



Eastern Partnership Technical Assistance Trust Fund **(EPTATF)**

Key facts

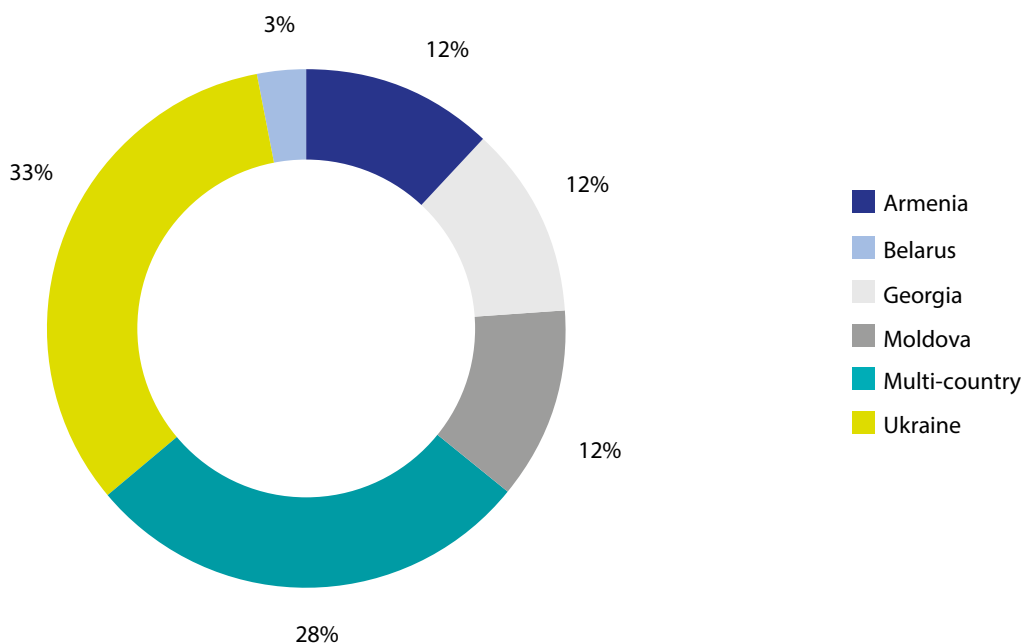
Name	Eastern Partnership Technical Assistance Trust Fund (EPTATF)
Inception	2010
Coverage	Eastern Partnership countries ¹
Windows	None
Priority sectors	<ul style="list-style-type: none"> • Development of the Local Private Sector and Support to SMEs • Development of Economic and Social Infrastructure • Climate Change Mitigation and Adaptation • Capacity Building
Instruments	Technical Assistance Direct Exchange

1. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

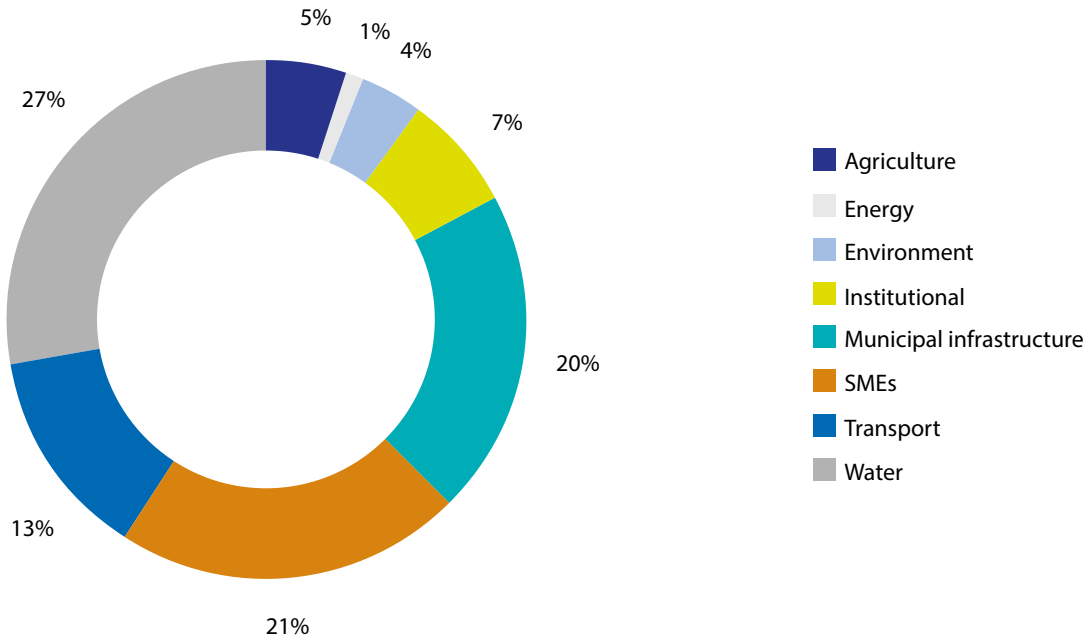
Performance

Since its inception in 2010, the Contributors' Committee (Austria, France, Germany, Latvia, Lithuania, Poland, Sweden and United Kingdom) has approved 26 operations for a net amount of EUR 32.1 million, of which EUR 17.8 million has been signed. Of this signed amount, 75.8% – or approximately EUR 13.5 million – has already been disbursed to counterparties.

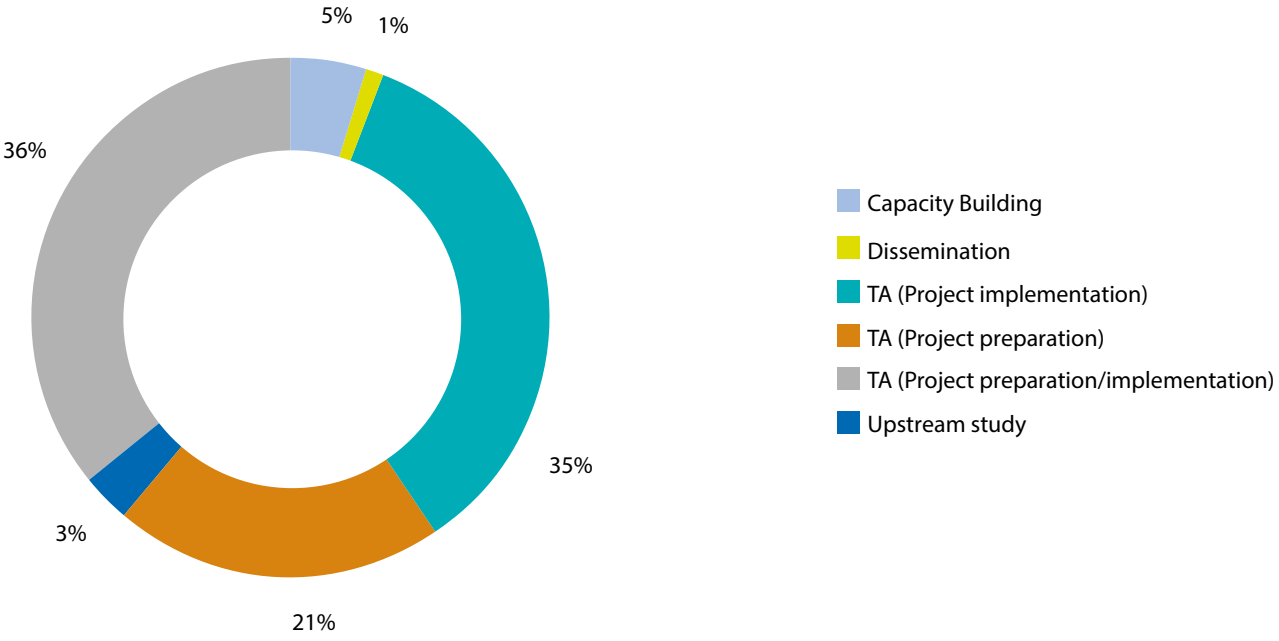
Largest share of funding has gone to projects in Ukraine, and projects covering several countries



The water sector has been the largest recipient, followed by SMEs and municipal infrastructure

