



European Bank
for Reconstruction and Development

EBRD: Supporting the Business and the Regions in Bulgaria

June 2019

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What is the EBRD?

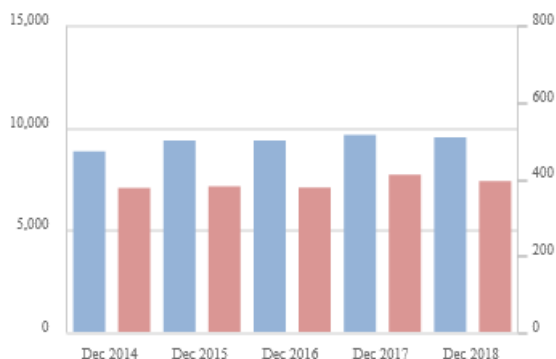
- The European Bank for Reconstruction and Development (EBRD) is an international financial institution that supports projects in over 30 countries, from eastern Europe to central Asia and the southern and eastern Mediterranean. Investing primarily in private sector clients whose needs cannot be fully met by the market, the EBRD promotes entrepreneurship and fosters transition towards open and democratic market economies.
- Owned by 69 countries and two intergovernmental institutions: the European Union and the European Investment Bank (EIB).

Since our establishment in 1991 we've invested over €130 billion in more than 5300 projects. EBRD portfolio stood at €43.3 billion by the end of 2018.

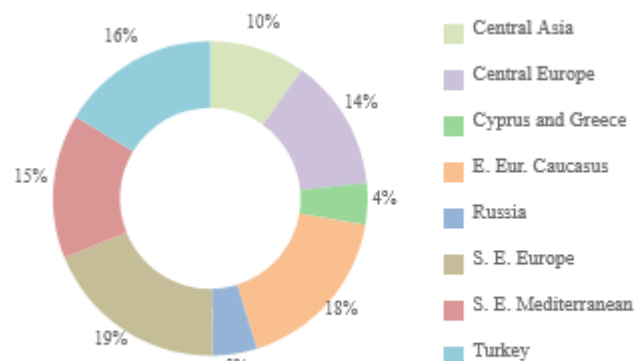
In 2018:

€9.5 billion invested in 395 projects

Annual Bank Investment and Operations



Portfolio Composition

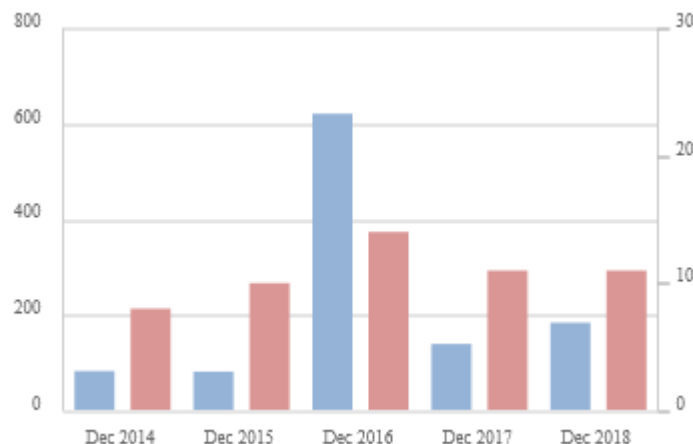


EBRD in Bulgaria (end-May 2019)

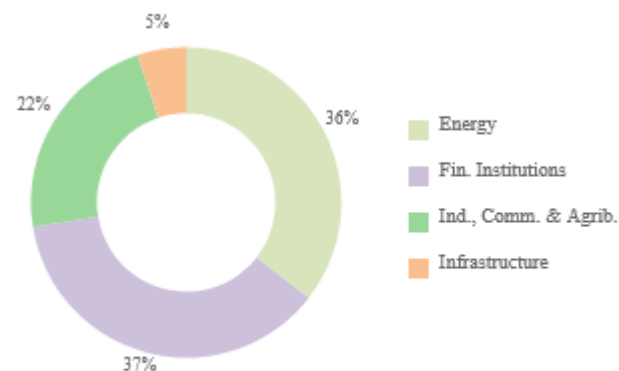
Since initiating operations in 1993, the Bank has signed 254 projects with cumulative investment of almost €3.9 billion. Total project value is more than €9 billion.

