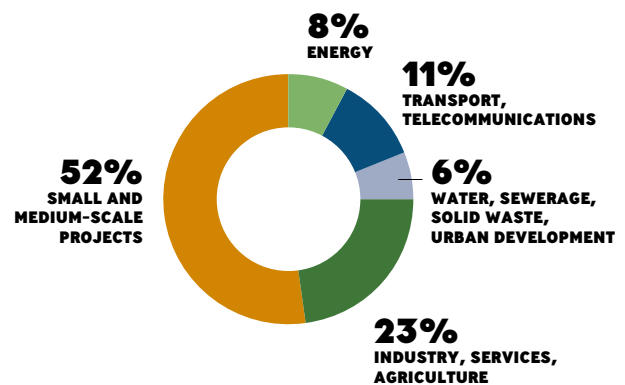


EIB Group activity in Bulgaria

in 2019

- EIB Group (EIB and EIF) operations in 2019 supported €359m of investments
- EIB Group support in Bulgaria represented 0.59% of the country's GDP (ranked 13th among the EU Member States)
- Thanks to the involvement of the European Fund for Strategic Investments – a core part of the Investment Plan for Europe – €2.7bn of new investments are expected to be mobilised in Bulgaria

EIB LENDING IN BULGARIA
in 2015-2019 per sector



Source: EIB

In Bulgaria, the European Investment Bank (EIB) and the European Investment Fund (EIF), jointly forming the EIB Group, support investment projects that reduce disparities in regional development, strengthen economic competitiveness and improve the living standards of people in Bulgaria. In 2019, EIB lending in Bulgaria amounted to some €210m. Over the last five years (2015–2019), the Bank has provided €1.1bn to finance projects in Bulgaria.

FINANCING UNDER THE INVESTMENT PLAN FOR EUROPE IN BULGARIA

The **Investment Plan for Europe** (the Juncker Plan) is one of the EU's key initiatives to accelerate investment in Europe and is focused on creating jobs and fostering growth. It enables a smarter use and combination of new and existing financial resources. The EIB Group is playing a vital role in this investment plan. With guarantees from the European Fund for Strategic Investments (EFSI), the EIB and the EIF can engage in projects involving higher risk and encourage private investors to participate in the financing of strategic projects.

In Bulgaria, since the launch of EFSI and up to the end of 2019, €546m worth of projects benefiting from EFSI guarantees were approved, which are expected to mobilise €2.7bn of investments.

EIB Group activity in Bulgaria in 2019

Signed projects with EFSI support in Bulgaria in 2019

In 2019, the EIB signed a €65m loan with KCM AD, a Bulgarian producer of lead and zinc, to finance the company's technological modernisation and upgrading programme. The investment will reduce the environmental impact of KCM's production to comply with future more stringent regulations and ensure better working conditions. At the same time, resource efficiency will improve due to greater use of recycled materials and production output will increase by 25%. The company employs more than 1 500 people.



Last year, the Bank provided a loan of €18m to Software Group – a global technology company helping financial service providers digitise their business and successfully navigate the process of digital transformation. This is the first transaction with venture debt features in Bulgaria.

In 2019, the EU bank provided €47m to modernise and expand the production facilities of Maspex Group – a leading food and drink producer in Central and South-Eastern Europe. The investment is focused on less developed regions in Bulgaria, Poland and Romania. The financing available for the Bulgarian production facilities amounts to €3m and targets the modernisation of food and drinks production and storage facilities in Velingrad.

SUPPORT TO STRATEGIC INFRASTRUCTURE

The EIB provided a €110m loan for the construction of a gas interconnector between Bulgaria and Greece. The facility also establishes a link with the Trans Adriatic Gas Pipeline, which runs east-west through northern Greece, contributing to the diversification of energy supply in Bulgaria and South-East Europe. It is part of a wider plan to better connect the energy markets between neighbouring countries, including Romania and Hungary, with the aim of improving the security of gas supply in the region and the efficiency of the networks.

LOANS FOR SMEs AND MID-CAPS

The EIB concluded an intermediated loan of €20m with Raiffeisen Leasing Bulgaria in 2019. The financial institution will onlend the EIB funds to SMEs and mid-caps for projects in the fields of agriculture, energy, trade and services, including tourism. In 2019, about 400 SMEs and mid-caps benefited from EIB lending and 11 000 jobs were supported in Bulgaria.

