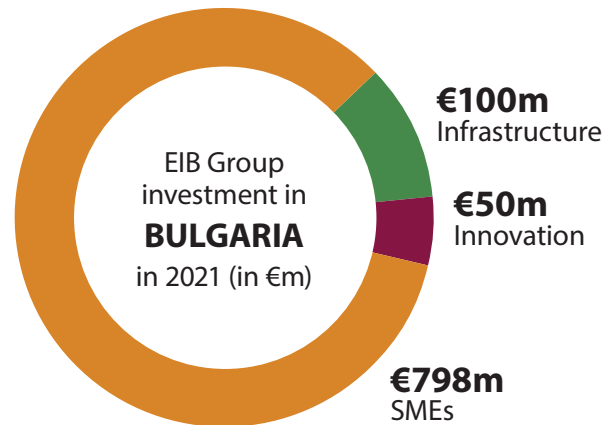


EIB Group activity in **BULGARIA** 2021

- EIB Group (EIB and EIF) operations in 2021 supported €948 million of investments
- EIB Group support in Bulgaria represented 1.43% of the country's GDP (ranked third among the EU Member States)
- Thanks to the European Guarantee Fund, €2.7 billion of new investments are expected to be mobilised 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 2021, EIB lending in Bulgaria amounted to €176 million. The EIF committed €772 million in new operations for SME financing.



The European Guarantee Fund

The European Guarantee Fund (EGF) was set up by the EIB Group, Bulgaria and other EU Member States to shield companies suffering from the economic consequences of the COVID-19 crisis. Using nearly €25 billion in guarantees, the EGF enables the EIB and the EIF to quickly make loans, guarantees, asset-backed securities, equity and other financial instruments available to mostly small and medium-sized enterprises. The EGF is part of the European Union's recovery package aiming to provide €540 billion in total to boost the healthcare sector and the other parts of the EU economy that have been hit the worst.

Bulgaria is one of the most active members of the EGF and has submitted a significant number of projects, which are expected to mobilise more than €2.7 billion of investments in the Bulgarian economy.

The EIB and UniCredit Bulbank Bulgaria signed a guarantee agreement of €60 million that is expected to unlock new loans worth nearly €200 million to support Bulgarian businesses suffering from the economic consequences of the COVID-19 pandemic. The operation enables UniCredit Bulbank to support small and medium enterprises, mid-caps and large corporates by providing affordable loans to finance working capital, additional liquidity needs or ongoing and new investments and expansion plans.

Another example is the EIB's support for **EnduroSat**, a fast-growing Bulgarian company providing solutions for the global space market. The EIB investment through a venture debt financing agreement for up to €10 million is being offered under a venture debt instrument backed by the EGF. The investment will back EnduroSat's growth and job creation to further develop the company's innovative, high-performance and affordable nanosatellites and space services for business, exploration, and science teams across the globe.

Under the EGF, the European Investment Fund signed 13 guarantee agreements with Bulgarian banking and non-banking lending institutions and three capital commitments to equity funds in the country, including some with multi-country operations. These transactions put total equity and debt financing made available to Bulgarian small businesses in excess of €2 billion in 2021, a new ten-year record for EIF activities in the country.

The 2021 guarantee and equity operations position Bulgaria as the second-biggest net beneficiary of the European Investment Fund's EGF operations of all EU Member States (after Portugal in first place). Bulgarian businesses are now able to access financing for investment or working capital loans and new equity capital for innovation and growth that is 13 times bigger than Bulgaria's contribution to the EGF budget.

The EIF completed three new equity deals in 2021 for large regional risk capital funds, based in Sofia. The new equity funds that started investment activity in 2021 received blended resources from the EGF and the JEREMIE programme in Bulgaria and raised substantial private capital from global and local private investors. As a result, the EIF successfully completed the InvestBG Equity instrument that was launched in 2019 with a total of four large venture capital and private equity funds in Sofia. This raised a record amount of private capital that brings over €250 million of investment in innovative and fast-growing young enterprises in Bulgaria and the South East Europe region. This has effectively transformed Sofia into a regional hub for venture capital funds operating in this part of Europe.

Support for sustainable infrastructure

In 2021, the EIB continued to support key sustainable infrastructure across Bulgaria. The EIB and SOF Connect AD, a special purpose vehicle that is majority-owned by the company Meridiam, signed a €40 million loan agreement for the modernisation of Sofia International Airport. The financing is supported by the European Commission's Connecting Europe Facility (CEF). The EIB financing will support infrastructure modernisation and the upgrade of regulatory, safety and security components to the latest standards. In addition, the project will improve the efficiency of airport facilities, including energy efficiency components, and ensure state-of-the-art environmental protection.

The EIB support for the Bulgarian economy also includes a structural programme loan in the amount of €500 million for the co-financing of eligible sectors and priorities financed in Bulgaria from the European Structural and Investment Funds (ESIF) in the 2014-2020 period. It supports Bulgaria in absorbing EU funds by providing affordable finance.

