



Approach Paper

Regional-level Evaluation of EBRD's operations in Baltic Countries

EBRD INDEPENDENT EVALUATION DEPARTMENT •
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Abbreviations

ABI	Annual Bank Investment	IFI	International Financial Institution
AMI	Annual Mobilised Investment	MSCI	Morgan Stanley Capital International
ATE	Advanced Transition Economies	MDB	Multilateral Development Bank
ATQ	Assessment Transition Quality	MEI	Municipal and Environmental Infrastructure
BCV	Board consultation visit	NIB	Nordic Investment Bank
CEB	Central Europe and Baltics	OECD	Organisation for Economic Co-operation and Development
CEE	Central and Easter Europe	PE	Private Equity
CoO	Country of Operations	PPP	Public Private Partnership
CSO	Civil Society Organisation	R&D	Research and Development
DFI	Development Financial Institution	RO	Resident office
EIB	European investment Bank	SIG	Sustainable Infrastructure
ESG	Environmental Social Governance	SME	Small and Medium Enterprises
EU	European Union	TC	Technical Cooperation
FI	Financial Institutions	TI	Transition Impact
GDP	Gross Domestic Product	ToC	Theory of Change
GET	Green Economy Transition	ToR	Terms of Reference
GHG	Greenhouse Gas	TQ	Transition Quality
HQ	Headquarters	VC	Venture Capital
ICT	Information and Communication Technologies		
IEvD	Independent Evaluation Department		

The evaluation in a snapshot

Objective	To provide evidence-based lessons and recommendations to inform future performance and guide the preparation of the next country strategies, due for approval in 2026. The evaluation will gather evidence on relevance, efficiency, effectiveness and impact of EBRD's operations, insights into Bank's additionality in three Baltic countries. It will use a country-level approach with a regional perspective, focusing on systemic change in the priority areas outlined in each country strategy; and potential complementarities and synergies across these priority areas.
Scope	The time scope of the evaluation is 2016-2024, covering two strategic periods for the Baltic countries, 2016-2020 and 2021-2026. It will provide more perspective on effectiveness and results. The focus of the evaluation is on the impact of EBRD activities in the Baltic countries. In line with IEVD's Country-level Evaluation Guidelines, the evaluation will focus on the combined impact of EBRD's interventions over the evaluation period and the systemic change it triggered in the Baltic economies.
Portfolio	All approved operations within the evaluation period 2016-2024, specifically investment, technical co-operation and policy dialogue in Estonia, Latvia, Lithuania, and at regional level.
Evaluation Questions	<p>Overarching question: To what extent has the Bank contributed to the systemic change in Estonia, Latvia and Lithuania and in the Baltic region as a whole?</p> <p>Specific questions:</p> <ol style="list-style-type: none"> 1. To what extent did the EBRD's activities address the needs of three Baltic countries in the last decade, and how additional were they vis-à-vis actions of other international stakeholders and private sector investors? 2. To what extent did the EBRD implement activities and projects on time, within budget and in line with its sound banking mandate? 3. To what extent has the EBRD achieved, or is expected to achieve, its strategic priorities in Estonia, Latvia, and Lithuania and is there evidence of its contribution towards systemic change on these markets? 4. How lasting are the results of EBRD's investments, policy dialogue and technical assistance in the focus sectors after the Bank's operations have concluded?

1. Introduction

1.1. Objective and Scope

The Independent Evaluation Department (IEvD) 2025-2027 Work Programme and Budget includes a regional-level evaluation of EBRD's operations in the three Baltic countries – Estonia, Latvia and Lithuania.¹ The selection process preceding the approval of the Work Programme in 2024 followed established protocol where initial list of eligible countries for country-level evaluations is discussed within IEvD, and then with the EBRD management. Key criteria used for selection include timeliness of such evaluation in the light of approaching approval of the new country strategy, as well as significance, relevance and representativeness of the country portfolio and activities vis-à-vis Bank's strategic priorities and overall portfolio.

The purpose of this evaluation is to contribute to institutional learning. The evaluation will assess what impact the EBRD's investments, policy engagement, and technical co-operation had in Estonia, Latvia and Lithuania, capturing potential synergies across operations and over time, and providing insights on the progress achieved against transition impact objectives.

The objective of the evaluation is to provide evidence-based lessons and recommendations to inform future performance and guide the preparation of the next country strategies, due for approval in 2026. The evaluation will gather evidence on relevance, efficiency, effectiveness and impact of EBRD's operations, insights into Bank's additionality in three Baltic countries. The evaluation will use a country-level approach with a regional perspective, focusing on systemic change in the priority areas outlined in each country strategy. It will also look at potential complementarities and synergies across these priority areas. Adopting a novel regional approach is justified by the significant share of regional operations within the countries' portfolios, the EBRD's common strategic priorities in the three countries, and their comparable challenges.

The time scope of the evaluation is 2016-2024. This covers two strategic periods for the Baltic countries, 2016-2020 and 2021-2026, to provide more perspective on effectiveness and results.

The focus of the evaluation is on the impact of EBRD activities in the Baltic countries. In line with IEvD's Country-level Evaluation Guidelines², the evaluation will focus on the combined impact of EBRD's interventions³ over the evaluation period and the systemic change it triggered in the Baltic economies (Box 1: for definitions). This evaluation will not assess the performance of these three Baltic economies, nor focus solely on the effectiveness and efficiency of country strategies' delivery, or operations of the Resident Office (RO). Nevertheless, the country strategies will provide a useful starting point as they present a framework for understanding the Bank's intent in the countries.

Box 1: Definitions of systemic change

- **Systemic change** is change in the underlying causes of market system performance, typically in the behaviour and relationships of system actors, that is significant in scale and sustainable over time.⁴ It is based on **three components**: (i) change in the system

¹ IEvD (2024) [Work Programme and Budget 2025-27](#)

² IEvD (2024) Country-level Evaluation Guideline

³ EBRD (2016) Transition Concept Review

⁴ Springfield Centre (2019) "What is Systemic Change?"

(structure, functions, rules); (ii) system's response to change (resilience and adaptability) and (iii) attribution to intervention (link between programme and observed change).

- **EBRD's definition of systemic change** introduced in the 1997 Transition Concept paper and maintained since then refers to the transformational and lasting changes to market structures, behaviours, or institutions triggered by Bank's project(s). Driving systemic change often involves changing the underlying roles, norms, structures, and incentives within a market system rather than focusing on the outputs from an individual project. EBRD's transition mandate focuses on contribution along three dimensions: (i) competitive market structures; (ii) institutions, laws and policies that support markets; and (iii) market-based skills and behaviour.
- **Most recent changes to the EBRD's Transition Impact assessment (Q1 2025)** further expand these dimensions to support capturing Bank's impact beyond client/ beneficiary level. It identifies four triggers that are considered when assessing individual project's measurable contribution to systemic change at portfolio or market level: a) novelty; b) market structures, c) skills transfer, and d) policy scope (change).⁵

IEvD's evaluation synthesis of the EBRD's approach to transition impact (TI), provides a comprehensive overview of how systemic change is treated under the Bank's current TI monitoring systems, and the interrelation between systemic change and project-level outcomes.⁶

1.2. Rationale for inclusion in IEvD Work Programme

Country- and region-level evaluations respond to the great importance of country strategies in the EBRD's strategic architecture and their primary role as accountability framework for Bank's operations in the given geography. Country is the unit of reference and accountability for the Bank's transition mandate and results.⁷ Zooming into a country market system, and in case of Baltic countries also into a regional market system, allows to trace and reflect on the wider systemic effects of individual investment, policy and technical co-operation activities and identify synergies that can be illustrative for the region and serve as a practical and replicable example of regional co-operation for other geographies (i.e. Western Balkans, Central Asia).

The Baltic region represents a small but rapidly growing part of the EBRD's portfolio, especially with regard to driving green transition agenda and delivering on Bank's private sector investments mandate. Estonia, Latvia and Lithuania are EU members and are among the most advanced economies where the Bank might have an opportunity to test and scale up more advanced and complex investment operations and policy/ regulatory changes that contribute towards more competitive, green, inclusive, well-governed, integrated and resilient economies. Baltic region's geopolitical and geoeconomic position in Europe means that it is greatly affected by global and regional crises, most recently by Covid-19 pandemic and war on Ukraine. Deteriorating security situation in Europe and higher risk profile affect region's ability to attract capital and invest in more innovative and green projects, and to increase its energy security through diversifying generation and distribution capabilities.

Despite some recent thematic evaluations including Baltic projects, there has been no comprehensive look at EBRD's impact in the region. Until 2022 EBRD's operations in Estonia, Latvia and Lithuania were not numerous (see chapter 2.2 for some facts and Annex 2 for the detailed initial portfolio analysis), and consequently there were few evaluations focusing on the region, resulting in scarce evaluative evidence available for the Board and management. Limited evaluative evidence was especially obvious during the preparation for the Board consultation visit (BCV) to Lithuania in 2022, and Latvia and Estonia in 2024. Since then, IEvD conducted several

⁵ EBRD internal document (2025) Board Information Session "Transition Impact Assessment Methodology Update"

⁶ IEvD (2023) Evaluation synthesis of the EBRD's Approach to Transition Impact

⁷ EBRD internal document (2018) BIS Transition Results Management Architecture Overview and Update

evaluations which featured projects from Baltic countries (see Chapter 2.3 for some examples). Yet there is no comprehensive picture of the contribution of EBRD's investments and other interventions into systemic change in the region.

This evaluation will provide independent evidence to inform upcoming Baltic country strategies and showcase EBRD's impact ahead of the 2026 Annual Meeting in Riga. This regional-level evaluation will be contributing independent evidence into assessing the effectiveness of the delivery of the current strategies for Estonia, Latvia and Lithuania, and development of the new country strategies that are due to be completed in second half of 2026. Additionally, EBRD's Annual Meeting in Riga in June 2026 provides an opportunity to demonstrate the evidence of the impact of Bank's unique operational model and additionality in three Baltic countries. All these factors make this evaluation relevant and timely.

IEvD's Work Programme for 2025-27 also includes thematic evaluation of the Advanced Transition Economies (ATEs), with specific focus on Bank's additionality and demonstration effects.⁸ There are some complementarities between this regional-level evaluation and the ATE thematic evaluation, specifically with Lithuania being in the scope for both. These complementarities will be integrated in the methodology and delivery process of both evaluations to ensure a co-ordinated approach and reduced workload on operational staff working on Lithuanian operations.

