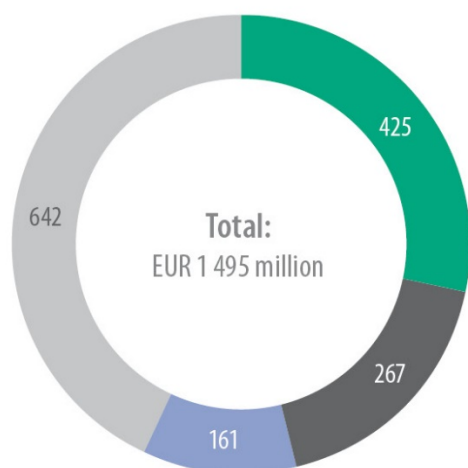




## The EIB in Bulgaria in 2018

Financing provided by the European Investment Bank (EIB) in Bulgaria reached EUR 103m in 2018. Over the past five years (2014-2018), the Bank has provided funds amounting to some EUR 1.5bn to finance investment projects important for Bulgaria's economic development. The EIB's operations in Bulgaria cover all major economic sectors, ranging from basic infrastructure such as transport, communications, energy and the environment to manufacturing and services, including support for small and medium-sized companies through local financial institutions and the development of a knowledge-based economy.



EIB lending by sector in Bulgaria from 2014 to 2018 (in EUR m)

■ Transport, telecommunications	28%
■ Water, sewerage, solid waste, urban development	18%
■ Industry, services, agriculture	11%
■ Small and medium-scale projects	43%

### Financing under the Investment Plan for Europe in Bulgaria

The [Investment Plan for Europe](#) (the Juncker Plan) is one of the EU's key actions to boost investment in Europe, thereby creating jobs and fostering growth. To this end, smarter use will be made of new and existing financial resources. The EIB Group is playing a vital role in this investment plan. With guarantees from the European Fund for Strategic Investments (EFSI), the EIB and the European Investment Fund (EIF) are able to take on a higher share of the risk in projects, encouraging private investors to participate.

From the launch of EFSI up to the end of 2018, approvals of projects in Bulgaria benefiting from EFSI guarantees totalled EUR 420m, which is expected to mobilise EUR 1.8bn of investment.

### Support for corporates to foster strategic infrastructure

In 2018, the EIB provided a loan of EUR 14m to Agria Group Holding AD to finance the construction of a new port facility close to the Port of Varna for the storage, handling and export of grain, vegetable oils and sunflower meals in the area of Beloslav. The new facility will mainly be used for the promoter's produce, but will also serve other producers and exporters in the region.

The project contributes to the development of a comprehensive TEN-T node by improving the capacity and efficiency of the associated supply chain, supports sustainable transport by promoting sea transport as an alternative to other carbon-intensive transport modes and fosters the sustainable economic growth and development of a less-developed region.

### Support for municipal infrastructure

Last year, the EU bank provided a loan of EUR 22m to the Municipality of Sofia for the construction of the second stage of Sofia Metro Line 3. This project involves a 3.8 km twin-track metro line, four metro stations, and a railway stop for connection to the national railway network at the last metro station. The new metro line will increase public transport passenger capacity, contribute to the modal shift towards more environmentally-friendly transport and reduce congestion on the existing transport network. It is therefore expected to improve accessibility within the urban area and overall quality of life.



*Sofia Metro*

The EIB lent EUR 67m to the Municipality of Sofia to support the construction and commissioning of a new combined heat and power plant for Sofia's district heating network operated by Toplofikacia. The new cogeneration plant is designed to process more than 100 t a day of refuse-derived fuel from a mechanical biological treatment plant in Sofia.



