

2019

EIB OPERATIONS INSIDE THE EUROPEAN UNION



European
Investment
Bank

The EIB bank

2019

EIB OPERATIONS INSIDE THE EUROPEAN UNION

EIB Operations Inside the European Union

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98-100, boulevard Konrad Adenauer – L-2950 Luxembourg

☎ +352 4379-1

✉ info@eib.org

www.eib.org

twitter.com/eib

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Every year, **THE EUROPEAN INVESTMENT BANK** reviews its activities across Europe to see how we are meeting goals in areas such as innovation, small businesses, infrastructure and the environment. We measure the impacts of our projects using a number of indicators that give us a better idea of our success beyond the numbers.

THIS REPORT PROVIDES A WIDE OVERVIEW of our operations across the European Union in 2019. It explains how we add value that would not have been generated by the private sector alone. Our contribution comes in many forms. This may involve providing financing to small businesses with good projects but no track record to qualify for private investment. It might involve making investments in better trains that encourage people to use fewer cars or in rockets that help Europe stay competitive in the space race. It could involve an expansion of high-speed internet in people's homes, better scientific research in universities, equal opportunities for women in business, and more affordable and energy efficient homes.

This report also demonstrates how climate action is one of our top priorities. We are one of the largest multilateral providers of climate finance worldwide. We are pulling out all the stops to help countries reach their climate goals and slow global warming.

This report is broken down into sections that outline our key results, explain our expanded role as the climate bank, measure our contribution to the United Nations' Sustainable Development Goals, detail advisory services and demonstrate how we find good projects using a three-pillar assessment. At the end of the report is an annex on the European Fund for Strategic Investments, a programme helping the economy recover and supporting projects with a higher risk.

We hope this report gives readers a better idea of how the Bank is shaping Europe's future and making life sustainable.

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KEY RESULTS





This report explains the impact of 367 operations signed in 2019, representing EIB lending of €45 billion to finance projects worth €145 billion. This includes 138 operations backed by the European Fund for Strategic Investments (EFSI).

European Investment Bank (EIB) lending in 2019 supported technology, research, sustainable transport, education, healthcare, energy efficiency, renewable energy, urban development, social housing and many other sectors. The projects help economies prosper while making society more sustainable, fighting climate change and mobilising billions of extra investment from the private sector. The operations signed in 2019 are expected to support one year's worth of about 680 000 jobs during the project implementation phase and create around 34 000 jobs once the projects are up and running.

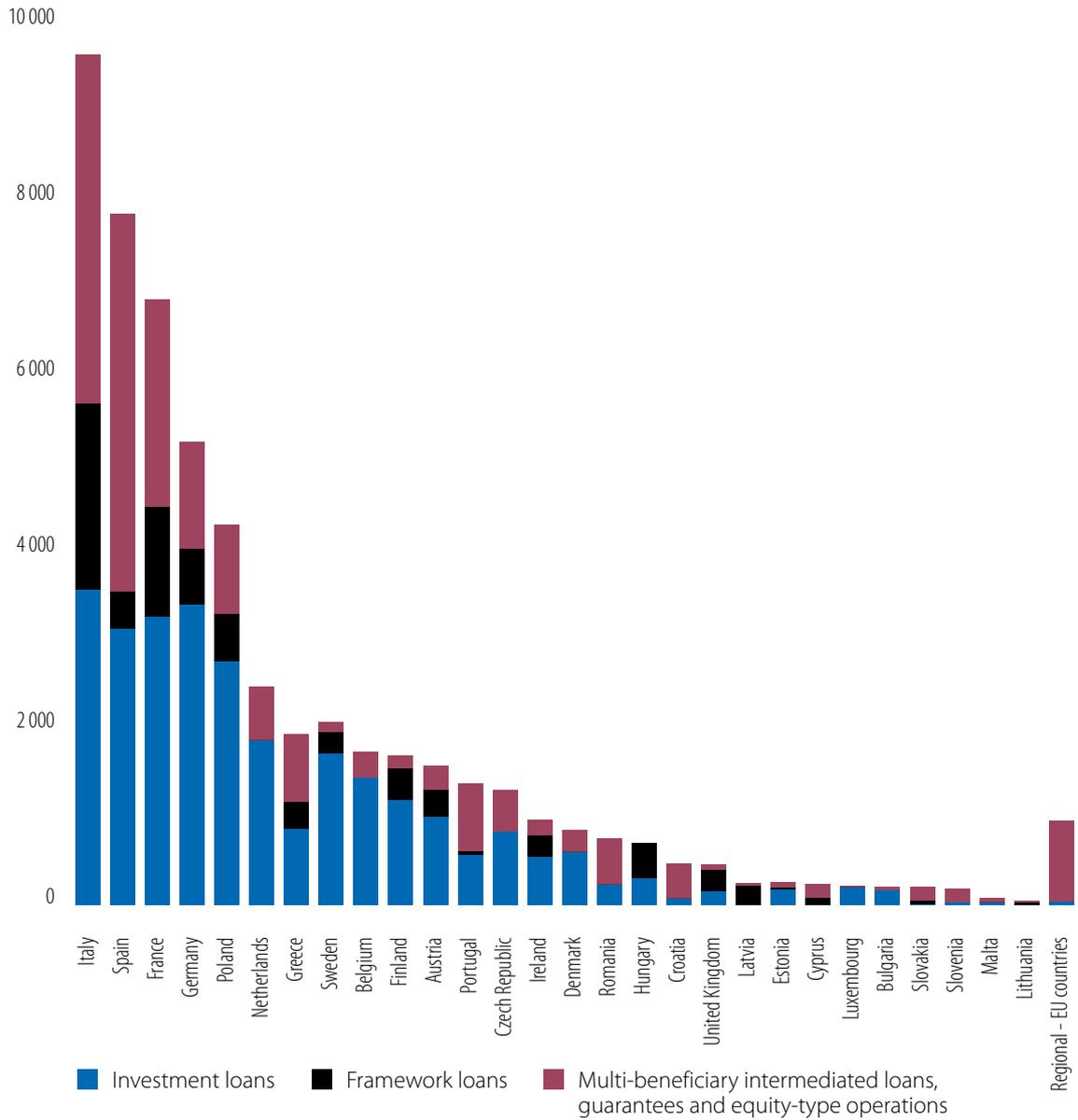
The Bank's work is divided into four main categories: innovation and skills, small businesses, infrastructure, and the environment. Our financing also improves cohesion, which means it reduces the economic and social disparities in the European Union and brings people closer together. Our climate action financing covers mitigation, which reduces the changes happening to the climate right now, and adaptation, which prepares people for future climate change.

2019 OPERATIONS (IN € MILLIONS)

POLICY OBJECTIVE	ALL SIGNATURES	FIRST SIGNATURES	PROJECT COST (FIRST SIGNATURES)
Innovation	14 336	12 634	35 233
Research and development	11 298	10 367	29 696
Education and training	3 039	2 267	5 537
SME and mid-cap finance	14 233	11 083	39 026
Infrastructure	13 722	10 810	35 055
Strategic transport (including TEN-T)	4 242	3 558	12 463
Competitive and secure energy (including TEN-E)	3 702	2 925	6 773
Integrated territorial development (including health)	5 779	4 327	15 818
Environment	12 637	10 334	35 609
Sustainable transport	5 352	4 500	17 181
Environmental protection and natural resource efficiency	2 843	2 165	6 854
Renewable energy and energy efficiency	4 443	3 669	11 574
Total	54 929	44 861	144 923
Total number of operations	459	367	
COHESION*	29.4%		
CLIMATE ACTION*	29.6%		

* based on all signatures.

EIB SIGNED OPERATIONS BY COUNTRY (IN € MILLIONS)



OPERATIONS BY COUNTRY

Amount signed in 2019 (€ billion)	Amount financed per capita (€)
-----------------------------------	--------------------------------

Country distribution (amount per capita)	2019
> €200	CY, FI, LU
€150 - €200	AT, BE, EE, EL, ES, IE, IT, MT, SE
€100 - €150	CZ, DK, FR, HR, LV, NL, PL, PT
€50 - €100	DE, HU, SI
€0 - €50	BG, LT, RO, SK, UK





OUR FOCUS IN 2019

Climate change is the defining challenge of our time. At the current rate of emissions, the world will warm on average by around 3.5 to 4°C by the end of the century, presenting a risk to life as we know it. Climate change, environmental pollution and ecosystem collapse are causing poor air quality, heatwaves, flooding and increased risks to the food supply and livelihoods.

This disruption is not inevitable. Under the Paris Agreement, most of the world's governments agreed to maintain global warming below 2°C and to pursue efforts to limit it to 1.5°C. To reach this target, we must emit less than 580 gigatonnes of CO₂. At the current rate of about 37 gigatonnes per year, we will have exhausted this limit by 2032. We need to cut carbon emissions urgently, and the next decade will be critical. We also need to take more action on biodiversity loss, ocean pollution and the collapse of ecosystems. The whole financial system needs to understand the impact that climate change and environmental sustainability have on people's lives.

CLIMATE BANK

Climate action is one of the EIB's top priorities. Our climate action financing is an integral part of the European Union's work to fight climate change. We are one of the largest multilateral providers of climate finance worldwide. The Bank provided €19.3 billion of support for climate action in 2019, equal to 31.1% of its overall activity. Within the European Union, this figure was €16.2 billion, or 29.6% of signed deals.

Besides our lending, we support climate action in a variety of ways:

- Setting an economic price of carbon when appraising a project
- Setting an emissions performance standard for power plant projects that run on fossil fuel (the EIB is phasing out support for fossil fuel projects)
- Providing technical assistance for energy efficiency
- Assessing climate change risks and impacts
- Estimating and reporting on greenhouse gas emissions

The EIB's audited 2019 carbon footprint estimates that greenhouse gas emissions from investment projects in the European Union are 3.1 million tonnes of CO₂ equivalent per year. The estimated savings from these projects are 1.6 million tonnes of CO₂ equivalent per year. The carbon footprint for all 2019 projects can be found in the Bank's Sustainability Report, and the carbon footprint methodologies are available on the EIB website¹.

The Bank recently announced that it is stepping up its contribution to climate action and environmental sustainability and will make a game-changing contribution to the fight against climate change over the next 10 years. The new focus incorporates three key elements:

- By the end of 2020, all EIB Group financing activities will be aligned with the Paris Agreement. This includes phasing out energy projects that solely depend on fossil fuels.
- By 2025, at least 50% of EIB finance will be dedicated to climate action and environmental sustainability.
- By 2030, the EIB Group aims to have supported at least €1 trillion of investment in climate and the environment over the previous decade.

We will also support a just transition to clean energy for regions or countries where coal mines and other carbon-intensive industries are a major source of employment and economic activity. Furthermore, the EU bank will play an integral part in the European Green Deal, which aims to make Europe the first climate-neutral continent by 2050.

During 2020, the Bank will launch a consultation with many parts of the public and private sector to develop a Climate Bank Roadmap. This roadmap will provide a detailed framework for the Bank's climate action and environmental sustainability activities from 2021 to 2025. The scope of the roadmap is broad, touching on the climate, environment and social aspects of sustainable development.

¹ https://www.eib.org/attachments/strategies/eib_project_carbon_footprint_methodologies_en.pdf

A NEW ENERGY LENDING POLICY

In 2019, the European Union revised its climate and energy legislation to expand its targets for 2030, and published a long-term vision to become carbon-neutral by 2050. The new Clean Energy for All Europeans package focuses on further reductions in greenhouse gas emissions, increased energy efficiency, more renewable energy, and a better electricity market.

Transforming the energy sector to meet the EU's new goals will require substantial investments. Many of these investments will require the type of long-term financing offered by the EIB.

In response to the new regulations and the urgent need to ensure a just transition to a green economy, the EIB adopted a new energy lending policy in November 2019. The policy sets out how the Bank can support the Clean Energy for All Europeans package. It represents a significant change for us in the energy sector and is an important part of the Bank's climate strategy.

The core components of the policy are:

- **More energy efficiency:** significant investment is required to reduce the use of energy in buildings and industry. The Bank will focus on three areas: increasing building renovation, energy efficiency in new buildings, and energy efficiency investment for small companies and industry more broadly.
- **Reducing carbon emissions by energy companies:** the Bank will support more renewable energy projects as set out in national energy and climate plans developed by EU countries, which need to meet the European Union's 2030 target. For key renewable energy projects, and where the EIB's involvement accelerates the project, the Bank could support 75% of the project cost. We will give priority to projects that help the market integration of renewable energy and to early-stage and innovative renewable energy technologies. Projects that enhance regional cooperation among EU countries will also have a high priority. Potential projects include thermal power plants using a large amount of low-carbon fuels, highly efficient gas-fired cogeneration of heat, power or cooling systems, and decentralised energy. The emission standard is set at a level that enables the Bank to finance efficient flexible cogeneration of heat and power projects. The EIB will also support the production of low-carbon gases, including hydrogen, biogas and synthetic gas, as well as renewable liquid fuels.
- **Innovation and new energy infrastructure:** the EU's Strategic Energy Technology Plan provides a roadmap to improve technology performance with detailed implementation plans. The Bank will support investment in pilot plants or initial full-scale commercial production lines related to breakthrough technologies supported under the Strategic Energy Technology Plan and Horizon Europe. This includes innovative renewable energy, energy efficiency, heating and cooling or storage technologies. The Bank is also discussing with the European Commission how it could contribute to the Innovation Fund, one of the world's largest funding programmes for innovative energy technologies, financed under the fourth phase of the EU Emissions Trading System.
- **Enabling infrastructure:** besides interconnections, the amount of investment in national electricity networks is likely to remain high for the next decade, both at transmission and distribution levels. The Bank will give high priority to projects that build the infrastructure to support electric cars, buses, trucks and bicycles and that make the distribution networks more flexible and decentralised. It will support the development of energy communities and microgrids, enabling investment in new types of energy infrastructure. This may include projects that increase the automation and digitalisation of power systems.

