EUROPEAN INVESTMENT BANK

The European Investment Bank’s Head of Innovative Industries, Laura Piovesan, explains how the Bank’s support for R&D goes beyond finance.
InnovFin – EU Finance for Innovators consists of a range of tailored products – from guarantees for intermediaries that lend to SMEs to direct loans to enterprises - helping support the smallest to the largest R&I projects in the EU and countries associated to Horizon 2020. InnovFin builds on the success of the Risk-Sharing Finance Facility, developed under the seventh EU framework programme for research and technological development (FP7), which helped provide over €11 billion of finance to 114 R&I projects worth more than €30 billion.

What are the main aims of the European Investment Bank (EIB)’s support for innovation and skills? How do these goals fit within the EIB’s wider mission?

The political motivation behind our role and the support of our shareholders, the 28 EU member states, for a contribution to support skills and innovation, is the notable loss of Europe’s competitiveness in key areas. We believe in stepping up our efforts to support research, development and innovation (R&D&I), and that the skills supporting it are vital for helping Europe retain that competitive edge.

In 2014, €14.7 billion of lending has assisted sound and sustainable investment projects in education, public research and research infrastructures, R&D in the private sector, as well as digital networks, innovation and the deployment of new innovative technologies.

Why is it important to support both large-scale research projects and smaller, specialised spin-outs?

R&D&I represents an important driver of growth and prosperity; that is why the EU needs to improve its performance in innovation. The EIB can play an important role in improving conditions and access to finance for research and innovation in Europe and encouraging business investment in innovation. This will help us reach our EU target to invest 3 per cent of GDP in R&D by 2020.

In what ways does the EIB help improve education and training for young people? Why is this important for developing innovation?

The EIB strongly supports education and training; we think that good quality education is essential to providing the skills to support competitiveness. Youth unemployment is one of Europe’s big challenges, while at the same time a lack of skilled people is often perceived as a barrier across Europe to expanding certain innovation fields. That’s why our funding ranges from supporting classical infrastructure to other types of instruments, such as student loans and vocational training.

What are innovative financing products? How do they differ from traditional financing products?

A good example is a range of tailored financial instruments and advisory services launched in June 2014 by the EC and the EIB to help innovative firms access finance more easily. Over the next seven years, it is expected that the InnovFin – EU Finance for Innovators products will make more than €24 billion of financing available for research and innovation by small, medium and large companies, and the promoters of research infrastructures. This finance is expected to support up to €48 billion of final R&I investments.

How do you envision the innovations of today boosting the European economy and job market of tomorrow?

At the moment, the EIB is very busy internally to deliver new lending under the The Investment Plan for Europe. Our role, particularly through the European Fund for Strategic Investment, is essentially addressing competitiveness. Europe’s research and innovation performance need to be boosted: if investment in these key fields doesn’t take place and projects are delayed, or skills aren’t being fostered and used, we will be left behind by the US and the Far East.

The EC and the Bank will pool resources to provide additional support for various lending activities as part of this flagship initiative. The Investment Plan for Europe is built on the skills/experience of the EIB to ensure projects that are currently delayed can progress, or those in need of advisory support receive it. In a relatively short period of time [around three years], we hope to unlock up to €315 billion of new investment. This lending is specific, focusing on projects where there are challenges and research that would not have been supported in the same way in the past.

www.eib.org/innovation
INVESTING IN INNOVATION

A snapshot of the exciting, innovative and diverse projects the EIB is involved in

PORTUGUESE BROADBAND

A €110 million loan to NOS – Portugal’s biggest entertainment and communication group – saw the EIB aiming to improve the high-speed mobile broadband network in the country. The loan supports investments necessary for the roll-out of mobile network equipment and systems for current 3G and new 4G technologies.

As a result, NOS has unveiled a new mobile platform offering mobile broadband with speeds up to 150 Mbps across its 4G network, thereby vastly exceeding the 30 Mbps EU target for 2020. Not only does this service help improve access to broadband services for consumers, particularly in rural areas, but it also increases operating efficiency and reduces costs, as well as fostering competition in the telecommunications sector.

www.internationalinnovation.com

ROBOTICS LAB OF THE FUTURE

The Bank’s portfolio is not limited to companies. The EIB also lends support to specific components of universities, as seen at the University of the West of England (UWE) in the UK. Bristol Robotics Laboratory (BRL) at UWE, a multidisciplinary robotics research centre, is benefiting from a regular corporate lending scheme from the EIB to support campus development. “There are clear benefits for skills in certain sectors. Things such as the BRL really help make sure that skills are in place so that demand in the future can be addressed,” Piovesan explains.

WIND IN THEIR SAILS

The EIB is supporting Spanish company Gamesa’s R&D&I activities in the field of wind turbine technology. A €260 million loan is helping Gamesa shape its current product portfolio by launching new onshore turbines and developing new offshore wind platforms with greater capacity. Not only will the EIB’s backing aid the development of an important renewable energy technology, but it will also strengthen the company’s scope for innovation and competitiveness, as well as financing the creation of some 600 new permanent jobs in R&D during the implementation period.

EBOLA: FIGHTING FAST

The EIB recently announced support for European biopharmaceutical company Bavarian Nordic’s development of a novel vaccine against Ebola and other infectious diseases as well as cancer immunotherapies. The loan facility provides Bavarian Nordic an opportunity to accelerate its growth strategy with the clinical development of a vaccine against respiratory syncytial virus (RSV) for which no vaccine exists, and prioritising the development of its CV-301 cancer immunotherapy candidate, which holds promise in multiple cancer indications. Bavarian Nordic required substantial investment in order to scale up skills and innovation to unlock the potential of its innovative vaccine platform technology, as well as speed up particular areas of the vaccine’s development. The EIB’s investment has supported this acceleration and Bavarian Nordic has been able to quickly push the vaccine to clinical trials. “That’s where the Bank can play a role, particularly in this case where there is demand for accelerated development by offering financial flexibility on attractive terms,” Piovesan notes.

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