*Sofia Water and Wastewater Plant*

## EIB advisory services in Bulgaria

Bulgaria is **one of the largest beneficiaries of the EIB's advisory services**, which range from support for investment projects in the transport, water and environment sectors to advice for SMEs and the development of financial instruments and investment platforms combining EU structural funds with other sources of funds. EIB advisory services in Bulgaria are delivered mainly through **JASPERS** (Joint Assistance to Support Projects in European Regions), the Project Advisory Support Unit (**PASU**), the European Investment Advisory Hub (**EIAH**), the European PPP Expertise Centre (**EPEC**), Financial Instruments Advisory (**FIA**) and InnovFin Advisory (**IFA**).

Since 2006, **JASPERS** has supported the completion of 30 major Bulgarian investment projects with total costs of over EUR 5.5bn, mobilising around EUR 3.9bn of European Commission (EC) grants. In addition to projects already completed, JASPERS currently has 28 active assignments in Bulgaria, all of which are supporting projects that are crucial for the country, especially in the transport and environmental sectors. During 2018, JASPERS assisted the rail company with the mid-term evaluation of projects under the Connecting Europe Facility (CEF). In addition, it continued to support a pipeline of regional water and wastewater projects for all of Bulgaria's consolidated regional water operators (covering more than half of the country), based on Regional Master Plans (also developed with JASPERS support). Fifteen regional projects will be prepared with a compliance-driven investment need of EUR 1bn.

In 2018, four large investment projects with JASPERS support were approved by the EC for a total investment of EUR 1.23bn, and a grant amount of EUR 882m. These projects support important investments in railways, urban transport and emergency care infrastructure for Bulgaria. During

2018, JASPERS was also very active in finalising advisory support for the preparation of the Natural Gas Interconnector between Greece and Bulgaria project, with total costs of around EUR 240m.

**The Project Advisory Support Unit (PASU)** is a flexible and targeted project advisory service provided by the EIB to Member States. It is financed by the European Structural and Investment Funds (ESIF) with a view to improving the rate and quality of absorption of ESIF through better management, leveraging and performance of investment. In Bulgaria, it focuses on project delivery and implementation support, the preparation of strategic documents and institutional capacity building.

**The European Investment Advisory Hub (EIAH)** is a partnership between the EIB and the EC, offering a single point of entry to a comprehensive package of advisory services and technical assistance. The Advisory Hub is particularly important in cohesion countries where it is recognised that capacity-building support to identify, prepare and implement projects is needed most. Given the progressive transition from grants to financial instruments and investment platforms, the Advisory Hub is helping Bulgaria to make this challenging culture shift. The EIB also developed its local presence by opening a dedicated EIAH office in Sofia in September 2017.

By January 2019, the Hub had processed 79 advisory requests from Bulgaria, ranging from information inquiries to requests for technical assistance, funding, or both. Of these, 65 requests were project-specific, 35 came from the private sector and ten qualified for comprehensive advisory assistance.

In association with **Financial Instruments Advisory (FIA)**, a specific EIAH Advisory Services Agreement was signed in August 2017 to structure and develop a Bulgarian Urban Investment Platform. Under this framework, FIA is supporting the Bulgarian Fund of Funds (FoF) with the development of its ESIF-based urban development financial instruments (FIs). This support was provided in relation to soft market testing in the banking sector and the selection of FI managers. Agreements between FoF and the selected FI managers were signed in September 2018, enabling three Urban Development Funds to start operations.

The **European PPP Expertise Centre (EPEC)** is a unique membership-based PPP expertise network created to support the public sector in delivering sound PPPs. Bulgaria is a member of EPEC through the Ministry of Finance and participates in EPEC's networking activities. EPEC is assisting the Structural Reform Support Service (SRSS), which is funding a PPP advisory programme for the Council of Ministers and Ministry of Finance conducted by the World Bank.

**InnovFin Advisory (IFA)**, a joint EIB-EC initiative under Horizon 2020, aims to improve project bankability and provides non-project-specific strategic studies related to access-to-finance challenges faced by RDI investments. IFA is currently providing project advice for investments in software and display hardware development worth EUR 30m, with a view to identifying suitable funding options, including debt financing and venture capital.



