

# EIB MSME Conference — Georgia 2023

## Green, inclusive and growth finance

28 November 2023, 9:00 — 13:00

**Venue:** Pullmann Tbilisi Axis Towers

The European Investment Bank Group is bringing together representatives from the public sector, the European Union, banks and financial institutions, the private sector and media for an interactive seminar to discuss how to promote green and inclusive growth in the Georgian micro, small and medium enterprise (MSMEs) sector. The seminar will also present the findings of recent EIB studies.

The first session will discuss the promotion of growth, innovation and green finance from a regulatory and policy perspective. Based on enterprise survey data, the session will take stock of challenges companies face when seeking to access finance and delve into the facilitation of sustainable and inclusive economic growth as well as the identification of approaches for greening the financial system. The second session will discuss the role of the financial sector in overcoming these constraints and strategies for expanding its lending for green investments and to underserved segments of the economy, including women, young people and rural areas. Participants will present concrete examples and initiatives that are already ongoing or about to be launched.

### Agenda:

- 09:00 *Welcome coffee*
- 09:30 **Opening remarks and keynote speeches by:**  
EIB Vice-President Teresa Czerwińska  
delivered by EIB Head of Regional Representation Maciej Czura  
EU Ambassador to Georgia H.E. Mr Paweł Herczyński
- 09:50 **Session 1: Growth, innovation and climate finance**  
**Presentation:** MSMEs' needs for finance and the investment landscape in the region
- 10:05 **Moderated panel:**  
Senior representatives of Georgian ministries, the National Bank of Georgia, the EIB and Georgian banks
- 11:15 *Technical break: Press interviews / coffee*
- 11:35 **Session 2: Financing MSMEs and inclusive finance**  
**Presentations:** EIB support for green, inclusive and growth finance
- 11:45 **Moderated panel:**  
Senior representatives of Georgian banks, the EIB and the EU Delegation to Georgia
- 12:55 **Concluding remarks**
- 13:00 **Networking lunch**

\* Live interpretation in English and Georgian will be provided throughout the event.



# Background information

## EIB MSME support in Georgia

Event Website for  
further information and  
documentation:



The EIB is one of the key institutional lenders to the Georgian financial sector in support of micro, small and medium enterprises (MSMEs). EIB cooperation with Georgia started in 2007, and since then **the Bank has signed operations for over €2 billion, over €400 million (or roughly 20%) of which are in support of MSME finance**. The EIB was ready to step up support for businesses when it was most needed: to cushion the economic impact of the COVID-19 pandemic, the EIB provided over €160 million of financing on special terms and conditions. The EIB funds disbursed over the last five years are supporting around 6 000 MSMEs and sustaining over 32 000 jobs. Intermediaries have committed to lend at least twice the EIB financing amount to clients that are eligible for EIB financing.

The EIB is currently working with seven banking and microfinance counterparts, and several new operations are currently being prepared. The EIB also operates two partial portfolio guarantee programmes in Georgia, the aim of which is to share the risk of lending to eligible MSMEs with the intermediaries, in partnership with the European Investment Fund (EIF). **The EIB Group portfolio guarantees cover over €380 million of MSMEs loans** provided by three intermediaries, and a new guarantee facility supported by the European Union will be launched at the end of 2023. Five technical assistance operations have been implemented over the last two years to improve intermediaries' capacity, and a new generation of technical assistance operations is about to be launched.

The **EIB's private sector strategy for Georgia** and the Eastern Partnership region is centred on three pillars: green finance, inclusive finance, and growth and innovation finance.

To expand **green investments**, the EIB provided technical assistance to enhance banks' reporting vis-à-vis the recommendations of the Taskforce for Climate Related Financial Disclosures (TCFD), align their operations with the Paris agreement, and review and develop a climate strategy. Under the EIB's Greening of the Financial System Programme, technical assistance has been extended to a larger pool of banks, including the National Bank of Georgia (NBG). The EIB is also launching a lending programme to support banks in greening their MSME portfolio.

The EIB is supporting **inclusive finance** through the MSME Outreach Initiative, launched in 2019, which aims to extend credit to underserved segments of the economy via smaller financial intermediaries, either banks or microfinance institutions. Based on a successful first phase in Georgia that targeted three banks, the EIB has now expanded the Outreach Initiative to cover the entire Southern Caucasus region, with a first Georgian operation fully disbursed in 2023. The Outreach Initiative is complemented by technical assistance for updating banks' MSME strategies.

The EIB's lending and guarantee programmes are also underpinning Georgia's **growth and innovation**, including through increased digitalisation. The design of these programmes builds on data from the Enterprise Survey carried out on a regular basis by the EIB in partnership with the European Bank for Reconstruction and Development (EBRD) and the World Bank, as well as other EIB and EU studies and strategies. EIB financing contributes directly to the EU Flagship Economic Recovery, is fully aligned with the post-2020 Eastern Partnership priorities, and works hand in hand with other EU interventions under the Multiannual Indicative Programme (MIP) agreed between the European Union and Georgia.

EIB operations are made possible by several instruments **under EU4Business, as part of a Team Europe approach**. The Neighbourhood Investment Platform (NIP) allows the EIB to offer attractive local currency lending and portfolio guarantees, while the External Lending Mandate, and in the future the European Fund for Sustainable Development Plus (EFSD+), provide guarantees for EU policy objectives. The technical assistance operations are funded by donor contributions to EIB trust funds, notably the EIB's Eastern Partnership Technical Assistance Trust Fund (EPTATF) and the International Climate Initiative Fund. By blending EIB own resources with EU and other donor funding, the EIB achieves a greater impact and additionality and can leverage public resources.