

Spain: COVID-19 – EIB provides Madrid Region with EUR 600 million to strengthen its response to the health emergency



©Oscar Gonzalez/NurPhoto/Getty images

The European Investment Bank (EIB) is assisting the Madrid Region in its efforts to tackle the COVID-19 health emergency. The EU bank is providing a EUR 600 million loan on favourable terms to enable the authorities to adapt Madrid's health facilities and cope with the additional health costs caused by the pandemic.

The EU bank funding will help the Madrid Region to continue adapting hospitals and other health centres to increase the capacity of their primary care facilities, intensive care units and emergency services. At the same time, it will finance the extraordinary operating expenditure caused by the pandemic, guaranteeing resources to ensure the availability of medical supplies and payment of additional salary costs stemming from the increase in healthcare staff. The EIB funding will also enable the Madrid Region to acquire more personal protective equipment and more resources to diagnose and treat the disease. Part of the funding will be used to boost the COVID-19 research carried out by local teams.

Welcoming the agreement, **EIB Vice-President Emma Navarro**, who is responsible for the Bank's activity in Spain, said: *"We are very pleased to be supporting the Madrid Region in its bid to strengthen its health capacity in the face of this emergency. The EU bank is one of the key instruments in Europe's response to COVID-19, and we shall spare no efforts to fight the pandemic and alleviate its economic impact. We shall carry on working to help Spain bounce back from this crisis as quickly as possible".*

The **Madrid Region's Economy Minister, Javier Fernández-Lasquetty**, thanked the EIB for its support, saying that “*the Madrid Region is facing the worst health crisis in its history, and this requires an extraordinary budgetary effort as it is the autonomous regions that are waging this battle in the hospitals: to fight COVID-19 together, we need to be backed up by financial support*”.

The EIB's response to the COVID-19 crisis

The EIB Group is playing a key role in combating the COVID-19 crisis head-on, supporting European efforts to stop the spread of the pandemic, find a cure for the disease and develop a vaccine. Accordingly, the EU bank is giving priority to all investments relating to the health sector and R&D programmes focused on this goal. The EIB's portfolio of projects supporting critical health facilities and R&D investment in the health sector in the EU currently amounts to some EUR 5 billion. In addition, the EIB and the World Health Organization recently signed an agreement to boost cooperation between the two institutions, working together to strengthen public health systems in countries most vulnerable to the pandemic.

To tackle the economic impact of the pandemic in Europe, and following the Eurogroup's recommendation of 9 April, on 16 April the Bank's Board of Directors endorsed the creation of a EUR 25 billion pan-European COVID-19 guarantee fund. It is estimated that this fund will enable the EIB Group to leverage up to EUR 200 billion of additional financing largely targeting SMEs.

At the same time, the EIB Group is refocusing its activity to meet the financing needs caused by the COVID-19 crisis and provide immediate help to European firms. In March it announced a set of emergency measures with this aim. In this first response package, the European Investment Fund, the EIB Group subsidiary specialising in supporting small businesses, is providing dedicated EU-backed guarantees to financial intermediaries that will help to mobilise up to EUR 8 billion worth of finance. For its part, the EIB is adapting the existing joint financial instruments with the European Commission to deliver up to EUR 20 billion of additional finance for European SMEs and mid-caps.

In addition, the EIB has adopted extraordinary measures to speed up its procedures and relax its internal policies with the aim, amongst other things, of deploying its support as quickly as possible and financing costs that it would not finance in normal circumstances, such as the current expenditure of European firms. Today's agreement with ICO to support Spanish SMEs and mid-caps is an example of this strategy.

[**Find out more about the proposed EIB and EIF support**](#)