KEY IMPACTS

2019 OPERATIONS THAT ILLUSTRATE THE BANK'S COMMITMENT TO GREEN AND SUSTAINABLE PROJECTS

Additional electricity generation capacity from renewable energy

9 100 MW

Energy savings from EIB-financed projects

6 250 GWH PER YEAR

Railway tracks, urban rail and bus lanes built or upgraded

800 KILOMETRES

Public transport vehicles and railway vehicles built or rehabilitated

21 000

Additional annual trips made on public transport

450 MILLION

People served by new waste or waste treatment facilities

8.1 MILLION

People facing less risk from flooding

1.5 MILLION

New forests planted

7 000 HECTARES

SUSTAINABLE DEVELOPMENT GOALS





As the EU climate bank, the EIB is playing an integral role in helping to fulfil the United Nations' Sustainable Development Goals (SDGs). These goals aim for prosperity and the fair treatment of all people. On 19 December 2019, UN Secretary-General António Guterres issued a global call for a "decade of action" to meet these goals. The coronavirus pandemic has created many new economic and social challenges. Despite the new difficulties, we need to keep strengthening development work and ensure that these goals remain an important part of the recovery from this crisis.

Through its investments, the EIB has always sought to help society and the economy. It contributes to the SDGs by encouraging more public and private investment in social, green and sustainable projects and by sharing knowledge related to these goals.

To measure our contribution to each SDG, we developed a methodology using input from the Multilateral Development Bank Working Group on Managing for Development Results. Using this methodology, we outline how our projects and financing volumes align with the SDG targets. This enables us to understand the progress we are making to address these 17 goals.

OUR CONTRIBUTIONS TO THE SDGS ARE ILLUSTRATED IN THE FOLLOWING CHARTS

SDG	INDICATOR NAME	VALUE
 2 ZERO HUNGER	Food security	Additional production capacity for food and agricultural products (tonnes per year)
		New area covered by irrigation networks (ha)
 3 GOOD HEALTH AND WELL-BEING	Good health and well-being	People benefiting from improved healthcare services
		Patients treated per year in new/rehabilitated hospitals
 4 QUALITY EDUCATION	Education	Students in education facilities benefiting from EIB financing
		Graduates from universities benefiting from EIB financing
 6 CLEAN WATER AND SANITATION	Water	People benefiting from improved sanitation services
		People benefiting from safe drinking water
 7 AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy	Electricity generation capacity from renewable energy sources (MW)
		Households to be powered with clean electricity
 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	Jobs sustained in SMEs and mid-caps through intermediaries
		Jobs supported in skill-intensive industries and services through direct support to SMEs and small mid-caps
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure	Households covered by very high-speed broadband
		Additional trips per year on new or improved transport infrastructure
 10 REDUCED INEQUALITIES	Reduced inequalities	Households in new or refurbished social or affordable housing
		Social, administrative, culture and sports facilities built or renovated
 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities	Public transport vehicles and rolling stock purchased or rehabilitated
		People facing a reduced risk of flooding
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production	Amount of waste handled in new or rehabilitated waste treatment facilities (tonnes per year)
		People served by new waste or waste treatment facilities
 13 CLIMATE ACTION	Climate action	Absolute emissions (million tonnes of CO ₂ equivalent per year)
		Relative emissions (million tonnes of CO ₂ equivalent per year)
 15 LIFE ON LAND	Life on land	Forestry or agricultural land under improved management (hectares)
		New forests planted (hectares)

SDG PROGRESS

€47.6bn

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



€6.7bn

4 QUALITY
EDUCATION



€40.8bn

8 DECENT WORK AND
ECONOMIC GROWTH



€4.3bn

6 CLEAN WATER
AND SANITATION



€38.6bn

10 REDUCED
INEQUALITIES



€1.7bn

15 LIFE
ON LAND



€20.8bn

11 SUSTAINABLE CITIES
AND COMMUNITIES



€1.0bn

2 ZERO
HUNGER



€18.9bn

7 AFFORDABLE AND
CLEAN ENERGY



€1.0bn

5 GENDER
EQUALITY



€16.3bn

13 CLIMATE
ACTION



€0.6bn

14 LIFE
BELOW WATER



€11.8bn

3 GOOD HEALTH
AND WELL-BEING



€0.4bn

17 PARTNERSHIPS
FOR THE GOALS



€8.6bn

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



EIB FINANCING IN THE EUROPEAN UNION HELPS ACHIEVE THE SUSTAINABLE DEVELOPMENT GOALS

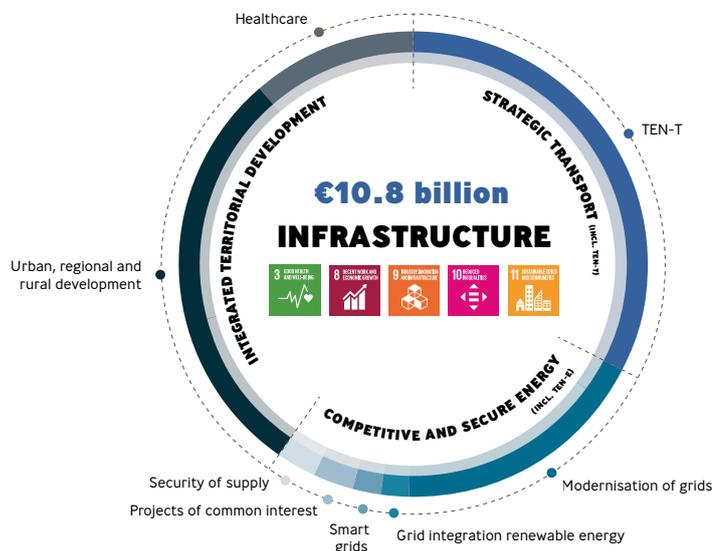
12 MILLION PEOPLE benefiting from improved healthcare services

57 MILLION HOURS/YEAR saved through improved transport infrastructure

2 030 KM ROADS OR LANES built or upgraded

92 500 HOUSEHOLDS living in new or refurbished social or affordable housing

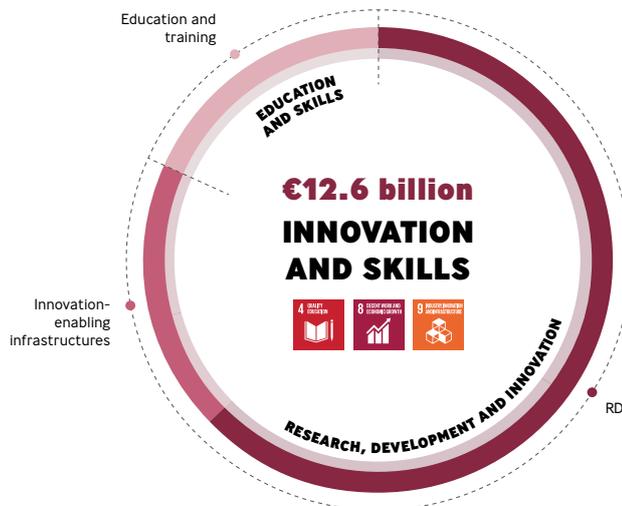
8 MILLION PEOPLE benefiting from upgraded or new infrastructure and services



7.2 MILLION ADDITIONAL HOUSEHOLDS covered by very high-speed broadband services

1.8 MILLION STUDENTS in education facilities benefiting from EIB financing

400 000 JOBS supported in skill-intensive industries and services through direct support to SMEs and small mid-caps



Cross-cutting poverty reduction impact: **€12 BILLION (27%)** of new financing for projects in less-developed and transition regions of the European Union





550 000 TONNES PER YEAR of additional production capacity for food and agricultural products

3.6 MILLION PEOPLE benefiting from safe drinking water and **4.6 MILLION PEOPLE** benefiting from improved sanitation services

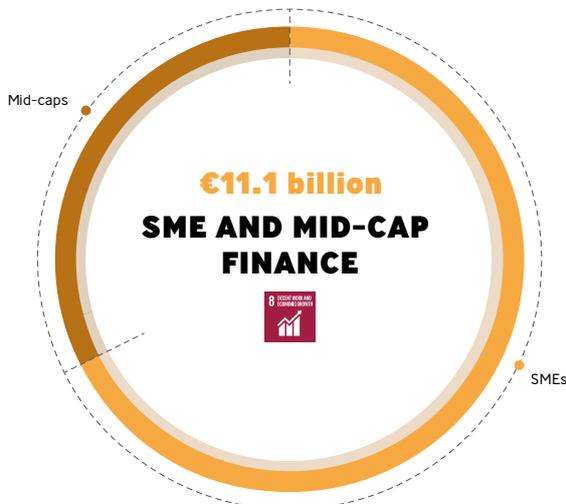
4 MILLION HOUSEHOLDS to be powered with clean electricity

21 000 public transport vehicles and rolling stock purchased or rehabilitated

450 MILLION additional annual trips made on EIB-financed public transport

1.5 MILLION PEOPLE face a reduced risk of flooding

8 MILLION PEOPLE served by new waste or waste treatment facilities



Supporting an estimated **€39 BILLION** of investment while sustaining approximately **5.2 MILLION JOBS**



Cross-cutting indicator representing **€13.5 BILLION (30%)** of the new financing volume

1.6 MILLION TONNES OF CO₂ EQUIVALENT/YEAR of GHG emissions savings from financing of investment projects

6 250 GWH of energy savings per year from energy efficiency measures

BEYOND FINANCE EIB ADVISORY SERVICES



The EIB offers a wide range of technical advisory services, particularly in less-developed regions and countries. Technical assistance and advisory services play an important role in preparing a project and helping it get implemented faster.

In addition to support for specific projects, the EIB provides sector and policy advice to all EU countries, and shares knowledge in areas such as climate, the development of financial instruments and public-private partnerships. The EIB's technical assistance and advisory services also contribute to the Bank's lending in a wide range of ways and help develop a pipeline of projects that are ready for EIB financing.

In 2019, advisory services such as the Project Advisory Support Unit (PASU), URBIS advisory support for urban authorities, and units dedicated to small businesses and mid-caps offered tangible support to help implement projects.

URBIS: ADVISORY SUPPORT FOR CITIES

Operating within the European Investment Advisory Hub (EIAH), URBIS is a single point of advisory support for urban authorities. Its technical and financial expertise complements the technical assistance available to municipalities and public enterprises from other sources. The initiative has also enhanced collaboration among different Bank services, with several assignments handled by joint teams. URBIS's value is particularly visible in complex multisector assignments and in new, innovative areas.

URBIS had received a total of 41 requests for advisory support by the end of 2019. Nine of these assignments have been completed, 24 are ongoing, and eight requests were closed without allocating any resources. In addition to this, there are 10 requests that could become eligible for advisory support under URBIS.

URBIS assignments come from 19 EU countries, and URBIS's support has been requested by a diverse range of promoters at the national, regional and local levels, including private companies.

Some of these assignments are already linked to concrete EIB investment operations, with EIB financing of around €621 million, including about €148 million expected to be backed by EFSI.

For the period after 2020, the URBIS initiative has been proposed for inclusion in the Cross Sectoral or Sustainable Infrastructure window of the future InvestEU Advisory Hub. Investment advisory is an important topic for cities and is relevant to the better funding objectives of the Urban Agenda for the EU, which are expected to be reflected in the new Leipzig Charter on integrated urban development as well. URBIS may also support the Just Transition Mechanism, because some URBIS assignments already support social infrastructure investments related to the just transition.



ELENA: ENERGY EFFICIENCY GRANTS

The European Local Energy Assistance (ELENA) initiative is run by the EIB and the European Commission under the Horizon 2020 programme. It provides grants for technical assistance focused on energy efficiency, distributed renewable energy and urban transport investment projects. Recipients can use the grants to pay for feasibility and market studies, programme structuring, business plans, energy audits and financial structuring, as well as the preparation of tendering procedures, contractual arrangements and project implementation units.

Established in 2009, ELENA has awarded more than €180 million in grants, which had mobilised about €6.5 billion on the ground by the end of 2019.

In 2019, 20 projects were approved and signed for a total of €40.53 million in grants. 19 of these projects were in energy efficiency, and one was in transport.

PROJECT ADVISORY SUPPORT UNIT

Since 2012, the EIB has been providing the Romanian and Bulgarian authorities with project advisory support to help implement EU-funded projects. This support combines the knowledge of EIB staff and third-party consultants to help projects succeed and to improve knowledge sharing. EIB experts work closely with the Romanian and Bulgarian institutions on complex strategic projects, providing tailor-made assistance not available from traditional sources.

The Project Advisory Support Unit (PASU) accelerates projects and speeds up the use of European Structural and Investment Funds (ESIF). It offers advisory help to the project teams and local administrations, notably in climate action and the just transition to a green economy.

It is a powerful complement to other advisory programmes, such as the Advisory Hub and JASPERS. In 2019, PASU signed €20 million of technical assistance grant projects in Romania.

The €20 million in advisory grants helped Romania in these areas:

- It supported the Ministry of Health's plan to **build three regional emergency hospitals in Iași, Cluj and Craiova**. The project will improve the healthcare infrastructure in these three regions and contribute to cohesion. It will also strengthen the ability of the ministry to implement other regional hospital projects. The EIB team will help enable effective procurement, implementation, contract management and completion of the project.
- It helped the National Public Procurement Agency improve controls on public procurement and set up central procurement bodies on a local level. This agreement will help the agency **improve the efficiency of its controls and use taxpayers' money** more effectively through regionally centralised purchasing.

SMALL BUSINESSES

The European Investment Advisory Hub complements the EIB's other advisory services for small businesses and mid-caps. To date, the Hub has received requests for support from more than 2 300 project promoters across the European Union. These promoters are provided with information and other resources through the Hub's website, as well as through a partner network of national development banks and other institutions across Europe.

