

An aerial photograph of a city, likely Vilnius, Lithuania, showing a dense cluster of buildings with red-tiled roofs. Several hot air balloons are visible in the sky, including a large red and white one in the upper left. The sky is blue with some light clouds. The overall scene is bright and sunny.

THE EUROPEAN INVESTMENT BANK IN LITHUANIA



European
Investment
Bank

The EU bank





Thomas Östros
Vice-President
of the European Investment Bank

The European Investment Bank has improved thousands of lives in Lithuania since 1994, investing more than €4.3 billion and working hand in hand with the public and private sectors. In 2020, we opened an office in Vilnius to further enhance our presence in the Baltic countries.

From encouraging innovation to investing in renewable energy, improving infrastructure and supporting transport, the EIB Group has helped the Lithuanian economy flourish and promote sustainability.

Moreover, as the EU bank, we stand ready to further support Lithuanian small businesses that have run into trouble because of the economic downturn. The €25 billion European Guarantee Fund will help these companies recover from the pandemic.

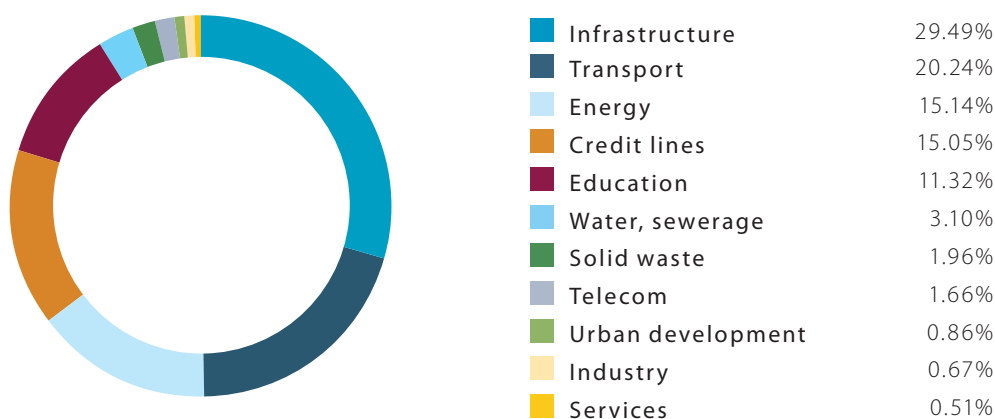
ECONOMY AT A GLANCE

Lithuania has the highest gross domestic product (GDP) per capita in the Baltic states. Its flexible, diversified economy is the largest in the region and is backed by strong institutions. Nonetheless, a lack of skilled staff and uncertainty about the future have been key barriers to investment in the country. Emigration has also driven its population of 2.8 million to decline by more than 1% a year since the early 2000s, posing a major demographic challenge.

Lithuania's GDP fell by only 0.8% during the 2020 COVID-19 crisis, thanks to the country's solid economy and strong policy. In 2021, the economy started recovering and unemployment dropped from its crisis peak of 9.9% to 7.2%. However, the recovery also saw inflation rise to 6.3% — among the highest figures in Europe.

A €2.2 billion grant (equivalent to 4.4% of the country's 2020 GDP) from the EU's Recovery and Resilience Facility will help Lithuania to make investments until 2026 and emerge from the crisis stronger and more resilient.

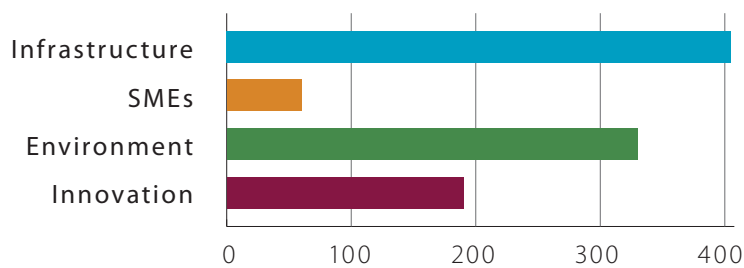
EIB ACTIVITY IN LITHUANIA BY SECTOR SINCE START OF OPERATIONS





A **€50 million** loan to water authority Vilniaus Vandenyis is improving water infrastructure in and around Lithuania's capital.

