



# Final Report on the Joint IFI Action Plan for Growth in Central and South Eastern Europe

## Executive Summary

- Under the Joint IFI Action Plan for Growth (JIAP), the European Investment Bank (EIB), the World Bank Group and the European Bank for Reconstruction and Development (EBRD) announced assistance over 2013 and 2014 to Central and South Eastern Europe of at least EUR 30 billion. Actual assistance under this plan has exceeded EUR 42 billion.
- The main aim of the assistance was to support growth in the region. CESEE has achieved gradually stronger growth since the launching of the JIAP, even if growth rates are considerably lower than before the crisis. This reflects the generally subdued developments in the euro area during the two years, and the continuing deleveraging of cross-border banking. IFI lending under the JIAP has been of major significance, equivalent to 1½ percent of the region's GDP each year, and some 6 percent of investment. Funding of local banks under the JIAP, together with guarantees, has been particularly important in maintaining the supply of credit to SMEs. JIAP finance has also helped improve the region's use of EU structural funds.
- JIAP financing has also been laying the basis for sustained growth over the longer term. The largest volume of assistance has been provided to develop the region's infrastructure, particularly to integrate it in European transport, energy and communication networks. Coordinated assistance has also gone to strengthen financial systems, raise energy efficiency, develop sources of renewable energy, and to raise the productivity of firms. There has been an increased use of innovative financial instruments to render projects less risky for private investors and thus catalyse additional financing.
- The JIAP has succeeded in helping the CESEE region return to growth, building on the recovery in the euro area and, most recently, the lower price of imported energy. Sustaining growth over the longer term will require continued efforts to raise productivity and increase competitiveness. Substantial investment in the region's infrastructure will be needed, and action to raise the qualifications of the workforce and encourage social inclusion and labour market participation. One important legacy of the JIAP will be the closer working relationships of the three IFIs, benefitting from their complementary mandates.








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