

Belarus: EIB supports energy efficiency and small businesses



- EUR 90m loan to support investment in biomass-based heat generators, upgrade of district heating systems and thermal renovation of multi-apartment buildings
- EUR 85m to Belarusbank and EUR 20m to Belagroprombank to co-finance projects of SMEs in Belarus that are expected to sustain 3 700 full-time jobs and support some 200 SMEs

Today, the European Investment Bank (EIB) signed three loans supporting projects in Belarus.

A **EUR 90m loan** will finance the replacement of obsolete gas-fired boilers with biomass boilers capable of producing around 1 000 GWh/year of renewable energy instead of using fossil fuel. The project also involves the upgrade of district heating systems through the installation of new peak boilers and the modernisation of grids in all six Belarus regions (oblasts).

Furthermore, the EIB loan – provided under the European Union's **EU4Energy Programme** – will support thermal renovation of multi-apartment buildings with a total floor area of 500 000 m². This will help to significantly cut the housing sector's energy consumption, resulting in energy savings of around 60 GWh/year, and reduce dependence on imported fuel. Overall, the project will generate substantial environmental benefits with CO₂ savings and improve the

well-being of Belarus's citizens.

The two other loans – EUR 85m to **Belarusbank** and EUR 20m to **Belagroprombank** – aim at improving access to long-term financing for Belarus's SMEs. The two banks will have more financial capacity to lend to local companies. This will contribute to increasing the competitiveness of the private sector and help economic diversification in Belarus, where a significant part of the economy is still dominated by large state-owned enterprises. Combined, these two loans are expected to support around 200 SMEs (100 each) and sustain 3 700 full-time jobs.

The EIB loans are being provided in the framework of the European Union's **EU4Business Initiative** targeted at smaller businesses in the Eastern Partnership countries.

The EIB enjoys a well-developed and fruitful cooperation with the two banks: the EU bank provided a loan of EUR 25m to Belarusbank and EUR 50m to Belagroprombank in November 2018. Both these loans have been successfully disbursed for the benefit of Belarus's SMEs.

EIB Vice-President Lilyana Pavlova commented: *“Today marks another milestone in the EIB's cooperation with Belarus. The three loans that we are signing cover a wide area of the country's priorities, from SME support to energy efficiency. Our portfolio of Belarusian projects is growing dynamically, in line with EU objectives, and I am looking forward to further collaboration.”*

Prime Minister of the Republic of Belarus Sergei Roumas stated: “The Republic of Belarus highly appreciates relationships built with the European Investment Bank. With no other financial institution we had such a jumpstart and significant investment projects within so short time”.

Background information:

As the largest multilateral [borrower](#) and lender by volume, the EIB provides finance and expertise for sound and sustainable investment projects which contribute to furthering EU policy objectives. More than 90% of EIB activity is focused on [Europe](#) but it also supports the [EU's external and development policies](#).

The EIB finances projects in Belarus on the basis of the EU External Lending Mandate. This provides the EIB with a guarantee covered by the EU budget for projects of significant interest to the EU and its Eastern Neighbours in the areas of social and economic infrastructure, local private sector development and climate action.

The [EU4Energy Programme](#) covers all EU support to improve energy supply, security and connectivity, as well as to promote energy efficiency and the use of renewables in the Eastern Partnership countries of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It does this by financing projects and programmes that help to reform energy markets and reduce national energy dependence and consumption. Over the longer term, this makes the energy supply more reliable, transparent and affordable, thus reducing

energy poverty and energy bills for both citizens and the private sector.

The [EU4Business Initiative](#) helps SMEs in the six countries of the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) to finance their development and boost economic growth. EU4Business support is delivered by the EIB together with other organisations outside the EU such as the European Bank for Reconstruction and Development. All EU activities that support SMEs in the Eastern Partnership countries are part of EU4Business.