The EIB's advisory services actively support innovation. Under the fi-compass programme, the Bank has provided targeted advisory services to 25 European managing authorities and facilitated the creation of ESIF/EFSI Investment Platforms to support small businesses in the agricultural sector. The Bank has also developed early-stage assessments to support the development of financial instruments focused on small businesses.



ADDITIONALITY **AND IMPACT**



The EIB must ensure that its operations are eligible for EIB financing and that they have additionality. The Bank's eligibility rules ensure that our activities are in line with EIB statutes and EU policy objectives and that the projects we finance meet our goals. Additionality ensures that our support for eligible activities provides a tangible contribution. EIB financing must help or strengthen a project – and thus benefit society – in a way that is not available in the market, at least not to the same extent or in the same timeframe. EIB involvement must complement support from other sources, rather than replace it.

This report reviews the additionality and impact of new EIB operations in the European Union in 2019. Additionality and impact are measured at an operational level through a combination of general and sector-specific indicators. At the portfolio level, our impact is harder to quantify because of the wide variety of operations financed. Nonetheless, certain indicators among projects are similar, allowing us to highlight specific impacts for a broader portfolio of projects.

THREE-PILLAR ASSESSMENT: HOW WE FIND GOOD PROJECTS

To receive EIB support, a client must demonstrate that the project could not have proceeded to the same extent without the Bank's backing. The Three-Pillar Assessment (3PA) helps us make sure we find the right clients and projects. The three pillars are actually three questions that we ask for every project: why, what and how. This assessment process has been central to our appraisal procedures since 2005. The 3PA questions form the foundation of our due diligence process. All projects are subject to this rigorous evaluation carried out by a multidisciplinary appraisal team.

The 3PA uses a number of benchmarks to prioritise projects. By identifying areas of the economy that lack financing, this approach outlines the rationale for EIB support and provides a number of indicators to measure additionality. Project team members must conduct a thorough analysis of each project proposal to ensure that the Bank invests in quality projects that meet our high standards. This assessment process tracks projects through their early operational phases.

WHY, WHAT AND HOW?

PILLAR 1 – WHY

The contribution to EU policy objectives is rated to see whether a project is in a high-priority area, such as cohesion or climate action. Pillar 1 identifies a gap in the market that can be addressed by EIB support and explains why we should be involved.

PILLAR 2 – WHAT

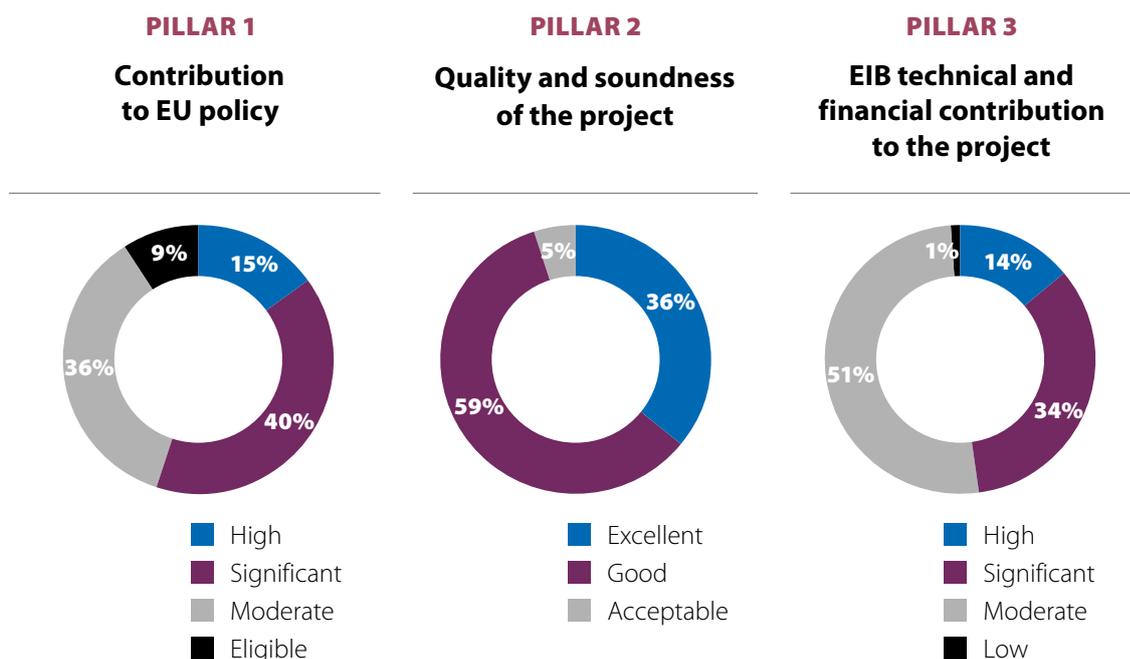
This covers the project’s benefit to economic growth, environmental sustainability and society, or employment, and explains the details of the investment. This pillar also assesses the client’s ability to complete the project. The assessment of the project’s economic viability is based on a set of rigorous and publicly available appraisal guidelines developed by the EIB in line with international standards. Pillar 2 establishes the extent to which a project addresses the gap in the market identified in Pillar 1.

PILLAR 3 – HOW

This pillar assesses how EIB support complements financing already available in the market. It also looks at the impact of the Bank’s technical assistance. Does EIB funding make a positive difference, offering better conditions than other lenders? Will the Bank’s involvement increase financial support from other sources? Can the EIB make a greater difference by offering technical advice?

Projects receive a rating for each pillar. These ratings give the EIB an overview of each project’s potential, letting us prioritise projects more effectively. The process helps us meet the highest environmental, social and climate-impact standards.

THE THREE PILLARS IN 2019



BREAKING DOWN THE THREE PILLARS

PILLAR 1 Contribution to EU policy objectives	PILLAR 2 Quality and soundness of the project	PILLAR 3 EIB technical and financial contribution
<ul style="list-style-type: none"> • Consistency with the Bank's goals • Contribution to cohesion and climate objectives, EIB key sectors 	<ul style="list-style-type: none"> • Economic viability: quantified by economic rate of return (ERR) or other sector benchmarks • Client capabilities: assessment of client's ability to finish the project on time and in an efficient manner • Sustainability: environmental and social sustainability assessed using EIB guidelines² • Employment: during construction and operation of the project 	<p>Pillar 3 measures the value of the Bank's involvement in terms of:</p> <ul style="list-style-type: none"> • Financial contribution: superiority of EIB funding compared to other sources • Economic benefit: will it increase funding from other lenders • EIB advice: provide expert advice to implement the project, improve clients' knowledge, and help with financial structuring
<p>Ratings:</p> <p>Low, moderate, significant, high</p>	<p>Ratings:</p> <p>Marginal, acceptable, good, excellent</p>	<p>Ratings:</p> <p>Low, moderate, significant, high</p>

² EIB Environmental and Social Standards

INVESTMENTS BY SECTOR

RESEARCH, DEVELOPMENT AND INNOVATION

INNOVATION AND DIFFUSION

Our support to the industrial sector helps companies solve many challenges. Europe's competitiveness with the rest of the world depends on the ability of start-ups to grow into major companies and on the pace of digital advancement across supply chains, including access to high-speed internet. We also need to ensure that companies' workers have the right skills. Europe has a strong start-up sector, a large pool of talent and a substantial industrial base. Yet it is falling behind in some areas of innovation. We need to ensure that European companies can grow. We must make more financing available for research and development, accelerate the rate of digitalisation and offer employees more digital training. The EIB plans to invest strongly in these areas.

Helping young companies succeed – venture debt

The EIB Group is a leading player in the European venture capital market through the European Investment Fund (EIF). Venture capital provides essential funds for start-ups and other young companies that want to grow and be more innovative. Over the last three years, the EIB has become Europe's largest provider of venture debt, providing €600 million a year to innovative companies. The venture debt product, backed by the European Fund for Strategic Investments, supports early-stage, innovative companies developing cutting-edge technology. Venture debt strengthens companies' capital base without diluting the shares of existing investors or the founders. The reimbursement of this type of venture loan is based on the company's performance.

ENERGY-INTENSIVE INDUSTRIES

EIB lending in energy-intensive industries focuses on research, development and innovation as well as digitalisation and other key technologies that help companies succeed and protect the environment. Our investments improve innovations and energy and material efficiency, and help develop circular business plans. We reinforce the competitiveness of European sectors such as steel, chemicals, plastics, batteries and glass. The Bank's support is essential because these companies are a strategic part of the European economy and we want to keep helping them reduce their carbon footprints.

More investment is needed in research and development to create breakthrough low-carbon technologies for industries that rely heavily on gas, coal and other fossil fuels. Key technologies include methods to capture and store carbon, green energy and the use of recycled materials and hydrogen in place of gas or coal. A big reduction in the use of fossil fuels through new technologies will take many years. Until then, we need to keep supporting innovation aimed at reducing energy consumption and using materials more efficiently.

STRATEGIC TECHNOLOGIES

Europe's economy depends increasingly on innovation, especially in digital technologies and "new frontier" areas such as artificial intelligence, the internet of things, quantum computing, virtual reality, blockchain and biological engineering. If we can keep integrating artificial intelligence with advanced manufacturing technologies, we can keep improving the quality of products and competitiveness. Business success in Europe depends on building in-depth understanding and expertise in these technologies. In 2019, we continued to invest in many strategic technologies that help EU companies compete around the world.



DIGITAL TECHNOLOGY

Additional households covered by very high-speed broadband services	7.2 million
Very high-speed broadband lines activated	1.9 million
New or upgraded 4G and 5G sites	15 400
Subscribers with new or improved high-speed mobile data services	100 million



RESEARCH AND DEVELOPMENT FOR SMALL BUSINESSES

Jobs supported in skill-intensive industries and services	400 000
Potential additional revenue from projects	€70 billion



ARIANE 6 SPACE LAUNCH VEHICLE

As part of a large European Space Agency multiannual programme, ArianeGroup is developing a new-generation heavy launcher that will significantly reduce launch costs and respond to the latest trends in the satellite market. The company is one of the leading space transport players in the world.

This project will require heavy investments in prototypes, advanced manufacturing and new facilities. Thirteen countries will participate in the project, with most of the costs incurred in France, Germany and Italy.

The Bank's €100 million financing is an innovative risk-sharing structure known as quasi-equity, which will be repaid based on the project's commercial performance. The risk-sharing vehicle offers significant value to the project, as the company operates in a highly competitive and fragmented market. The financing helps address a number of risks in the global launch services market, which has relatively few players since many of them are supported by national space agencies.

The Ariane 6 project will contribute to Europe's independent access to space by supporting the development of a reliable, flexible and cost-competitive launcher. Better access to space is expected to bring substantial benefits to the European economy, including the creation of highly qualified jobs in the innovative space sector. The benefits will likely spread to a wide range of industries. The project will qualify under the European Security Initiative, which has additional economic value for Europe.

DIVERTOR TOKAMAK NUCLEAR FUSION TEST PLANT

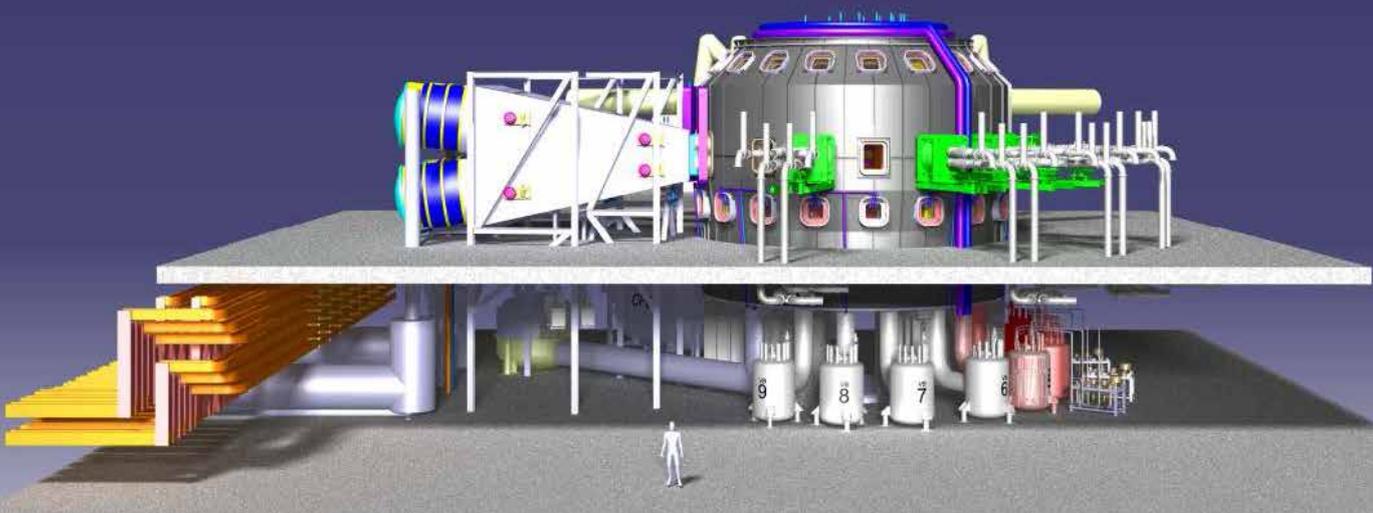
The Divertor Tokamak test facility is a vital step in the challenge to produce safe and clean nuclear fusion energy by 2050. This experimental facility based in Frascati, Italy, will test a number of key scientific and technological issues surrounding nuclear fusion, in particular the question of how to control the enormous amount of heat generated.