In 2021, the EIB provided a €43.2 million contribution to support investments in the second phase of railway modernisation between the cities of Plovdiv and Burgas. This includes the upgrade and construction of approximately 110 km of railway track and the deployment of signalling and telecommunications on 285 km of railway line. Through a €7.6 million contribution, the EIB also supported the rehabilitation of tramway infrastructure and the purchase of new tram rolling stock and intelligent transport management systems in Sofia.



Green urban development

Through an EIB loan, Sofia residents will benefit from reduced travel times, and improved air quality and road safety. In 2021, the EIB and the Municipality of Sofia signed a €60 million framework loan to promote sustainable urban mobility in the capital. The EIB financing supports an environmentally sustainable transport system that improves the everyday life of Sofia's residents. In line with Sofia's objectives, the EIB will finance projects that include the construction and rehabilitation of sections of the road and street network, parts of the tramway, and walking and cycling infrastructure. This loan can also support public transport projects such as buses and the installation of electric vehicle charging infrastructure.

The EIB also supports green urban development across Bulgaria. Following the signature in 2020 of a €25 million framework loan with Fund FLAG in support of urban investments for smaller cities, in 2021 the Bank agreed to co-finance specific projects worth more than €60 million. These include renovation and energy efficiency measures in schools in Stara Zagora, the development of urban green areas in Varna, the construction of a medical centre in Tsarevo, the replacement of water supply and sewerage infrastructure in Blagoevgrad and renewable energy measures in Maglzh. The loan co-finances a financial instrument, established with the support of EIB Advisory Services and utilising European Structural and Investment Funds.



EIB advisory services

Bulgaria is one of the largest beneficiaries of the EIB's advisory services. Our advisory support helps projects in sectors such as transport, water and the environment. We also advise many small businesses, and help develop financial instruments and investment platforms that combine EU structural funds with other sources of finance.

Joint Assistance to Support Projects in European Regions (JASPERS)

Joint Assistance to Support Projects in European Regions (JASPERS) is a technical assistance initiative managed by the EIB and supported by the European Commission.

Thanks to our experts at JASPERS, the Sofia metro received EU grants worth about €450 million. In addition, the EIB supported the Sofia metro expansion with financing of €260 million. Since 2006, JASPERS has completed 139 advisory and capacity-building assignments for the Bulgarian public sector, as well as 11 independent appraisals, supporting 104 projects with a total investment value of more than €9 billion.

In 2021, JASPERS completed six advisory assignments in Bulgaria for the transport and water sectors. In the period 2019-2021, JASPERS stepped up its support to Bulgaria for the preparation of programmes and projects that will be financed in the 2021-2027 period. This is complemented by targeted support to help public authorities and project promoters strengthen their capacity to meet future requirements and increased responsibilities for project preparation and appraisal.

Project Advisory Support Service Agreement (PASSA)

Our **Project Advisory Support Service Agreement (PASSA)** helps promoters prepare, evaluate and implement EU-funded projects.

The EIB is helping Bulgaria improve its water supply and sewerage networks. Close to 1.5 million people will benefit from improved wastewater treatment services and for 220 000 Bulgarians the quality of water supply will improve. The EIB PASSA team supports the Bulgarian managing authority with technical advice on countrywide water projects worth an estimated €1 billion.





The European Investment Advisory Hub

The **European Investment Advisory Hub** is a partnership between the EIB and the European Commission. It is a single point of entry to a comprehensive package of advisory and technical assistance. Since the establishment of the Advisory Hub, more than 120 requests from Bulgaria have been reviewed and assessed.

The Advisory Hub is supporting the Municipality of Burgas in assessing the feasibility of the construction of a new specialised children's university hospital with regional importance and supporting its next stage planning and design-related activities. The municipal team is supported through the development of the full feasibility study, including functional planning and preliminary design in line with best international practice and standards.

Building on the achievement of the Municipality of Sofia under the Digital Cities Challenge project of the European Commission, the Advisory Hub supported the Municipality via the Sofia Investment Agency in developing a methodology for screening project proposals for digitalisation and assessing the project maturity and sustainability of a pipeline of already identified projects.

In 2021, EIB Advisory signed an agreement with the European Commission (DG REFORM) to undertake a feasibility study regarding the establishment of a decarbonisation fund in Bulgaria, targeting energy efficiency and renewable energy investments in buildings and businesses.



Overall EIB Group achievements in 2021

**EIB financing
€65.35bn**

**EIF financing
€30.50bn**

**Total EIB Group financing
€94.89bn**

**Sustainable energy
and natural resources
€15.38bn**

**SMEs and mid-caps
€45bn**

**Innovation, digital
and human capital
€20.70bn**

**Sustainable cities and regions
€13.80bn**

**Green financing
43% of total
financing**

European Guarantee Fund

financing approved by the EIB Group amounted to

€23.2bn

**Total expected
investment mobilised
€174.4bn**

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