Number of projects to date	254
Net cumulative Bank investment	€3,887m
Private Share of cumulative investment	78%
Cumulative disbursements	€3,550m

Annual Bank Investment and Operations

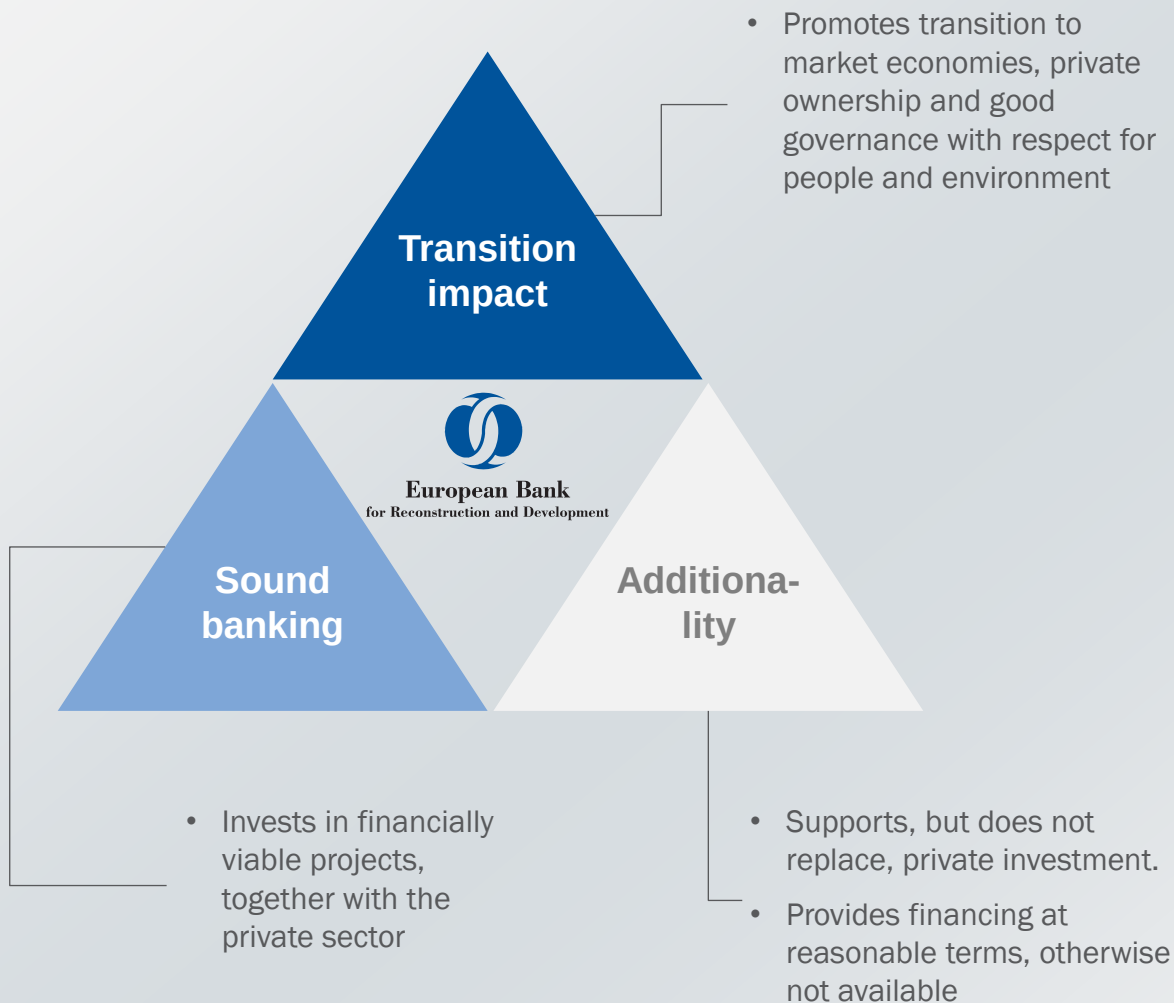


Portfolio Composition



EBRD's commitments & objectives

EBRD set of key principles



Key objectives

- Invest in both the **private** and **public sectors** to promote **transition to modern and well-functioning markets**
- Support **better municipal services** to **improve people's lives**
- Support the **private sector development**, privatisation and enterprise restructuring
- Encourage **environmentally sound and sustainable development**
- Mobilise significant **Foreign Direct Investment**
- Improve **competitiveness** and promote **innovation** to enhance **energy and resource efficiency**



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Transition Impact Framework

Competitive

Building dynamic and open markets that stimulate competition, entrepreneurship and productivity growth

Well-governed

Promoting the rule of law, transparency, and accountability, and stimulating firms to adequately safeguard and balance the interest of their stakeholders

Inclusive

Building inclusive market economies which ensure equal economic opportunity for all and leave no group behind

Integrated

Building geographically integrated domestic and international markets for goods, services, capital and labour

Resilient

Building resilient market economies that can withstand turbulence and shocks

Green

Building green, sustainable market economies which preserve the environment and protect the interests of future generations