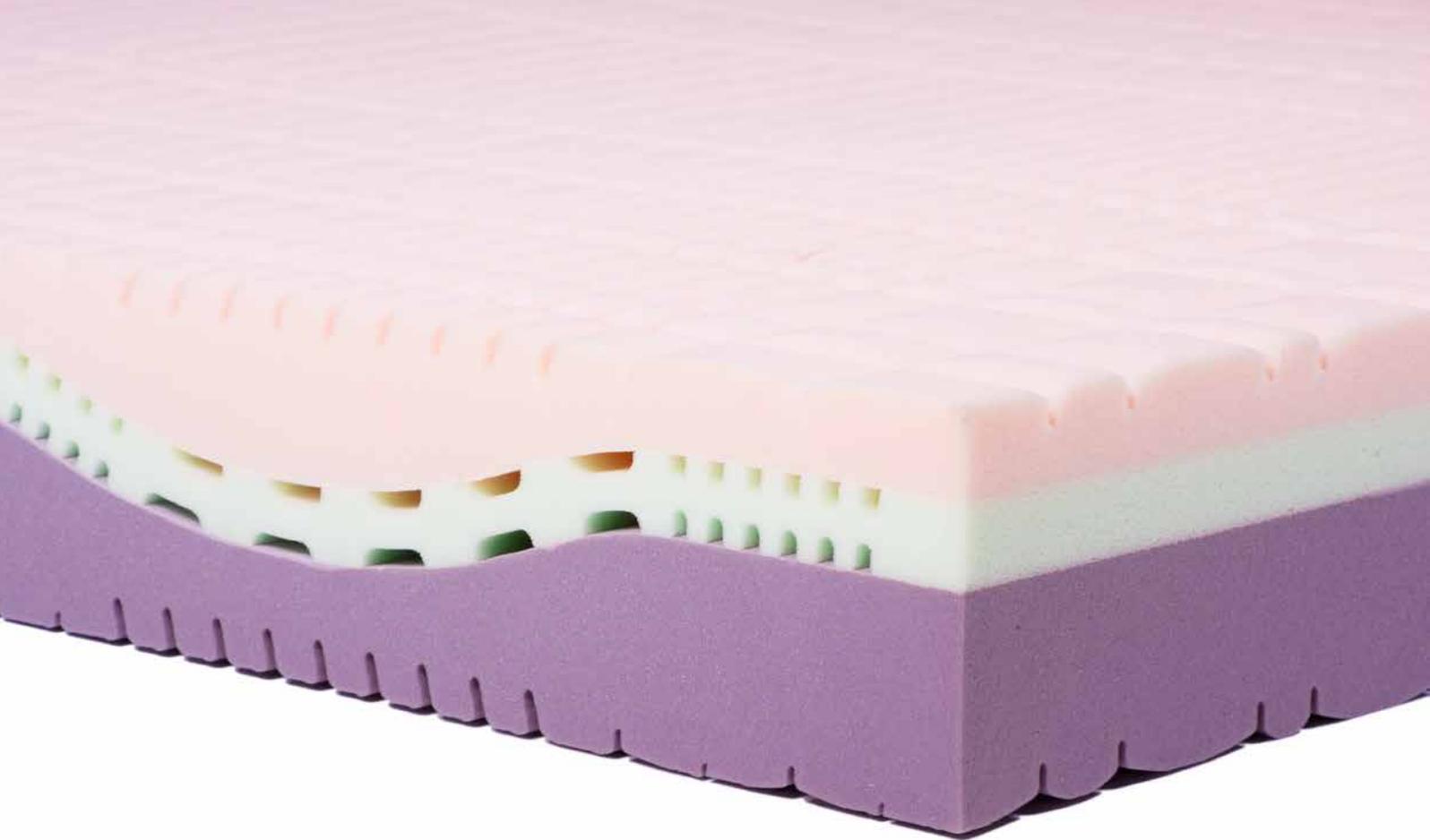
The Bank has signed a €250 million loan with the Italian research agency ENEA to help build the facility. The loan is expected to attract more public and private sector financing and increase commercial banks' confidence in ENEA's long-term sustainability, thus helping the project progress on schedule. The limited amount of public funds available cannot cover the sizeable investments needed for projects like this.

Financing for basic research and development activities is often not available in the private sector due to the uncertainty about the results. Such loans require long maturities and disbursement periods, and commercial banks do not currently offer this type of funding without guarantees or direct support from the state.

Failure to complete the Divertor Tokamak project on time could affect the goals outlined in the EUROfusion roadmap, which lays out a path to fusion electricity. Furthermore, delays in the construction could lead to the loss or postponement of public grants approved for the project.

The project will contribute to EU energy and climate change objectives. It brings a number of additional benefits, providing a boost to EU and Italian scientific excellence in the field of fusion energy and creating skilled jobs.





PCC ROKITA CHEMICAL PRODUCTION UPGRADE

Driven by the EU directive on halogen-free flame retardants and demand for greener raw materials and additives for the polyurethane industry, PCC Rokita launched a programme for product innovation and vertical integration of the production process. The EIB-financed project is part of this long-term investment programme. The project is located in Brzeg Dolny in Lower Silesia, a region of Poland eligible for EIB finance under EU cohesion policy.

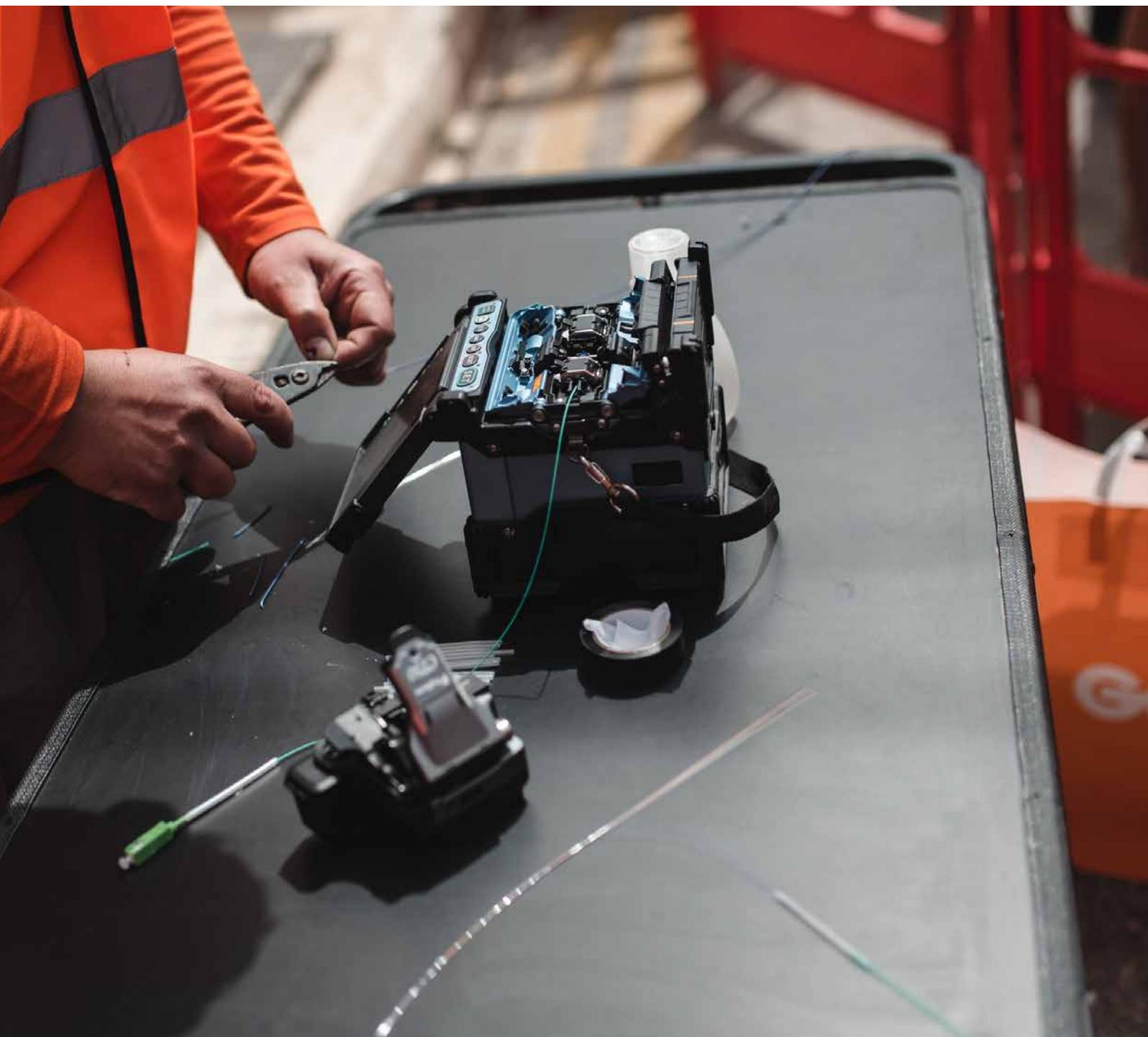
The EIB loan provides the company with a reliable long-term source of debt funding, which would be difficult to get from commercial banks given the company's sub-investment grade profile. The EIB support will send a positive signal to the market and should allow the company to find other investors.

The operation will strengthen the EU's industrial competitiveness and research and innovation potential, and supports the transition to a circular economy. It will also widen the EU's chemicals supply in a key industry that serves the furniture, automobile and consumer goods sectors. The project will safeguard 3 000 jobs and create 20 new posts in a less-developed region of central Europe.

TELECOM MALTA BROADBAND INTERNET EXPANSION

An EFSI-backed EIB loan will enable Telecom Malta to increase its fibre-optic infrastructure. The project will ultimately enable telecommunications companies to offer broadband services to around 60% of Maltese households using Telecom Malta's network. It will significantly boost competition in the local market and help more people access fast internet services, accelerating Malta's progress towards the 2025 broadband coverage targets set out in the EU Gigabit Society strategy. The project will also improve 4G coverage, setting the scene for the introduction of 5G.

With EFSI's support, the loan will help the company better manage its own funding sources and cash flow, as commercial banks are reluctant to offer long tenors in the current market.



VIDRALA GLASS MANUFACTURING (PROJECT COMPLETED IN 2019)

Vidrala is a leading European manufacturer of glass containers for the food and beverage industry. In 2017, the EIB provided a €45 million EFSI-backed loan to support the digitalisation of the company's production plant in Corsico, Italy. The extensive digital transformation programme included the introduction of cloud-based machine performance platforms and robotic glass handling equipment, in addition to the installation of a large number of data collection and analysis points throughout the production process.

In delivering enhanced efficiency, flexibility, product quality and machine reliability, the programme will boost Vidrala's competitiveness and help the European glass container industry. Glass manufacturing requires big investments to set up and maintain production facilities. The EIB loan enabled Vidrala to obtain long-term financing at attractive rates, having a positive impact on its capital structure and financial sustainability. The introduction of state-of-the-art technology, accompanied by an intensive training and job conversion programme, has created more highly skilled jobs. Employees also prefer the new workplace.



EDUCATION

In 2019, the EIB continued lending to universities and other private and public institutions in the education sector. This is important, because the sector has a hard time finding financing. The education sector plays a key role in Europe's sustainable growth and competitiveness, and helps reduce inequalities and increase inclusion. A better-educated population is also good for the economy and improves innovation.

New signatures related to education totalled €2.3 billion in 2019, providing finance to projects worth more than €5.5 billion and benefiting over 1.8 million students.



EDUCATION

Education facilities built or rehabilitated	740 000 m²
Students to benefit directly from EIB projects	1.8 million
Graduates from universities benefiting from EIB financing	5 700
Value of equipment supplied to educational facilities	€110 million

The EIB's 2019 lending to publicly managed research and development focused on countries or regions that need more help in innovation. Publicly funded research plays a key role in ensuring that all European countries have the proper institutional infrastructure and public research capabilities to support innovative entrepreneurs and small business development.

BUCHAREST POLYTECHNIC UNIVERSITY

This project improves teaching, learning and research at Bucharest Polytechnic University. The university is redeveloping its main campus. Currently, activities are split across four campuses in Bucharest. The project provides financing for the campus's redevelopment, including the construction of a building to house three teaching departments: applied chemistry and materials science, aerospace engineering, and medical engineering, which is currently located on a different campus. The project will group activities onto one campus to increase research synergies and will upgrade the existing facilities. It will also improve the energy efficiency of the campus and reduce the university's carbon footprint.

This is the first loan directly extended by the EIB to a public university in Romania. It constitutes a pilot operation for EIB financing for universities in Romania without an explicit guarantee from the state. The project will help improve the research and innovation potential of Romania, where there is persistently low investment in higher education and research.

Part of the project is eligible under the InnovFin Science product of the Horizon 2020 financial instruments, because it involves a public university and includes research and innovation activities that fall within the scope of the Horizon 2020 programme.

The project is in line with the Urban Agenda for the EU, which emphasises the transition to clean energy and the need to foster innovation, develop skills and create jobs in urban areas.

The project will enhance the quality of engineering education, ensuring that engineering graduates can find better jobs. This will increase the number of highly skilled workers in the economy, generating more tax revenues due to higher earnings, and leading to more technological innovations and start-ups. Engineers from this university are highly valued and graduates are often well paid.



HEALTH

The EIB continued to support innovation in healthcare, research and medical education. The Bank also expanded its technical assistance in the health sector.

Medical research has high financial risks, and there are long delays before new products reach the market. Medical research can have many different outcomes, but there can also be breakthrough discoveries, like new vaccines, imaging techniques and treatments for rare diseases. Effective medical research requires investments in institutes and university hospitals, which offer healthcare services while also operating as centres capable of testing new medical technologies. The Bank supports the construction and renovation of research laboratories and institutes, medical universities, university hospitals and larger projects such as biomedical campuses that combine health and science activities. In a new area of support, the EIB is financing the construction of modern long-term care centres, especially for older people. This sector needs more investment and offers many benefits for society.

The EIB's investments in 2019 will improve health services for 12 million people across the European Union.



