

THE EUROPEAN INVESTMENT BANK and EASTERN NEIGHBOURHOOD COUNTRIES



European
Investment
Bank

The EU bank

THE EIB IN THE EU EASTERN NEIGHBOURHOOD

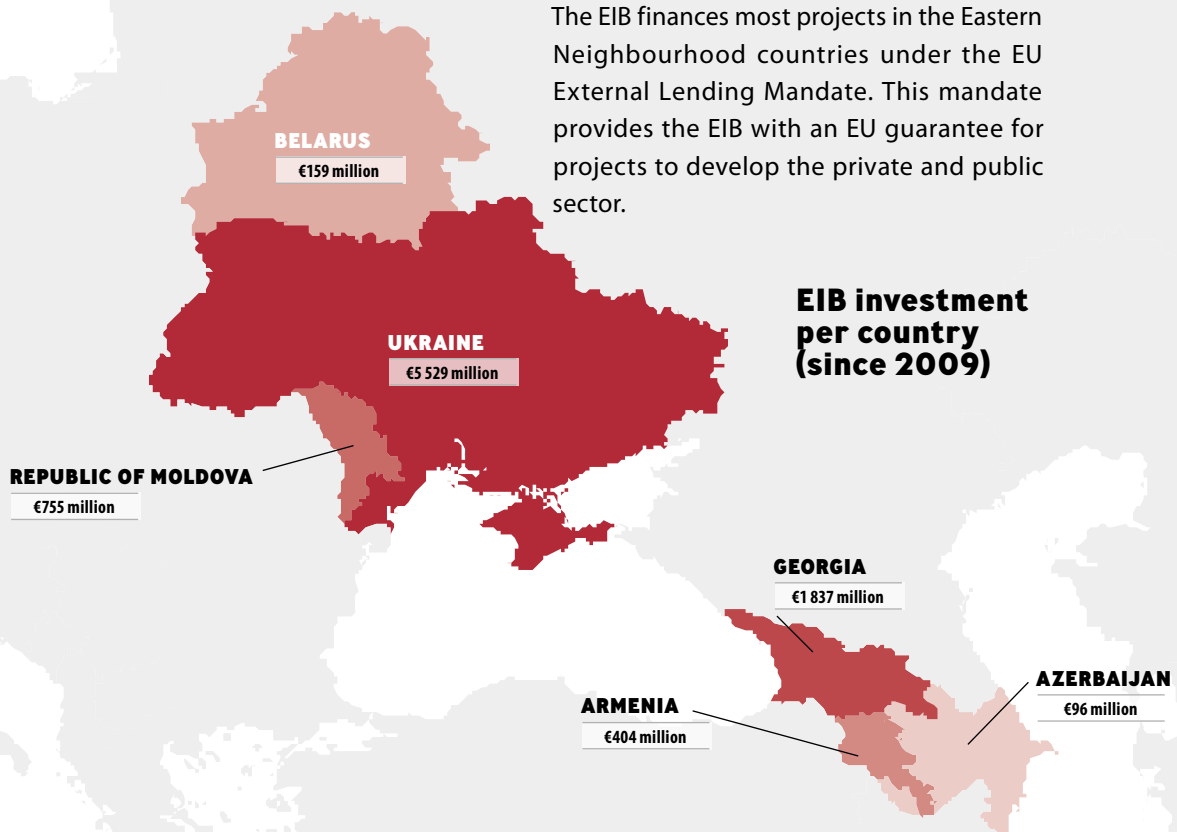
The European Investment Bank focuses on social and economic infrastructure, the development of the private sector and climate action. We support projects that contribute to the resilience and modernisation of the region. Our investments benefit citizens in countries in the Eastern Neighbourhood and reinforce their relations with the European Union and its Member States.

We have supported long-term investment projects in the EU Eastern Neighbourhood since 2009.

WHAT WE OFFER

We bring the experience and expertise of our in-house engineers and economists to help develop and appraise top quality projects. As a policy-driven EU financial institution with a top credit rating, we offer attractive financial terms such as competitive interest rates and loan durations aligned with the projects. Through our partnerships with the European Union and other donors, we can provide grants to further improve the development impact of the projects we support.

The EIB finances most projects in the Eastern Neighbourhood countries under the EU External Lending Mandate. This mandate provides the EIB with an EU guarantee for projects to develop the private and public sector.