2. Context

2.1. Country context

Baltic countries have undergone fundamental transformations since regaining their independence in 1991. Initially faced with the devastating effects of the collapse of the Soviet Union command economy, they implemented a wide-ranged of institutional and policy reforms that liberalised markets, rooted out corruption, radically transformed public sector, established political rights and civil liberties.⁹ Unlike in some other Central Europe and Baltics (CEB) region countries, where there is an obvious deterioration of the political rights and civil liberties, Baltic countries position remains strong. According to the Freedom House rating 2025,¹⁰ Estonia scored 96 out of 100 points, ahead of many Western nations, while both Latvia and Lithuania scored 89 out of 100 points.

The Baltics' EU and NATO membership accelerated their socio-economic development and positioned them as innovation leaders among EBRD Countries of Operation (CoOs). Accession to the European Union and NATO in 2004, and then adoption of the Euro¹¹ further strengthened the countries' competitiveness, contributed to significant advancement in the socio-economic development, sustainability and resilience practices, and digitalisation. In some areas Baltic states are championing innovative actions and policies and creating new narratives where other European countries are more muted: *"For a Europe that often seems tired and conscious of its own relative decline, plagued by low growth and identity crises, the Baltic is also a source of ideas and optimism."*¹²

⁸ IEvD (2025) [SS25-198 Evaluation of EBRD's activities in Advanced Transition Economies 2010-2024 – Approach paper](#) with short summary presented in Annex 5

⁹ Fiona Harrigan (2021) [The Baltic Way](#)

¹⁰ Freedom House rates people's access to political rights and civil liberties in 208 countries and territories through its annual Freedom in the World Report.

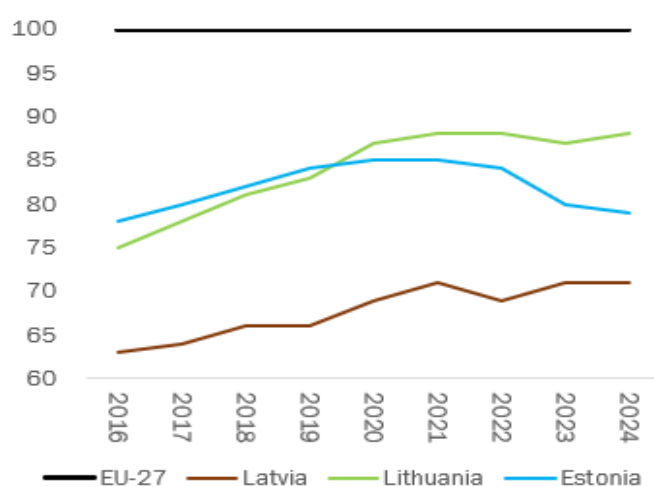
¹¹ 2011 in Estonia, 2014 in Latvia and 2015 in Lithuania

¹² Oliver Moody (2025) "Baltic, the Future of Europe"

Accession to the EU and subsequent opening of the borders had, however, one significant negative consequence for the economy – high level of depopulation and rapidly ageing population. Increased emigration flows augmented demographic problems of low birth rates. It is particularly dramatic in Lithuania and Latvia, which lost respectively 20% and more than 30% of total population in the period 1992-2024.¹³ Estonia has more positive trends, and after two decades of steady decline its population grew since 2016 due to immigration.

Baltic States achieved good progress in closing the gap with the EU-27 in terms of GDP per capita (PPP) over 2016-2021, but plateaued or even retrenched since then. All three experienced a robust growth in late 2010s, albeit with slowdown in Latvia kicking in already in 2019. COVID-19 pandemic affected the three economies and recovery from it, interrupted by the shock of Russian's war on Ukraine, also fed through unevenly. Overall, since 2016, Lithuania has seen the fastest convergence with the EU-27 average, while Estonia has lost nearly all advancement it made over 2016-2020¹⁴ (Figure 1). For more details, refer to Annex 1.

Figure 1: GDP per capita (PPP) in Estonia, Latvia and Lithuania relative to EU-27, 2016-2024

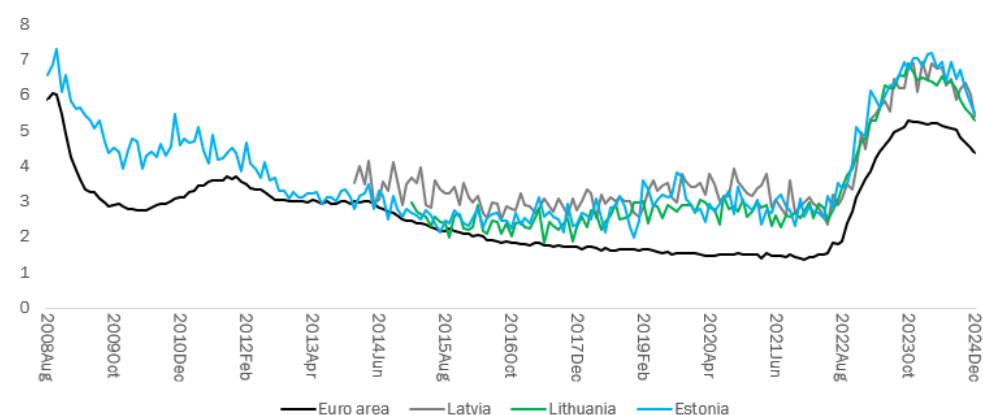


Source: Eurostat, 2025. <https://ec.europa.eu/eurostat/databrowser/view/tec00114/default/table?lang=en>

Financing conditions in each country have varied. The banking sector in Latvia and Lithuania has been well capitalised, and Non-Performing Loans (NPLs) ratios have declined. Capitalisation of Estonian banks has steadily declined and lending to companies fell sharply recently. For all three countries, spread on cost of borrowing for corporates has been consistently above Euro-area (Figure 2).

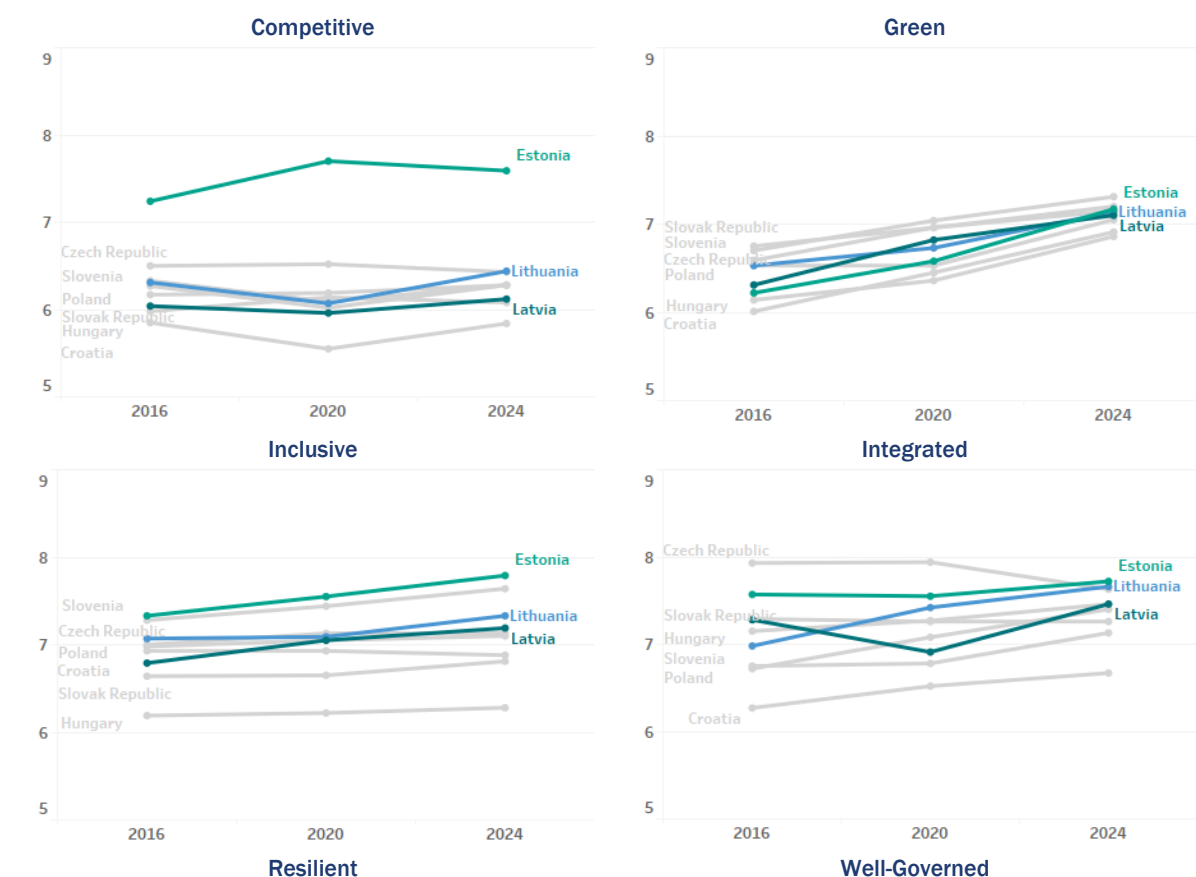
¹³ According to data from national statistics offices

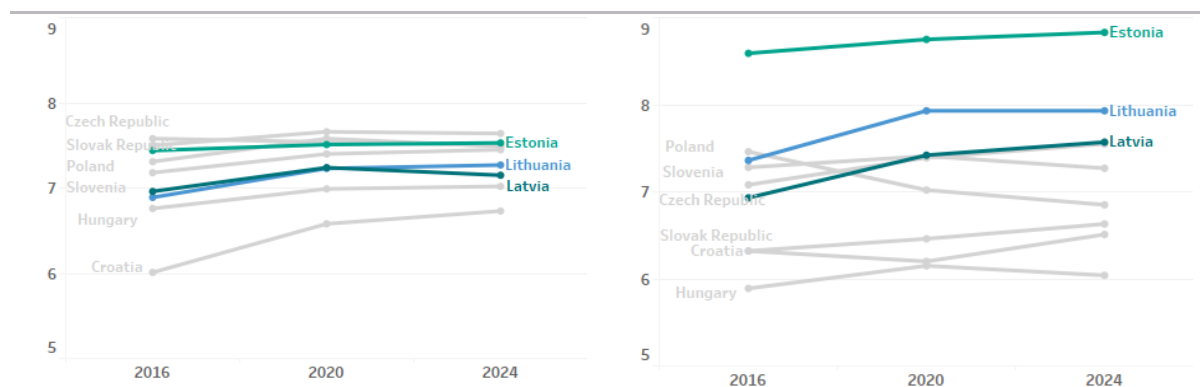
¹⁴ Eurostat, 2025. <https://ec.europa.eu/eurostat/databrowser/view/tec00114/default/table?lang=en>

Figure 2: Cost of borrowing for corporations, in % 2008-24

Source: ECB data

Baltic countries have consistently improved their economies along all six transition dimensions used by the EBRD. Figure 3 shows the trend of the Assessment Transition Quality (ATQ) scores for the period 2016-2024 for the three Baltic countries within the CEB region. All six ATQ scores – competitive, well-governed, green, inclusive, resilient and integrated – have increased over the period. Notable is the leading position of all three Baltic states on the Well-governed TQ, as well as Estonia's lead in Competitive (Figure 3).