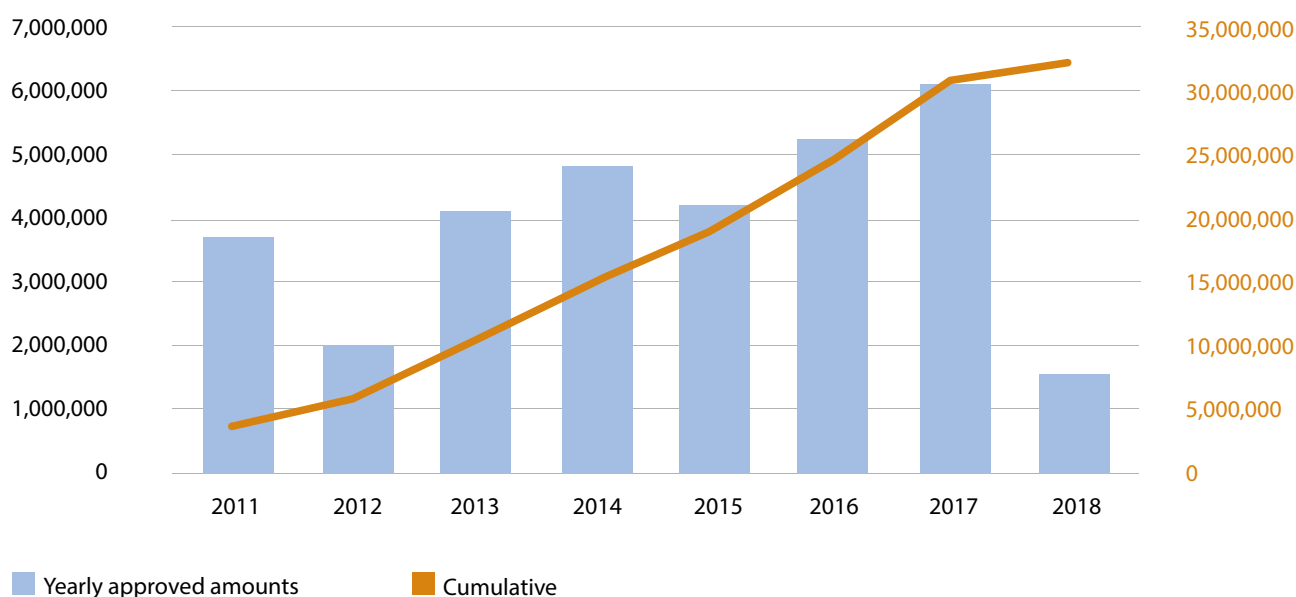


Project preparation and implementation have been the most common type of investment



* All graphs represent a breakdown of approved projects.

Yearly approved amounts (in EUR) from inception until September 2018



Success stories

Management support and technical assistance to Moldova Flood Protection Project

The Republic of Moldova is prone to natural hazards, including drought, floods, severe weather, earthquakes and landslides. The Ministry of Environment of the Republic of Moldova requested EIB support for a disaster/flood risk reduction master plan. In 2011, the EPTATF approved funding to conduct the study. This technical assistance (total disbursed amount of EUR 1.9 million) was conducted from October 2013 to May 2016 and identified flood risk areas in Moldova and measures to reduce that risk.

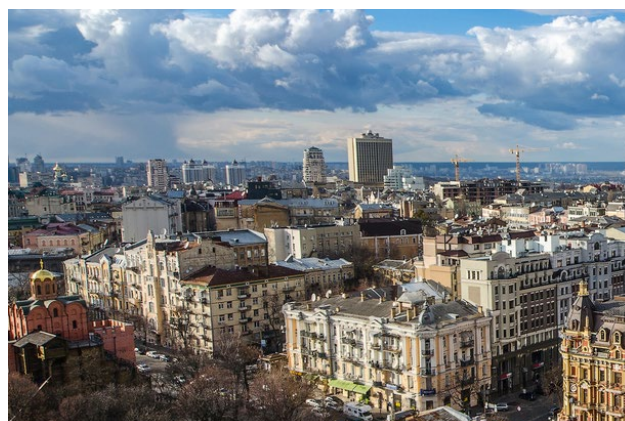
These were combined into a countrywide flood management Master Plan and Phased Investing Programme until 2036, in conjunction with a short-term Investment Plan covering the first seven years of the programme.

The project also strengthened Moldova's own capacity to prepare flood risk assessment and management plans in line with EU directives.

The project will improve flood protection infrastructure in Moldova and prevent environmental disasters, preserving people's livelihoods (notably in farming).

Higher education energy audits in Ukraine

Ukraine is one of the most energy-intensive countries in the world, with immense potential for improving energy efficiency. Conflate that with substantial investment needs in education infrastructure in Ukraine, and it was only natural that the Ministry of Education, Science, Youth and Sports of Ukraine approached the Bank in 2013 with a request to finance a long-term investment programme to refurbish and expand selected universities, and increase their energy efficiency.



With the help of a EUR 250,000 TA operation, energy audits were carried out in 82 buildings. These audits facilitated the preparation of a priority investment programme in compliance with the applicable energy efficiency requirements setting out specific rehabilitation and modernisation measures of the buildings, including their heating and ventilation systems, as well as indoor lighting.