Loans signed with the Eastern Neighbourhood (2009-2018)

TRANSPORT

35%

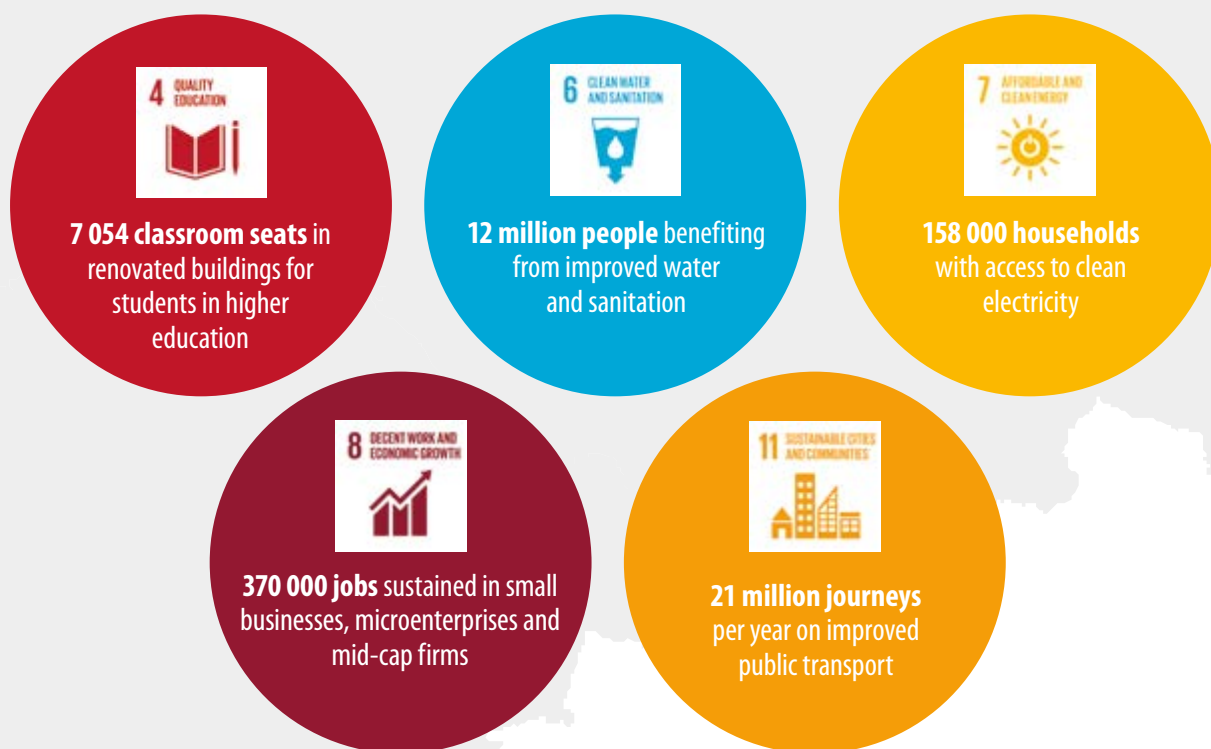
SUPPORT FOR SMALL BUSINESSES AND MID-CAPS

31%

OUR IMPACT

In the Eastern Neighbourhood region, the EIB focuses on creating quality jobs and fostering economic growth, developing industry and infrastructure, supporting innovation, and providing affordable and clean energy. Climate action, in line with the Paris Agreement, is a top priority throughout EIB lending activities. Through our financing, we act as a catalyst to attract the funding needed to meet the UN's Sustainable Development Goals (SDGs) for 2030.

Helping the region to achieve the SDGs (loan signatures, 2015-2018)



ENERGY (INCL. RENEWABLES AND EFFICIENCY MEASURES)

WATER AND SANITATION

MANUFACTURING

20%

7%

4%

2%

1%

AGRICULTURE OTHERS

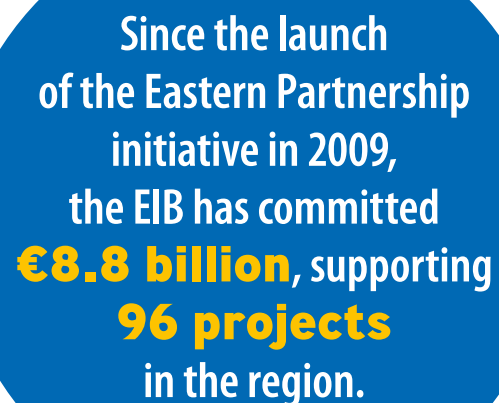


THE EASTERN PARTNERSHIP INITIATIVE

The Eastern Partnership was introduced in May 2009 as a joint policy initiative involving the European Union, its Member States and six Eastern European partners: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine.