Figure 3: Assessment of Transition Qualities 2016-2024 trend, Baltic states within the Central Europe and Baltics region



Source: Impact ATQ data, IEvD analysis

At the same time, each of the three countries is unique and reached different tiers of advancement in different domains. Estonia excels in innovation and digital infrastructure. Its position in Global Innovation Index is impressive 16th out of total 133 countries and it is 9th among 39 European economies (2024).¹⁵ Although it does face a challenge of translating innovation investments into high-quality outputs – an area identified as a priority in the EBRD operations (see Chapter 2.2). In the same ranking Lithuania and Latvia are on 35th and 42nd places respectively. In IMD's World Competitiveness Index 2025¹⁶ Lithuania is ranked 21st, Estonia is 33rd and Latvia is 38th among 67 global economies. While Estonia's position worsened since the beginning of Russian war on Ukraine in 2022, Lithuania and Latvia notably improved their position, which illustrates different approaches to handling the new challenges, but also specificity of national economies and their sensitivity/ resilience to external shocks.

2.2. The EBRD in Estonia, Latvia, and Lithuania

2.2.1. Investments, policy dialogue and initial portfolio analysis

Three decades of EBRD's activities in three Baltic countries went through three distinctive phases where additionality of the Bank and demand for its products varied significantly. Those periods correlated with the macro geopolitical and geoeconomic trends in the region. Initial project investments in 1990s were gradually subsiding in 2000s, when the three countries acquired accession status and then became the members of the European Union in 2004. This was a wider trend encompassing all EU member countries where the Bank operated.

The 2016 Transition Impact Review noted that “*The EBRD has succeeded in bringing the countries of CEE to the highest levels of Transition Indicators; after this, the Bank has focused on the Early transition countries where the Transition Indicators were lower*”.¹⁷ EBRD's focus in the Baltic countries in 2016-2021 was on building strong capital markets, including Baltic regional capital market, enhancing countries energy security through diversification of sources of energy (with significant investments in renewable energy), equity and lending to corporate sector, often in partnership with the European Union and other European IFIs such as EIB and NIB.

The situation has changed dramatically since the Covid-19 pandemic in 2020 and the Russian war of aggression against Ukraine in 2022. Facing significantly elevated risks and challenges to access capital markets, the three Baltic countries have sought more investment opportunities

¹⁵ Global Innovation Index 2024, [Estonia](#)

¹⁶ International Institute for Management Development, [World Competitiveness Index 2025](#)

¹⁷ EBRD (2016) Transition and Transition Impact. A review of the concept and implications for EBRD

from the EBRD, which transition and private sector investment mandate became in high demand yet again (see Annex 3 for full list of investment operations).

Still, EBRD's ABI as share of the GDP of these three economies remains modest, although it still exceeds some other CoOs in the CEB region and rose markedly over the last years (Figure 4).

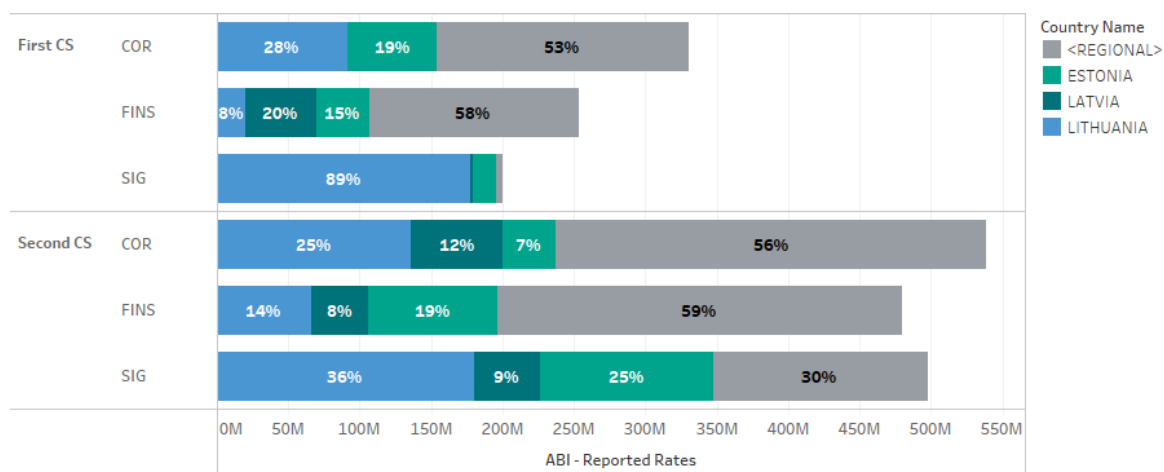
Figure 4: EBRD ABI as share of countries' GDP and total investment, 2016-24

Variable	Country	2016	2017	2018	2019	2020	2021	2022	2023
ABI's share in GDP	Estonia	0.00%	0.01%	0.20%	0.13%	0.45%	0.18%	0.20%	0.10%
	Latvia	0.01%	0.01%	0.15%	0.29%	0.07%	0.35%	0.21%	0.34%
	Lithuania	0.01%	0.20%	0.31%	0.13%	0.23%	0.22%	0.31%	0.20%
	Bulgaria	1.27%	0.27%	0.33%	0.06%	0.17%	0.35%	0.12%	0.12%
	Czechia	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.07%
	Hungary	0.11%	0.09%	0.09%	0.04%	0.06%	0.04%	0.13%	0.04%
	Poland	0.18%	0.14%	0.11%	0.15%	0.15%	0.10%	0.15%	0.16%
	Slovak Republic	0.20%	0.13%	0.11%	0.15%	0.06%	0.08%	0.10%	0.11%
	Croatia	0.65%	0.25%	0.33%	0.22%	0.30%	0.30%	0.44%	0.39%
	Slovenia	0.13%	0.14%	0.17%	0.25%	0.14%	0.08%	0.47%	0.12%

Source: Internal Bank dataset

EBRD investment in the Baltics nearly doubled between the two strategic periods, rising from €783m in the first strategic period (2016–2020) to €1.5 bn in just the first four years of the second strategic period (2021–2024). The largest relative growth was in the Sustainable Infrastructure (SI) sector, which expanded 2.5 times to €498 million – with €309 million signed in 2024 alone, accounting for 44% of all SI ABI over the evaluation period. The Financial sector also saw ABI nearly double to €480 million, driven by €345 million in MREL instruments, which were absent in the first period. Corporate sector operations featured a high share of equity instruments, at 38% of ABI. Across all sectors, regional projects remained a key delivery channel, contributing €1.1 billion or 46% of total ABI over the evaluation period. (Figure 5)

Figure 5: Baltics ABI by sector and country and strategic period, 2016-2024

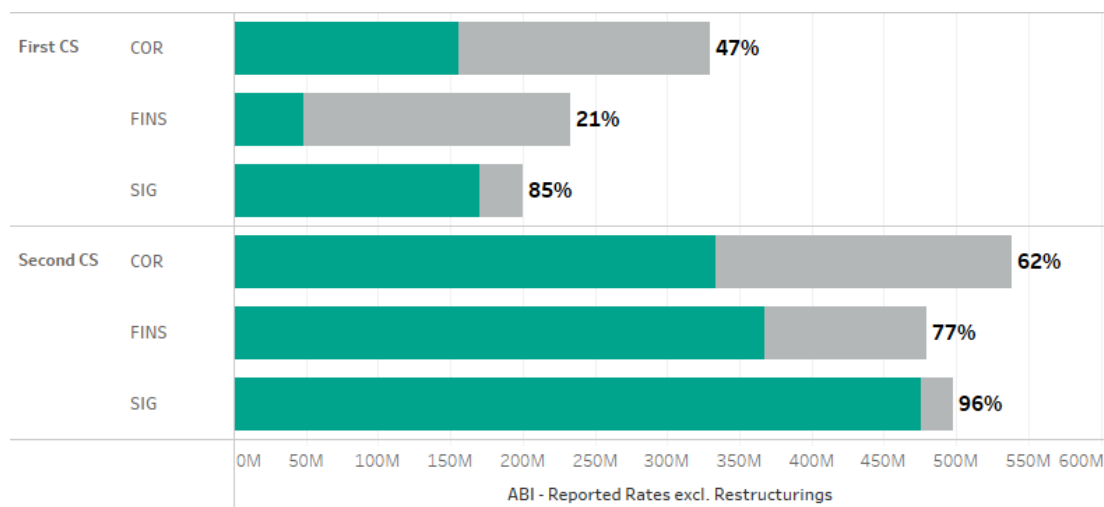


Note: First CS – 2016-2020 (five years); Second CS – 2021-2024 (four years)
Source: Internal Bank dataset, IEVD analysis

The GET share of finance in three Baltic countries increased from 49% to 78% between the two strategic periods. The GET share increased across all sectors, where the FI sector saw the most

significant increase, from 21% to 77%. This was largely due to investments into large GET-eligible MREL bonds. (Figure 6)

Figure 6: Baltics GET finance share by sector and strategic period, 2016-2024



Note: First CS – 2016-2020 (five years); Second CS – 2021-2024 (four years)

Source: Internal Bank dataset, IEvD analysis

Full portfolio analysis is provided in Annex 2.