HEALTH

Equipment and communications technology to health facilities	€350 million
Size of health facilities built or upgraded	680 000 m²
Number of people receiving better health services	12 million

PRIMARY HEALTHCARE CENTRES IN AUSTRIA

The project will help Austria restructure its primary care services. Some services will be moved from hospitals to new primary healthcare centres. These centres will become the first port of call for people who need to see a general practitioner. This will give hospitals more time to deal with specialised care and emergency services.

The EIB Advisory Hub provided consulting and advisory support to develop an investment plan and the financial structure, and to identify funding to set up the new care centres. Lines of credit were set up with commercial banks for these centres.



This is a new approach to primary care in Austria. Primary care will now be offered according to the actual needs of the population.

Without the EIB's support, local banks alone would not have offered comparable financing terms, as these new care centres are considered start-ups with no credit history.

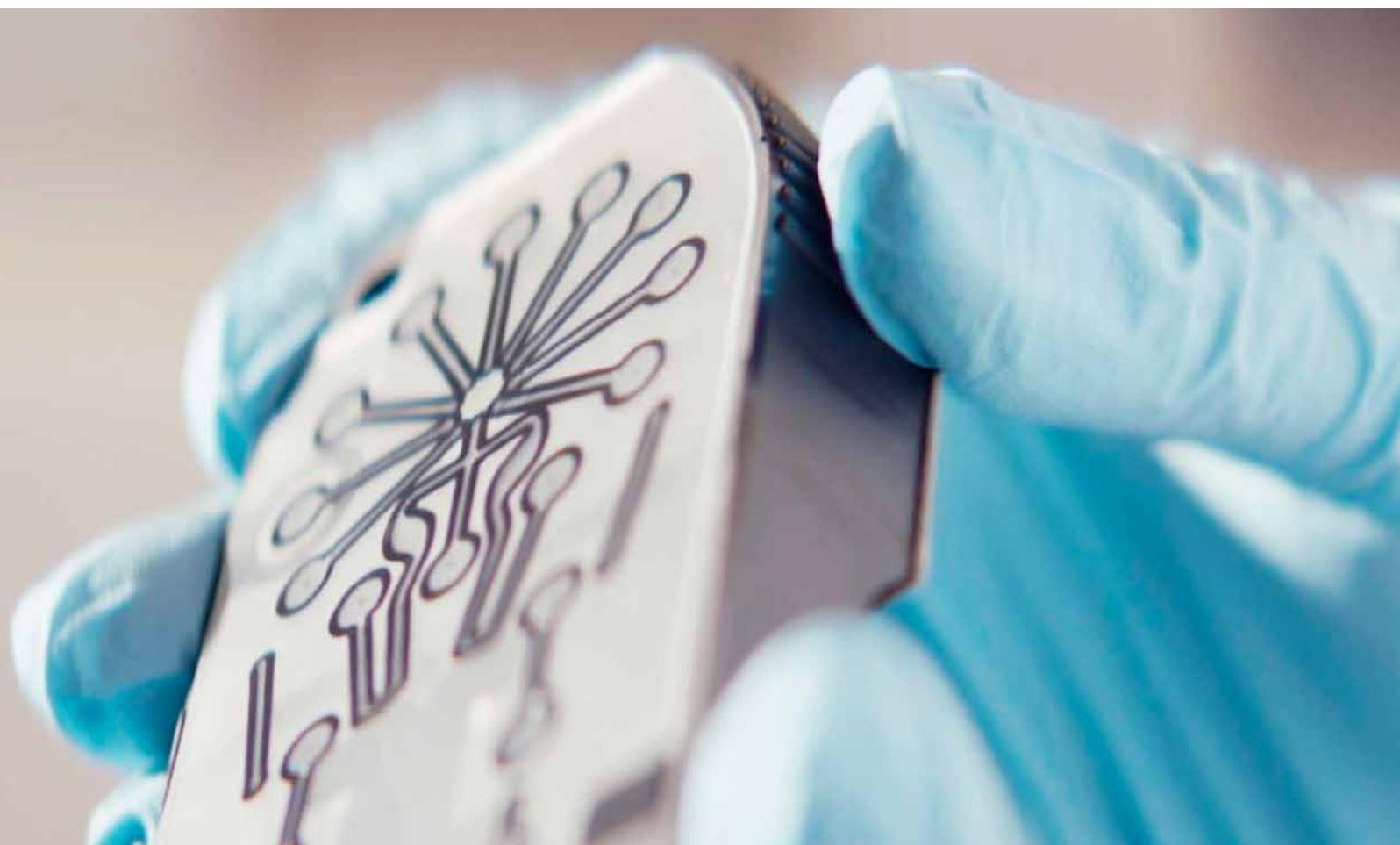
By using local banks' knowledge of the regional markets and taking advantage of their specialised client base, the EIB will be able to increase its support to the health sector in Austria and offer more financing for the reorganisation of primary care. The project will increase outpatient services in Austria and give women better jobs. At least 30% of the new care centres' ownership and management, and 50% of the employees, are expected to be women.

MOBIDIAG (PROJECT COMPLETED IN 2019)

Mobidiag specialises in diagnostic screening technology for infectious diseases, notably life-threatening conditions such as diarrhoea and meningitis, and more recently the new coronavirus. Rapid diagnosis of infections is important for public health. The company is addressing a need for low-cost, automated molecular diagnostics systems, which can perform multiple analyses simultaneously and be used in laboratories of different sizes.

In 2016, the EIB provided the company, based in Espoo, Finland, with a €15 million venture debt loan under the Infectious Diseases Finance Facility to support the Novodiag diagnostics platform. The platform offers on-demand, automated diagnostics for small labs or decentralised units. This loan enabled Mobidiag to start selling the platform in 2017 and strengthened the company's leading position in diagnostic screening technology.

A second loan was signed with Mobidiag in 2019 under the EFSI-backed European Growth Finance Facility, supporting the development of its molecular diagnostics testing platforms. In recent months, Mobidiag has turned its attention to testing for COVID-19. Testing units that can be operated with minimal training are increasingly important as countries step up their testing efforts.



SMALL BUSINESSES

Small businesses are the backbone of Europe's economy. They also drive innovation and employment. However, small companies have a hard time finding financing and other assistance, so there is a big need for public support.

The EIB targets the expansion of intermediary banks' lending capacities, improved financing conditions and the diversification of financial sources available to small enterprises. With EFSI, the EIB and the EIF have developed an extensive line of products to help intermediary banks support small firms.

The Bank's products for intermediary banks address the key problems small businesses experience when looking for financing: too few loans are available, the cost of financing is too high and the financing packages lack diversity.

By providing both loans and guarantees to commercial banks and, increasingly, to innovative non-bank intermediaries, the EIB is expanding the number of loans offered to small businesses and improving the conditions. It is also continuing to promote securitisation as a powerful tool to help banks or other institutions give loans to small companies. EIB lending to intermediaries not only helps small businesses get loans at lower interest rates or with longer tenors, but the loan guarantees from the European Commission and EU countries help banks reduce the amount of collateral required from small businesses to take out a loan. The EIB's support for non-bank finance, including venture capital, alternative debt providers and securitisation, is contributing to the European Commission's Capital Markets Union initiative, part of the third pillar of the Investment Plan for Europe.

In 2019, first signatures between the EIB and financial intermediaries for small companies totalled €11.1 billion, mobilising an estimated €39 billion of investment and sustaining approximately 5.2 million jobs.



SMALL BUSINESSES

Total volume and number of intermediated loans to SMEs and mid-caps	€11.1 billion 140 500 loans
Additional SME finance leveraged through intermediaries	€39 billion

The Bank continued to orient its tools around key EU policy goals, including support to cohesion regions and climate action. Other EU goals that guided our financing were innovation, agriculture, youth unemployment, women's empowerment and the globalisation of companies. Most of the EIB's financing went to intermediaries, including commercial banks, leasing companies and alternative lending platforms. The Bank also worked closely with EU countries' development banks. The financing was assisted in many ways by the Bank's advisory services. The European Investment Advisory Hub handled 106 new projects to support SMEs and mid-caps in 2019.

OVERVIEW OF SME AND MID-CAP OPERATIONS SIGNED IN 2019

Results

Key new initiatives and pilots for SMEs and mid-caps

Seven risk-sharing operations worth €1.7 billion

Through risk-sharing, the EIB is providing steady backing on a loan-by-loan basis, directly participating in intermediaries' financing to small businesses. Such transactions are expected to generate €3.8 billion of new investment for SMEs and mid-caps.

21 operations offered as loan substitutes through ABS or covered bonds for a total of €3.1 billion

The EIB continued to diversify its financing options. Loan substitute transactions accounted for around 30% of new activity. Loan substitutes involved funded transactions or guarantees, enabling intermediaries to expand their lending to small companies. These new operations are expected to support €10.1 billion of new investment for small firms.

A €435 million increase in the EIB's commitment to the SME Initiatives in Finland, Italy and Romania with the continued use of existing SME Initiatives in Bulgaria, Malta and Spain

The SME Initiative instrument, currently covering Bulgaria, Italy, Finland, Malta, Romania and Spain, increases private investment and creates jobs. Support is provided to small European firms through risk-sharing financial instruments. The increase in SME Initiatives in Finland, Italy and Romania is expected to raise the maximum aggregate guaranteed portfolio amount by an additional €1.1 billion of new loans to small companies.

LOAN FOR INNOVATION AND FEMALE ENTREPRENEURSHIP

The project consists of a €200 million loan for small companies in Italy, focusing on innovative companies and firms led by women. At least 40% of the loan is dedicated to innovative firms and at least 25% is for companies owned or led by women.

This operation helps the knowledge economy and is aligned with the EIB Gender Strategy. It also helps sustainable growth and employment. This is the first EIB loan to an intermediary addressing these issues in Italy, so it is expected to generate significant interest from other financial institutions.

BIOECONOMY AND RURAL DEVELOPMENT

The EU agriculture and bioeconomy sector employs around 18 million people and accounts for about 4.2% of the European Union's gross domestic product. The majority of businesses in these sectors are farmers, small firms and cooperatives, which often have a hard time finding financing. Rural areas often have fewer schools or job opportunities, fewer public services and transport options, and reduced internet service. To prosper in the future, the agricultural sector needs more innovation. The shift to a low-carbon and circular economy will create new markets for agricultural products, such as an increasing demand for biomass (forest residues and food waste) and bio-based materials for products (biodegradable packaging and make-up). In a nutshell, balanced and sustainable land development supports cohesion and requires more investments in rural and urban areas.

Forestry is an important part of the bioeconomy. Significant private and public investments are needed in the European Union for rebuilding forests, forest protection and rehabilitation. This includes biodiversity enhancement and management of protected areas in light of the new EU Biodiversity Strategy 2030. This strategy has ambitious forestry targets, including planting and managing an additional 3 billion trees in Europe by 2030. The demand for sustainable forest products is growing as people shift from using fossil-based products to renewable and recyclable ones.

The EIB has been active in the forestry sector for over 40 years. Today, the Bank is one of the biggest financiers of the sector worldwide, and its work supports the EU Forest Strategy 2014-2020.

In recent years, the EIB has increased its investments in biogas production from agricultural materials – mainly manure and other residues from agricultural industries. Biogas plants offer renewable energy and contribute to the security of energy supply. They provide a proven technical solution for organic waste treatment, and help the agricultural sector handle by-products such as manure.

In 2019, together with EFSI, the EIB launched its Agriculture and Bioeconomy Programme to provide finance to mid-caps, cooperatives and larger companies involved in primary production or associated manufacturing activities in the sector. In the same year, the EIB also launched the EU Agricultural Programme Loan, which supports smaller companies and young farmers.

Also in 2019, the EIB launched its Blue Sustainable Ocean Strategy to invest €2.5 billion in sustainable ocean projects over five years. This is more than double our current lending. We aim to attract at least €5 billion in public and private investment for the ocean economy.

Some results from the 2019 operations in this sector:



BIOECONOMY AND RURAL DEVELOPMENT

Additional production capacity of food and agricultural products	550 000 tonnes per year
Agricultural and forestry land under improved management	130 000 hectares
New area covered by irrigation networks	30 000 hectares

CARBERY GROUP EXPANSION

The Irish dairy cooperative Carbery is expanding into mozzarella cheese and hopes to serve rapidly expanding markets in Asia and the Middle East. The company, which consists of more than 1 200 farmers, is known for its cheddar cheese that is mostly sold in the United Kingdom. When the United Kingdom left the European Union, the company decided to diversify its products in other countries. It is installing a new production line to make industrial mozzarella for pizza. The EIB signed a €35 million loan to assist Carbery's plans, which involve a €75 million expansion of its manufacturing plant in Ballineen, County Cork.

This is the first Irish project financed under a €400 million EIB streamlined agriculture and bioeconomy programme loan launched in 2018 and guaranteed by EFSI. The EIB's loan has helped strengthen the cooperative and find new markets for Irish dairy farmers. The deal helped mobilise more private finance and included a long-term tenor that is not available from commercial banks.



WATER, WASTE, SEWERS AND FLOODS

The EIB is the world's largest multilateral lender in the water sector. Water projects help society in many ways, like limiting pollution in groundwater and surface water or preventing floods. In 2019, EIB water sector projects brought safer drinking water to 3.6 million people across the European Union, while 4.6 million people benefited from improved sanitation services, and 1.5 million people had better flood protection. The Bank's activities contributed to the SDGs for clean water and sanitation, and sustainable cities and communities.



