out by project companies (SPVs) that are not public-private partnerships.
NUTS	“Nomenclature des unités territoriales statistiques” (Nomenclature of territorial units for statistics.) A hierarchical system for dividing up the economic territory of the European Union.
OECD	Organisation for Economic Co-operation and Development.
Output gap	The amount by which the actual output of an economy falls short of its potential output.

Patent	Documents issued by an authorised agency, granting the exclusive right to the applicant to produce or to use a specific new device, apparatus or process for a limited period. The protection conferred by a patent gives its owner the right to exclude others from making, using, selling, offering for sale or importing the patent invention for the term of the patent, which is usually 20 years from the filing date, and in the country or countries concerned by the protection.
PATSTAT	EPO Worldwide Patent Statistical Database. Contains bibliographical data relating to more than 100 million patent documents from leading industrialised and developing countries.
PCT	Patent Cooperation Treaty. Provides a unified procedure for filing patent applications to protect inventions in each of its contracting states.
PELTRO	Pandemic emergency longer-term refinancing operations. Longer-term refinancing operations that have provided an effective backstop after the expiry of the bridge longer-term refinancing operations (LTROs) conducted since March 2020. The operations provide longer-term funding to counterparties with decreasing tenors, starting with a tenor of 16 months in the first operation and ending with a tenor of eight months in the last operation.
PEPP	The ECB's pandemic emergency purchase programme (PEPP) is a non-standard monetary policy measure initiated in March 2020 in reaction to the COVID-19 outbreak. It is a temporary asset purchase programme of private and public sector securities.
Perceived gap	Firms' perceived investment gap computed on their responses to the question.
Percentile	Each of the 100 equal groups into which a population or other data can be divided according to the distribution of values of a particular variable.
Physical risks	Typically defined as risks arising from the physical effects of climate change and environmental degradation. They can be categorised either as acute (if they arise from climate and weather-related events and acute destruction of the environment), or chronic (if they arise from progressive shifts in climate and weather patterns or a gradual loss of ecosystem services).
PIAAC	Programme for the International Assessment of Adult Competencies is a programme of assessment and analysis of adult skills. The survey measures adults' proficiency in key information-processing skills — literacy, numeracy and problem-solving — and gathers information and data on how adults use their skills at home, at work and in the wider community. The survey is conducted in over 40 countries and measures cognitive and workplace skills.

Planners	Firms that have not yet invested in tackling climate change risks, but have plans to do so in the next three years, irrespective of whether they set climate targets or not.
Platform technologies	Technologies that connect customers with businesses or customers with other customers.
Potential GDP	See Potential output.
Potential output	Potential output refers to the highest level of real gross domestic product that can be sustained over the long term with the available resources and labour efficiency. Potential output depends on the capital stock, the potential labour force (which depends on demographic factors and on participation rates) and the level of labour efficiency.
PPP	Refers either to: i) public-private partnership; or ii) purchasing power parity.
PPS	Purchasing power standards. An artificial currency unit. Theoretically, one PPS can buy the same amount of goods and services in each country. However, price differences across borders mean that different amounts of national currency units are needed for the same goods and services depending on the country. PPS are derived by dividing any economic aggregate of a country in national currency by its respective purchasing power parities.
Procyclical	A positive correlation between the value of a good, a service or an economic indicator and the overall state of the economy, growing when the economy grows and declining when the economy declines.
Production processes	Processes related to actual production, for example machinery and equipment.
PSPP	The ECB's public sector purchase programme, under which the ECB purchases bonds issued by governments, international organisations, multilateral development banks, and recognised agencies. It is one of the ECB's asset purchase programmes.
PV	Photovoltaics
R&D	Research and development.
Recovery plan for Europe	The NextGenerationEU fund is a European Union economic recovery package to support member states adversely impacted by the COVID-19 pandemic.
Recovery and Resilience Facility	A large grant and loan facility offered by the European Union to its member states. Part of the recovery plan for Europe.
RES	Renewable energy source.