The European Union works to promote sustainable development and citizens' well-being in the countries on its eastern flank. The EIB supports the goals of the 2015 Eastern Partnership Summit, which outlined four key priorities for delivering tangible results by 2020:

1. **Stronger economy:** economic development and market opportunities
2. **Stronger connectivity:** connecting people and places, energy efficiency, environment and climate change
3. **Stronger governance:** strengthening institutions and good governance
4. **Stronger society:** mobility, building professional skills and networks



Since the launch of the Eastern Partnership initiative in 2009, the EIB has committed **€8.8 billion**, supporting **96 projects** in the region.



STRONGER ECONOMIES

The EIB works to develop stronger and more diversified economies in the Eastern Partnership region. We have been particularly active in supporting the financing needs of small and medium-sized businesses (SMEs) and microenterprises, attracting investment, and creating jobs and trade opportunities. We have provided credit lines, including in local currencies, and guarantees to small businesses totalling €2.7 billion since 2009.

The Bank's support for small businesses and mid-caps is facilitated by the Deep and Comprehensive Free Trade Area (DCFTA) agreement, the SME Direct Support Facility and the InnovFin initiative, which provides both advisory services and financial tools.

The EIB has supported industry with several corporate projects worth €590 million since 2009. Besides helping companies to grow, the Bank also assisted them in complying with EU standards in contract tendering, environmental protection and technical specifications.

Project highlights:

- The EIB provided local currency funding for small businesses and mid-caps to Procredit Bank in Ukraine through a local currency loan worth **€60 million**. It also made available a **€2.6 million** small business loan guarantee through DCFTA for TBC Bank in Georgia, enabling SME loans with advantageous terms and reduced collateral requirements.
- The EIB provided a **\$250 million** loan to a large company in Ukraine that employs more than **14 000 people**. The company, in turn, subcontracted **40 small businesses** in a project to build agri-infrastructure and a state-of-the-art seed-oil crushing plant. The project helped provide a stable income for local farmers and benefited the broader community.



THE TEN-T NETWORK

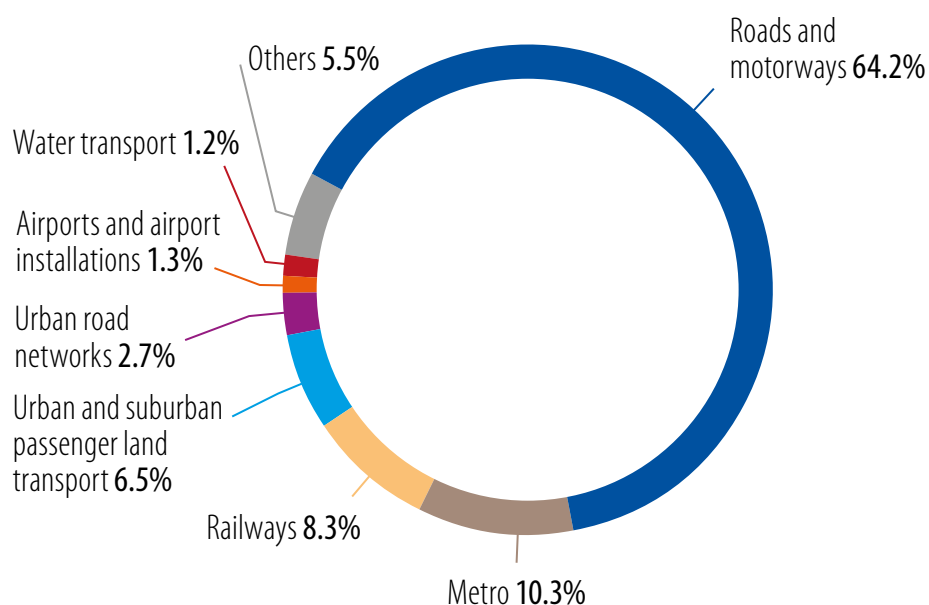
The EIB is committed to funding the extended TEN-T network, a transport grid that will connect countries within the Eastern Partnership region and link the region to the EU. The TEN-T network, which will improve border crossings and upgrade existing infrastructure to remove bottlenecks, includes the construction and rehabilitation of new and existing roads, railways, ports, airports and logistical centres. In addition, the EIB will further support road safety through investments and advisory support in several Eastern Partnership countries.