Once implemented, the investments in energy efficiency measures will result in annual savings of 30-60% of electricity and heat across the refurbished buildings, as well as significant climate change mitigation thanks to reduced greenhouse gas emissions.

These energy audits paved the way for a related EIB loan of EUR 120 million and also opened the door to grant support from the Neighbourhood Investment Facility (NIF), as well as an investment grant of EUR 10 million from the Eastern Europe Energy Efficiency and Environment Partnership (E5P).

Rehabilitation and improvement of M6 in Armenia

Armenia's location and political circumstances result in significant challenges for transport. The M6 interstate road is a major corridor for Armenia's imports and exports, connecting the country to the Georgian capital, Tbilisi, Georgia's ports on the Black Sea, Europe, Russia and other locations. The M6 needs urgent rehabilitation. Most of it is in poor condition and doesn't comply with international road safety standards.

A EUR 1 million EPTATF grant was approved for the feasibility study, environmental and social impact assessment and a detailed engineering design for the rehabilitation and improvement of the M6. The consultant identified four rehabilitation solutions with different costs, enabling the government to choose between various investments.



The EPTATF assistance resulted in an investment project estimated at EUR 102 million, financed by the EIB, the Asian Development Bank and the EU Neighbourhood Investment Facility. The EIB component of the project started in September 2016 and is expected to be completed in 2020.

Identification and preparation of railway infrastructure projects in Ukraine

Transport is critical to Ukraine's economic development and there is significant EU interest in developing the country's transport and transit potential. Despite the significant investment needs, at the time of initial discussions between the Ukrainian authorities and IFIs on potential financing support, there was no comprehensive master plan for rail network development which would enable financiers to assess and prioritise potential investments.



The TA assignment assessed the network development plans of the Ukrainian railway Ukrzaliznytsia and identified priority projects. Two railway network infrastructure projects were selected for the next stage and the bankability evaluation documentation was prepared for presentation to IFIs.

This EPTATF-financed TA (EUR 200,000) enabled the EIB to assess the feasibility of the proposed railway line electrification project in Ukraine, which is now being financed by the EIB and EBRD.

Support for the implementation of the APEX Loan for SMEs, Armenia

Armenia has a large and growing SME sector, with SMEs accounting for the majority of registered businesses in the country. Financial and credit instruments aiming at increasing the accessibility and affordability of financing for SMEs are thus of critical importance.

On 23 April 2015, the EPTATF Contributors' Committee approved a technical assistance operation (EUR 750,000) to improve the accessibility to financial services of Armenian SMEs and to support the implementation of EIB and other financings for SMEs in the country.









The overall objective of this TA operation is to support the expansion of sustainable lending to SMEs in the agricultural and tourism sectors in Armenia, thus contributing to the broadening and deepening of the financial sector, providing

backing for SMEs and promoting the development of the private sector as well as creating and securing employment and income in rural areas in Armenia. Reflecting the contribution of this TA to the successful implementation of the project, the TA was extended, focusing on lessons learned and the successes of the first loan project, to establish improved systems and procedures for a second loan.