WASTE PROJECTS

New or rehabilitated treatment facility capacity	800 000 tonnes per year
New waste facility capacity	440 000 tonnes per year
New waste collection containers	167 000
New waste collection vehicles	1 500
Number of people served by new waste or waste treatment facilities	8.1 million
Number of people benefiting from new waste collection systems	900 000

WATER PROJECTS

Length of water mains or distribution pipes built or upgraded	8 000 kilometres
Capacity of water treatment plants constructed or rehabilitated	1 million m³ per day
Domestic connections to water supplies created or rehabilitated	56 600 units
Number of people benefiting from safe drinking water	3.6 million

SEWERAGE

Length of sewers and/or water pipes built or upgraded	4 400 kilometres
Capacity of sewage treatment plants constructed or rehabilitated	4.9 million persons equivalent
Domestic connections to sanitation services created or rehabilitated	266 000 connections
Number of people benefiting from improved sanitation services	4.6 million

FLOOD PROTECTION

Construction and rehabilitation of dykes, flood barriers and flood retention basins	240 kilometres
Number of people benefiting from a reduced risk of flooding	1.5 million

RECOVERY AFTER THE FLOODS IN GREECE

Following serious damage and loss of life during the floods in Greece, the government created an investment programme to make the country more resilient to climate change and disasters. A €150 million EIB loan will help 10 flood protection projects in the regions of Attica, the Peloponnese and Central Macedonia, notably in Thessaloniki. This is the EIB's first water project in Greece since the mid-1990s.

The project will be co-financed with the Council of Europe Development Bank, ESIF and the Greek government. It will support the construction of flood retention basins and stormwater drains, the widening and deepening of riverbeds, and the reinforcement of riverbanks and stream embankments, particularly in densely populated urban areas.

The Bank's involvement will help Greece improve flood protection, save lives, reduce damage to infrastructure, reduce public health costs, and improve water quality. These benefits would not happen at the same level without the Bank's support.

The project contributes to the EIB's goals in environmental protection and natural resource efficiency, as well as climate change adaptation. Half a million people will be helped by this project, in addition to the improvements to the economy and the environment in the two largest urban areas of Greece.



DERICHEBOURG RECYCLING AND CIRCULAR ECONOMY

Derichebourg Group is the leader in metal recycling in France, employing over 39 000 people. A €130 million EFSI-backed EIB loan will help the company modernise and improve its recycling activities.

Derichebourg plans to enhance the treatment of water used in its recycling activities, reduce noise pollution and buy equipment that uses less energy and emits less CO₂. It will also finance activities to reduce the amount of waste going to landfill.

In response to the increasing complexity of the materials to be recycled, Derichebourg will use technologies that enable greater separation of materials. For example, the company has developed innovative processes to sort materials by their atomic density, detect brominated plastics and sort ferrous and non-ferrous metals by density.

Despite growing demand for recycling services, companies find it difficult to obtain financing of a sufficiently long tenor. The EFSI-backed EIB financing offered the necessary length of tenor, which will help Derichebourg maintain its high level of investments over the coming years. The project contributes to climate action and the circular economy, and will help safeguard 290 skilled jobs.

HELPING EMILIA RECOVER AFTER THE EARTHQUAKE

In 2012, two devastating earthquakes hit the Emilia-Romagna region of Italy. Around 19 000 families lost their homes and over 40 000 jobs were affected. Damage to 570 schools and universities meant that 45 000 young people could not attend classes. In addition to this, 2 000 public and religious buildings and cultural facilities were damaged.

The EIB's €1 billion in loans and other financing helped the region build new homes and buildings that are earthquake resistant and energy efficient. The area was previously classified as an area of low seismic activity. The project, completed in 2019, has helped the region's residents return to their normal lives.



IREN CLIMATE ACTION AND CIRCULAR ECONOMY

Iren Ambiente is a waste collection and power generation company that serves over 2 million people in north-western and central Italy. An EIB loan will help the company bring its waste treatment processes more in line with the circular economy by increasing the quantity of energy and materials recovered from bio and wood waste.

The investment will also help the company buy electric vehicles, decreasing its carbon emissions. The extra biomethane produced from its waste collection and the new fleet of electric vehicles will reduce the use of fossil gas and fuels, contributing to climate change mitigation.

Iren will also invest in its hydroelectric facilities to make them more durable. This will contribute to climate change mitigation by reducing the need for fossil fuel.

The EIB's support has enabled Iren to accelerate its decarbonisation programme and step up its support for the circular economy.

URBAN AND REGIONAL DEVELOPMENT

Promoting economic and social cohesion is an EIB priority. The Bank's lending and advisory services help increase economic growth and create jobs, addressing regional economic imbalances and raising living standards across the European Union.

EIB support to EU cohesion priority regions in 2019 accounted for 30% of our lending in Europe.

	URBAN AND REGIONAL DEVELOPMENT	
	Social, administrative, culture and sports facilities built or renovated	1 500
	New park areas created	45 hectares
	Brownfield land regenerated	70 hectares
	Visitors to new or renovated cultural, recreational and sports facilities	3.7 million
	Refurbished or constructed energy-efficient buildings	5.1 million m²
	Households in new or refurbished social and affordable housing	92 500

RENOVATION OF SOCIAL HOUSING

Over 22 000 people will benefit from this project to renovate and improve the energy efficiency of 9 600 social housing units in the Nord-Pas-de-Calais Mining Basin in France, which is a cohesion region. In cutting CO₂ emissions by 41 200 tonnes a year, the project will help this former coal-producing region transition to a green economy. Residents will have lower heating costs, and as 40% of the housing to be renovated is on a UNESCO World Heritage Site, the project protects France's social and cultural heritage.

The EIB loan to Maisons & Cités complemented financing from the Caisse des dépôts et consignations, bringing favourable financial terms and a fixed interest rate. Securing financing for a five-year loan availability period provides Maisons & Cités with greater flexibility to manage its finances and helps ensure that moderate rental prices are maintained. The EIB will also offer technical expertise and help structure the investment programmes.



DIVERSIFYING THE VALENCIAN ECONOMY WITH HELP FROM THE EUROPEAN UNION

The Autonomous Community of Valencia has a population of 5 million, making it the fourth most populous region of Spain. Its economy depends heavily on tourism and real estate activities, so this coastal region suffered a lot from the 2008 financial crisis. Gross domestic product per person declined from 97% of the European Union average in 2006 to 81% in 2017, and employment fell by more than 20% between 2007 and 2013. It became especially hard for young people to find jobs.

A €270 million framework loan from the EIB will help accelerate plans under the European Regional Development Fund, the European Social Fund, and the Rural Development Programme to diversify the regional economy. The project is expected to contribute to climate change mitigation and adaptation through forest rehabilitation and fire prevention, as well as increasing resource and energy efficiency in agricultural and food production. The plans include deep renovations of public buildings and a switch to green urban transport. The project will create 840 permanent jobs, including 400 for small companies and start-ups. It will also provide more high-speed internet and four new sewerage plants, and see the modernisation of 670 farm holdings, as well as upgrades to 14 900 hectares of irrigation systems in an effort to save water.

The EIB's loan offers significant financial help to the Autonomous Community of Valencia through attractive interest rates and a long tenor. The project also contributes to climate action.



TURKU SUSTAINABLE GROWTH

With a population of 190 000, Turku is Finland's sixth-largest city. The city's development strategy, "Turku 2029," calls for sustainable growth that respects the environment, society and the economy. To accomplish this, the city is modernising public services and making them more functional. Residents are encouraged to participate in the plans.

An EIB framework loan of €150 million will help the city invest in education, culture, social housing, assisted living, energy and transport. It will also help the city with its plans to become carbon neutral by 2040, introducing significant structural changes in energy production and consumption, and promoting sustainable transport and other mobility.

FINANCE FOR SMALL TOWNS IN FRANCE

The public sector can have trouble finding long-term fixed interest rate loans for infrastructure projects. An EIB loan to Caisse des dépôts et consignations will help public authorities finance investments of up to €25 million. Around 20% of the investments will be located in cohesion regions and more than 40% are expected to contribute to climate change mitigation. The loan will help the energy efficiency of public buildings, education, urban renewal and regeneration, water supply and wastewater treatment, roads and sustainable transport, and healthcare.

The operation especially targets very small projects and small French towns, which have difficulty finding long-term financing on good terms and whose financing needs are not met by private banks or through other intermediated EIB lending.

TRANSPORT

Over the next 20 years, transport technology will change faster than at any time since the invention of the internal combustion engine. Political, economic, social and technological trends are changing how we design and manage transport systems, and how we use and pay for them. As mobility becomes increasingly connected and integrated, and as people demand more accessible, efficient, clean and safe transport, the sector's investment needs will change.

We have seen a big increase in electric vehicles and alternative fuels. It is now common to use mobile phone apps to get a ride. Our cars are being fitted with more automated features. Intelligent transport systems are enabling the real-time management of key transport infrastructure.

The EIB provides over €10 billion of finance per year for transport projects. Within the European Union, 17.5% of the EIB's lending was for transport projects. We also offer technical assistance for clean transport projects.

We are especially supporting cleaner, digital and automated transport. Together with the European Commission, we have launched a number of recent initiatives to address changes in transport, including the Cleaner Transport Facility, the Safer Transport Platform – Road Safety Advisory, and the European Drone Investment – Advisory Platform.

As the EU's climate bank, we will prioritise low-carbon projects in the transport sector.



TRANSPORT

Additional passengers trips per year	500 million
Time saved per year	57 million hours
Vehicle operating costs saved per year	€97 million

ROAD

Length of roads built or upgraded	2 030 kilometres
CO ₂ savings due to increased use of electric vehicles	44 000 tonnes per year
Road fatalities prevented due to road safety measures	36 lives per year

RAIL

Railway tracks built or upgraded	600 kilometres
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Stations constructed or upgraded	35 stations
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SEA

Additional tonnes of annual port cargo capacity	35 million tonnes per year
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Additional tonnes of annual cargo traffic handled in terminals	14 million tonnes per year
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AIR

Additional airport capacity	11 million passengers per year
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Additional annual passenger throughput	8.5 million passengers per year
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URBAN TRANSPORT AND ROLLING STOCK

Public transport vehicles and rolling stock purchased or rehabilitated, electric and hybrid vehicles purchased	21 000
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Urban rail and bus lanes built or upgraded	210 kilometres
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Stations or stops built or upgraded	280
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KARAWANKEN TUNNEL REFURBISHMENT

The project will refurbish a road tube and build a second road tube on the Austrian side of an eight-kilometre tunnel connecting Slovenia and Austria. An earlier EFSI-backed EIB loan supported the project on the Slovenian side.

The cross-border tunnel is part of the comprehensive Trans-European Transport Network (TEN-T) and connects two core networks: the Baltic-Adriatic and the Mediterranean. It opened in 1991 and the initial plan was to build two tubes, but due to limited traffic forecasts only the western tube was built and used as a two-way tunnel. Today, there are significant bottlenecks, as the motorways on each side of the tunnel have four lanes. The lack of appropriate escape routes and ventilation systems are a safety risk, so the traffic flow in the tunnel has to be restricted, in particular for heavy trucks. This causes regular congestion, especially during weekends, holidays and the summer tourist season. Furthermore, any maintenance requires partial or complete closure of the tunnel. When this happens, heavy trucks have to take detours of several hundred kilometres.

The project will help the tunnel comply with EU safety standards and reduce congestion. It will also reduce carbon dioxide and other pollutants emitted into the air by vehicles waiting in long queues of traffic.

The EIB is co-financing the project with the Connecting Europe Facility financial instrument. The borrower's access to an EU grant is conditional on finding co-funding from a bank. The EIB will provide a long-term loan matching the long life of the tunnel, and the company will obtain other long-term funding from bond sales.

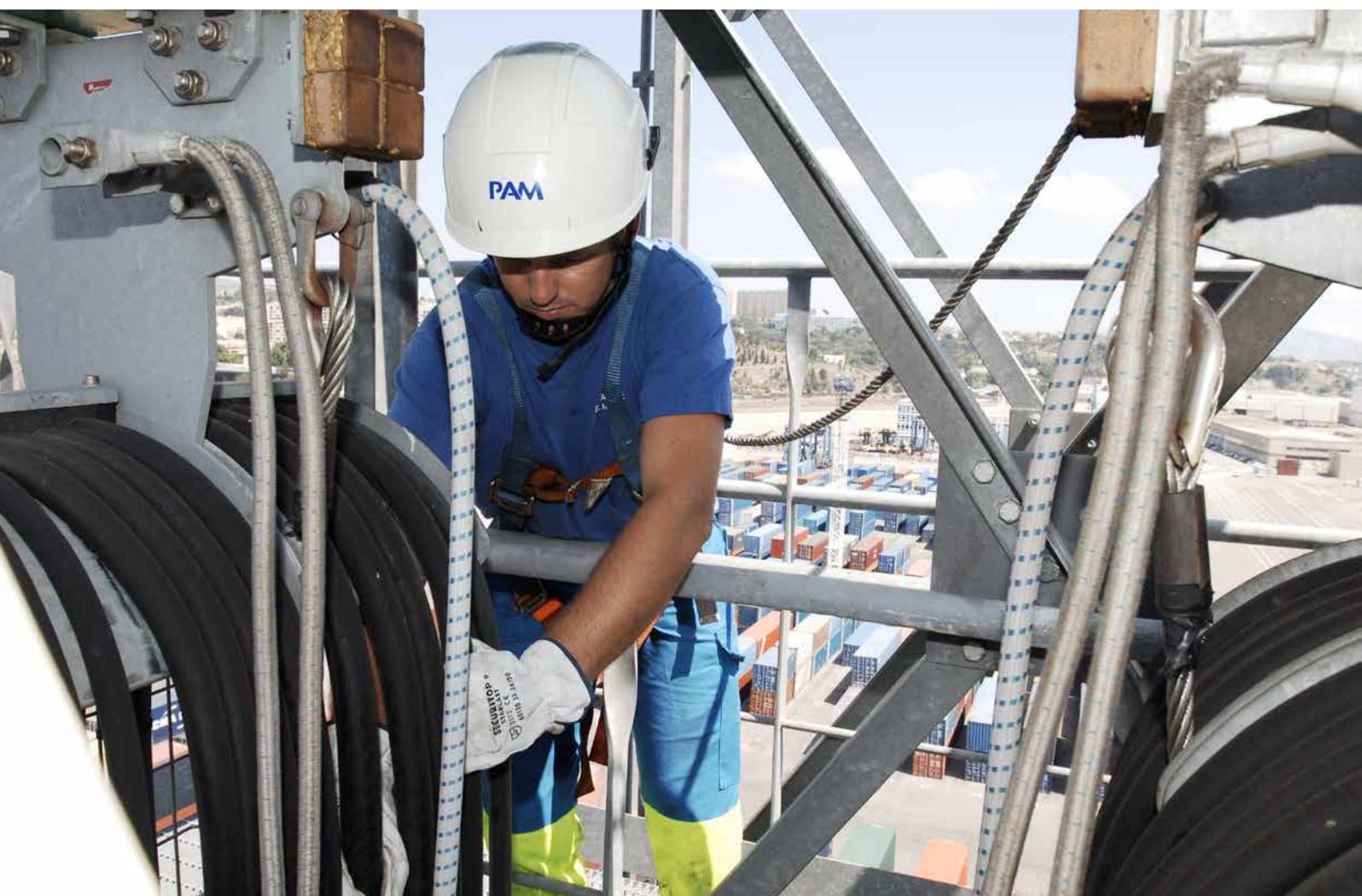
ECOSLOPS PETROLEUM WASTE RECYCLING

In the first operation under the new Future Mobility Facility, the EIB signed an €18 million deal with Ecoslops for a system that recycles the oily waste produced by ships' motors. Big ships' engines generally burn low-quality heavy fuel oil. This fuel is purified before entering the engines to remove contaminants, or sludge. The sludge is then collected in tanks. Some ships used to dump this sludge into the sea, but new rules require them to leave it in ports for processing.