STRONGER CONNECTIVITY

LINKING THE REGION TO THE EUROPEAN UNION THROUGH BETTER TRANSPORT

Transport is key to growth and competitiveness. As the EU bank, the EIB finances infrastructure projects that improve connections between the Eastern Partnership region and the European Union, whether these be railways, roads or waterways. Since 2009, the EIB has financed 25 transport infrastructure projects worth €3.1 billion.

Transport loans by type (2009–2019)



MAKING ENERGY GREENER, SAFER AND MORE SECURE

The EIB supports investments in energy efficiency, boosting energy resilience and supply security and stepping up the use of renewable energy to reduce greenhouse gas emissions. Our investments target not only the extension of energy connections, which help create an integrated and sustainable energy market throughout Europe, but also the more efficient use of energy, which reduces emissions and energy costs.

Project highlights:

- **€80 million for 158 kilometres** of new transmission lines that will be used to establish a **600 MW interconnection** linking the Republic of Moldova to Romania and the EU electricity market. The project will help diversify Moldova's energy resources and improve energy security.
- **€7 million** to renovate about **150 kindergartens** under the Yerevan Energy Efficiency project, which will reinforce the buildings for seismic activity and improve energy efficiency (roof insulation, new efficient heaters, LED lighting and solar energy systems). The Yerevan kindergarten project will reduce carbon dioxide emissions by 5 502 tonnes a year and will improve the lives of **34 500 children, teachers and staff members**. The work is made possible by a **€5 million** grant under the Eastern Europe Energy Efficiency and Environment Partnership.

FOCUSING ON EFFICIENCY

In the Eastern Partnership region, the EIB finances several programmes to implement energy efficiency measures for buildings and municipal heating systems. In addition to lending, the EIB has established an advisory instrument (the Municipal Support Project Facility, or MSPF, funded by the Neighbourhood Investment Facility) that supports sustainable energy measures and climate action in cities throughout the region.

SAFEGUARDING THE ENVIRONMENT AND SUPPORTING CLIMATE-CHANGE ADAPTATION

Since 2009, the EIB has supported several water and sanitation projects in the region with total investment of €572 million. The Bank has helped improve the quality of the water supply and wastewater services for communities, enabling countries to comply with national and international health and environmental regulations while also improving the local environment.

Project highlight:

- A **€104.6 million EIB loan** is supporting the extension, reconstruction and rehabilitation of water supply systems in Georgia. The loan targets two big projects in Kutaisi and several smaller projects in Ureki, Zugdidi and Poti, increasing access to safe drinking water. The project, which also focuses on service coverage and quality, received grant support from the Neighbourhood Investment Platform for technical audits.

STRONGER GOVERNANCE, INSTITUTIONS AND RESILIENCE

The EIB supports the efforts of Eastern Partnership countries to improve their resilience to crises and shocks, while maintaining strong growth. The Bank invests in projects that raise living conditions, meet basic administrative needs and foster the economic initiatives of residents and displaced people. In Ukraine, the Bank finances operations to rebuild the country after recent conflicts, supporting the short-term recovery and restoring basic services and key infrastructure.

Project highlights:

- The Ukraine Early Recovery project is providing **€200 million to finance investments** in the government-controlled regions of Donetsk and Luhansk and the surrounding areas of the cities of Kharkiv, Dnipro and Zaporizhzhia. EIB funding helps cities in regions with a significant influx of internally displaced people cope better with the pressure put on social infrastructure and shelters. The loan supports efforts to re-establish and improve the provision of water and sanitation services, electricity and heating. It also covers the refurbishment of damaged public buildings, including administrative buildings, schools, clinics and hospitals and other social infrastructure.
- The Bank assisted the Republic of Moldova **with €2 million in technical assistance** for a flood prevention and protection master plan and the development of a river management and monitoring system based on a geographic information system. The technical assistance also helps identify investment projects that protect against flooding, such as flood defences, flood storage and increases in river capacity. The programme was supported by contributors to the EIB-managed Eastern Partnership Technical Assistance Trust Fund.