## The European Investment Fund

The European Investment Fund (EIF) is the specialist arm of the EIB, providing risk financing solutions to financial intermediaries to support SMEs and mid-caps and foster innovation in Europe. In 2018, it committed more than EUR 10bn in support of business, through which approximately EUR 43.7bn of additional capital will be leveraged.

The EIF committed EUR 3.5bn for equity in 155 equity transactions with early and growth stage funds, which are expected to raise EUR 19bn of additional commitments. On the guarantees side, it committed EUR 6.5bn in 151 transactions, which acted as a catalyst in generating EUR 23.9bn of new loans for SMEs. The EIF's support for micro and social enterprises totalled EUR 95m, creating a loan volume of more than EUR 864m. More than 280 000 SMEs and mid-caps were supported by the EIF in 2018, sustaining some 2.75 million jobs.

Last year, given the successful implementation of the Joint European Resources for Micro to Medium Enterprises (JEREMIE) initiative, the EIF and the Ministry of Economy agreed to launch two new financial instruments in Bulgaria with reflows generated from JEREMIE operations. The Documentary Finance Guarantee facility will use up to EUR 30m of reflows for a new trade finance guarantee to support the internationalisation and diversification of the Bulgarian economy with the total loan volume projected to reach EUR 200m. The InvestBG Equity programme will use JEREMIE reflows and EIF own resources to commit up to EUR 110 million in venture capital and private equity funds for investment in Bulgaria and direct equity co-investments in Bulgarian enterprises.

Following a record-breaking year, the EIF continued to support SMEs in Bulgaria by committing a total of EUR 78m in 2018 through four new guarantee operations and one new venture capital fund aimed at providing debt and equity financing of EUR 168m in total.

Overall in 2018, through EIF operations in Bulgaria, more than 3 000 small and medium-sized enterprises received approximately EUR 408m of financing.

For more information: [www.eif.org/bulgaria](http://www.eif.org/bulgaria).

## The EIB at a glance

The EIB is the EU's long-term lending institution and is owned by all EU countries. It makes long-term finance available for sound projects, contributing to growth, jobs, regional convergence and climate action in Europe and beyond. In 2018, its total financing amounted to EUR 55.6bn.

To ensure maximum impact, the EIB combines EU funds with its loans and advises on technical and financial aspects.

The EIB is supporting Europe's economic recovery by implementing the European Fund for Strategic Investments (EFSI). By the end of 2018, the EIB Group had committed EUR 70.4bn under EFSI, mobilising total investment of EUR 375.5bn, or 75% of the target of EUR 500bn.

The potential investment triggered by the EIB Group in Bulgaria through EFSI transactions totalled EUR 1.8bn at the end of 2018. The EIF signed 11 EFSI transactions with an aggregate EIF contribution of EUR 120m.

The EIB's activities around the world reflect the EU's external priorities. The EIB is active mainly in the pre-accession countries and eastern and southern neighbours. It also operates in African, Caribbean and Pacific countries, Asia and Latin America – supporting local private sector development, social and economic infrastructure and climate action projects.

The EIB is financially autonomous and raises the bulk of its lending resources on the international capital markets through bond issues.

Overall EIB Group achievements in 2018	
A total of <b>EUR 64.2bn</b> in financing by the EIB Group.	From the launch of EFSI up to the end of 2018, the EIB Group approved <b>EUR 70.4bn</b> under <b>EFSD</b> for more than 1 000 financing transactions, which are expected to support investment of EUR 375.5bn.
<b>EUR 13.5bn</b> EIB Group support for <b>innovation and skills</b> , including education and digital infrastructure.	<b>EUR 23.3bn</b> EIB Group support for <b>SMEs and mid-caps</b> – the biggest volume ever.
<b>EUR 12.25bn</b> supporting key <b>infrastructure</b> in transport and energy, as well as urban infrastructure.	<b>EUR 15.15bn</b> for <b>environmental</b> projects supporting resource efficiency and sustainability.

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