

EIB Group backs Bulgarian projects with €359 million in 2019



©EIB

- EIB loans €210 million to projects in Bulgaria, EIF guarantee and equity commitments total €149 million.
- EIB Group financing in Bulgaria represented 0.59% of the country's GDP in 2019.
- Operations benefitted 3 800 businesses and supported some 79 000 jobs in the country.

Last year, the European Investment Bank Group (EIB Group), which consists of the European Investment Bank (EIB) and the European Investment Fund (EIF), provided loans and guarantees worth €359 million to Bulgaria.

EIB Vice-President Lilyana Pavlova commented: *"2019 was a successful year for the EIB Group in Bulgaria. We supported operations totalling €359 million, both in the public and private sector. We also increasingly used the Investment Plan for Europe to finance innovative projects. I am convinced that our financing has substantial impact on people and that it is boosting the economic development of Bulgaria. After all, the around 3 800 companies that benefited from EIB Group operations last year employ some 79 000 people throughout the country. We are looking forward to continuing to work towards the improvement of social, economic, transport and environmental infrastructure and further development of the public and private sectors in the country as well as to financing undertakings helping to meet Bulgaria's commitments in the area of climate action."*

Deputy-Minister of Finance of Bulgaria Marinela Petrova: *"The EIB is an important partner of our country in providing project financing for the implementation of infrastructure sites and projects funded by the European Structural and Investment Funds. The technical assistance provided by the EIB is of particular importance for Bulgaria. In recent years the EIB has been active in granting loans to the private sector through intermediary banks for the financing of projects of small and medium-sized enterprises (SMEs) and mid-caps in Bulgaria, as well as of more risky projects under ESIF. We highly appreciate the EIB support for the development of SMEs in Bulgaria and will count on it in the future as well."*

EIB Group results in Bulgaria in 2019

Projects with EFSI support

Last year, the EIB provided a **€65 million loan to KCM AD**, a Bulgarian producer of lead and zinc, to finance its technological modernisation and upgrading programme. The investment will reduce the environmental impact of KCM's production to comply with more stringent future regulations and ensure better working conditions. At the same time, resource efficiency will improve due to higher use of recycled materials and production output will increase by 25%.

The Bank granted a **loan of €18 million to Software Group** – a global technology company helping financial service providers digitise their business and successfully go through the process of digital transformation. This was the first EIB transaction with venture debt features in Bulgaria.

In addition, the EU bank provided a €47 million loan 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 €3 million** and targets the modernisation of the food and drink production and the storage facilities in Velingrad.

The European Fund for Strategic Investments (EFSI) is the financial pillar of the [Investment Plan for Europe](#), which was launched in 2015. Up to the end of 2019, the EIB Group had approved EFSI projects worth €546 million in Bulgaria. They are expected to generate total investment of €2.7 billion.

Support to strategic infrastructure

The EIB provided a **€110 million 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 through northern Greece. It is part of a wider plan to better connect the energy markets of South-East-European countries, and aims to improve the security of gas supplies and the efficiency of the networks in the region.

Loans for SMEs and mid-caps

The EIB concluded an **intermediated loan of €20 million with Raiffeisen**

Leasing Bulgaria. The financial institution will on-lend the EIB funds to small and medium-sized companies (SMEs and mid-caps) for projects in the fields of agriculture, energy, trade and services, including tourism. In 2019, about 400 Bulgarian SMEs and mid-caps benefited from EIB lending and 11 000 jobs were supported. In addition, **the EIF committed €149 million to seven operations, which are expected to benefit about 3 400 companies and support 68 000 jobs.**

EIB Advisory Services in Bulgaria

The EIB is delivering 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, the Financial Instruments Advisory (FIA) and the European PPP Expertise Centre (EPEC).

Bulgaria is one of the largest beneficiaries of EIB advisory services. The services target projects in the transport, water and environment sectors but also give advice to SMEs and back the development of financial instruments and investment platforms, which combine 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). It provides independent advice and capacity building support to public authorities as well as independent quality reviews of projects before their submission to the EU.

In 2019, JASPERS completed 10 advisory assignments in Bulgaria: seven water projects and three transport assignments. The European Commission approved one JASPERS-supported project, a Greek-Bulgarian gas interconnector (co-financed by the EIB) with total investment costs of €240 million and €33 million of grant support.

To date, JASPERS has delivered 129 advisory assignments to Bulgaria's authorities, supporting 98 projects with an underlying investment cost of over €9 billion.

Project Advisory Support (PAS)

The purpose of the Project Advisory Support Programme is to provide advice to project promoters to boost the implementation of EU-funded projects. PAS combines the knowledge of EIB staff and third party consultants. Together with the promoters, they develop bespoke strategies for complex projects.

The European Investment Advisory Hub (EIAH)

The EIAH is a partnership between the EIB and the European Commission and the second pillar of the Investment Plan for Europe. It serves as a single point of entry to a comprehensive package of advisory and technical assistance. The

Hub is particularly important in cohesion countries where support for identifying, preparing and implementing projects is much needed. In view of the progressive shift from grants to financial instruments and investment platforms, the work of the Advisory Hub is becoming ever more relevant, especially in Eastern and Southern Europe.

By December 2019, the Hub had processed 94 advisory requests from Bulgaria, ranging from information inquiries to requests for technical assistance and funding. 82 requests were project-specific, 51 came from the private sector and 17 qualified to receive comprehensive advisory assistance.