STRONGER SOCIETY

The EIB finances projects in education. Good higher and public education infrastructure improves the teaching and learning environment and encourages research and innovation. Education is vital for developing human capital, which in turn leads to growth in incomes, productivity and employment. Our projects help bring standards closer to those used in the European Union.

Project highlight:

- The Ukraine Higher Education Project financed the refurbishment of existing teaching, research and support facilities at 21 universities to improve their energy efficiency and students' comfort. In addition to a **€160 million investment**, the project also received European Union grant support from the Neighbourhood Investment Platform and the Eastern Europe Energy Efficiency and Environmental Partnership.

PROJECT HIGHLIGHTS



ARMENIA

EIB LENDING COMMITMENT: €404 MILLION

The rehabilitation of the M6 interstate road (€51 million) concerns a crucial transport corridor in Armenia that also connects the country with Georgia and the outside world. This road carries over 60% of Armenia's international traffic and is particularly important for Armenia's international trade. In parallel, the EIB will roll out a programme supported by the EU to improve road safety in the country.

AZERBAIJAN

EIB LENDING COMMITMENT: €96 MILLION

The EIB is providing €25 million to support the projects of small and medium-sized enterprises. The funds are being distributed through AccessBank, Azerbaijan's leading financier of small businesses. The operation will foster the development of the private sector, contributing to job creation and increasing living standards in Azerbaijan.



BELARUS

EIB LENDING COMMITMENT: €159 MILLION

An EIB loan of €84 million will contribute to upgrading wastewater services that serve close to two million citizens in Minsk. The loan will pay for the installation of new pre-treatment facilities, new aeration tanks for biological treatment, ultraviolet disinfection of wastewater and modern sludge treatment. The investments will improve energy efficiency, the local environment and people's daily lives.



GEORGIA

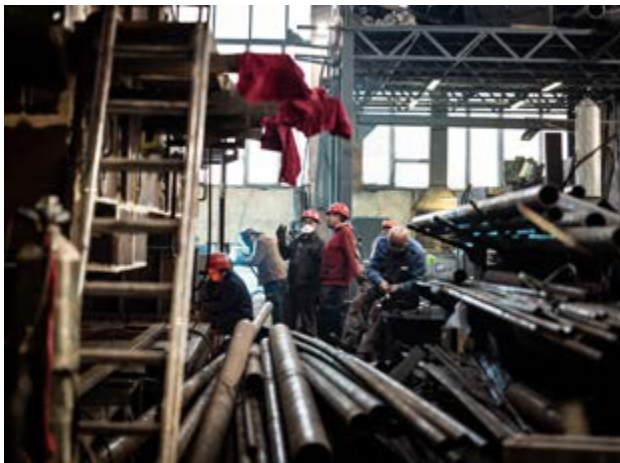
EIB LENDING COMMITMENT: €1.8 BILLION

Urban reconstruction and development funds of €50 million will repair damage from the devastating floods that hit Tbilisi and the surrounding area in 2015. The project will help to restore basic services, rebuilding key infrastructure and creating the background for economic recovery.

MOLDOVA

EIB LENDING COMMITMENT: €755 MILLION

A €24 million loan will help rehabilitate water services and wastewater collection and treatment facilities in Chisinau, strengthening the quality, efficiency and sustainability of water and sewerage services and improving the quality of life for 800 000 citizens. This investment will reduce water leaks and energy consumption.



UKRAINE

EIB LENDING COMMITMENT: €5.5 BILLION

Through a €75 million framework loan, the Bank is financing urban traffic infrastructure to improve road safety for drivers and for the most vulnerable road users such as pedestrians and cyclists. In addition to improved road safety and reduced accidents, the investment has the potential to decrease the indirect costs of poor road safety. The project benefits from EU support for technical assistance.

The EIB is the European Union's bank, owned by the EU Member States. In 2018, the EIB Group provided nearly **€80 billion** for investments in and outside Europe. We are the **world's largest multilateral borrower and lender**.



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