THE EUROPEAN INVESTMENT BANK AND THE FUTURE OF EUROPE
The European Investment Bank (EIB), based in Luxembourg, is an integral part of the EU family. Established by the Treaty of Rome in 1958, the EIB has evolved from mainly funding infrastructure in less developed European regions to becoming the climate bank of the European Union, working globally to help protect the planet via green finance. In 1994, the Bank created a subsidiary, the European Investment Fund (EIF), to support Europe’s startups and provide finance to small and medium-sized businesses. The EIB and the EIF form the EIB Group. During the coronavirus pandemic, the EIB Group has supported governments and businesses around the world, financed health research and laid the groundwork for a sustainable recovery. Today, we are one of the largest multilateral banks in the world — a leader in sustainable finance, climate action and cohesion. We foster innovation in all economic sectors and promote economic partnerships outside the European Union.
Did you know that the European Investment Bank is one of the world’s largest lenders and borrowers? To finance its lending activities, the EIB issues bonds and borrows money on capital markets. It uses the proceeds from its bonds to finance sound projects in Europe and beyond, and reinvests the profits in new lending. Its shareholders are the 27 EU Member States.

In 2007, the Bank issued its first green bond — the climate awareness bond (CAB) — thus becoming the first multilateral development bank to include green criteria in its borrowing activity. Since then, the EIB has sold more than €41 billion in green bonds to investors around the world. In 2018, it launched the sustainability awareness bonds (SAB) to support projects in the water, health and education sectors.

The EIB first set a climate action target in 2010 and has exceeded this target every year. In 2015, ahead of the UN Climate Conference in Paris (COP21), the Bank released its Climate Strategy and announced it would devote at least 25% of its financing to climate action. In 2020, climate action financing reached €24.2 billion, or 37% of total activity. The chart below shows how these funds were invested.
The Climate Bank Roadmap, adopted in November 2020, details how the EIB will increase its annual financing for climate action and environmental sustainability to more than 50% of its business volumes by 2025. It includes a commitment to support €1 trillion of climate action and environmental sustainability investments in the decade to 2030 and to align all new EIB Group operations with the goals and principles of the Paris Agreement from 2021, making it the first Paris-aligned multilateral development bank.

The Climate Bank Roadmap will also support the European Green Deal by accelerating the transition to a climate-neutral economy by 2050. The EIB is aiming to ensure a just transition in countries or regions whose economies still depend on fossil fuels. In 2019, it announced it would stop supporting traditional fossil fuel energy projects and focus on renewable energy, energy efficiency, alternative fuels and the infrastructure that helps these technologies grow. It will play a key role in the EU Just Transition Mechanism, which aims to help regions make the transition to green societies successfully.

Find out how the EIB supports EU energy policy: Energy Lending Policy (eib.org)

**PROJECT HIGHLIGHTS**

**Uganda**

$12.5 million loan to distribute 240,000 home solar power systems to reduce the use of kerosene and charcoal

**India**

€600 million to build two new metro lines and 102 metro trains in Pune to improve air quality in the city

**Spain**

€95 million to support urban regeneration, improve the environment and reduce pollution and social inequalities

**Sweden**

Approval of a loan to Northvolt for the construction and operation of a first-of-its-kind demonstration plant for the manufacturing of sustainable lithium-ion batteries with a minimal carbon footprint

**Netherlands**

€190 million to improve the water distribution network of Evides, a public water company, making it more resilient to climate change

**Portugal**

€60 million loan to support the development of breakthrough wind energy technology, financially contributing to the installation of a deepwater wind farm

Find out where the EIB is active: Our regions of activity (eib.org)
Latin America
Investing in funds like the Land Degradation Neutrality Fund, which supports the sustainable management of 500,000 hectares of land, contributing to its reforesting.
COHESION: LEAVING NO REGION BEHIND

Cohesion policy is unique to the European integration process. It aims to bring about convergence of living standards and prosperity across the European Union. Cohesion was one of the original reasons behind the creation of the EIB in 1958 and continues to be one of its priorities. Regions that have benefited from cohesion financing include the Mezzogiorno in Italy, post-industrial regions in Western Europe, rural areas in Spain and Portugal, parts of eastern Germany and Central and Eastern European countries.

