



2017 – investing in the Baltics

- Nearly 340 million euros for transport and urban development
- EFSI support for education and innovative technology

European Investment Bank (EIB) financing in the Baltic States amounted to 230 million euros in 2017, targeting areas including innovation, urban development and transport, while the European Investment Fund (EIF) supported innovative smaller companies in the region with a further 109 million euros of equity, guarantees and inclusive finance. The Juncker Commission's Investment Plan for Europe also showed what it can do in the Baltics through both cross-border operations and direct support for innovation.



With the EU economy back to growth, in 2017 the EIB Group emphasised its growth-sustaining role by supporting strategic projects and smaller companies. Transport projects were still high on the agenda and significant support was made available for social and urban infrastructure in the municipality of Tallinn. Education was also a priority, as shown by a loan to the University of Latvia. This last project, like the Riga tram, were backed by a guarantee under the European Fund for Strategic Investments (EFSI), which also enabled the EIB Group to provide more innovative and higher-risk financing in other sectors. Apart from support for SMEs through EIF-managed financial instruments, another example is the EIB loan to Skeleton, an Estonian company that develops supercapacitors. More EFSI projects are in the pipeline for 2018.

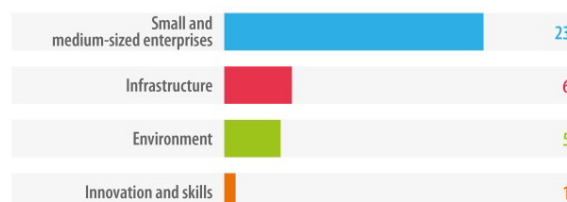
Infrastructure development across the map

Infrastructure development is one of the key priority areas for the Baltic region, with the aim of improving its competitiveness and independence. Cue BaltCap, the largest private equity and venture capital investor in the Baltics, which launched an infrastructure fund for the region in July. The fund will primarily focus on providing development capital for transport, energy and energy efficiency infrastructure projects in all three countries, and is expected to mobilise some 480 million euros worth of infrastructure investment on the ground. Especially important is the involvement of other, mainly private, partners in the fund – attracting private financing is one of the main goals of the Juncker Plan.

Circular economy in the Nordics and Baltics

Late last year, the EIB signed a 50 million euro loan agreement with a Finnish company called Cramo. But beyond Finland, this news was relevant for Estonia, Latvia and Lithuania as well. The company rents out equipment so that construction companies do not have to buy it, thus making more efficient use of resources and significantly cutting harmful emissions. The loan, meant to modernise and expand Cramo's fleet of construction machinery, will also see much needed circular economy investments in all three Baltic States.

European Investment Bank Group
Total lending in Lithuania in 2017 (in EUR m)
EUR 34 million



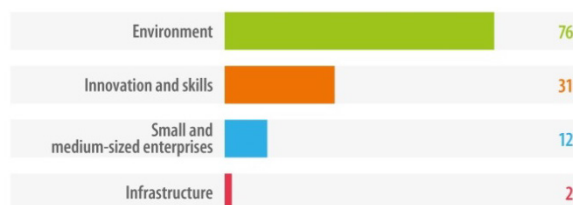
All aboard!

Tramways once ruled most of Europe's cities, but were then displaced by the rise of buses and private cars. Now, it seems that trams are making a long-awaited comeback, not in the least thanks to their environmental advantages over their rubber-tired siblings. In 2017, the EIB supported Rigas Satiksme in the purchase of 20 new low-floor tram units to operate in the city of Riga, as well as the modernisation of tramway infrastructure and their depot. But since you cannot build tram tracks everywhere, the EIB also supported the company's investments in buses – hydrogen fuel cell buses to be precise! Better performance, less pollution and, above all, a very comfortable ride for the people of Riga. All aboard!

The future is education

Europe is developing towards a “knowledge economy” for which, naturally, education is key. To this end, the EIB signed a 30 million euro loan with the University of Latvia for the further development of its new “Academic Centre” campus. The construction of this state-of-the-art research and study centre will give a boost to the modernisation of the campus, enabling it to bring together a large portion of its activities in one area, achieving efficiency gains for the university administration, teachers and students alike. Founded in 1919, the university will soon celebrate its first centennial. What better way to do this than by looking confidently towards the future, with the backing of the EU?

European Investment Bank Group
Total lending in Latvia in 2017 (in EUR m)
EUR 121 million



Innovative to the bone

One of the most inspiring tech stories of last year came from Estonia. Ultracapacitor manufacturer Skeleton, based near Tallinn, started small but has now signed a 15 million euro quasi-equity facility with the EIB. Ultracapacitors are energy storage solutions built with graphene-type materials that allow for much higher power output than traditional batteries. This financing – backed under the Juncker Plan – is already delivering: Skeleton recently opened a second facility in Germany.

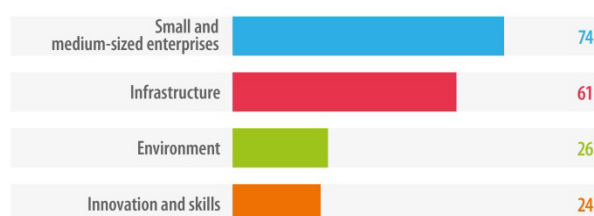
Multi-apartment renovation is going strong

The EIB’s ongoing commitment to Lithuania’s multi-apartment renovation programme attracted a 60 million euro contribution from Šiaulių bankas that, together with 30 million euros in so-called ESIF funds, will support the renovation of a further 315 multi-apartment buildings, helping approximately 7 900 households to reach an improved energy consumption classification. So far over 40 000 homes have already been renovated!

Getting Tallinn ready for the future

One highly effective instrument that the EIB provides for municipalities is the “urban development framework loan”. Large cities have a multitude of challenges to deal with and most of them are relatively small in terms of financing need, making it difficult to get appropriate funding for solving each issue one by one. The EIB’s framework loan to the municipality of Tallinn will enable the Estonian capital to carry out its investment strategy until the end of 2018, financing small to medium-sized projects in public transport, street refurbishment, school upgrading, renovation of social and health infrastructure and cultural heritage. All in all, Tallinn will modernise its infrastructure and improve the quality of public services – with a little help from the EIB.

European Investment Bank Group
Total lending in Estonia in 2017 (in EUR m)
EUR 185 million



Future EIB engagement in the Baltics

The EIB will continue to work towards developing its activity in all three Baltic States in 2018 and beyond, building on the experience of past years. Support for the modernisation of apartment buildings in Lithuania remains on the agenda, as do themes such as transportation and energy in all Baltic countries.

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