

# Capital increase for EIF boosts finance for COVID-19 impacted companies and strengthens support for green and digital transformation of the EU economy



- The shareholders of the European Investment Fund (EIF) have approved a 64% increase of the EIF's share capital from €4.5 billion to €7.4 billion.
- The EIF's capital increase will bring substantial additional resources to scale up support for the SME financing market, and venture and growth capital activity.
- The capital increase will enable the EIF to play a key role in rolling out **InvestEU**, the EU's investment programme for 2021-2027, thereby also supporting the green and digital transformation of the EU economy.
- As part of the EIB Group's response to the COVID-19 crisis, the EIF is also putting in place significant packages to support small businesses across Europe.
- The EIF had another record year in 2020, signing operations with a total volume of €12.9 billion benefiting Europe's economy.

The **shareholders of the European Investment Fund (EIF)** have approved a **64% increase** in its total authorised capital from **€4.5 billion to approximately €7.4 billion**. With this decision, the General Meeting of shareholders – the European Investment Bank, the European Union represented by the European Commission and 38 public and private financial institutions – gave a strong signal to further extend EIF activity to support European businesses, in particular SMEs, through a series of innovative financial products.

As a result of the capital increase, the EIF will be well-placed to mobilise significantly greater financial support, facilitating access to finance for SMEs and small midcaps, and strengthening the venture and growth capital ecosystem in Europe. The EIF will be well equipped to continue pursuing EU policy objectives, help roll-out the **InvestEU** programme and in particular finance the green and digital transformation of the EU economy. This will be implemented through a diverse range of products including guarantee instruments, securitisation, micro finance and a reinforcement of the private equity and venture capital business which remain key axes of SME financing support.

The capital increase will help EIF to deploy a significant portion of the new €26 billion **InvestEU** programme of the European Union, thereby contributing to a wide array of EU policy goals. In parallel, the EIF is well-placed to roll-out SME-focused activities including the EIB Group's €25 billion [Pan-European Guarantee Fund](#), an initiative aiming to shield businesses against the

damaging effects of the pandemic.

**EIB Vice-President and Chairman of EIF's Board of Directors, Dario**

**Scannapieco** said: *"The EIB Group has been at the forefront in the fight to tackle coronavirus both inside and outside the EU. We are delighted to have strengthened the Group through a decisive increase in EIF's delivery capacity, allowing it to address the urgent needs businesses are currently facing across the European Union and boost their growth going forward."*

**European Commission Executive Vice President, Valdis Dombrovskis** said: *"I am very pleased that, together with the EU, the other EIF shareholders agreed to strengthen this Fund. This means that the EIF will be fully equipped to implement the **InvestEU** programme, to help EU businesses in emerging out of the crisis, and to support the green and digital transformation of the EU economy."*

**EIF's Chief Executive, Alain Godard** welcomed the strong support of EIF's shareholders: *"The need for EIF support for businesses is now more pressing than ever. The capital increase gives us more firepower to support Europe's businesses and to address the economic fallout of the COVID-19 crisis. Our mission to support SMEs across Europe remains crucial to stimulating growth, employment and innovation in Europe. In addition to alleviating the effects of the crisis, this capital increase will help us to better address Europe's ambitions in the fields of digitalisation, innovation, social cohesion and green transformation."*

The EIF has been innovating with new instruments and initiatives in areas from space tech and artificial intelligence, to inclusive finance and social impact, channelling private capital towards public policy objectives. Last year, the [EIF had another record year](#), signing operations with a total volume of EUR 12.9 billion – an increase of 26% on 2019. In 2020, by efficiently multiplying the effect of public resources, the EIF generated much-needed financing for more than 370,000 SMEs and small mid-caps, sustaining around 2.8 million jobs.

The COVID-19 crisis has a strong impact on the EIF's business and the demand for EIF products. For both business lines, debt and equity, the demand for most EIF products has sharply increased and – due to the magnitude of the economic challenge – a quick reaction to supply and implement decisive measures was commensurate.

### **Background information:**

The [European Investment Fund](#) (EIF) together with the European Investment Bank, form the European Investment Bank group. The EIF's central mission is to pursue the objectives of the EU in supporting Europe's micro, small and medium-sized businesses, notably by helping them to access finance, achieve growth, innovate, digitalise and perform in a green economy. EIF designs and develops both venture and growth capital, guarantees and microfinance instruments which specifically target these market segments.

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## **Forward look: 15 – 28 February 2021**



Overview of the main topics and events at the Council of EU and European Council.

The location and the format (physical or virtual) indicated for each meeting are subject to change.

### **Informal video conference of economic and finance ministers, 16 February 2021**

Ministers will focus on economic recovery in the EU, including the current economic situation and the implementation of the Recovery and Resilience Facility. They will also cover international issues, the EU list of non-cooperative tax jurisdictions and issues linked to the annual EU budget.