EIB GROUP ACTIVITY IN LITHUANIA IN 2020 BY PRIORITY
(in € million)



LITHUANIA AND THE EIB

We apply the experience and expertise of our in-house engineers and economists to help develop and appraise top quality projects. As a policy-driven EU financial institution with a top credit rating, we offer attractive financial terms such as competitive interest rates and project-aligned loan durations.

Our partnerships with the European Union enable us to further increase the impact of the projects we support. We focus on creating quality jobs and fostering economic growth, developing industry and infrastructure, supporting innovation, promoting sustainability, and providing affordable and efficient energy.

The EIB's structural programme loans often back our projects in Lithuania. These loans, supported by the EU cohesion and structural funds, amounted to €1.3 billion in the 2014-2020 period. This financing will support total investment of about €10.7 billion.

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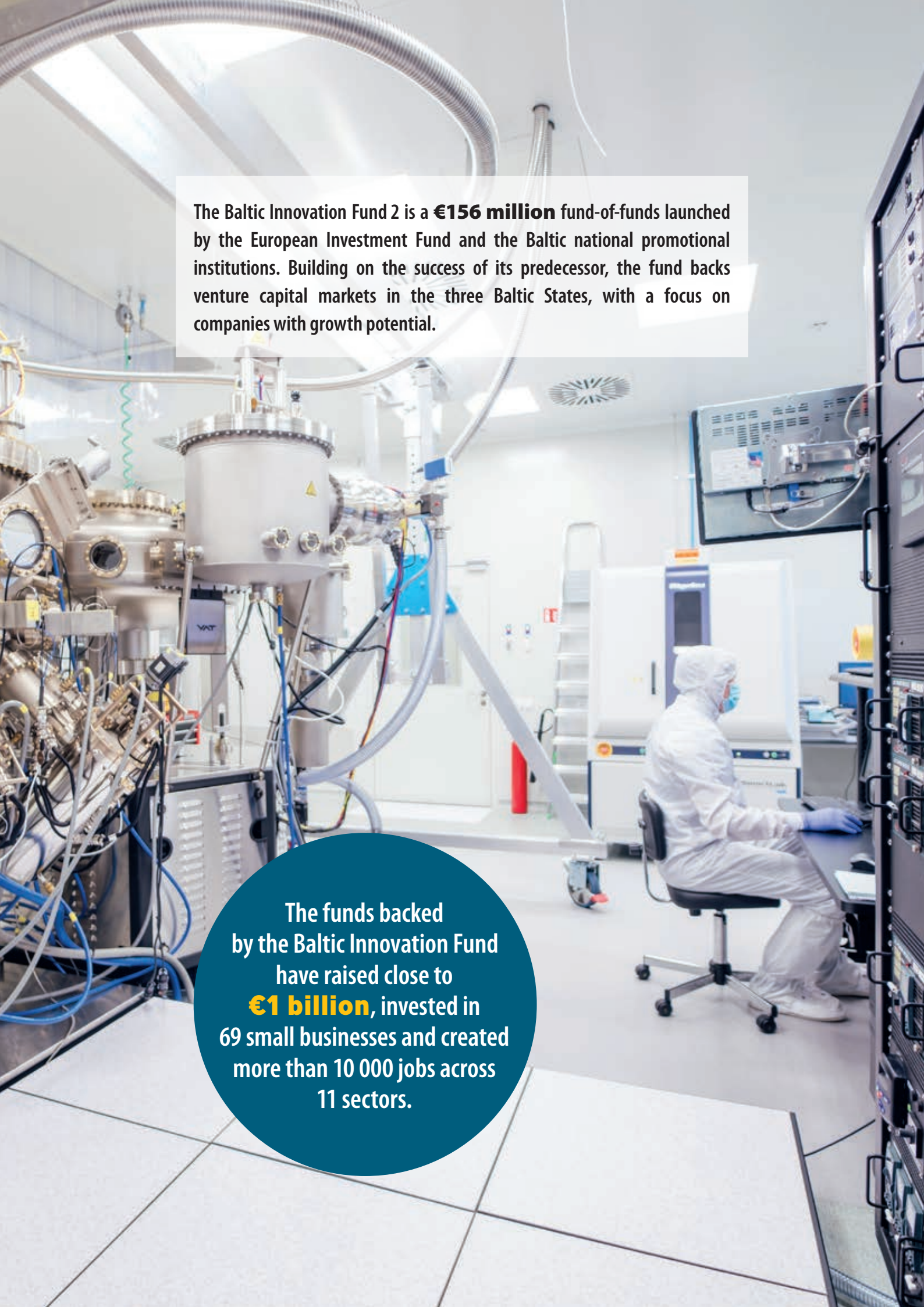
Vilnius University received nearly **€31 million** from the European Union to build its new medical research centre in Santara Valley.

