

Slovakia: EIB Group supports €211 million of investment in 2020 for businesses, energy efficiency, innovation and digitalisation



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- EIB lending in 2020 amounted to €148 million and EIF equity and guarantee commitments to €63 million.[\[1\]](#)
- Over 2 600 businesses will benefit from EIB Group assistance, supporting 25 000 jobs.
- €2.02 billion of new investment is expected to be mobilised in Slovakia thanks to the European Fund for Strategic Investments.

The European Investment Bank Group (EIB Group), comprising the European Investment Bank (EIB) and the European Investment Fund (EIF), financed loans, guarantees and equity commitments in Slovakia totalling €211 million in 2020.

The EIB signed new loans amounting to €148 million and the EIF committed around €63 million in four equity and guarantee operations, benefiting a total of 2 600 businesses and supporting 25 000 jobs.

EIB Vice-President Lilyana Pavlova said: “Last year, the EIB Group’s operations in Slovakia supported businesses during the economic crisis brought on by the COVID-19 pandemic. The Group also helped reduce regional disparities by backing investments in Cohesion regions, which is one of our core priorities. Together with our Slovak partners, we provided well-balanced support to the public and private sector to increase the resilience of the economy and support a just transition. As the EU climate bank, the EIB provided financial and advisory support to projects that will strengthen the

energy efficiency, innovation and digitalisation of public services, and improve the quality of life of the Slovak people.”

Deputy Prime Minister and Minister of Finance of the Slovak Republic, Eduard Heger said: “*The EIB Group plays an important role in Slovakia supporting long-term investment and regional development. Its role in achieving the objectives of the EU and addressing investments that improve economies and lives across Europe is well perceived. The situation created by the COVID-19 pandemic is quite worrisome, but we need to work hard on the sustainable and inclusive recovery. And here I strongly value the investment appetite, endeavours and measures launched by the EIB Group. I look forward to continuing cooperation with the Bank to ensure that its financing and technical expertise support Slovakia at this time of need.”*

EIB Group results in Slovakia in 2020

Financing under the Investment Plan for Europe in Slovakia

The Investment Plan for Europe, also known as the Juncker Plan, is one of the European Union’s key initiatives to accelerate investment in Europe, create jobs and foster growth. It was designed by the EIB Group and the European Commission to close the investment gap left as a result of the 2008 financial crisis by triggering €315 billion of additional investment in the European Union by mid-2018.

The key to fulfilling this promise was a €21 billion guarantee programme, the European Fund for Strategic Investments (EFSI). In July 2018, exactly three years after EFSI was launched, the EIB Group surpassed this initial goal. With its mandate extended and increased to €500 billion in 2017, the EIB Group has now also exceeded its second target, triggering €535.4 billion of additional investment. It has done so ahead of schedule, while mitigating the impact of COVID-19 on Europe’s economy.

Since the launch of EFSI up to the end of 2020, €657 million worth of EFSI-backed projects were approved in Slovakia. They are expected to mobilise €2.02 billion of investment in small and medium-sized enterprises (SMEs), transport, regional development and research and development.

In 2020, the EIB and EIF signed a €48 million guarantee for the mezzanine tranche of a synthetic securitisation of a portfolio of loans originated by Slovenská sporiteľňa (SLSP), the largest financial institution in Slovakia, to support SMEs and mid-caps impacted by the COVID-19 pandemic. This operation is backed by EFSI and is part of a wider €2 billion EU asset-backed security programme loan managed by the EIB Group addressing the working capital, liquidity needs and investment constraints of SMEs and mid-caps affected by the COVID-19 outbreak in Europe.

Support for the digitalisation of postal services

In 2020, the EIB signed a €32 million loan with Slovenská pošta, the Slovak public postal operator. Through this first loan, the EIB will contribute to the digitalisation and innovation of Slovenská pošta’s services and

operations with the financing of new IT systems and specialised postal equipment, such as parcel sorting lines and digitally integrated parcel boxes. The project is part of Slovenská pošta's 2018-2021 investment programme to digitalise and transform its operations and portfolio of services.

The key objective of Slovenská pošta is to adapt its organisation to the business changes brought about by the internet and digital technologies, while continuing to fulfil its universal service obligation efficiently and to the highest standards. Slovenská pošta's investment programme is expected to significantly support the development of the digital economy in Slovakia.

Support for innovation

In 2020, the EIB provided €53 million of funding to ZKW Group GmbH for its manufacturing site located in Krušovce (Nitra Region) as part of a €150 million loan to the Austrian group. ZKW is a leading automotive supplier that develops and manufactures innovative premium lighting systems and electronic modules. In recent years, ZKW has significantly shaped the industry through a series of innovations such as the first laser headlights in series production.

ZKW will use the funds from the EIB for investments in research, development and innovation in innovative automotive lighting systems at its locations in Austria and Slovakia. In addition, ZKW aims to invest in state-of-the art machinery and equipment for its Slovak manufacturing site. Supporting such innovation is key to boosting economic growth and employment in Slovakia.