### **Informal video conference of education ministers, 19 February 2021**

Ministers will hold a policy debate on equity in access, inclusion and success for all in education and training.

### **Foreign Affairs Council, 22 February 2021**

EU ministers of foreign affairs will be briefed about current affairs and exchange views on Russia, the Strategic Compass and Hong Kong.

### **Informal video conference of agriculture and fisheries ministers, 22 February 2021**

Ministers will discuss the state of play of the bilateral EU-UK consultations on setting definite fishing opportunities for 2021.

### **Informal video conference of European affairs ministers, 23 February 2021**

European Council, the Conference on the Future of Europe and the EU-UK relations will be on the agenda of the Informal video conference of European affairs ministers.

## **Video conference of the members of the European Council, 25-26 February 2021**

The members of the European Council will meet via video conference to discuss the current situation of the COVID-19 pandemic, preparedness for health threats, security and defence, and relations with the Southern Neighbourhood.

## **Informal video conference of internal market and industry ministers, 25 February 2021**

Ministers will exchange views on how national recovery and resilience plans can help EU achieve industrial policy goals (as a contribution to the European Semester process), have a policy debate on the New Consumer Agenda and discuss the way forward regarding the proposed public country-by-country reporting directive.

## **Informal video conference of research ministers, 26 February 2021**

Ministers will exchange views on the possible synergies between the European Research Area (ERA) and recovery and resilience plans and will take stock of information on the latest state of play in pending files and of future initiatives in the field of research.

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## **[Weekly schedule of President Charles Michel](#)**



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## Ukraine: EIB provides €320 million for COVID-19 vaccines and improvements in operational resilience at Boryspil International Airport



- EU bank provides €50 million to Ukraine for COVID-19 vaccines and supply chain equipment.
- A further €270 million will be used to finance improvements at Boryspil International Airport (KBP), the largest airport in Ukraine and the main international gateway.
- With a record investment of over €1 billion in Ukraine in 2020, the EU bank continues to make a much-needed contribution to the Ukrainian economy and its people.

The European Investment Bank (EIB) and the Government of Ukraine have agreed on a new €320 million financial package to help accelerate Ukraine's recovery from the COVID-19 pandemic and to rebuild airport infrastructure and increase its operational resilience. The EU bank will lend **€270 million to the state-owned Boryspil International Airport** for airport infrastructure rehabilitation and aviation security and safety enhancement. **Another €50 million** under the [Ukraine Municipal Infrastructure Programme](#) has been repurposed to **purchase much-needed COVID-19 vaccines** and the related supply chain equipment.

In response to the [COVID-19 crisis](#), the EU bank, as part of Team Europe, rapidly redirected its efforts towards fighting the pandemic and its economic consequences and supporting the faster economic and social recovery of Ukraine. In 2020, the year of the worst global health and economic crisis for generations, the EIB invested over [€1 billion in Ukraine](#), marking the second-highest investment volume in the history of the Bank's activities in the country.

**EIB President Werner Hoyer said:** *"It is a real pleasure to welcome Prime Minister Shmyhal and Infrastructure Minister Kryklii and their teams to Luxembourg today. As the EU bank, the EIB is deeply committed to supporting our neighbours in the Eastern Partnership region and Ukraine in particular. In 2020, we delivered a record investment of over €1 billion in Ukraine. Our operations focused on support for conflict-affected regions of eastern Ukraine, infrastructure rehabilitation and development, innovation, improvements in public transport and business recovery as part of the Team Europe effort to respond to the impact of the coronavirus crisis. We have started 2021 with very timely initiatives as we move towards a post-COVID-19 recovery. As the EU bank, we are ready to help alleviate the pressure of the pandemic by protecting the population of Ukraine, building*

resilience and supporting initiatives such as the operations signed today to support growth and recovery.”

**EIB Vice-President Teresa Czerwińska, who is responsible for operations in Ukraine, said:** “Access to vaccines is the key to saving lives and to allowing life in Ukraine to return to normal as quickly as possible. The EIB is pleased to be contributing towards this. As part of Team Europe, we are maintaining strong support to Ukraine in this time of need and the new EIB initiatives outlined today continue our strong track record of boosting the country’s sustainable economic and social development. We are also looking beyond the COVID-19 crisis, investing in Boryspil International Airport, a key piece of infrastructure that is vital for the long-term economic development of Ukraine. Together with the Ukrainian government, we have made strategic investments in a better, more resilient and economically prosperous future for Ukraine, reinforcing the EU bank’s role as a reliable ally.”

**The Ambassador Matti Maasikas, Head of the EU Delegation to Ukraine, said:** “These two loans signed today are very important for Ukraine’s resilience and post-COVID recovery. First of all, the support for vaccine purchase and supply chains, on top of the already mobilised EU COVID assistance, COVAX deliveries and the EU-WHO action to support deployment of COVID-19 vaccines and vaccination in Eastern partnership countries announced yesterday, will help speed up the vaccination process in Ukraine. It is incredibly important to win this race against time – when it comes to COVID, no one is safe until everyone is. The investment into Boryspil International Airport’s western airfield system, including the western runway, is an important contribution not only to Ukraine’s economic recovery after the current period of travel restrictions, but also to fostering climate security, as it will focus on existing airport capacity, its safety, security and sustainability, not on expansion.”