The EIB's cohesion financing supports projects in EU regions with a gross domestic product (GDP) per capita below the EU average. Between 2014 and 2020, we provided €123.8 billion to projects in EU cohesion regions. In 2020 alone, this amounted to nearly €20 billion. Economic modelling shows that EIB lending had a significant impact on GDP — up to 2% — in cohesion regions.

The EIB complements EU grants with loans and other financial instruments for projects and programmes that support economic, social and territorial cohesion. In addition, the Bank advises public authorities and project promoters in cohesion regions on the technical and financial quality of their projects, successful strategies in areas such as transport and climate, institutional capacity and ability to attract funding.

In October 2021, the EIB adopted a new framework for its cohesion action for 2021 to 2027. By 2025, 45% of total EIB financing in the European Union will support projects in cohesion regions and 23% will back investment in Europe’s less developed regions. Less developed regions are defined as where the GDP per inhabitant is less than 75% of the EU average. The EIB further committed to increasing overall support for innovation and private sector development in these regions.

Discover more about the EIB’s cohesion vision here: EIB to step up financing for Europe’s poorer regions (eib.org)
What is the best way to fight a pandemic? A vaccine can do a lot to turn the tide. The EIB has financed a number of biotech companies working to treat COVID-19. In June 2020, the Bank signed a €100 million loan agreement with Pfizer’s partner BioNTech to support the development and production of the first COVID-19 vaccine cleared by health authorities in the United States and Europe. The Bank had already granted BioNTech a €50 million loan for cancer research in 2019, and was confident in the potential of the company’s mRNA research in the fight against COVID-19.

The EIB invests an average of €1.4 billion a year in the health sector. Its medical and pharmaceutical experts, health economists and engineers work to identify promising projects and biomedical companies that might need financial support. This expertise paid off during the coronavirus pandemic, enabling the EIB to swiftly finance the projects most needed to mitigate the crisis, from health infrastructure financing to supporting the development of COVID-19 treatment and diagnostics.

Discover what the EIB has done in the health sector here: Health Overview 2021

In May 2020, the Bank signed a partnership with the World Health Organization to ensure access to COVID-19 vaccines in the poorest countries, specifically in ten African states. It also provided a €400 million financing contribution to the COVAX (COVID-19 Vaccines Global Access) initiative in December 2020.

The COVAX initiative aims to provide equitable access to COVID-19 vaccines worldwide. It was created with assistance from Team Europe, the European Union’s coordinated effort to support developing countries during the pandemic.

By building on its local experience, the EIB can make a significant contribution to Team Europe’s response to help partner countries tackle the COVID-19 crisis. In 2020, the Bank committed over €6.54 billion of financing to the Team Europe initiative to strengthen urgent health investment and accelerate long-standing support for private sector investment in more than 100 countries around the world. The EIB Group also allocated €1.7 billion to supporting the social and economic recovery of the Western Balkans, as part of a €3.3 billion financial support package for the region announced by the European Commission.
STRONGER ECONOMY, SOCIAL JUSTICE AND JOBS

Small and medium-sized enterprises (SMEs) are a key part of the global economy. They create jobs and drive economic development and innovation. Europe’s 23 million small businesses account for 99% of all companies and provide around three-quarters of all jobs. To support small and medium-sized enterprises facing liquidity issues and working capital shortages during the pandemic, the EIB Group launched a €28 million rapid response support package as early as March 2020 and created the European Guarantee Fund (EGF) as an additional crisis response mechanism.