Ecoslops technology installed at the ports of Antwerp and Marseille will recycle over 90% of this oily residue (known as slops or sludge). Ecoslops is also developing smaller petroleum residue recycling technology that can be transported to any location.

Ecoslops technology processes this oily waste into new fuels like naphtha, gasoil, fuel oil, and light bitumen for construction. This reduces the demand for more crude oil. The technology enables a 66% reduction in CO₂ when producing construction materials and fuel derivatives.

The EIB's investment will provide a safe and cost-effective outlet for oily shipboard waste, improving waste management at ports in line with EU legal requirements on waste. This also reduces the risk that ships will illegally dump this waste into the sea.



NETZ ELBE-SPREE RAILWAY RENOVATION

The Netz Elbe-Spree railway network serves Berlin and three surrounding states in Germany. It is replacing railway vehicles to enhance the efficiency of its busy regional and commuter services. A €185.9 million EIB loan will finance 27 trains, which will be in operation by 2025, benefiting around 34 million passengers per year. The project is expected to reduce energy consumption and greenhouse gas emissions through a more efficient rail service and by encouraging a shift from road use to trains.



GYSEV RAILWAY MODERNISATION

Győr-Sopron-Ebenfurti railway's investment plan in Hungary included the purchase of locomotives and other rail vehicles for passenger transport, together with a number of infrastructure changes to improve services. Completed during 2019, the project improved the efficiency of trains on key lines that serve other countries, including parts of TEN-T. The trains operate mostly in Hungary and Austria, but a number of them haul freight and serve long-distance passengers in Germany, Romania, Slovakia and the Czech Republic, while three operate in Slovenia, Croatia and Poland.

The project aimed to boost the competitiveness of passenger rail transport, in line with EU policy on sustainable transport. The railway serves about 6 million passengers a year. The new vehicles replaced less efficient, noisy locomotives, helping to maintain existing levels of demand and encourage the transfer from road use to rail, which would reduce vehicle operating costs, road accidents, pollution and greenhouse gas emissions. Improvements to road crossings also made rail transport safer and helped prevent accidents.

ENERGY

In 2019, the Bank introduced a new energy lending policy that increases our focus on low-carbon energy, energy innovation and key infrastructure.

In recent years, the EIB has played an important role in supporting low-carbon technologies and in reducing their cost, particularly in the case of offshore wind, a technology that is now close to being cost competitive. Our financing is now also focusing on the progressive integration of these technologies into the wider energy market, moving away from feed-in tariff support schemes that were used to encourage the uptake of renewable energy, towards market-based systems such as competitive auctions or power purchase agreements with corporate buyers.

Recognising the importance of energy efficiency in climate change and sustainability, the EIB's 2019 operations supported new investments in the European Union that save some 6.2 TWh (or about 0.5 million tonnes of oil equivalent) of energy per year. Some of these investments helped build highly efficient social housing, cutting energy costs for lower-income households. Today, finance for energy efficiency and renewable energy represents more than half the Bank's total lending for energy projects in the European Union.

The EIB also gives technical assistance grants for energy efficiency. The 19 projects signed under the European Local Energy Assistance (ELENA) programme should mobilise around €1.3 billion worth of investment, saving 1 120 GWh in annual energy use, producing 195 GWh from renewable energy, and saving 415 333 tonnes of carbon emissions per year. In 2019, the number of grant projects in energy efficiency project preparation for residential homes increased substantially to eight. Under ELENA, there are 95 signed ongoing and completed projects (excluding transport). These projects represented about €168 million in committed grants by the end of 2019.

The EIB's lending in 2019 ensured that 28 000 kilometres of power lines will be built or upgraded, delivering electricity to new customers and ensuring a high quality of supply to existing customers. We have supported some 820 kilometres of gas pipelines for households and businesses. In total, EIB financing has helped connect 285 000 new households to energy networks in the European Union.



ELECTRICITY AND HEAT PRODUCTION

Additional electricity generation capacity - of which from renewable sources	9 400 MW 97%
Additional electricity generated - of which from renewable sources	20 200 GWh per year 95%
Households which could be supplied with the electricity generated by the projects	4.2 million households

Additional heat production capacity - of which from renewable sources	350 MW 54%
Additional heat produced - of which from renewable sources	1 900 GWh per year 50%
Households which could be supplied with the heat generated by the projects	230 000 households

ENERGY EFFICIENCY

Energy savings from energy efficiency measures per year	6 250 GWh per year
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ENERGY NETWORKS

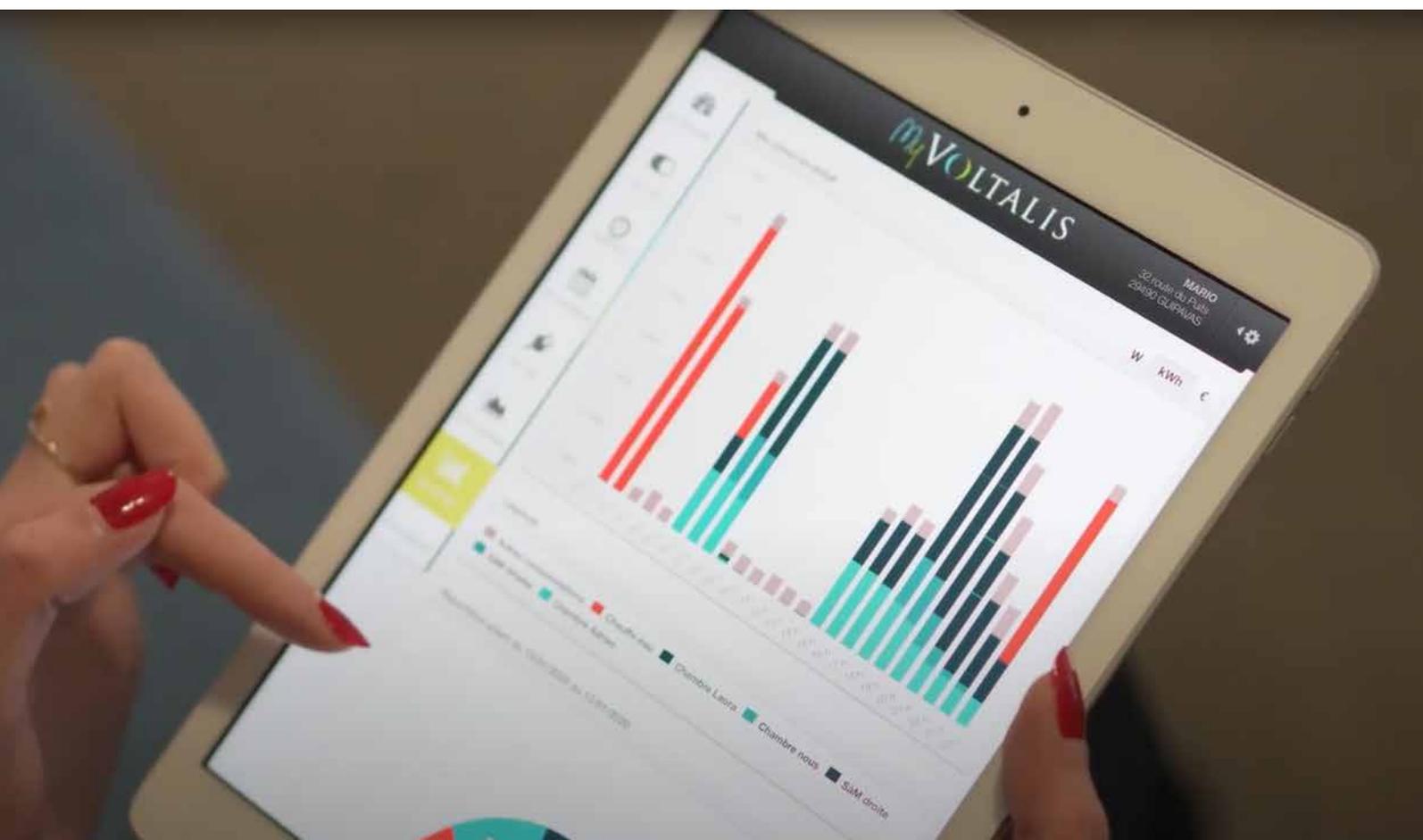
Power lines installed or upgraded	28 000 kilometres
Capacity of sub-stations constructed or upgraded	6 100 MVA
Heat pipelines installed or upgraded	300 kilometres
Gas and oil pipelines constructed or upgraded	820 kilometres
New connections to energy networks	285 000 connections
Additional electricity transported per year	36 400 GWh per year
Additional gas transported or storage capacity utilisation per year	207 000 GWh per year

MAKING THE ELECTRICITY NETWORK MORE FLEXIBLE

Demand response technology plays an important role in making the electricity supply more flexible, because it reduces consumer demand when prices are high or during peak usage.

A €20 million EIB loan will help a company owned by Meridiam and Voltalis speed up the installation of smart boxes that use Voltalis's demand response technology in homes and small companies. This will help people save energy while still receiving the same level of comfort.

This technology is a priority in the EIB's new Energy Lending Policy, because it encourages individual people and small companies to participate in the electricity market. It also increases the digitalisation of energy systems, improves energy efficiency and makes the overall energy network more flexible. The development of demand response technology is an important part of numerous EU policy initiatives, in particular the Clean Energy for All Europeans package, the Electricity Directive and the European Green Deal.



The project is being carried out through the InnovFin Energy Demonstration Projects facility. The Bank's finance will be highly additional and is expected to have a significant demonstration effect.

VIVAWEST ENERGY-EFFICIENT BUILDINGS

The operation will support the construction of about 2 330 rental units in the North Rhine-Westphalia area of Germany, representing the second phase of the company's near zero energy buildings investment programme financed by the EIB. About 17% of the new apartments will be open to people eligible for social and affordable housing, with the requirement that rental contracts offer reduced rents for at least 20 years.



The project includes housing for students as well as childcare facilities in the residential areas. North Rhine-Westphalia is Germany's most populous state. The population is expected to grow, and the state is undergoing a transition from mining and steel industries to other sectors. There is a significant shortage of affordable rental housing, especially in urban areas such as Essen, Dortmund, Düsseldorf and Cologne.

Improving energy efficiency, particularly in residential buildings, is a key EU climate objective. Buildings account for about 40% of energy consumption in the EU. Energy efficiency improvements in Germany are significantly behind EU and national objectives.

Often, the higher construction costs for near zero energy buildings dissuade private real estate companies from investing, and sometimes they do not want to offer affordable rents for such projects. Due to the EFSI-backed EIB loan, the project promoter will be able to meet the near zero standards and offer affordable housing and other social benefits, such as childcare and student housing, while still achieving a good investment return.

The structurally subordinated and unsecured EIB financing will help attract private investment and other financing, including public grants, which will help make the project a success.



IM2 SOLAR POWER DEVELOPER

The EIB took an innovative approach to renewable energy investment in this project by supporting a small independent power company. A €25.9 million EFSI-backed EIB loan, together with equity from IM2, will support a series of solar energy projects in the Autonomous Communities of Valencia, Extremadura and Andalusia.

The Bank's participation will help attract private investors, thereby mobilising more money for renewable energy. The project will support EU priorities on convergence and social cohesion by creating much-needed employment in Andalusia and Extremadura, which are classified respectively as less-developed and transition regions. The temporary employment created is equal to 400 jobs for a year in the initial phase, leading to the creation of the equivalent of around 20 full-time posts.

The project will also help Spain meet its 2020 targets for renewable energy, while contributing to the EU-wide 2030 target of 32% of energy consumption from renewable sources.

MORE EFFICIENCY FOR ÄÄNEKOSKI PULP MILL (PROJECT COMPLETED IN 2019)

An EFSI-backed EIB loan of €275 million helped the pulp producer Metsä Fibre replace its mill in Äänekoski, Finland. The new mill has more than doubled the output capacity, bringing higher resource efficiency and innovative process optimisation, while safeguarding 150 jobs.

The new mill has a combined heat and power plant fuelled by renewable by-products from the main production process, an overhead power line, and an innovative bark gasification plant, meaning the mill does not use fossil fuels. The project includes a new tall oil plant, and has helped the environment by upgrading the treatment of effluent and decontaminating the land used for the new pulp mill.

