

# EIB provides EUR 105m loan to Junta de Castilla y León to support SME growth in the region and to finance investment in transport and rural tourism infrastructure

The European Investment Bank (EIB) and the Junta de Castilla y León have signed two new loans for a total of EUR 105m to support SMEs in the Castilla y León region and finance investment in transport and rural tourism infrastructure. This amount is in addition to the more than EUR 2bn the EU bank has provided to the region since 1989 with the aim of driving economic growth and job creation via projects concerning roads, water supply and sanitation, hospitals, the environment and other areas.

In concrete terms, the EIB has granted a EUR 75m loan to the Castilla y León Institute for Business Competitiveness (ICE, the new name for the former Innovation, Financing and Business Internationalisation Agency, ADE), while another EUR 30m loan has been provided to the Castilla y León Public Sector Infrastructure and Environment Company (Somacyl).

## **Innovative Growth Plan**

The EIB resources directed to the Institute for Business Competitiveness (a body under the responsibility of the Ministry of the Economy and Finance) will be used to finance projects promoted by SMEs and midcaps with participating loans or share capital contributions. These will mostly be channelled via the ADE Capital Sodical SCR company, but could also be granted directly.

This financing comes under the Junta's Innovative Growth Plan for businesses in Castilla y León, and will make it possible to help projects supporting the competitiveness of SMEs and the consolidation of midcaps in the region, thereby promoting economic growth and job creation. The funds provided by the EIB will be allocated to projects needing total investment of up to EUR 12.5m for SMEs and up to EUR 25m for midcaps, with the aim of seeing innovation help them grow.

This initiative is expected to benefit between 50 and 150 companies known for being leaders in research or innovation and that are embarking on a transformation of their production systems using Industry 4.0 technologies, or that are introducing new management models resulting in process efficiency gains. It will also be possible to finance projects surrounding the launch of internationalisation strategies, such as those including training or human resources programmes or dual vocational training.

SMEs and midcaps in Castilla y León that receive these funds will be able to

benefit from “soft” loans thanks to the favourable conditions provided by the EIB, both in terms of maturities and interest rates. This financial support will mobilise an estimated EUR 400m in investment and will make it possible to create and maintain around 8 000 direct jobs in the region until 2020.

### **Rural tourism infrastructure and public transport**

The loan signed between the EIB and the Public Sector Infrastructure and Environment Company will provide EUR 30m to finance investments connected to public transport and sustainable rural tourism in Castilla y León.

Regarding transport infrastructure, the EU bank resources will help to modernise and refurbish bus stations, improving accessibility and service quality for the 60 million passengers using them every year.

Somacyl will also use these funds to develop projects in the rural tourism sector, with the objective of increasing the number of visitors and the length of their stays. In concrete terms, the EIB financing will be allocated to building recreational public infrastructure including viewpoints, via ferratas, cable cars, toboggan runs and hiking trails; promoting new tourist accommodation via the refurbishment and repurposing of exceptional buildings; and setting up more camp sites around areas of special natural interest.

The work for this new infrastructure will last until 2020, creating an estimated 900 jobs during the construction phase and 100 more permanent positions in the operational phase.