SUPPORTING SMALL BUSINESSES

Small and medium-sized businesses are a key part of the Lithuanian economy. However, they often find it difficult to secure financing. The European Investment Bank Group fosters entrepreneurship, encourages the creation of new companies and helps small businesses grow. We support small businesses indirectly, through credit lines and guarantees for financial intermediaries.

Thanks to the EIB Group guarantee, the intermediary bank Luminor was able to support more loans to Baltic companies affected by the pandemic crisis. Backed by the European Fund for Strategic Investments, this guarantee can support at least €660 million of additional loans and leases to small businesses in all three Baltic countries.





The Baltic Innovation Fund 2 is a **€156 million** fund-of-funds launched by the European Investment Fund and the Baltic national promotional institutions. Building on the success of its predecessor, the fund backs venture capital markets in the three Baltic States, with a focus on companies with growth potential.

The funds backed by the Baltic Innovation Fund have raised close to **€1 billion**, invested in 69 small businesses and created more than 10 000 jobs across 11 sectors.

LEAVING NO ONE BEHIND

Founded in 2002, the Lithuanian Central Credit Union (LCCU) is the largest credit union in Lithuania and has 48 branches throughout the entire country. The cooperative supports micro, small and medium-sized business projects, startup companies, farmers and agricultural businesses. 50% of its clients are women entrepreneurs. Thanks to an EaSI guarantee facility provided by the European Investment Fund, LCCU credit unions have granted 396 loans totalling almost €40 million to micro, small and medium-sized enterprises.

What is EaSI? The European Commission's Programme for Employment and Social Innovation (EaSI) deployed by the European Investment Fund helps vulnerable groups and social entrepreneurs get access to financial services and start a business.





In 2020, we provided a **€110 million** loan to Ignitis Grupė to support smart metering systems and IT solutions bringing energy savings to the company's clients.

POWERING LITHUANIA

Three-quarters of Europe's buildings are considered energy inefficient and Lithuania is no exception. Investment in energy efficiency is the most cost-effective way to meet EU climate goals and to increase the security of supply.

Energy efficiency investments help cut emissions, increase local employment and ensure that energy costs remain affordable for households.

Energy efficiency plays an important role in Lithuania's National Energy and Climate Plan. Investments in energy efficiency in housing through EU Decentralised Financial Instruments have mobilised around €1 billion since 2014. The funds used to finance the government's programme to modernise apartment buildings have already created around 7 000 new jobs in about 300 construction companies. The works have covered more than 50 000 apartments all around Lithuania, helping to save 95 tonnes of CO₂ per year.

We also promote energy supply security and diversification. A liquefied natural gas terminal built with an €87 million loan has been vital for helping the whole Baltic region to diversify, secure its energy supply and provide backup in the event of gas supply failure.

In 2020, the Bank provided a €65 million loan to the national natural gas transmission system operator Amber Grid. This financing supported the Poland-Lithuania gas interconnector, which diversifies gas supply sources and increases security and reliability of supply. However, since 2021, non-abated natural gas projects are no longer eligible for funding, as they are not compatible with the European Union's carbon neutrality goals and the Bank's energy lending policy.

Working with Kaunas municipality

The second-largest city in Lithuania needed to upgrade its municipal heating system. A €55 million loan signed with AB Kauno Energija in 2020 will enable the municipality to improve the overall efficiency of heating services within the city and in neighbouring towns. This includes innovative heating and cooling production facilities using renewable energy sources, the digitalisation of processes, the modernisation of existing pipelines and the construction of new ones.

