

## EIB financing in the Eastern Partnership

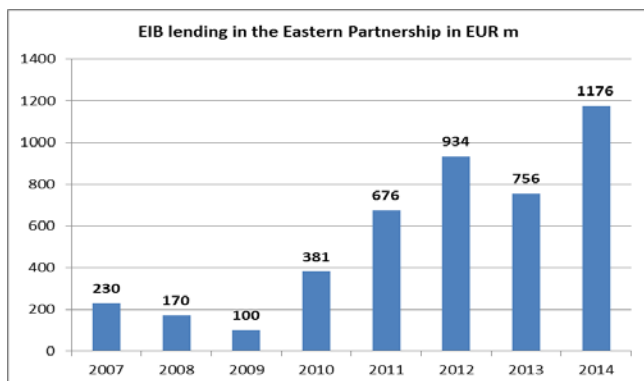
The EIB is the bank of the European Union. Founded in 1958 under the Treaty of Rome, it operates in the 28 EU Member States and more than 130 other countries. In 2014, it signed loans totalling EUR 77bn. 89.6% of its financing went to projects in the EU Member States and some 10.4% to projects outside the EU, where the Bank supports projects that contribute to economic development in countries that have signed association or cooperation agreements with the EU or its Member States. It does so at own risk to its balance sheet, under mandates from the European Parliament and Council of the European Union or using budgetary funds provided by Member States or by the EU budget. The EIB is the largest supranational borrower and lender in the world and the only international financial institution politically accountable to EU policymakers and institutions. This factsheet is one of a series covering regions of the world where the EIB is active.

### EIB operations in the Eastern Partnership

The EIB can finance investment projects in Armenia, Azerbaijan, Georgia, Moldova and Ukraine to support the European Neighbourhood Policy, in particular the Eastern Partnership launched in 2009.

The Bank operates in the Eastern Partnership on the basis of the 2014-2020 External Lending Mandate providing for a total amount of Bank financing of EUR 4.8bn to support projects of significant interest to both the EU and the Eastern Partnership countries, in the areas of local private sector development, social and economic infrastructure and climate change. In addition, the Bank set up an own risk Neighbourhood Finance Facility for the period 2014-2020 in an amount of EUR 3bn to enhance its support for this region.

The EIB has significantly stepped up its lending activity in the region during the last four years to reach a record level of EUR 1.2bn in 2014.

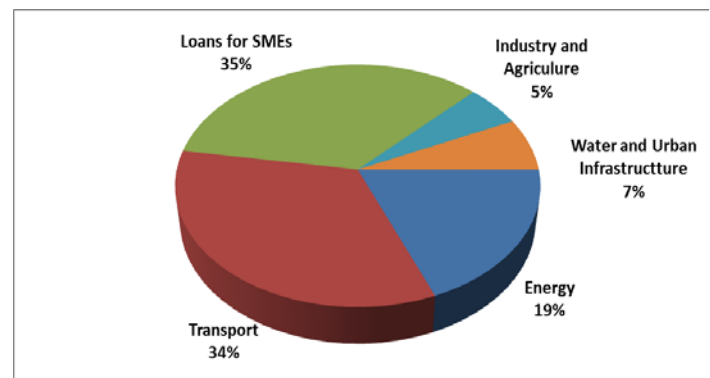


By the end of 2014, EIB lending in the Eastern Partnership had reached a total of EUR 4.4bn, financing some 67 investment projects or providing credit lines to support SMEs in all five Eastern Partnership countries that have signed a Framework Agreement with the Bank (see table on page 2).

In 2009, the EIB approved its first loans for SMEs via partner financing institutions in the Eastern Partnership. These reached some EUR 1.54bn in the region by the end of 2014.

In addition, the Eastern Partnership can also benefit from a special Energy Sustainability Facility mandate (from the EIB's own resources) to finance investments in the field of energy sustainability and security of supply.

### Loan signatures by sector up to end of 2014: EUR 4.4bn



### The Eastern Partnership Technical Assistance Trust Fund (EPTATF)

The Fund provides technical assistance for the preparation and implementation of investment projects, as well as supporting upstream studies, sector development strategies or policy and institutional reforms. The Fund operates in Armenia, Azerbaijan, Georgia, Moldova and Ukraine.

By the end of 2014, 17 operations amounting to EUR 14.8m had been approved by the EPTATF Contributors Committee.

