2021 was an exceptional year for EIB Group activity, heavily marked by investments to alleviate the economic consequences of the coronavirus pandemic. In Spain, the EIB Group provided €12.771 billion (51% more than in 2020) to support a total of 111 operations.

- Fight against COVID-19: 28 operations under the European Guarantee Fund in Spain totalling over €2.6 billion
- A large share of total EIB Group financing was allocated to investments for small and medium-sized enterprises (SMEs) and mid-caps, totalling €7.25 billion (up 73% on 2020)
- Climate action: significant increase in EIB financing in Spain, which reached around 43% of activity (a rise of 5 percentage points compared to the previous year)
- Innovation: strong commitment to business innovation and digitalisation, reaching €1.561 billion (up 78% on 2020)

Still in the midst of the pandemic, 2021 proved to be another busy year for the EIB Group in Spain. Made up of the European Investment Bank (EIB) and its subsidiary the European Investment Fund (EIF), the EIB Group provided €12.771 billion for 111 operations in Spain. Once again, Spain was among the three countries to receive the most financing, at almost 1% of its gross domestic product (GDP).

The crisis brought about by the pandemic put even more emphasis on the urgent need to support small and medium-sized enterprises (SMEs) and mid-caps, which represent a substantial part of the production landscape in Spain. 57% of the EIB Group’s overall activity in Spain was aimed at meeting the liquidity requirements of these companies, with a volume of €7.25 billion (up 73% on 2020). The EIB Group also stepped up its support for the Spanish pharmaceutical sector to promote the development and distribution of COVID-19 vaccines. As the EU climate bank, the EIB has maintained its strong commitment to climate action and environmental sustainability, mobilising investments of €3.873 billion. This accounted for 43% of overall EIB activity in Spain (a rise of 5 percentage points compared to the previous year). Innovation and digital transformation are key to a sustainable recovery. The EIB Group continued to boost innovation in Spain in 2021, allocating €1.561 billion to finance the research, development and innovation activities of Spanish companies, while also supporting entities in sectors such as chemicals, education and security services. Promoting the economic, social and territorial cohesion of the European Union remained a priority for the EIB in 2021, which directed 36% (€3.248 billion) of its overall activity in Spain to this objective.

**EIB Group financing in 2021 totalled €12.771 billion and supported 111 operations**

1. Projects can count towards more than one public policy goal, which explains why the percentages add up to more than 100%.
2. Final financing figure for the EIB Group, excluding joint EIB-EIF operations.
Support for small and medium enterprises and mid-caps

In 2021, support for small and medium-sized enterprises continued to be a key factor in driving Spain’s economic recovery. The economic impact of the ongoing health crisis has highlighted the need to help companies cover their working capital requirements in order to keep their businesses afloat. To this end, the EIB continued to work with the national promotional bank, the Instituto de Crédito Oficial (ICO), and with the main Spanish banks to reach as many companies as possible. In 2021, EIB Group financing for Spanish small and medium enterprises and mid-caps amounted to €7.25 billion, 57% of the Group’s overall activity in Spain.

The European Guarantee Fund (EGF) is made up of almost €25 billion from the Member States and aims to mobilise up to €200 billion in financing for European companies, with particular emphasis on small and medium enterprises. It has proven to be a key tool for supporting businesses to keep credit flowing and supply chains running. Spain was the first country to benefit from this fund in 2020 and, during 2021, the EIB Group signed 28 operations for a total guarantee amount of over €2.6 billion. This guarantee portfolio is expected to generate around €24.4 billion in real economy financing on favourable terms for companies affected by the coronavirus pandemic (mainly small and medium businesses), which will have a positive impact on the entire supply chain.

The EIB also joined forces with ICO again in 2021 to strengthen the export activities and international expansion of Spanish small and medium enterprises. It provided €300 million to ICO, which itself allocated an additional €300 million to the total volume of financing available to companies.

In 2021:
- The EIB Group supported the projects of around 67,700 Spanish businesses employing more than 596,000 people.
- The average EIB Group loan received by Spanish small and medium enterprises was for around €79,500.

Mitigating the effects of COVID-19
Projects signed by the EIB Group totalled €7.25 billion
European Investment Fund

The European Investment Fund is part of the EIB Group. The EIF offers venture and growth capital, guarantee and microfinance instruments that specifically target small and medium-sized enterprises and mid-caps. It is also active in supporting climate and infrastructure fund investments with a strong focus on climate action and environmental sustainability.

2021 was a very busy year for the EIF’s guarantee activity in Spain, mainly driven by the deployment of the European Guarantee Fund, with guarantee operations and the first synthetic securitisation under the fund with BBVA. In the lower mid-market segment, the EIF signed two venture capital transactions under the European Guarantee Fund totalling around €40 million to mitigate the impact of the pandemic on fundraising activities on the domestic market.