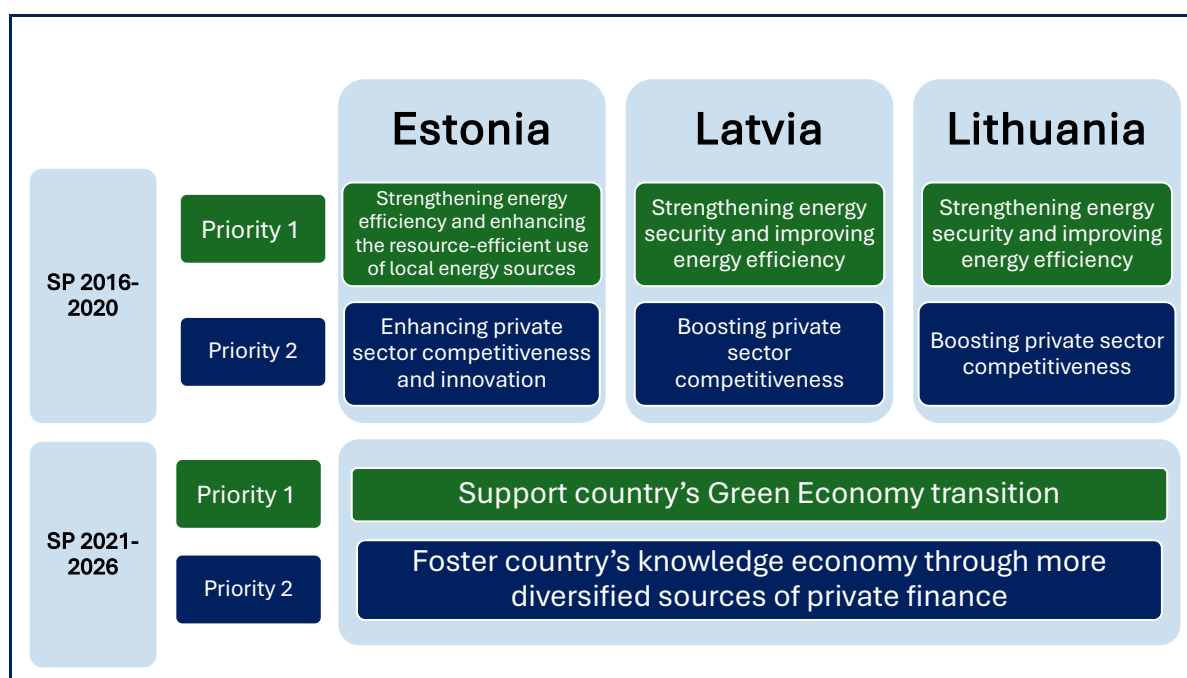
2.2.2. Strategic priorities

EBRD's strategic priorities in the three Baltic countries have been largely aligned along green, resilient and competitive TQs. Looking through the lens of the country priorities identified in both strategic periods (2016-2020 and 2021-2026),¹⁸ the focus operations in Estonia, Latvia and Lithuania have been similar and aligned along green, resilient, and competitive transition dimensions (Figure 7). All three countries have similar strategic priorities focussing on energy and green transition and competitiveness of private sector through greater innovation and accessibility of financing. The latter round of strategies approved in autumn 2021 also shared one diagnostic for the three countries.¹⁹

¹⁸ Strategy for Estonia; Strategy for Latvia; Strategy for Lithuania; Country Strategy for Estonia (2021-2026); Country Strategy for Latvia (2021-2026); Country Strategy for Lithuania (2021-2026)

¹⁹ Diagnostic of Estonia, Latvia and Lithuania

Figure 7: EBRD's priorities in Baltic countries across two strategic periods



Source: EBRD Country Strategies

This alignment might be warranted when analysing the key challenges identified in all three countries. Chief among them are: high energy intensity of the Baltic economies relative to the OECD and EU average; their high reliance on the imported energy/ fuels or on domestic emission-intensive fuels; segmentation and isolation of the electricity and energy markets; underdeveloped funding infrastructure for private companies; and lack of risk-oriented financial products and providers (with the exception of few segments, like venture capital). More broadly, two out of three economies are facing very challenging demographic trends, with significant emigration and aging population; and all three face dramatically increased security risks/ defence spendings, and geopolitical perturbations because of Russia's invasion of Ukraine, which affect macroeconomic, fiscal, financial, trade, and corporate policies. All three countries were directly affected by the sanction regimes against Russia and Belarus and face challenges of accommodating a significant number of refugees from Ukraine, as well as Belarus and Russia.

The Bank's synchronised strategic prioritisation approach is translated into country-specific actions, however the degree to which they are nuanced is to be analysed by this evaluation. While Baltic economies do share substantial similarities, each of them also has unique institutional and governance structures, political economy challenges, and economic profiles. This evaluation will analyse the challenges identified above in each of three countries and reflect on the strategies and outcomes of domestic and supranational (EU) policies aimed at mitigating those.

Energy and Green Economy Transition

The EBRD's energy sector strategy in the Baltic states has consistently focused on renewable energy generation and energy efficiency, with regional energy market integration phased out in the 2021 period (Table 1). Across both the 2016 and 2021 strategic periods, the Bank consistently prioritised renewable energy generation and energy efficiency. However, Latvia and Lithuania framed their 2016 priorities around energy security, reflecting their higher dependency on energy imports and historical reliance on Russian gas. Estonia, by contrast, emphasised energy and resource efficiency, given its low import dependency and heavy reliance on domestic oil shale.

The inclusion of regional energy market integration as an objective in Latvia and Lithuania—but not Estonia—was a direct reflection of these differing strategic framings. Latvia and Lithuania's integration goals aligned with their need to diversify supply sources and strengthen cross-border infrastructure, including gas pipelines and electricity interconnectors. Estonia's exclusion of this objective stemmed from its relatively secure domestic energy base and limited reliance on external suppliers, though it still benefited from regional projects like the Baltic Synchronisation and LNG interconnections.

In 2021, the EBRD streamlined its strategy by dropping regional integration as a standalone objective and reinforcing its commitment to decarbonisation and resource efficiency. This shift reflected the maturing of regional infrastructure projects and the completion or advancement of key interconnectors and LNG terminals. The updated diagnostics emphasised Estonia's persistently high carbon intensity due to oil shale, while Latvia and Lithuania faced growing emissions from transport. The 2021 strategies responded with a new focus on GHG emissions' reduction, sustainable transport, and circular economy investments.

Despite these shifts, the core pillars of renewable energy and energy efficiency remained central, with tailored responses to each country's evolving needs. Estonia's 2021 strategy included Just Transition support for its oil shale regions; Latvia and Lithuania emphasised sustainable urban development and green skills.

Table 1: Summary of the evolution of EBRD strategic objectives in Energy and Green Economy Transition in the Baltic states

	2016			2021		
	EE	LV	LT	EE	LV	LT
OBJECTIVE: Energy mix diversification (EE) / Energy security (LV, LT) > Reduced GHG emission, increased renewable energy (ALL)						
Financing to local (renewables) generating companies (ALL)	✓	✓	✓	✓	✓	✓
Policy: Regulatory framework for renewable energy (EE)	✓			✓		
Policy: Unbundling in the gas sector (LV)		✓			X	
NEW: green transport & infrastructure (ALL)				✓	✓	✓
NEW: private sector in Just Transition (EE)				✓		
NEW: green skills in industry and agriculture (LV)					✓	
NEW: Green cities (LV, LT)					✓	✓
NEW: district heating and cooling infrastructure (LT)						✓
OBJECTIVE: Improve energy efficiency (ALL) > Improved energy and resource efficiency (ALL)						
Energy efficiency investments (ALL)	✓	✓	✓	✓	✓	✓
Access to finance for ESCOs (ALL)	✓	✓	✓	X	X	✓
Policy: regulatory structure for EPCs (ALL)	✓	✓	✓	X	X	X
NEW: financing of recycling and waste management (ALL)				✓	✓	✓
NEW: Sustainable urban development (LV, LT)					✓	✓
NEW: Water infra (LV)					✓	
NEW: Green skills (LT)						✓
OBJECTIVE: Regional energy market integration (LV, LT) > X						
Boost pan-Baltic transmission and storage capacity by financing interconnectors (LV, LT)		✓	✓		X	X

	Both strategies
	2021 only
	2016 only

Competitiveness and Capital Markets development

The EBRD's approach to private sector competitiveness and capital markets development in the Baltics has been marked by continuity, with a consistent focus on innovation, SME support, and capital market diversification (Table 2). In both strategic periods, the EBRD identified low productivity, underdeveloped innovation ecosystems, and limited access to non-bank finance as key transition challenges across Estonia, Latvia, and Lithuania. Diagnostics consistently highlighted weak R&D-commercialisation linkages, low-tech manufacturing dominance, low liquidity, and fragmented capital markets. Latvia's capital intensity has stagnated, and its innovation performance remains weaker than its Baltic peers, particularly in R&D investment and SME innovation activity. In contrast, Estonia has led in ICT sector growth, and Lithuania has shown strong SME productivity gains.

The core objectives remained stable across both periods: improving access to finance for innovation and digitalisation, and diversifying capital markets. In 2016, the Bank focused on supporting export-oriented, high-value-added firms, investing in regional private equity (PE) and venture capital (VC) funds under the Baltics Integrated Approach (IA), promoting PPPs and energy/resource efficiency, and supporting the creation of pan-Baltic single index classification /capital market union.²⁰ These objectives were linked to diagnostics showing limited liquidity, scarce innovation financing, shallow capital markets, and the need for FDI-driven technology transfer.

The 2021 strategies retained these priorities but expanded the scope to include digitalisation, green finance, and COVID-19 recovery. All three countries' frameworks introduced a third objective focused on pandemic recovery, deploying equity, debt, and risk-sharing instruments. The innovation finance objective now explicitly included support for fin-techs, IT scale-ups, and infrastructure for green digitalisation (e.g., 5G). Capital market development efforts were deepened through policy engagement on pan-Baltic integration, sustainable finance strategies, and new instruments like sustainability-linked bonds and SME listing platforms.

While the strategic architecture was nearly identical across the three countries, differences emerged in emphasis. Estonia's strategy leaned into its ICT strengths and outward FDI potential; Latvia's focused more on governance improvements and digital acceleration; Lithuania's highlighted its leadership in SME digitalisation and green finance (e.g., sovereign green bonds and securitisation).

The evolution from 2016 to 2021 reflects a shift from foundational market-building to more targeted interventions. The earlier period emphasised building PE/VC ecosystems and enabling frameworks; the later period focused on scaling innovation finance, integrating capital markets (with the launch of Baltic regional MSCI index in 2023)²¹, and embedding ESG and digital priorities. This shift aligns with diagnostics showing maturing financial ecosystems but persistent gaps in intangible investment, SME innovation, and capital market depth.