Last year the EIF in Bulgaria committed €134m in six new operations in 2019, aimed at raising €567m of SME financing. The EIF also signed the first new equity fund in the country under the InvestBG Equity Initiative with a target total fund size of €75m to support fast-growing local businesses. Some 3 400 businesses benefit from EIF activities in Bulgaria, supporting around 68 000 jobs.

EIB ADVISORY SERVICES IN BULGARIA

The EIB delivers advisory support in Bulgaria, mainly through the Joint Assistance to Support Projects in European Regions (JASPERS), the Project Advisory Support Service Agreement (PASSA), the European Investment Advisory Hub (EIAH), the Financial Instruments Advisory Division (FIA) and the European PPP Expertise Centre (EPEC).

Bulgaria is one of the largest beneficiaries of the EIB's advisory services. The advisory support provided by the EIB ranges from support to investment projects in the transport, water and environment sectors to advice to SMEs and the development of financial instruments and investment platforms combining EU structural funds with other sources of funds.

Joint Assistance to Support Projects in European Regions (JASPERS)

JASPERS is a technical assistance initiative managed by the EIB and co-sponsored by the European Commission. JASPERS aims at improving the quality of investment supported by EU Structural and Investment Funds and the Connecting Europe Facility (CEF) in Bulgaria by providing independent advice and capacity-building support to public authorities, as well as an independent quality review of projects before their submission to the EU.

In 2019, JASPERS completed 10 advisory assignments in Bulgaria (seven water projects and three transport assignments) and issued two post-submission appraisal reports to the European Commission. During the year, the European Commission approved one JASPERS-supported major project, the Greece-Bulgaria Gas Interconnector project (co-financed by the EIB) with a total investment cost of €240.2m and with €33.15m of grant support.

Support has so far covered a wide range of areas of expertise in all JASPERS business lines and sectors. To date, JASPERS has delivered 129 advisory assignments to Bulgaria's authorities, supporting 98 projects with an underlying investment cost of over €9bn.

Project Advisory Support (PAS)

The purpose of the Project Advisory Support Programme is to provide advice to promoters to boost the implementation of EU-funded projects. It combines the knowledge of EIB staff and third party consultants to support project implementation and capacity building. EIB experts work hand-in-hand with the promoters on strategic and complex projects, providing bespoke advisory products not available off the shelf.

The European Investment Advisory Hub (EIAH)

The EIAH is a partnership between the EIB and the European Commission offering, as part of the Investment Plan for Europe, a single point of entry to a comprehensive package of advisory and technical assistance. The Advisory Hub is particularly important in Cohesion countries where it is recognised that capacity-building support to identify, prepare and implement projects is of greatest need. With the gradual move from grants to financial instruments and investment platforms, the Advisory Hub is helping Bulgaria to make this challenging cultural shift.

Up to December 2019, the Hub processed 94 advisory requests from Bulgaria, ranging from information inquiries to requests for technical assistance, funding, or both. Of these, 82 requests were project-specific, 51 came from the private sector and 17 qualified to receive comprehensive advisory assistance. The Hub's support was provided for fund-of-funds operations, environment, resource efficiency, SMEs and other areas.

OVERALL EIB GROUP ACHIEVEMENTS IN 2019

EIB Financing
€63.12 bn

EIF Financing
€10.2 bn

Total EIB Group Financing*
€72.09 bn

Environment

€16.52bn

SMEs and mid-caps

€25.52bn

Innovation

€14.44bn

Infrastructure

€15.61bn

Climate

31% of total financing

Investment Plan for Europe

EFSI projects approved by the EIB Group
amounted to

€84.2bn

Investment Plan for Europe

EFSI-related investments

€458bn

92% of €500bn target

* The total EIB Group financing figure excludes a small overlap due to joint engagements of the EIB and the EIF.

PRESS CONTACTS

Dušan Ondrejčka
Press Officer

+352 4379-83334

d.ondrejicka@eib.org

Press Secretariat

+352 4379-21000

press@eib.org

www.eib.org/press

GENERAL CONTACTS

Sofia Office

9 Moskovska Street, 1000 Sofia

Andreas Beikos

Head of Office

+359 290 77 900

sofia@eib.org

Information Desk

+352 4379-22000

info@eib.org

www.eib.org

Photos: KCM AD