**The Prime Minister of Ukraine Denys Shmyhal remarked:** “With this additional EIB and EU support, we are continuing to ensure that we are well funded to support Ukraine’s health system and help strengthen protection measures for the population in response to the COVID-19 crisis. The EIB financing will enable us to purchase COVID-19 vaccines critical for gaining control over the spread of the virus and getting back to normal sooner. COVID-19 is also altering airport business operations. The loan signed today for Boryspil International Airport will ensure the development of infrastructure and strengthen the position of the international hub. We would once again like to thank the EIB for its long-standing cooperation and support. We believe that together we will be able to work out possible mechanisms to support Ukraine during the pandemic.”

### **€50 million to vaccinate Ukrainian people against COVID-19**

The EU bank will provide €50 million to help Ukraine combat the coronavirus. The funds will go towards purchasing COVID-19 vaccines and the related cold supply chain equipment that is key for the successful distribution of vaccines across the country. The loan reinforces Ukraine’s ability to tackle the COVID-19 pandemic. The operation is part of the overall [COVID-19 response](#) support provided by Team Europe.



These funds will be made available from the existing €400 million Ukraine Municipal Infrastructure Programme (UMIP) being implemented by the Ministry of Communities and Territories Development. The Ukrainian Ministry of Health will implement the COVID-19 facility in cooperation with the Project Management Support Unit under UMIP to provide strategic and operational advice as well as project management support to both ministries.

### **€270 million to improve Boryspil International Airport**

The €270 million loan for [Boryspil International Airport \(KBP\)](#) will improve energy efficiency, aviation safety and security, as well as the operational resilience of Ukraine's largest international airport that accounts for some 60% of all passenger air traffic in the country.

*The operation will enable the rehabilitation of the western airfield system, including the western runway (18R-36L). The reconstructed runway will replace the current obsolete one and will improve the airport's operational flexibility. The EU bank loan will also enable the airport to improve airside ground circulation and upgrade safety with state-of-the-art airfield lighting and instrument landing systems.*

**Ukrainian Minister of Infrastructure Vladyslav Kryklii said:** "Thanks to the support of our international partners from the EIB and the implementation of the Boryspil Airport development project, we will bring the airport up to modern standards, increasing the technical equipment and competitiveness of the enterprise. This will help Ukraine in the further successful development of the aviation industry."

**Acting CEO of Boryspil International Airport Oleh Struk said:** "Cooperation with the EIB with the support of the Ukrainian government and the Ministry of Infrastructure is extremely important for Boryspil International Airport. This is particularly crucial during these difficult times for the entire aviation industry. This loan will enable us to implement a project to rebuild flight zone No 2 and later, after the full resumption of flights and passenger traffic, will be the financial basis for implementing the government-approved airport development concept. We have a lot of work ahead of us."

The project is fully consistent with the [EIB Climate Bank Roadmap](#). The roadmap excludes new investments in airport capacity expansions from 11 November 2020 and instead focuses on improving the existing airport capacity, including investments in safety, security and sustainability, which are planned under the €270 million loan for Boryspil International Airport.

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## **[Media advisory – Informal video](#)**

# conference of economic and finance ministers of 16 February 2021



## **Indicative programme**

Chair:

João Leão, Minister of State and Finance of Portugal

**10.00**

**Beginning of the informal video conference of economic and finance ministers**

+/- 10.05

- Current financial services legislative proposals ([public session](#))
- Economic recovery in the European Union
  - a) Economic situation and outlook
  - b) Implementation of the Recovery and Resilience Facility
  - c) SURE
  - d) Financing of the NGEU
- Recommendation on the discharge to be given to the Commission in respect of the implementation of the budget for 2019
- Conclusions on the budget guidelines for 2022
- International Issues
  - a) EU Global Recovery Initiative
  - b) Preparation of the G20 Finance Ministers and Central Bank Governors meeting on 26 February 2021 – EU Terms of Reference
- Conclusions on the EU list of non-cooperative jurisdictions for tax purposes
- Other business

**At the end of the meeting (+/-14.00) press conference in [live streaming](#).**

## **Arrangements for the press conference**

Please note that the press conference after the meeting will take place remotely. In order to participate and ask questions, EU accredited journalists should register using [this link](#).

Journalists who already registered for previous press conferences of economic and finance ministers do not need to do it again.

- **Deadline for the registration: Tuesday 16 February, 12.30**

Further instructions will be sent to all registered participants after the



deadline.

[Videos and photos from the event](#)

[Visit the meeting page](#)