Table 2: Summary of the evolution of EBRD strategic objectives in Access to Finance and Capital Markets in the Baltic states

	2016			2021		
	EE	LV	LT	EE	LV	LT
OBJECTIVE: Strengthen private sector competitiveness through investment in innovative and export-oriented companies (ALL) > Foster Knowledge Economy through More Diversified Sources of Private Finance (ALL)						
Debt and equity investments in support of export-oriented and innovative producers (ALL) > Support growth of corporates including their expansion	✓	✓	✓	✓	✓	✓

²⁰ In 2017 EBRD signed MoU with the Ministries of finance of Estonia, Latvia and Lithuania, and European Union on creation of capital market union

²¹ [MSCI Global Standard Indexes announcement, July 2023](#)

abroad, inclusion and gender equal opportunities and explore opportunities to finance innovative scale-ups (including fin-techs and the IT sector). (ALL)						
NEW: Continue participation as active investor in VC/equity/property funds . (ALL)				✓	✓	✓
NEW: Invest in private infrastructure that supports innovation, inclusion and green digitalisation . (ALL)				✓	✓	✓
NEW: Explore opportunities to finance innovative scale-ups (including fin-techs and the IT sector) (LV, LT)					✓	✓
NEW: Policy: Support continued policy engagement . (LV, LT)					✓	✓
OBJECTIVE: Diversify sources of finance, including private equity and venture capital, as alternatives to the banking sector (ALL) > Deepened and diversified debt and equity capital markets (ALL)						
Under the Baltics IA, investments in regional PE and VC funds targeting the Baltics (ALL) > <i>shift to PS competitiveness objective</i>	✓	✓	✓			
Policy: Improve the legal and regulatory environment (ALL) > Continue policy engagement to develop the pan-Baltic capital market through leveraging Technical Support Instrument funds. (ALL)	✓	✓	✓	✓	✓	✓
Support diversification of banking sector and second tier and smaller banks (LT) > Explore opportunities to promote competition in the financial sector. (LT)			✓			✓
NEW: Grow investor and issuer base through financing and introduction of new and green instruments (ALL)				✓	✓	✓
NEW: Explore further opportunities to support and invest in IPOs, incl. SOEs (e.g. energy sector). (ALL)				✓	✓	✓
NEW: Policy: advisory for commercialisation and corporate governance improvements to prepare SOEs (LV)					✓	
OBJECTIVE: Increase use of private sector-led solutions to enable sustainable funding and efficient management of transport infrastructure services (LV, LT) > X						
Encourage private sector participation and promote use of PPP structures in transport infrastructure via finance and policy dialogue		✓	✓		X	X
Policy: Development and structuring of PPP projects		✓	✓		X	X
OBJECTIVE: COVID-19 recovery (2021-2023)						
NEW: Deploy equity, debt and risk sharing products focused on Covid-19 recovery to Build Back Better, focusing on areas of additionality. (ALL)				✓	✓	✓
Both strategies						
2021 only						
2016 only						

2.3. Past evaluation work

There is a relative scarcity of evaluation evidence of EBRD's work in the Baltic countries. Whilst absolute and relative amount of investments and operations was relatively modest for many years, the recent dynamics of Bank's investments and a much greater investment portfolio in three countries, especially Lithuania, elevates the interest to the region, and requires a greater amount and granularity of evidence of the results of Bank's activities. In the last two years there were two evaluations which covered projects from three Baltic countries:

- The **cluster evaluation of the EBRD's efforts in the area of decarbonisation of built environment (2024)**²² included the case of several projects with Lithuania's national development bank INVEGA (formerly VIPA, Public Investment Development Agency) where proceeds were used for energy efficiency renovations of Multi-Apartment Buildings (MABs) in

²² IEvD (2024) "[Building a Green Future: EBRD Investments in the Decarbonisation of the Built Environment \(2016-2022\)](#)"

Lithuania. These projects “have demonstrated significant effectiveness, even in the situation where not all results have been achieved”. In this evaluation covering five countries of operation “Lithuania was the most advanced in terms of policy, legal and regulatory regime in decarbonisation of built environment, including residential housing. Achievements of Lithuania in the area have been commended comparing to other EU economies.”

- The **cluster evaluation of the Green bonds (2024)**²³ contained the case of the green bond issued by Ignitis (formerly Lietuvos Energija) in 2017 and 2018. Evaluation concluded that “the issuance [of green bonds] remained a major achievement given the state of the Lithuanian capital market and the market conditions. The presence of the EBRD as anchor investor in both issuances certainly helped to attract other investors. The issuer also recognised the role of the EBRD in structuring their policies around governance, disclosure and transparency.”

Additionally, the thematic evaluation of the Transition impact and additionality of Bank’s **MREL and bail-in-able products (2024)**²⁴ although it did not cover three Baltic countries specifically, provided findings and insights that are relevant given the significant volume of EBRD’s investments in these products in the Baltics (see Annex 3 for full list of operations).

3. Evaluation methodology

3.1. Approach and scope

As noted above, this regional-level evaluation will be following the methodological approach of the country-led evaluation that is guided by IEvD’s internal note.

To deliver on the objective of this evaluation, it is essential to cover enough time to consider plausible long-term results and effects of the investment operations. Two strategic periods will be covered in this evaluation, from 2016 to 2024, with 31 December 2024 being the cutoff date for input and activity analysis, leaving aside the last two years of the current country strategies (2025-2026). At the same time the team will be integrating any substantial considerations and decisions that are influencing the operations in three Baltic countries while evaluation is ongoing, to ensure that it is up-to-date and useful for the Board and management counterparts.

The product scope will cover all approved operations within the evaluation period, specifically investment, technical co-operation and policy dialogue, both at country and regional level. The IEvD will be selective in diving deep into specific projects and activities that have greatest potential of inducing systemic change. It will do so through applying several criteria to identify the potentially most influential cases, at least at the design stage. Initial consultation with the country and sector teams will be essential for identifying projects and programmes with the greatest potential to deliver market outcomes, along with the project outcomes. Tracing connections of these programmes and projects with the stand-alone TC projects and policy dialogue aimed at sector and market change can provide the list of strong candidates for in-depth analysis. This analysis will include assessment of trends in the respective sectors during the evaluation period (2016-2024) and establishing plausible connection between EBRD’s interventions and these changes.

²³ IEvD (2024) “[Green Bonds: Pioneering Inception and Navigating Maturity. Evaluation of EBRD’s Green Bond Investments \(2017-2022\)](#)”

²⁴ IEvD (2024) “[Forging Resilience: An evaluation of the Transition Impact and Additionality of the EBRD’s MREL & Bail-in-able products \(2016-2023\)](#)”

One specific caveat for this evaluation that makes it different from the standard country-level evaluation (see examples of Uzbekistan and forthcoming Montenegro country-level evaluation reports) is a strong accent on the regional aspect. EBRD's portfolio of investment and policy projects in Baltic countries have substantial regional element, at 46% of total ABI (either limited to three countries only, or to the wider CEB region). It might be important to distinguish the spheres that require and benefit from the collective pan-Baltic action and others that need more tailored country approach to operations in Estonia, Latvia and Lithuania given their unique challenges and country's own priorities. When possible, additionality and transition impact of regional and country-specific actions will be analysed.

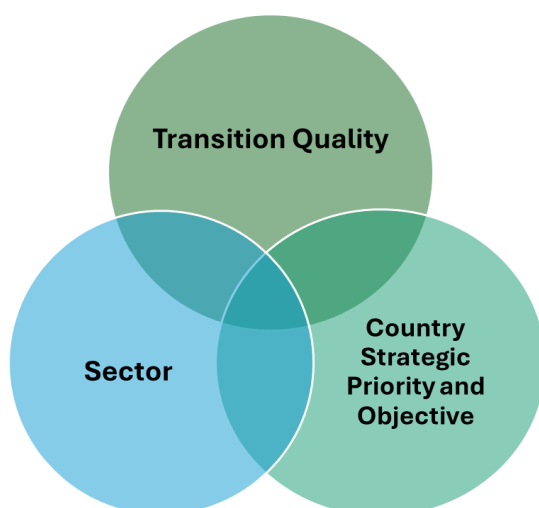
The evaluation team will start from preparing a Theory of Change (ToC) which will serve as a basis for understanding the causal links between the various inputs of the Bank and the expected transition impact. A theory-based approach provides advantage of looking at the entire system, rather than transactions, factoring in various assumptions and risks that can upend the expected progress. This is more suitable for the regional- and country-level evaluation.

A three-staged process will be applied:

- i. **mapping of focus areas** with the significant concentration of investment, policy and technical co-operation activities;
- ii. **development of the structured ToC** – either for each priority or for each sector, depending on the mapping exercise;
- iii. **synthesising systemic change** at the level of EBRD's wider strategic priorities, as well as the countries' own priorities.

To capture systemic change the team will look through multiple lenses – sector, country strategic priority and transition quality – to identify the most appropriate matrix (see Figure 8 for illustration).

Figure 8: Lenses of Analysing Systemic Change



Source: IEvD elaboration

This approach is further guided by specific evaluation questions (Chapter 3.2), careful selection of methods (Chapter 3.3) and identification of challenges and mitigating actions (Chapter 3.4). Evaluation matrix in Annex 4 provides details of the evaluation questions and the methods/ tools for answering those.

3.2. Evaluation questions

This evaluation will address an overarching evaluation question:

To what extent has the Bank contributed to the systemic change in Estonia, Latvia and Lithuania and in the Baltic region as a whole?

Four specific evaluation sub-questions are:

EQ1 (Relevance and Coherence): To what extent did the EBRD's activities address the needs of three Baltic countries in the last decade, and how additional were they vis-à-vis actions of other international stakeholders and private sector investors?

This question will target financial and non-financial additionality of the Bank's operations within identified country priorities (while maintaining close co-ordination with the team conducting thematic evaluation of Advanced Transition Economies where additionality is one of focus areas). It will be essential to gain perspective of the key country stakeholders in terms of alignment of EBRD's priorities with the countries' own strategic needs and key challenges they are facing in the very dynamic context. Bank's flexibility in offering relevant products and advice, particularly through multi-crisis since 2020, will be also in focus. For this, it will be pertinent to review relevant national (and regional) strategic and regulatory documents, country's commitments in green economy, energy security, financial markets resilience and capital market development. Also, the team will connect to the relevant EU institutions, key IFIs, private sector financiers and CSOs working in the same fields to assess the complementarity and synergies of the EBRD's actions, and its contribution through mobilising private sector capital. Bank's own strategies and relevant framework documents will be analysed, along with the project data and information.

EQ2 (Efficiency): To what extent did the EBRD implement activities and projects on time, within budget and in line with its sound banking mandate?