GREENING THE CAPITAL

We back projects that protect the environment our children will live in, while we innovate to make their future more prosperous.

Vilnius's street lighting was obsolete, causing poor lighting, continuous failures, and high energy and operational costs. The street lighting company that operates the network plans to install LED bulbs in 40 000 lamps and replace 10% of cables and supports to improve energy efficiency. Backed by the EIB, this modern street lighting will save the city €1 million and about 11 GWh a year. This is equivalent to the average energy consumption of over 3 000 households.

In 2021, the Vilnius water authority Vilniaus Vandenyys received a €50 million EIB loan to renew its wastewater treatment plants in Vilnius and Švenčionys. Vilniaus Vandenyys will use the money to refurbish and improve the water and wastewater networks in and around Vilnius. The project is expected to reduce water pollution, which will improve lives for local residents.



INNOVATION FOR GROWTH

The EIB Group enables European companies to create state-of-the-art technology. We turn cutting-edge ideas into business successes by supporting many stages of innovation. With help from the EIB's loans, startups can recruit more staff and improve their equipment.

BROLIS, a Lithuanian sensor innovator, received €7.5 million in venture debt to support its research and development activities and roll out its new sensor technology. The company is developing a wristband to monitor and collect personalised health data in real time. The financing is part of the European Guarantee Fund response to the coronavirus pandemic.

What is EGF?
The **€25 billion**
Pan-European Guarantee Fund is
deployed by the European
Investment Fund and helps
businesses recover from the
pandemic, hire employees
and grow.





In Lithuania, **multiple partners** (PayRay Bank, Orion Leasing, Mano Bankas, Faktoro, Finora Kreditas, SME bank, SEB Bankas, VIVA and INVEGA) signed guarantee agreements in 2021.

HELPING PROJECTS COME TO LIFE

We work closely with clients to design tailor-made support. Our experts establish the details of the assignment, including the sector, scope, development stage and the nature of the underlying investment. We work in education, agriculture, healthcare, environment, research and innovation, energy, transport and other sectors.

In 2021, we offered many advisory solutions that shortened the path to recovery. Our advisory services helped projects in the public and private sector get financing and succeed. Our work is often under JASPERS, a partnership between the European Commission and the European Investment Bank. JASPERS experts and local partners advise on strategies, programmes and projects for investments supported by European grant funds, to promote growth and a smarter, greener and more connected Europe. In Lithuania, JASPERS experts worked on projects including the high efficiency combined heat and power waste-to-energy plant and the City Western Bypass in Vilnius.

A joint initiative by the European Investment Bank and the European Commission, ELENA provides technical assistance for energy efficiency and renewable energy investments targeting buildings and innovative urban transport. ELENA is currently providing technical assistance to the municipality of Klaipeda, the third-biggest city in Lithuania, to help replace some of its existing diesel buses with electric buses. ELENA is also helping to improve the energy efficiency of Lithuanian government buildings, which will save approximately 11.5 GWh of energy a year and 947 tonnes of CO₂.

Our advisory work is also supported by the Bank's European PPP Expertise Centre (EPEC), which helps the public sector to establish sound public-private partnerships. EPEC brings together a network of central and regional government entities from across Europe to facilitate the sharing of information and best practice in public-private partnerships. In Lithuania, this network includes the Ministry of Finance and the Central Project Management Agency.

THE EIB GROUP CONSISTS OF THE EUROPEAN INVESTMENT BANK AND THE EUROPEAN INVESTMENT FUND

ABOUT THE EUROPEAN INVESTMENT BANK




The European Investment Bank is one of the largest multilateral banks in the world and a leader in sustainable finance, climate action and cohesion. The Bank fosters innovation in all economic sectors and promotes economic partnerships outside the European Union.

ABOUT THE EUROPEAN INVESTMENT FUND

The European Investment Fund supports small businesses by improving their access to finance in Europe and in a number of countries outside Europe. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments to promote innovation and employment.



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