On the guarantee side, the EIF had a record year in terms of the number of operations signed and volumes mobilised. It signed guarantee operations with 23 financial intermediaries, 11 of which were new counterparties for the EIF. It was also a record year for activity with non-banks, such as debt fund managers, fintech and specialised financing platforms. The EIF increased both the number of financial intermediaries and their level of specialisation, covering sectors such as renewable energy, startup financing and specialised financing in the health and primary sectors, thereby supporting strategic sectors contributing to economic recovery and growth and improving cooperation between the country’s public and private sectors.

In addition to projects financed under the European Guarantee Fund, in 2021 the EIF continued to support banks and non-bank financial institutions providing financial services to social enterprises. The participating loan signed with La Bolsa Social under the EaSI Capacity Building programme helped to strengthen the capital of an innovative crowdfimpacting platform, the first of its kind in Spain. Crowdfimpacting is a form of investor crowdfunding for companies with a positive impact on society and the environment. The EIF has also jointly designed a pilot securitisation operation with CESGAR (the coordinator of Spain’s 18 regional mutual guarantee schemes) and CERSA (Compañía Española de Reafianzamiento) that enables the national guarantee scheme to access the markets. This operation provides up to €150 million of financing for small and medium businesses through an alternative channel, aiming to contribute to climate sustainability.
Fight against COVID-19: Supporting the healthcare sector

The EIB continued to play a key role in directly combating COVID-19 via the healthcare and pharmaceutical sector, supporting EU efforts to halt the spread of the pandemic by finding a cure for the illness and developing new vaccines. In this area, the EIB supported HIPRA’s research and development activities by providing €45 million to develop a new COVID-19 vaccine and to set up a manufacturing facility for its production. To support the pharmaceutical sector, the EIB provided €20 million to finance the research, development and innovation programme of Galenicum, a leading pharmaceutical company in Spain and Europe in the production of medicines such as paracetamol (a first-line treatment for symptoms of COVID-19) and metformin (an essential treatment for diabetes patients vulnerable to COVID-19).

To assist Spain in the fight against the pandemic, the EIB also provided €200 million to the Community of Madrid on favourable and long-term conditions to help the region cope with the health costs incurred, in addition to the €600 million made available back in May 2020 to deal with the COVID-19 health crisis. On top of this, the EIB provided €80 million to the Xunta de Galicia to finance part of the operational and capital expenditure associated with the pandemic.

The EIB also stepped up its support for the Spanish and European biomedical sector, providing venture debt funding of up to €10 million to Anaconda Biomed, a Barcelona-based medical device startup, to support the development of its second generation of catheters for the treatment of acute ischaemic stroke.
Climate action and environmental sustainability

Projects signed by the EIB totalled €3.897 billion

Combating climate change remains the biggest challenge of this century and is among the EIB’s top priorities as the EU climate bank. EIB investments in climate action and environmental sustainability in Spain amounted to €3.897 billion, or 43% of total investments (5 percentage points more than last year).

In 2021, the EIB signed a new €500 million financing agreement with Endesa for the construction of renewable energy generation facilities in Spain. This is the first EIB financing operation in Spain tied to sustainability criteria and linking the terms of the loan to a target for reducing direct (scope 1) greenhouse gas emissions (less than 150 g CO$_2$eq/kWh by the end of 2023). In addition, the EU bank signed two agreements with Iberdrola (€600 million and €100 million) to support the modernisation and digitalisation of its electricity distribution networks in various Spanish regions, and to drive the development of innovative and sustainable technology in line with the key areas of energy sector transformation, decarbonisation, and electrification of the economy. The EIB also signed an agreement with Solaria to help finance seven photovoltaic power plants located in Castilla y León, Castilla-La Mancha and Extremadura. The new power plants will have a total capacity of 261.05 MWp and will generate approximately 477 GWh of energy a year overall, which is equivalent to the energy consumption of 121,300 Spanish homes.

The renovation of existing buildings and the construction of nearly zero-energy buildings will be key to achieving EU climate commitments, which is why the EIB signed a €50 million agreement with UCI (Unión de Créditos Inmobiliarios) to help the company finance its energy renovation plans for housing in Spain and Portugal. The project will contribute to climate change mitigation, generating energy savings of nearly 57 GWh a year and reducing CO$_2$ emissions by 10,269 tonnes a year. In addition, to promote energy-efficient buildings, the EIB provided a €45.2 million green loan to MERLIN Properties SOCIMI to improve the energy performance of its buildings by reducing CO$_2$ emissions. Other noteworthy financing operations involved up to €75 million for investments in water infrastructure in the province of Seville, and €45 million for the construction and upgrade of wastewater treatment plants in Castilla y León. Recognising the potential of the circular economy in reducing the impact on climate and the environment, the EIB also provided financing of €30.8 million to RepetCo for the construction and operation of a commercial-scale multi-layer plastics delamination and recycling plant in Albacete, under the InnovFin — EU Finance for Innovators initiative. Meanwhile, the railway sector and related infrastructure received further support totalling €1.35 billion.