This question will contribute to understanding how EBRD's operational approach (referred to as bank execution performance) in Baltic countries worked and evolved in response to the changing environment. Sub-questions will include: what are the key elements of operational approach; governance and co-ordination structures; division of labour between the Resident Office in Vilnius, regional hub in Warsaw and HQ teams; how efficiently human and financial resources are used; comparative use of regional project interventions and stand-alone projects for achieving optimal results; how timely the delivery of projects, TCs and policy dialogue workstreams were and what were the main reasons of delays (or early delivery); what are the monitoring and reporting mechanisms are and whether they are fit for purpose.

EQ3 (Effectiveness and Impact): To what extent has the EBRD achieved, or is expected to achieve, its strategic priorities in Estonia, Latvia, and Lithuania and is there evidence of its contribution towards systemic change on these markets?

Using theory-based-approach connecting inputs and outcomes of the Bank's investments, technical assistance and policy dialogue across main strategic priorities, the evaluation will strive to provide evidence of the results beyond individual transactions. It will examine their connectedness and contribution towards systemic change, if any, in the target sectors with the substantial Bank's presence. Consideration will be made for the type/level of clients EBRD has in Estonia, Latvia and Lithuania, and how it evolved over the time. Internal data on results will be

triangulated with the external data to explore possible impact at the country/ region level, as well as perceptions of the key stakeholders in Estonia, Latvia and Lithuania. Alignment of the results achieved with the key targets of the countries, the region and the EU key – particularly in areas such as green economy, energy resilience, and private sector competitiveness – will also be addressed to the extent possible. Insights whether the transition gaps have narrowed will be gathered. Repeat operations with the same client, programmatic actions (i.e. Vilnius Green City operations), combined investment and policy interventions will be analysed. Also, potential comparative advantages of regional interventions vis-à-vis country ones will be analysed, with potential insights for replicating successful regional initiatives in other regions of EBRD's operations.

EQ4 (Sustainability): How lasting are the results of EBRD's investments, policy dialogue and technical assistance in the focus sectors after the Bank's operations have concluded?

The evaluation will zoom into reforms in country and, when relevant, regional institutions, regulatory frameworks, and behaviour changes achieved through the EBRD's contributions, especially during the first strategic cycle. It will aim to capture the evidence of persistence of change and its further evolution in response to dynamic external and internal contexts, particularly in the cases where no further Bank interventions are occurring. Third-party sources of data and information will be essential. The team will seek perspectives and perceptions from both internal experts and external stakeholders to identify key drivers and impediments to sustainability

3.3. Methods of data collection and analysis

The evaluation will employ a mixed methods approach. It will **review internal and external documents** that will include:

- (i) Bank's country and sector strategies, country delivery reviews, policy compacts, relevant operational guidelines, project approval documents and monitoring reports, briefing notes and country reports;
- (ii) countries' own strategic documents and reports on the delivery progress;
- (iii) clients' data and information available in public domain and in relevant databases; (iv) documents/ reports covering relevant sectors and priorities issued by other stakeholders (EU institutions, business associations, IFIs, DFIs, etc).

The team will conduct an extensive range of **semi-structured interviews** with internal and external stakeholders, both on the ground in Estonia, Latvia and Lithuania, and in the HQ. It will include key operational staff, private and public sector clients, government stakeholders, key international partners, including IFIs and DFIs, business associations, CSOs and analytical centres when relevant. During its country missions the team will use **focus group discussions** to capture the perspectives and opinions on sector and economy trends and impacts from the wider circles of in-country stakeholders. Evaluators should have the opportunity to meet clients and stakeholders independently, without presence of the bankers, after initial introduction and facilitation of the meeting preparation. This is to enable open exchange of information and opinions. IEvD is committed to the confidentiality of proprietary information and the outcomes of all interviews and focus groups will be anonymised unless prior consent for quotation is obtained.

Case study method will be applied to deliver in-depth analysis of the causal links between EBRD's interventions and systemic change observed. Case selection will be defined by a range of criteria, including: (a) country inclusion – all three countries are covered; (b) sector variety – all three main sectors are covered (c) regional dimension – significant regional investment, TC and policy dialogue operations covered; (d) client type – private and public sector.

Data collection and analysis for Lithuania will be done in co-ordination with the team conducting ATE Evaluation.

3.4. Challenges and mitigating actions

Successful delivery of this evaluation requires IEvD has unfettered access to information and key stakeholders. Those include the country team, HQ colleagues working on relevant investment and policy operations, as well as the clients, selected authorities and other stakeholders in all three countries. Dominance of private sector in three countries' portfolios means that the willingness of private sector clients to share their perspective on the relevance, efficiency and effectiveness of Bank's operations is crucial. The team will engage efficiently with the respective stakeholders inside and outside the Bank and remain flexible bearing in mind any constraints they may face (i.e. organisation of EBRD's Annual Meeting in Riga in June 2026).

Difficulties in organising site visits to the projects in three Baltic countries and in-person meetings with important stakeholders and interlocutors might hamper successful delivery.

Significant evaluation period might create challenges with retaining “the historical perspectives” and deep institutional knowledge of Bank's operations in three Baltic countries. Vilnius Resident Office (RO) and its head will be essential partners and the team realises that operations in Estonia and Latvia are delivered without having country offices (with one banker based in each country). The team is relatively new, with majority of bankers joining since 2021, and may lack some institutional knowledge. The evaluation team will mitigate this limitation through: (i) triangulation with available secondary sources, and (ii) reaching out to wider groups of bankers and policy experts in the HQ as well as former staff members with relevant knowledge (when plausible).

Hiring local consultants will address the challenge of in-depth understanding of local context and local language skills.

4. Administrative arrangements

4.1. IEvD team, consultants and peer-review

The evaluation team is led by Olga Mrinska and includes Regina Husakova, Oskar Andruszkiewicz, all three Associate Directors, Senior Evaluation Managers and Natalia Lakshina, Analyst.

The team will be co-ordinating closely with the IEvD team responsible for the delivery of the evaluation of Advanced Transition Economies. It will invest in building productive relations with the management counterparts, especially in Vilnius RO, and will engage with the clients and stakeholders in Estonia, Latvia and Lithuania directly, after initial introduction by operational leaders.

The team will be supported by local consultants with a strong knowledge of Baltic regional political economy context, specifics of governance, investment climate and key trends in the economies of Estonia, Latvia and Lithuania (to be selected). Consultants will be facilitating conversations and ensuring crucial documents are translated when required; they will be engaging with the bank colleagues and clients along with the evaluators. Their work will be continuously supervised by the Team Leader.

Samer Hachem, Director, will provide overall guidance of the evaluation, under the leadership of Chief Evaluator Véronique Salze-Lozac'h. Shireen El-Wahab and Alper Dincer will be internal peer reviewers. External peer reviewer from EIB will be confirmed at later stage.

4.2. Management counterparts

EBRD's Baltic team will be the main partner in this evaluation, specifically colleagues located in the Vilnius RO, as well as in Tallin and Riga. Colleagues in the CEB Hub will also be consulted. All sector banking teams with active operations during the evaluation period will be involved, as well as policy and other relevant departments. Relations with management will be co-ordinated via IEvD focal points in the Banking Portfolio and Impact Departments.

4.3. Dissemination plan and deliverables

The evaluation report with annexes that include case studies will be the main deliverable for internal and external audiences. Based on the report a brief video summary and several internal presentations may be prepared for the ARC meeting, for respective management team meetings and posted on IEvD website. The external version of the report will be prepared with necessary changes, considering existing data confidentiality issues and in accordance with the EBRD's Access to Information Policy and Evaluation Policy.

The 2026 Annual Meeting in Riga will be the key platform for disseminating and reflecting on the results of evaluation. Also, IEvD's social media and ebrd.com page will be used for wider outreach. The team might present results and key messages at several professional events and conferences, for evaluators and for experts working in the Baltic markets.

4.4. Indicative timetable

Timetable of this evaluation is suggested from the perspective of delivering timely and useful product which can be integrated in the reflections on the success of delivery of previous strategies and preparation of new country strategies for Estonia, Latvia and Lithuania that are due in the middle of 2026. Table 4 provides the details.

Table 1: Indicative timetable of the Baltic Regional-level Evaluation

Milestone	Delivery
Evaluation starts	May 2025
Desk review and data analysis start	May 2025
Initial online scoping interviews	June-July 2025
Approach Paper finalised	September 2025

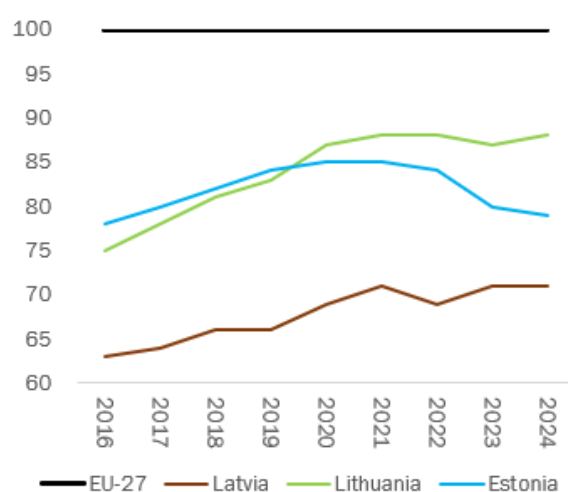
Field missions to Lithuania, Latvia and Estonia	October/ November 2025
Primary and secondary data collection and analysis completed	December 2025
Draft report for internal comments and peer review	January 2026
Draft distribution to the Management	February 2026
Final report distributed to the Board	April 2026
External publication of the report	June 2026 (prior to AGM in Riga)
Dissemination event(s)	June 2026 onwards

ANNEXES

Annex 1. Key macroeconomic facts

Baltic States achieved a good progress in closing the gap with the EU-27 in terms of GDP per capita (PPP) over 2016-2021, but plateaued or even retrenched since then. Overall, since 2016, Lithuania has seen the fastest convergence reducing the gap from 75% to 88% of the average EU-27 per capita (PPP) between 2016-24. In contrast, between 2021-2024 Estonia has lost nearly all advancement it made over 2016-2020 with GDP per capita compared to the average EU-27 falling from 85% to 79%²⁵.