Contributors to the Fund	
Austria	8
France	0.8
Latvia	0.05
Poland	1
Sweden	10.49
Germany	0.82
Lithuania	0.05
<b>EUR 21.21 m</b>	

<b>Armenia</b>	<b>1.7</b>
Feasibility Study, EIA DD for interstate road M6	1
Asset registration and valuation in water sector	0.7
<b>Georgia</b>	<b>0.5</b>
Water infrastructure modernisation project	0.5
<b>Moldova</b>	<b>3.7</b>
Moldova flood protection	2
Roads technical audit	0.5
Solid waste management programme	1.2
<b>Ukraine</b>	<b>6.95</b>
Railway infrastructure in Ukraine (study)	0.2
Mykolayiv Vodokanal	1.4
Dnipropetrovsk metro (marketing study)	0.2
Municipal infrastructure programme	3.3
Higher education energy efficiency audits	0.25
Modernisation and safety improvements on road network	1.6
<b>Regional</b>	<b>1.95</b>
Energy efficiency programme (study)	0.2
Private sector financing in the EaP countries (study)	0.2
EPTATF internship programme	0.3
EPTATF secondment programme	1.1
Dissemination window	0.15

## EIB financing signed (EUR m) by the end of 2014:

<b>Armenia</b>	<b>207</b>
Rehabilitation and renovation of metro system	5
Financing of SMEs and energy and environmental projects	69
Armenia water sector rehabilitation	38
Border crossing and infrastructure	30
Yerevan Metro Tranche II	5
North-South Road Corridor	60
<b>Azerbaijan</b>	<b>25</b>
Financing of SME projects	25
<b>Georgia</b>	<b>493</b>
Construction of high-voltage power transmission lines to complete electricity ring in Georgia and provide interconnection with Turkish grid	80
Financing of SMEs and energy and environmental projects through partner financing institutions	114
Rehabilitation works at Enguri and Vardnili cascade of hydropower plants (Abkhazia)	20
Repair and upgrading of municipal water facilities	80
Rehabilitation of the East-West Highway	200
<b>Moldova</b>	<b>606</b>
Rehabilitation of the water supply and wastewater collection and treatment facilities in Chisinau	24
Improvement of wine industry	75
Purchase of up to 90 new trolleybuses, spare parts and rolling stock maintenance equipment	5
Repair and upgrading of key national road sections	255
Rehabilitation and extension of water and sanitation systems in various small towns	20
Financing of SMEs and energy and environmental projects	60
Chisinau urban roads	10
Upgrade of power transmission network	17
Upgrade of Chisinau Airport	20
Financing of SMEs in the agricultural sector	120
<b>Ukraine</b>	<b>3087</b>
Financing of small and medium-scale projects carried out by SMEs through four partner financing institutions	1160
Rehabilitation and modernisation of water supply and wastewater collection and treatment facilities in Mykolajiv (southern Ukraine)	16
Construction of electricity transmission line between Rivne and Kiev	150
Rehabilitation of M-06 motorway and 350 km of main access routes to and around Kiev	650
Construction of new 750 kV electricity transmission line in Southern Ukraine	175
Hydropower plants rehabilitation	200
Modernisation of air traffic management infrastructure	41
Dnipropetrovsk Metro Extension	152
Green for Growth Fund II for Eastern Neighbourhood	2.5
Investments in Ukraine's agri-food sector	135
Extension of Beskyd Tunnel	55
Ukraine Early Recovery loan	200
Upgrade of Urengoy-Pomary-Uzhgorod pipeline	150

## Increased EIB Support to Ukraine

The recovery of Ukraine and its economy is vital to improving the living conditions of Ukraine's citizens and further developing the country, which is suffering from the consequences of the present difficult situation.

EIB lending in 2014 in Ukraine reached almost EUR 1bn as part of the EUR 3bn lending package scheduled for 2014-2016. At the end of 2014, the EIB's lending commitment in Ukraine reached a total of EUR 3.1bn since the start of EIB operations in the country in 2007.

## EIB value proposal

The EIB is a AAA-rated, policy-driven EU financial institution raising funds in capital markets to on-lend to eligible investments supporting EU policies and priorities. The EIB passes on the financial advantage it obtains through benefits such as attractive interest rates and long maturities to projects that score highly in terms of EU objectives and are consistent with the Bank's commitment to supporting sound, sustainable investments. The EIB's extensive experience in financing projects, its in-house sector expertise and its deep knowledge of European policies facilitate the identification of projects that match both national and EU priorities. The EIB's project appraisal covers technical, economic, financial, environmental and social aspects as well as credit risks, provides for the appropriate mitigants and conditionality and helps structure projects in line with EU standards. The EIB thus acts as a flag carrier for EU policies outside the EU, contributes to the dissemination of best practices and facilitates the participation of other financiers in EU priority projects.

For further information on the EIB, visit the website [www.eib.org/eastern-neighbourhood](http://www.eib.org/eastern-neighbourhood)

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