Climate action financing in Spain

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>16 %</td>
<td>17 %</td>
<td>29 %</td>
<td>38 %</td>
<td>43 %</td>
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</tbody>
</table>
Innovation, digitalisation and human capital financing

€1.561 billion financed by the EIB Group

The EIB Group has continued to champion innovation and digital transformation as vital elements of promoting the European economic recovery and long-term competitiveness after the pandemic. With this goal in mind, it has supported the research, development and innovation strategies of pioneering companies in sectors that are key to the European economy and of the utmost importance in addressing the ongoing economic and health crisis. In 2021, the EU bank provided €1.561 billion to finance innovation, digitalisation and human capital in Spain.

One highlight was the signature of the first venture debt operation in Spain under the European Guarantee Fund with the startup Red Points, under which the EIB provided financing of up to €15 million for the research and development of the company’s software technology and its overall growth on the global market. In addition, the EIB financed IE University, an educational institution with students of 140 nationalities on its Madrid and Segovia campuses and with branches in over 30 countries. The project aims to drive the university’s digitalisation efforts, optimise the energy efficiency of its campuses and fit out the IE Tower.

Another EIB financing agreement worth €57.5 million was signed for the digital transformation of Prosegur, a Spanish security services provider that operates worldwide. The operation will contribute to the development of new services in the areas of corporate and home security, cybersecurity and cash management. EIB financing of €10 million went towards the research, development and innovation strategy of Fagor Arrasate, and €27 million towards that of Fagor Ederlan, two cooperatives belonging to the Mondragon Corporation based in the Basque Country. The financing will bolster their strategic areas of innovation, digital transformation and sustainability to produce lighter and more environmentally friendly vehicles as well as components for electric vehicles. In the chemicals sector, the EU bank provided €40 million to Ercros for the digitalisation, decarbonisation and modernisation of its main facilities. The funds are expected to help the company with its strategic plan to reduce greenhouse gas emissions by 39% by 2025 (compared to 2020 levels) through energy efficiency improvements and the use of renewable energy.
Support for sustainable infrastructure, cities and regions — projects signed by the EIB Group totalled €1.557 billion

In 2021, EIB financing for the development of new infrastructure in Spain increased to €1.557 billion. It was a difficult year for the most vulnerable groups due to the pandemic, which had a greater effect on those on low incomes, single-parent households, young people, older people and those at risk of social exclusion. As a result, the EIB signed agreements for the development of infrastructure to help those most in need.

To improve the social housing stock in Barcelona, the EIB provided €65 million for the construction of 11 developments and 489 affordable social rented homes in various locations across the city. In another noteworthy operation in the province of Valencia, the EIB granted financing of €27 million for the construction of 323 homes — 85% of which will be in nearly zero-energy buildings — and the renovation of four existing buildings across the city. These investments represent a 54% increase in the existing stock of affordable social rented housing held by the municipal company under Valencia city council.

The European Commission, together with the EIB, also allocated €2.48 million under the European Local Energy Assistance (ELENA) programme for the Primavera project to promote energy efficiency and renewable energy in existing residential buildings in the Navarre region.
## Overall EIB Group results in 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Financing</th>
<th>SMEs</th>
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</thead>
<tbody>
<tr>
<td>Total financing</td>
<td>€94.89 billion</td>
<td>€45 billion</td>
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<tr>
<td>of which</td>
<td></td>
<td><strong>Innovation, digitalisation and human capital</strong></td>
</tr>
<tr>
<td>€65.36 billion from the EIB and</td>
<td></td>
<td>€20.7 billion</td>
</tr>
<tr>
<td>€30.5 billion from the EIF</td>
<td></td>
<td><strong>Sustainable cities and regions</strong></td>
</tr>
<tr>
<td><strong>Total investment mobilised</strong></td>
<td>€174.4 billion</td>
<td><strong>EIB financing for climate action and environmental sustainability</strong></td>
</tr>
<tr>
<td><strong>Fighting COVID-19 under the European Guarantee Fund</strong></td>
<td></td>
<td>43%</td>
</tr>
<tr>
<td>Approved financing of</td>
<td>€23.2 billion</td>
<td><strong>EIB financing for economic, social and territorial cohesion</strong></td>
</tr>
<tr>
<td>expected to mobilise</td>
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<tr>
<td><strong>€174.4 billion</strong></td>
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</table>

**Notes:**
3. EIB Group total financing figure excluding overlap of some financing volumes for joint EIB-EIF operations.

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