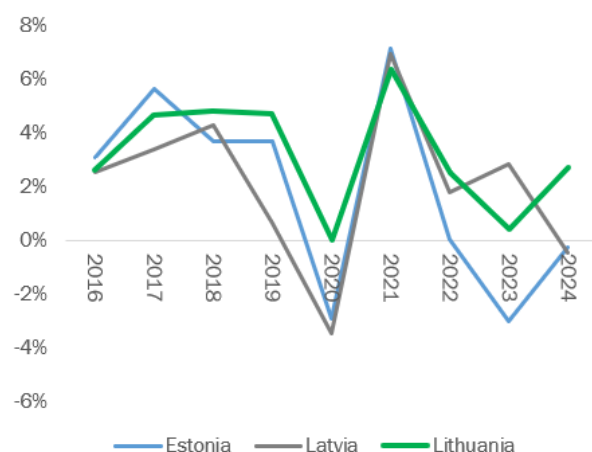
Figure 9: GDP per capita (PPP) in Estonia, Latvia and Lithuania relative to EU-27, 2016-2024



Economic performance across the three Baltic states differed markedly over 2016-24. All three experienced a fairly robust growth in late 2010s, albeit with slowdown in Latvia kicking in already in 2019. COVID-19 pandemic affected three economies, though Lithuania narrowly avoided the recession. Post COVID-19 recovery, interrupted by the exogenous shock of Russian's war on Ukraine, also fed through unevenly. Estonia's real GDP has contracted on a sequential basis for nine consecutive quarters since 2022 and as of 2024, was still about 6 percent below its 2021 peak. Rather different trajectory compared to Lithuania (Figure 10, Figure 11).

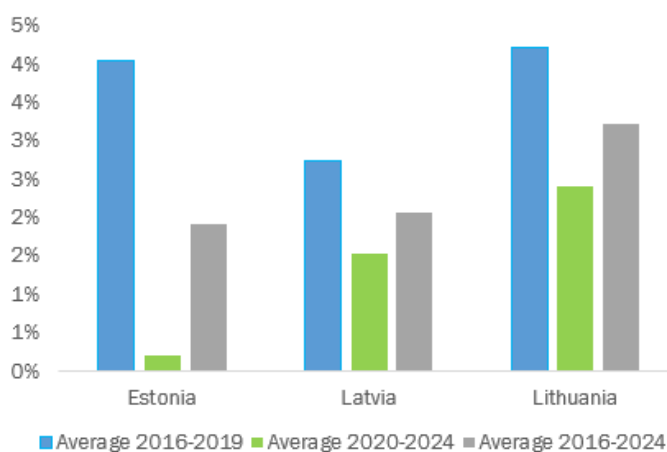
²⁵ Eurostat, 2025. <https://ec.europa.eu/eurostat/databrowser/view/tec00114/default/table?lang=en>

Figure 10: GDP growth – Baltics, 2016-24



Source: IMF WEO April 2025 and IEvD calculations

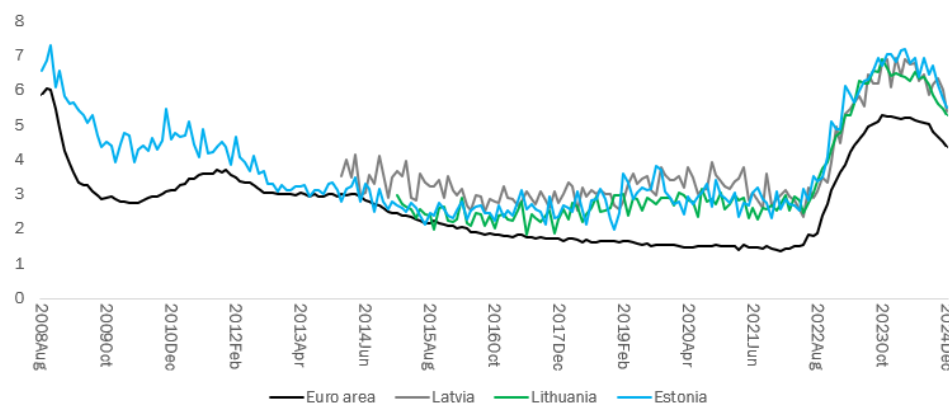
Figure 11: Average growth rates – Baltics, 2016-24



Source: IMF WEO April 2025 and IEvD calculations

Financing conditions in each country have varied. The Banking sector in Latvia and Lithuania has been well capitalised, and NPLs ratios have been on decline too (2.1% and 0.8% respectively in 2024). In turn, capitalisation of Estonian banks has steadily declined and lending to companies fell sharply recently. 2022-2024 Results of ECB SAFE survey show that generally the availability of bank loans has declined in all three countries, with the largest share of business facing the constraints in Estonia and Lithuania though²⁶. For all three countries, spread on cost of borrowing for corporates has been consistently above Euro-area (Figure 12).

Figure 12: Cost of borrowing for corporations, in % 2008-24



Source: ECB data

Each country has also grappled with different structural issues. For Estonia, and post-COVID, a lingering decline in productivity growth, combined with the recent sharp real exchange rate appreciation, has eroded the country's competitive edge. In Latvia, productivity has failed to match real wage increases also weighing on competitiveness. Labour market, education and healthcare reforms in Lithuania have been overdue. All three countries need to accelerate green transition, in particular Latvia and Estonia.

²⁶ ECB, 2025. SAFE survey Q9_a. For each of the following types of financing, would you say that their availability has improved, remained unchanged or deteriorated for your enterprise during the previous quarter and current quarter over the past 6 months? - Bank loan Available at: https://single-market-economy.ec.europa.eu/access-finance/data-and-surveys-safe_en#survey-on-the-access-to-finance-of-enterprises-safe

Annex 2. Portfolio analysis

All data is from internal Bank dataset unless otherwise noted. Analysis by IEvD.

Annual business volumes

The total ABI in the three Baltic states was €2.3bn over the 2016-2024 period. The ABI was €783m over the first strategic period (2016-2020) and €1.5bn over the first four years of the second strategic period (2021-2024). (Figure 13). Notably, large share of the ABI in the Baltics was delivered via Regional projects – the ABI allocated to the Baltics from Regional projects was €1.1bn over the period, or 46% of total ABI. In terms of individual countries, Lithuania had €1.1bn ABI over the period, Latvia €634m, and Estonia €541m. (Figure 14) The three countries together represented 15% of the Central Europe and Baltics (CEB) ABI. (Figure 15)

Figure 13: Baltics ABI and number of operations, 2016-2024

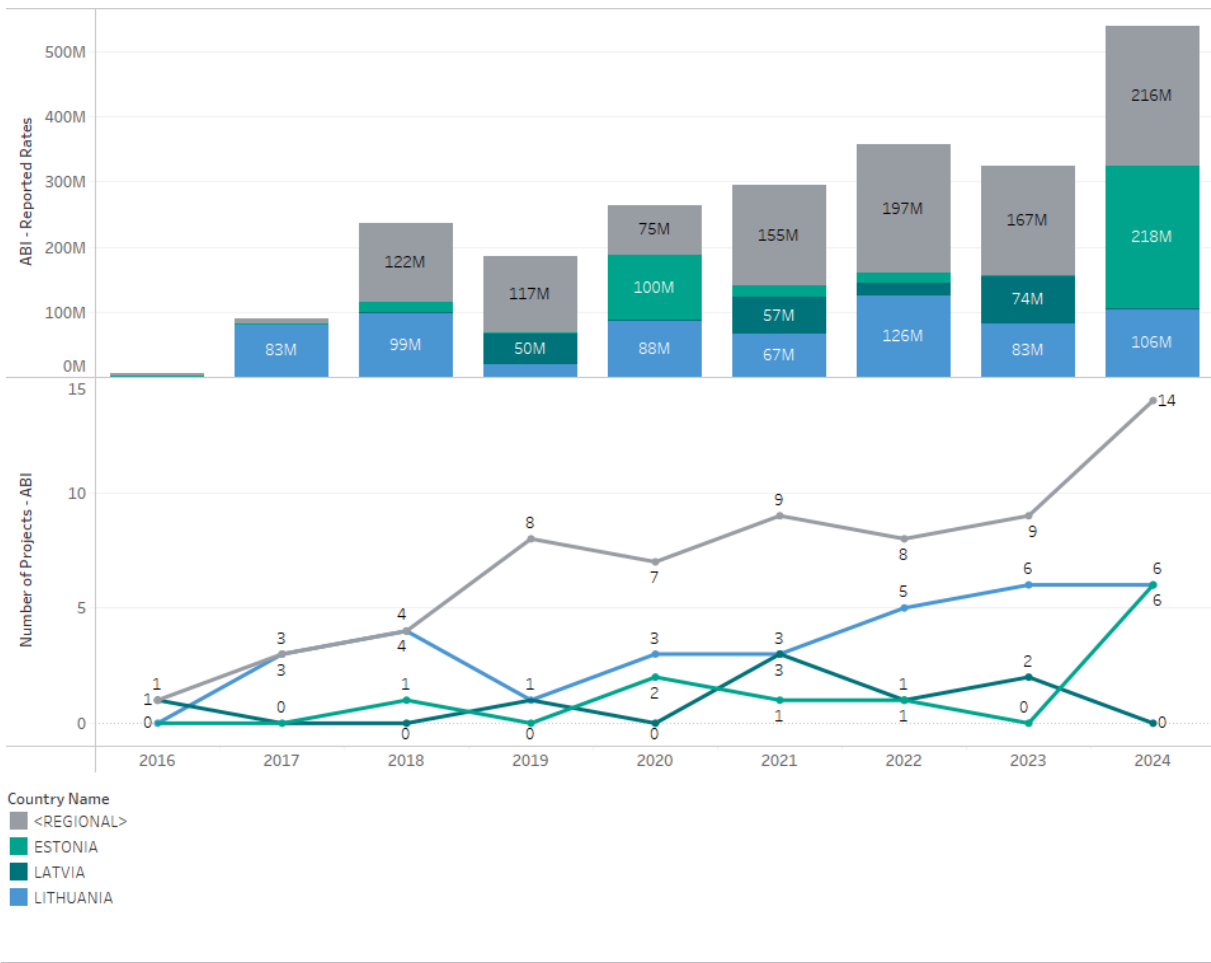
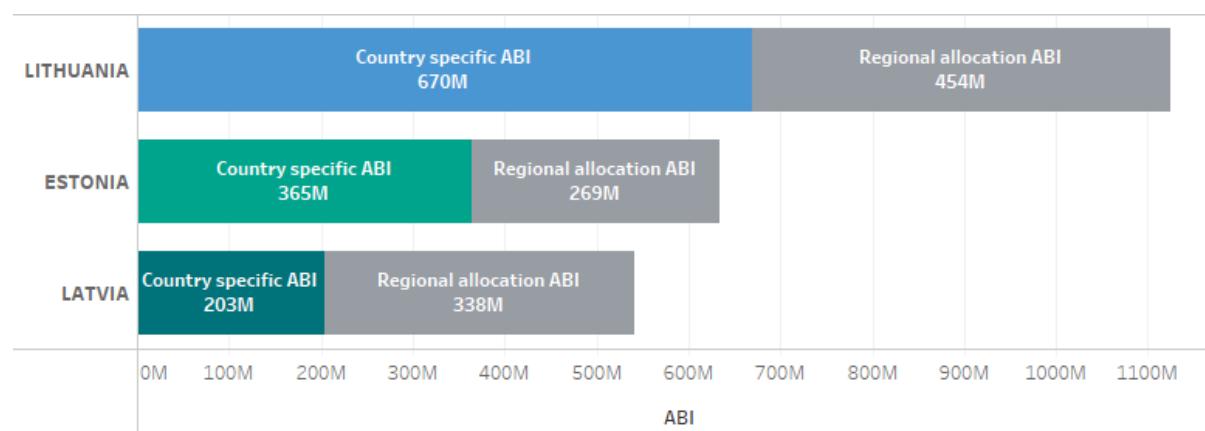
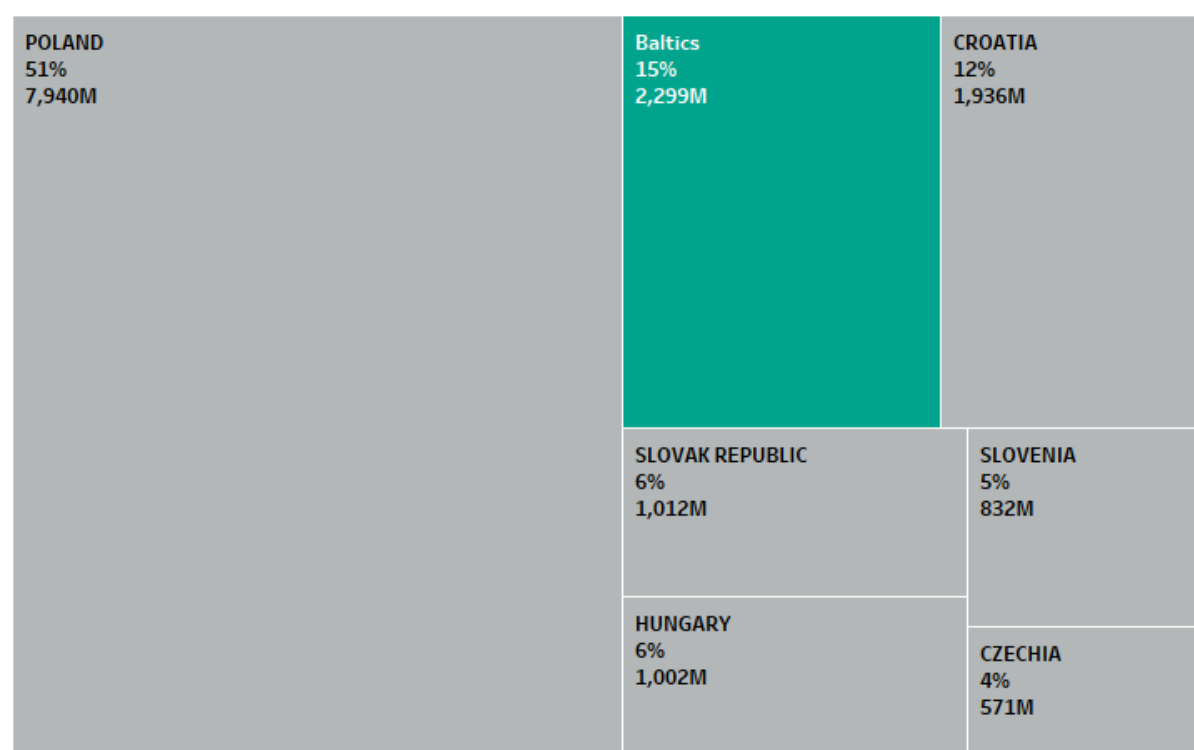