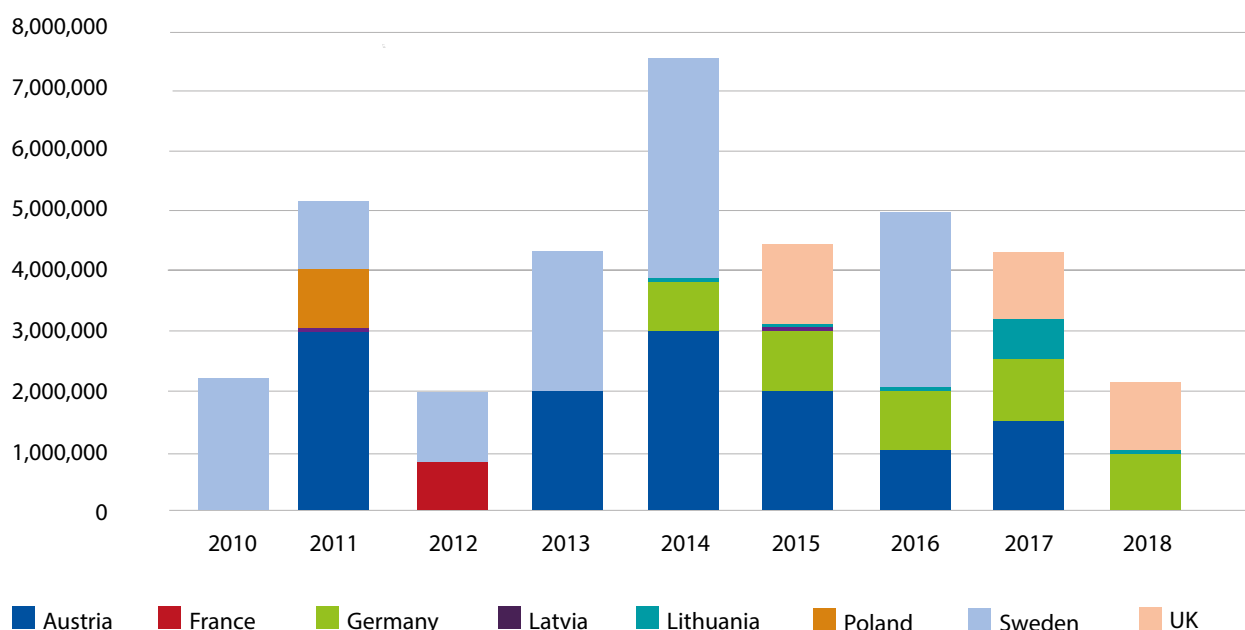
Funding

The EPTATF has received contributions almost every year since its inception from eight European Donors: Austria, France, Germany, Latvia, Lithuania, Poland, Sweden, UK. On average, the EPTATF has received approximately EUR 4.5 million on an annual basis (with a high of EUR 8 million in 2014).

Contribution Breakdown

Donor	Total pledges EUR ('000)	Total paid-in contributions EUR ('000)
 Austria	12,500	12,500
 France	800	800
 Germany	4,817	4,817
 Latvia	100	100
 Lithuania	950	950
 Poland	1,000	1,000
 Sweden	13,390	13,390
 UK	6,771	3,378
Total	40,327	36,936

EPTATF paid-in contribution evolution



Operational plan

The EIB, as the EU bank, is active in supporting EU policy objectives by directing its lending to projects that promote prosperity and increase regional integration, which in turn contribute to stability and help forge stronger intraregional partnerships.

The strategic orientations of the EIB's activities in the Eastern Neighbourhood are based on the operational guidelines related to the 2014-2020 External Lending Mandate (ELM). The Bank supports the European Neighbourhood Policy by financing investment projects that contribute to the achievement of ELM high-level objectives, namely:

- Development of social and economic infrastructure;
- Climate change mitigation and adaptation; and
- Local private sector development, in particular support for SMEs.

EIB lending volumes in the Eastern Neighbourhood region experienced strong growth from 2010 until 2016 and the Bank became one of the main financiers in the region. The Republic of Belarus became eligible under the ELM in 2016 and following the Contributors' approval of the inclusion of Belarus in the EPTATF in 2017, operations in Belarus started, with one grant operation already approved by the Contributors' Committee in 2018.

During 2018-2020, the EIB's operational priorities in the countries of the Eastern Neighbourhood will remain focused on supporting investments aligned with key priority areas established between the EU and Eastern Partnership countries, in particular:

- Economic development and market opportunities, notably through support for SMEs and private sector companies.
- Investments in infrastructure targeting primarily climate action, connectivity, energy efficiency and security, environment, digital economy and young people (education). The Eastern Partnership region suffers from structural gaps in all major areas, including human capital, energy, environmental and strategic infrastructure.
- Support for the implementation of the Association Agreements with Georgia, Moldova and Ukraine.
- Research and innovation through the deployed "Innovfin – EU Finance for Innovators" programme under the Horizon 2020 initiative, providing financing tools and advisory services in the RDI sector and to innovative companies.



About us

The EIB is the European Union's bank. We are owned by the EU Member States. We work closely with other EU institutions to implement EU policy.

We are the world's largest multilateral borrower and lender. We provide finance and expertise for sustainable investment projects. In 2017, the EIB Group provided EUR 78.2 billion for long-term investments across Europe and around the world, with over 90% of lending supporting the European Union and accession countries.

The teams responsible for the Western Balkans are based at the EIB's headquarters in Luxembourg.




The teams cover a wide range of projects across the various economic sectors and consist of leading experts with extensive experience in the region.

In 2010, the EIB Group opened a regional office in Serbia for the Western Balkans. This office handles institutional relations in the region.



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