In 2020, the EIB Group provided new financing to over 425,000 SMEs and mid-caps employing a total of more than 4 million people. Support for SMEs reached €30.6 billion, almost 40% of total EIB Group lending of €76.8 billion.

The EIB Group is also the largest provider of venture capital in the European Union. The European Investment Fund (EIF) has supported almost half of the European unicorns (young companies valued at over $1 billion) that have emerged in the past 15 years, including Skype, Skyscanner, WeTransfer, Transferwise, Blablacar, Spotify, Shazam, Just Eat, Farfetch, Rovio and Zalando.

Discover more about the EIB Group SME support here: Small and medium enterprises 2021 overview (eib.org)
Gender equality is a prerequisite for achieving stronger, more inclusive economic growth. Taking action now to advance gender equality could add $13 trillion to global gross domestic product (GDP) in 2030. As the EU bank, we support the European Union’s gender action plan and Global Europe targets. The EIB Group Strategy on Gender Equality and Women’s Economic Empowerment and the associated action plan is our framework for embedding gender equality considerations into our operations. By the end of 2020, we reached total gender lens investment of €1.9 billion (an investment strategy that takes into consideration gender-based factors, such as the number of women in leadership, with the intention of promoting gender equality), complemented by €1.5 billion of lending in operations outside Europe with a significant gender equality contribution. In 2019, we launched our SheInvest Initiative to boost women’s economic empowerment in Africa by mobilising €1 billion of gender-responsive investments. We reached this target in just over a year and doubled our ambition in May 2021.

The EIB was the first multilateral development bank to formally adopt the 2X criteria, which are increasingly becoming a global standard for low and middle-income countries. Founded by the development finance institutions of the G7 nations, the 2X Challenge has the ambitious goal of deploying and mobilising capital to support projects that empower women as entrepreneurs, business leaders, employees and consumers of products and services that enhance their economic participation. The EIB joined the 2X Challenge as a member in June 2021 to contribute to the collective target of raising $15 billion for gender lens investment by the end of 2022.

For more information, visit: Gender equality (eib.org)
The European Investment Bank does not endorse, accept or judge the legal status of any territory, boundaries, colours, denominations or information depicted on this map.

Following EU sanctions against Syria in November 2011, the EIB suspended all loan and advisory activity in the country. However, the EIB is part of the Syria core donor group monitoring the situation under EU and UN co-leadership.

EFTA: European Free Trade Association
ACP: Africa, Caribbean and Pacific
OCT: Overseas Countries and Territories
ASIA, CENTRAL ASIA AND LATIN AMERICA €1.47 billion
THE EIB AT A GLANCE

The European Investment Bank is the bank of the European Union. It provides loans, financing and advisory services for projects and policies promoted by the European Union. Together with its subsidiary, the European Investment Fund (EIF), which was established in 1994 to support small and medium-sized enterprises, it forms the EIB Group.

Its activities focus on sustainability, climate change mitigation and adaptation, cohesion and regional development, infrastructure, health, innovation, and the blue and green economies. As the EU climate bank, it supports the European Green Deal launched by the European Commission.

The EIB was established in 1958 by the Treaty of Rome. Since then, its mission has been to help less developed regions move towards higher socioeconomic standards and to fund innovation and progress in the European Union and beyond. To ensure that no one is left behind in this transformation, the Bank contributes to a just transition to a carbon-neutral economy also outside the European Union. Around 10% of its annual financing goes to developing countries and regions, and in 2020, half of the EIB’s financing beyond Europe went to Africa.

In the 2010-2020 period, the EIB increased its financing for climate action and environmental sustainability (approximately 40% of its overall financing in 2020) and it has aligned its activities with the Paris Agreement, phasing out financing for fossil fuel projects.

The EIB is financially autonomous from the EU budget and has institutional independence, with its own governing bodies. To fund its lending activities, it borrows money from the capital markets and has become a leader in sustainable finance thanks in particular to green bonds, which it pioneered in 2007.