Selected Case Studies

Green Cities Framework – Varna Resilience Bulgaria

Signed in: **2017**

A loan up to **EUR 10.2 million**

GHG reduction of
78 ton CO2 eq/yr



Client	<ul style="list-style-type: none"> City of Varna, the third largest municipality in Bulgaria
Use of proceeds	<ul style="list-style-type: none"> Rehabilitation of key segments of the water and waste infrastructure in Varna. Procurement of vehicles for on street parking control.
Objectives	<ul style="list-style-type: none"> Strengthening the city's climate resilience and improving resource efficiency. Reducing the UKT's operational costs by supplying water by gravity versus the high cost of pumping groundwater.
EBRD added impact	<ul style="list-style-type: none"> Green City Action Plan preparation Facilitate better coordination. Improve the governance. Enhance operational efficiency and financial sustainability of the targeted investments and initiatives

Green Cities Framework – Sofia Electric Bus Bulgaria

Signed in: **2018**

A loan up to **EUR 7.35 million**

GHG reduction of
1,682 ton CO2 eq/yr



Client	<ul style="list-style-type: none"> Sofia Electrical Transport Company, fully owned by the City of Sofia
Use of proceeds	<ul style="list-style-type: none"> Purchase of 30 electric buses with fast charging technology 12 charging stations
Objectives	<ul style="list-style-type: none"> Incentivise the use of public transport as a sustainable, safer and more environmentally friendly. Reduce CO2 emissions and other associated environmental impacts.
EBRD added impact	<ul style="list-style-type: none"> Green City Action Plan preparation Technical Cooperation: environmental and social due diligence and advance procurement support

Project Summary

Client	TEKLAS Bulgaria	Signed in	June 2017
Country	Regional	Product	Loan
Sector	Fluid Circulation Systems	Amount	€20 million



Highlights

- EBRD provided a €20 million long-term loan to finance the development of a state of the art R&D centre and of a new production facility for high-precision metal tubes in Teklas's plant in Bulgaria.
- The Project will transform the plant in Kardzhali, an area with the lowest level of foreign direct investment in the country, into a development, production and distribution hub selling directly to end-customers in the EU and beyond.
- TEKLAS manufactures fluid circulation systems and anti-vibration parts for auto giants such as General Motors, Volkswagen, Volvo, BMW, Mercedes-Benz and Renault. Founded in 1971 in Turkey, TEKLAS today operates nine plants in five countries: Turkey, Bulgaria, China, Mexico and Serbia.



EUR 47.5 million loan to finance a complete reconstruction and modernisation of the lead production line and selected upgrades to the zinc process

Transition Impact:

- Reduce energy/carbon intensity and production costs of KCM's works
 - Environmental improvements in terms of recycling and Sulphur-dioxide off-gases capture
 - Enable the company to use more raw materials from recycled batteries, thus reducing the amount of toxic waste in Bulgaria
-
- Benefits: **Reduce electricity consumption by 65,000 MWh and heat by 550,000 GJ per year and CO₂ emission reduction by 130,000 ton CO₂/year**
 - Signed in 2010
 - The project was awarded EBRD award for E&S Best Practice in 2016



PIMK (Bulgaria)

Client: PIMK Holding Group AD

EBRD finance: EUR 5.0 million

Type of finance: Senior Loan

Year: 2015

Project description: To finance PIMK's investment in an intermodal cargo terminal for loading/unloading of standard unaccompanied semi-trailers

Transition Impact:

- The project supports the expansion of logistics and intermodal services by the private sector, leading to a more efficient, reliable and cost effective transport system
- Promoting a switch to greener transport by switching cargo deliveries from road to rail, encouraging lower-emissions and safer roads.



Dundee Precious Metals (DPM) Revolver



Client

Dundee Precious Metals is a publicly-held Canadian mineral resource exploration, development and mining company listed on the main board of Toronto Stock Exchange with operations and development projects in Bulgaria, Serbia, Namibia and Canada.

EBRD finance

Up to US\$ 25 million

Use of proceeds and EBRD value added / impact

To support the on-going development and expansion of the company's activities and acquisitions in the Bank's countries of operation.

The proposed transaction retains and develops further the Bank's relationship with a key player of both the Bulgarian and the Armenian mining sectors

Signed in 2013



Schwarz Remote Regions Expansion Programme Bulgaria



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Schwarz Group

Agribusiness

Client

Kaufland Bulgaria, Lidl Bulgaria (part of Schwarz Group)

EBRD finance

Up to €300 million long-term loan (including syndication) to partially finance the further expansion of Kaufland in Bulgaria and Poland and the entry of Lidl in Romania and Bulgaria.

Tenor

8 years

Use of proceeds and EBRD value added / impact

The proceeds were used to finance the expansion and entry, respectively, of the two discount formats in these countries. The project primarily finances Lidl and Kaufland stores in the more remote / rural store locations of the countries.

By financing Lidl in Bulgaria and Romania the Bank supports the introduction of a new discount concept with a successful European track record in both countries, which will benefit consumers and producers alike by providing respectively an increased choice at very competitive prices

Signed in 2010



How to contact EBRD Bulgaria

Thank you for your attention!

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