The mill will export on average 1 000 GWh per year of electricity to the power grid and 600 GWh per year of steam to industrial users and to the local district heating system. It will also produce 46 000 tonnes per year of tall oil, 3 200 tonnes per year of turpentine and 500 GWh per year of solid biofuel (tree bark). In addition, it will help employment and the economy in areas such as forest management, wood harvesting, hauling and transport. This is a big benefit for certain rural areas that offer limited employment and growth prospects in other sectors.



PROJECTS COMPLETED IN 2019

In 2019, 235 projects were completed and documented through a Project Completion Report. Of these projects, 190 were in the European Union and 17 were supported under EFSI.

All EIB projects are monitored from implementation to completion by an expert in the appropriate economic sector. As the scope and level of the Bank's lending has increased, the number of projects monitored has risen. In recent years, this expansion has been largely due to the impact of EFSI.

Thanks to the smooth monitoring process and the efforts of the Bank's project teams and promoters, 79% of projects completed in 2019 were rated as "high" or "good" under the Bank's quality and soundness criteria. Promoters continued to comply with their reporting duties and the majority of documents required for monitoring reached the Bank on time. As a result, the EIB was able to process reporting data and take any action required in a timely manner.

Only a small number of projects completed in 2019 received an unsatisfactory quality rating. The most common problems were in procurement, project management and project planning. Solutions to the problems are given a high priority to identify if the issues were related to something beyond the control of all parties, to unexpected events or to systemic problems, and to learn if more intense monitoring or project conditions would have prevented the situation. The aim is to identify ways to stop the problem from happening again.

The stories of a number of EIB projects completed in 2019 are included in this report to highlight the quality of the Bank's monitoring portfolio in different sectors and regions. Each project is different, but each one touches the lives of EU citizens in a variety of ways: creating jobs, supporting innovation and knowledge, boosting renewable energy, improving the energy supply or providing transport that meets modern users' needs. The Bank ensures that every project will be environmentally friendly, smart and sustainable, while helping the European single market and improving lives.

ANNEX

EUROPEAN FUND FOR STRATEGIC INVESTMENTS

BACKGROUND

The European Commission and the EIB Group set up the European Fund for Strategic Investments (EFSI) to help the economy recover from the financial crisis. It helps strategic projects, especially those with a higher risk. It focuses on key sectors, such as digital innovation, transport, energy, education, research and renewable energy. EFSI's support helps attract investment from other institutions that might be reluctant to support high-risk projects.

To fund EFSI projects, the EIB uses the EFSI Infrastructure and Innovation Window (IIW), which was initially set at €16 billion and then extended to €26 billion. The remaining EFSI funds (initially €5 billion and then increased to €5.5 billion) are managed by the EIF through the SME Window. This provides support via portfolio guarantees or fund investments to companies with 3 000 employees or less, with a focus on smaller companies.

EFSI PROJECT SELECTION

EFSI projects are subject to the same due diligence (including procurement, environment and social impact) as other EIB operations and are approved by the EIB's standard governance structures. EFSI projects are also assessed by the EFSI Investment Committee to ensure that projects qualify for the EU guarantee. For example, projects need to be financially and technically sound, provide additionality and attract the maximum amount of financing from the private sector.

TEFSI projects are assessed using four pillars, similar to the 3PA framework used for EIB projects.

EFSI ACTIVITY

Since the launch of the initiative in 2015, the EIB has signed 532 operations backed by EFSI worth a total of €49.2 billion. Investment mobilised by these operations under the IIW stands at some €244.4 billion. Support for climate action represented 40.2% of these operations, slightly above the target of 40% by the end of 2020.

EFSI operations signed by the end of 2019

EFSI objective	EFSI loan amounts (€ m)
Research, development and innovation	10 374
Development and deployment of information and communication technologies	3 410
Development of the energy sector in accordance with the Energy Union priorities	12 711
Development of transport infrastructure, and equipment and innovative technologies for transport	7 143
Environment and resource efficiency	3 805
Financial support through the EIF and the EIB to entities with up to 3 000 employees	8 945
Human capital, culture and health	1 847
Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy	498
Less-developed regions and transition regions	445
Total	49 179

EFSI operations help create temporary and permanent jobs. Temporary employment is used when projects begin. For example, an EIB investment that helps build schools or add flood defences employs construction workers when the project gets started. EFSI-backed operations signed by the end of 2019 will support the equivalent of one year's worth of jobs for 965 000 people in the European Union during the project implementation phase.

The second type of employment is a permanent job once the EFSI project starts operating. For example, a project to develop rail lines will almost certainly require new people to maintain the lines or operate equipment. Operations signed between 2015 and 2019 are expected to support the equivalent of some 150 000 full-time jobs. There could also be other employment benefits. New jobs could be created in an area because firms are able to do business more cost-effectively with key markets elsewhere. Similar benefits can be found in the fields of innovation and skills, and the environment. For example, EIB investments in small businesses should enable them to innovate and grow, creating new jobs. Although more difficult to measure, it is the longer-term indirect employment effects from EFSI operations that are likely to be the most significant. The Bank's financing for small businesses is likely to sustain 5.5 million jobs.

RESEARCH, DEVELOPMENT AND INNOVATION

EFSI-backed loans of €10.4 billion in research, development and innovation will mobilise €42.9 billion for the development of new technologies that help keep Europe's industries competitive. The EIB's loans to companies under the EFSI objective of research, development and innovation could help them generate €160 billion of additional sales and support some 537 000 jobs in skills-intensive industries and services. Projects include the construction of a test facility for nuclear fusion and support for the European Space Programme's new launcher. A good example of an EFSI-backed project completed this year is the digitalisation programme of Vidrala, a major European manufacturer of glass for the food and beverage industry.

INFORMATION AND COMMUNICATION TECHNOLOGIES

The total amount signed under this EFSI objective by the end of 2019 was €3.4 billion, mobilising a total of €16 billion. The projects supported included plans to develop broadband networks throughout EU countries, as well as mobile networks and cybersecurity improvements. One of these projects will enable Telecom Malta to increase the fibre-optic coverage in homes and accelerate Malta's move to meet internet coverage targets set out in the EU Gigabit Society strategy.

Key results of EFSI loans signed over the past five years under this objective

Project results	
Some 14 000 additional 3G, 4G and 5G sites	2 million new subscribers for mobile data services
Some 20 million additional households covered by very high-speed broadband services	An additional 9 million very high-speed broadband lines activated

ENERGY

Investments in energy sectors are vital to ensure secure, sustainable and clean energy. Over the past years, EFSI operations of €12.7 billion have mobilised over €71.4 billion of investment. This has helped increase the amount of renewable energy while improving electricity networks and energy efficiency, and building energy-efficient buildings. Examples of projects signed in 2019 include support for a small independent solar power financier, IM2 Energía Solar, and the construction of energy-efficient and social housing in Germany. Another project completed in 2019 helped replace an obsolete pulp mill in Äänekoski, Finland, with a modern facility that uses resources more efficiently, increases its capacity and uses by-products to generate energy.

Key results over the past five years under this objective

Project results	
25 000 MW of electricity generation capacity. 94% from renewable energy sources	Some 64 000 GWh of additional electricity generated per year. Over 92% from renewable energy sources
1 400 MW of heat production capacity. Over 60% from renewable energy sources	14.5 million households supplied by the energy generated 7 150 GWh additional heat generated per year. 55% from renewable energy sources
Over 32 000 km of power lines to be constructed or upgraded Some 7 600 MVA of substation capacity to be constructed or upgraded Some 8 000 km of gas or oil pipelines to be constructed or upgraded 28.3 million smart energy meters to be installed Some 800 000 new energy (electricity, gas, heating) connections to the network	Some 23 000 GWh of additional energy transported per year An additional 250 000 GWh per year of energy transported/storage capacity utilisation

TRANSPORT

Investment in transport infrastructure helps Europe’s economic competitiveness and growth. €7.1 billion of EFSI-guaranteed loans have been signed, mobilising some €28.6 billion of investment for transport networks, cleaner fleets, and projects that reduce congestion and traffic jams. One of the projects signed in 2019, for the Netz Elbe-Spree railway, will finance new electric trains to provide better and cleaner commuter and regional travel in the wider Berlin area.

Results from transport operations between 2015 and 2019

Project results	
<p>Over 1 900 lane kilometres of roads and motorways to be built or upgraded</p> <p>Over 500 km of bus and tram lanes and metro track to be constructed or upgraded</p> <p>Over 300 stations or stops to be constructed or upgraded</p> <p>Over 6 000 vehicles or rolling stock to be purchased or rehabilitated and 475 km of railway track to be upgraded</p>	<p>Some 400 million additional passenger trips expected to benefit from new or improved transport infrastructure per year</p> <p>Over €70 million of vehicle operating cost savings per year</p> <p>50 million hours of time savings per year</p>
<p>13 million tonnes of additional annual port cargo capacity</p> <p>Additional airport capacity of 21 million passengers per year</p>	<p>An additional 7.4 million tonnes of annual cargo traffic to be handled in port terminals</p> <p>Additional annual airport passenger throughput of 16.5 million passengers</p>

ENVIRONMENT AND RESOURCE EFFICIENCY

The EU's environmental policy helps make the economy green, protects the environment and safeguards people's health. By the end of 2019, the EIB had signed around €3.8 billion in EFSI loans, mobilising €14.5 billion for projects improving water supply, sanitation, wastewater and solid waste treatment and recycling, and supporting sustainable urban and rural development. One such project by Derichebourg in France will help modernise recycling centres by enhancing the treatment of water used in the recycling process, cutting noise pollution, and purchasing equipment to improve energy efficiency and reduce CO₂ emissions.

Results for environmental resource efficiency over 2015 to 2019

Project results	
<p>4 500 ha of new forestry area planted (afforestation)</p> <p>20 km of rural roads built or maintained</p>	<p>13 m³ per hectare of yearly forest growth</p>
<p>Over 22 000 km of sewer and/or stormwater pipes built or upgraded</p> <p>Some 4.3 million persons-equivalent capacity of sewage treatment plants constructed or rehabilitated</p> <p>Over 30 km of dykes constructed or rehabilitated</p>	<p>Over 16 million people benefiting from improved sanitation services</p> <p>Over 1 million people facing a reduced risk of flooding</p>
<p>Some 700 000 tonnes per year of waste facilities or waste treatment facilities built or rehabilitated</p> <p>625 000 m³ of new sanitary landfill capacity</p> <p>Some 315 000 waste collection containers and 450 new or upgraded collection vehicles</p> <p>Remediation of 685 000 m² of contaminated land</p>	<p>Over 39 million people served by new or upgraded waste treatment facilities</p> <p>Some 2 million people benefiting from new waste collection systems</p>
<p>Over 275 000 km of water mains or distribution pipes built or upgraded</p> <p>4.2 million m³ of water per day from constructed or rehabilitated water treatment plants</p> <p>2.6 million m³ capacity of reservoirs or raw water storage facilities constructed or rehabilitated</p> <p>669 000 domestic water supply connections created or rehabilitated</p>	<p>Over 21 million people benefiting from safe drinking water</p>

FINANCIAL SUPPORT TO SMALL FIRMS

Small companies often have trouble growing and developing, partly because they have a hard time finding finance on reasonable terms. With the backing of EFSI, the EIB Group can offer more financing to small companies at more competitive terms and from a variety of sources. By the end of 2019, the EIB had signed over 130 operations under EFSI for small companies, amounting to €8.9 billion and mobilising some €61 billion. Over 5.5 million jobs are expected to be sustained from these operations.

The EIB offers a variety of funding possibilities to small businesses and mid-caps, from risk-sharing and guarantees to equity products. Nearly all this activity is done through an intermediate institution using a wide network of commercial banks, national promotional banks and institutions, leasing companies, venture capital or private equity funds and providers of alternative finance. A good example of this support under the EIB's window is the Bank's first facility targeting women's economic empowerment in Poland. In this project, an EIB guarantee of about €70 million, supported by EFSI, will help small companies and microenterprises.

EDUCATION, CULTURE AND HEALTHCARE

By the end of 2019, €1.8 billion of financial support under EFSI had mobilised €7.6 billion of investment for hospitals, universities and research campuses, social housing, and administrative, leisure and cultural facilities. One such example is the first loan directly extended by the EIB to a university in Romania, the Bucharest Polytechnic University, which will help ease the persistent lack of investment in higher education and research in the country.

Expected results between 2015 and 2019 in education, culture and health

Project results	
Over 35 000 places in new or rehabilitated education facilities	Some 41 000 students benefiting from new and modernised educational facilities
Some 540 000 social or affordable housing units built or renovated	Over 536 000 households in new or refurbished social housing
Over 37 million m ² of building surface refurbished or constructed Over 175 social, administrative, cultural, recreational and sports facilities built or renovated 5 200 m ² of new park land created and 130 ha of brownfield land regenerated	3.3 million people benefiting from better urban infrastructure and services
Some 1 million m ² of health facilities refurbished or constructed with some 18 000 hospital beds	Some 22 million people covered by improved healthcare services

AGRICULTURE, FORESTRY, FISHERY, AQUACULTURE AND OTHER PARTS OF THE BIOECONOMY

Since the introduction of this new EFSI objective in 2018, €498 million of financing has been signed, expected to mobilise €1.5 billion. One such operation helped an Irish dairy cooperative, the Carbery Group, offer new types of cheese and expand its market.

LESS-DEVELOPED AND TRANSITION REGIONS

Another more recent objective under EFSI introduced in 2018 supports the European Union's less-developed and transition regions. A total of €445 million of financing, expected to mobilise €1 billion, was signed by the end of 2019. One project signed in this area provides a Polish chemical company, PCC Rokita, with a long-term loan under terms not readily available from other sources.



EIB OPERATIONS INSIDE THE EUROPEAN UNION

ANNUAL REPORT 2019