Robot	Defined in the IFR database as “automatically controlled, re-programmable and multipurpose machine.”
RTA	The relative technological advantage or specialisation index captures the share of patents in a technology field as a share of a country’s total patents, weighted by the same share in the European Union overall.
S&P 500	Standard and Poor’s Index of 500 of the largest stocks that trade on the New York Stock Exchange and Nasdaq.
SAFE	Survey on Access to Finance for Enterprises. A survey on the access to finance of small and medium-sized enterprises conducted by the ECB and the European Commission.
Scarring	Longer-term negative effects on the economy, in particular relating to an economic crisis.
Securitisation	The conversion of an asset, especially a loan, into marketable securities, typically for the purpose of raising cash by selling it to other investors.
Services	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Short-term explorers	Firms that have set climate targets and have invested in the past. They are perceived to be short-term thinkers because they do not have further plans to continue investing in climate measures in the future.
Sigma-convergence	Occurs if the dispersion of income per capita across a group of countries or regions decreases over time.
Slack	The discrepancy between the volume of work desired by workers and the actual volume of available work. It describes the unmet demand for paid labour in the population.
Smart grids	Electricity supply networks that use digital communications technology to detect and react to local changes in usage.
Smart infrastructure	Results from the augmentation of physical infrastructure with digital capacity.
SMEs	Small and medium-sized enterprises. Firms with fewer than 250 employees.
SMEsec	SME securitisation: Transactions backed by SME loans, leases and other products.
Social infrastructure	In the EIB Municipalities Survey comprises healthcare, care for the elderly, childcare, education and training, as well as social and affordable housing.

Southern Europe	Cyprus, Greece, Italy, Malta, Portugal and Spain.
Sovereign debt crisis	Also known as the European sovereign debt crisis. A multiyear debt crisis that took place in the European Union from 2009.
SPV	Special purpose vehicle. A subsidiary company with an asset/liability structure and legal status that makes its obligations secure, even if the parent company goes bankrupt.
SSM	Single Supervisory Mechanism.
Startup	A young firm with high growth ambitions.
Sunk cost	A cost that has already been incurred and cannot be recovered.
SURE	The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency.
Tangible investment	Investment in, for example, land, business buildings and infrastructure or machinery and equipment, as defined in the EIB Investment Survey (EIBIS).
TCFD	Task Force on Climate-related Financial Disclosures.
TFP	Total factor productivity. The efficiency in combining production factors to create added value.
TLTROs	The targeted longer-term refinancing operations are Eurosystem operations that provide financing to credit institutions. By offering banks long-term funding at attractive conditions they preserve favourable borrowing conditions for banks and stimulate bank lending to the real economy.
Transition regions	EU NUTS 2 regions with GDP per capita of 75%-100% of the EU27 average.
Transition risks	Risks that arise from the potential for loss resulting from a shift towards a lower-carbon economy, driven by policy, regulations, low-carbon technology advancement, consumer sentiment and preferences, and liability risks, impacting the value of certain assets.
Transitioning sectors	Firms operating in sectors that contribute to a transition to a zero net emissions economy in 2050 but that are not currently operating at an expected optimal level, such as the consumer goods and retail and automotive sectors. The classification takes into account the EIB's climate risk assessment framework that allocates sectors at NACE 4 digit level into five transition risk profiles (1 representing the low risk sectors and 5 the high risk sectors). Transition sectors concern sectors with transition risk scores ranging from two to four.

Transport infrastructure	In the EIB Municipalities Survey comprises footpaths and cycling lanes, intra-urban public, inter-urban and urban-rural transport connectivity, and charging stations for electric vehicles.
UK	United Kingdom.
UNCTAD	United Nations Conference on Trade and Development.
UNESCO	United Nations Educational, Scientific and Cultural Organization.
UNFCCC	United Nations Framework Convention on Climate Change.
US	USA — the United States of America.
VAT	Value added tax.
VC	Venture capital. A type of private equity focused on start-up companies with high growth potential.
Wait-and-see observers	Firms that have not invested in climate to tackle climate change risks, do not have any plans to do so in the future and have not set climate targets.
Western and Northern Europe	Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands and Sweden.