Support for SMEs and mid-caps

In 2020, the EIB provided credit lines to two banking groups operating in Slovakia: Slovenská sporiteľňa (SLSP) and SGEF CZ. These institutions on-lend EIB funds to SMEs and municipalities to support local infrastructure, climate action, environmental protection, energy, research, development and innovation, and services.

This year, support was provided in particular to help SMEs cope with the impact of the COVID-19 crisis. The EIB Group set up the Pan-European Guarantee Fund (EGF), which started operations in the autumn of 2020. The EGF provides guarantees to free up capital for national promotional banks, local banks and other financial intermediaries so they can make more financing available for SMEs, mid-caps and corporates in the European Union. By mobilising extra finance from the private sector, the EGF aims to generate up to €200 billion for the economy. The EU Member States have provided guarantees of nearly €25 billion. Slovakia joined the EGF with a contribution's commitment of €75 million.

EIB operations in Slovakia benefited some 520 SMEs and mid-caps, supporting over 15 500 jobs in Slovakia in 2020.

The EIF is the specialist arm of the EIB Group, providing risk financing solutions to financial intermediaries to support SMEs and mid-caps and foster

innovation in Europe. In 2020, the EIF committed €63 million in support of Slovak businesses, through which approximately €453 million of capital will be leveraged.

The EIF committed €30 million in Sandberg Investment Fund II SCSp, which has raised in total €109 million of commitments.

On the guarantee side, it committed around €33 million in three transactions, which should generate around €353 million of new loans for SMEs.

Some 2 150 businesses benefited from EIF operations in Slovakia in 2020 that supported about 9 500 jobs, bringing the total number of jobs supported by the EIB Group to 25 400.

EIB advisory services in Slovakia

[EIB Advisory](#) helps create and successfully undertake sustainable investment projects by providing technical and financial advice to its partners across the project cycle and beyond. Advisory services in Slovakia are often delivered by multiple interdisciplinary advisory teams consisting of finance experts, engineers, and specialists in a variety of fields, including public-private partnerships (PPP), innovation and climate.

EIB advisory services help public and private entities to prepare projects that enable them to tackle some of the key challenges Slovakia and some of its neighbours are facing. Such projects support key investment in climate action, energy efficiency, digitalisation, innovation and social infrastructure.

In 2020, EIB advisory services provided:

- Support for the preparation of key transport and urban mobility projects in the country, such as the Žilina railway node, the R2 expressway Kosice Šaca-Kosice Olšany, and the tramway extension to Petržalka in Bratislava.
- Support to Slovakia's energy and just transition. EIB advisory services assisted the Slovak authorities in the identification, preparation and appraisal of investments to replace coal in district heat generation in the Nováky and Prievidza areas of Slovakia, as of the 2023/2024 heating season.
- Around €200 000 of grant to Slovak Investment Holding to enhance its advisory capacities in the area of energy efficiency, with a particular focus on energy performance contracting (EPC).
- A €1.4 million technical assistance grant from the EIB's European Local Energy Assistance (ELENA) facility to support the energy efficiency renovation of 55 public buildings and eight street lighting systems and the installation of photovoltaics in the Kosice Region (Košický samosprávny kraj).
- An assessment of the financing gaps for the agricultural and agri-food sectors in Slovakia, aiming to support the Slovak European Agricultural Fund for Rural Development (EAFRD) in planning and programming the use of financial instruments for the 2021-2027 programming period.

- An ex ante assessment – supporting optimum deployment of EU funds – for EU financial instruments in all investment sectors for the 2021-2027 programming period, covering research, development and innovation, competitiveness of enterprises, energy efficiency, renewable energy, waste management, transport infrastructure, urban development infrastructure, social economy, sustainable tourism and affordable housing.

EIB Investment Survey 2020

Later today, EIB Vice-President Lilyana Pavlova and Governor of the National Bank of Slovakia Peter Kažimír will discuss Slovakia's investment needs and priorities in times of COVID-19, digitalisation and climate change, in the presence of Eduard Heger, Deputy Prime Minister and Minister of Finance of the Slovak Republic.

Following presentations, including one on the [EIB Investment Survey](#) by Debora Revoltella, Chief Economist and Director of the Economics Department, Ľudovít Ódor, Deputy Governor of the National Bank of Slovakia, will chair a high-level panel of economists, policymakers and representatives from financial institutions and the business community.

The results of the EIB Investment Survey form the basis of the [EIB Investment Report 2020/2021](#).

[**EIB Group activity in Slovakia in 2020**](#)

[**EIB Investment Survey 2020 – Slovakia overview**](#)

[**EIB Investment Report 2020/2021**](#)

[\[1\]](#) Total EIB Group financing excludes a small overlap due to joint engagements of the EIB and the EIF.