Figure 14: ABI by country, 2016-2024



Note: Country specific ABI is ABI from projects whose ABI is only allocated to one country. Regional allocation ABI is ABI from regional projects allocated to the specific country at signing.

Figure 15: Baltics ABI within Central Europe and Baltics region, 2016-2024



Regional projects

Two distinct categories of regional projects were implemented in the Baltic countries during the evaluation period: **Baltic-only regional projects (17 operations)** and **regional projects with broader geographic scope (35 operations)**. The Baltic-only regional projects represented €797m ABI. Financial sector bond participations dominated the largest Baltic-regional projects,

comprising three operations with a combined ABI of €429m. Equity funds constituted the most numerous category of regional operations, with five Baltic-only equity funds totalling €97m ABI, an additional 22 equity funds with wider regional scope. Of these 22 broader regional projects, €175 million of their ABI was allocated ex-ante to the Baltic states. (Figure 16, Figure 17)

Figure 16: Regional projects – split by category and ABI, 2016-2024

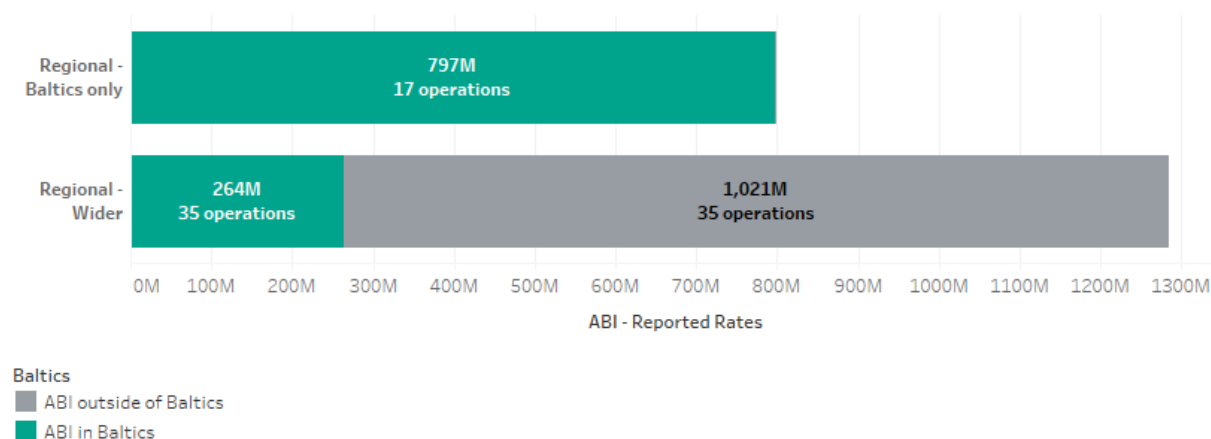
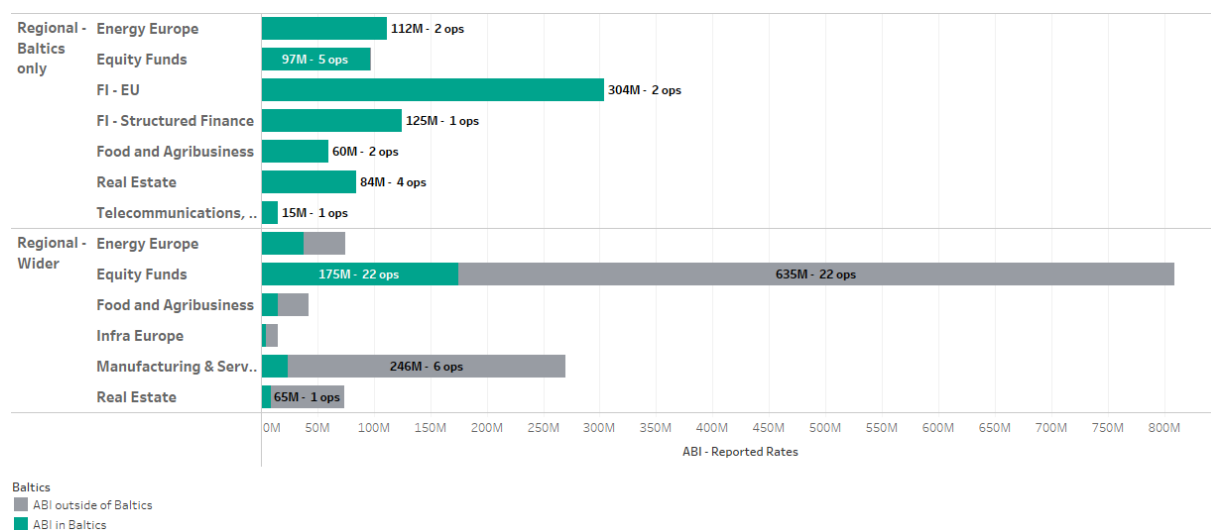


Figure 17: Regional projects – split by category, ABI and sector, 2016-2024



Sector distribution

The ABI was fairly evenly distributed between the three major sector groups, with Corporate sector the largest at 38% of ABI over 2016-2024. (Figure 18) Regional projects represented over half of ABI of Corporate and FI sectors in both strategic periods. Infrastructure was overwhelmingly implemented in Lithuania in the first strategic period (89% of SI ABI), but distributed more widely in the second period – 36% of SI ABI in Lithuania and 30% through

regional projects. (Figure 19) Notably, a significant share of SI ABI was signed in the last year of the evaluation period – in 2024 the SI ABI in the Baltics was €309m, representing 44% of all SI ABI 2016-2024. Corporate and FI sectors were fully implemented in the Private portfolio class, while Infrastructure ABI was 90% (€180m) in the State class in the first strategic period, dropping to 48% (€240m) in State in the second strategic period (Figure 20).

Figure 18: Baltics sector ABI distribution, 2016-2024

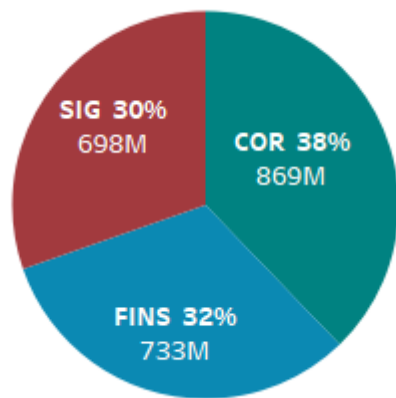
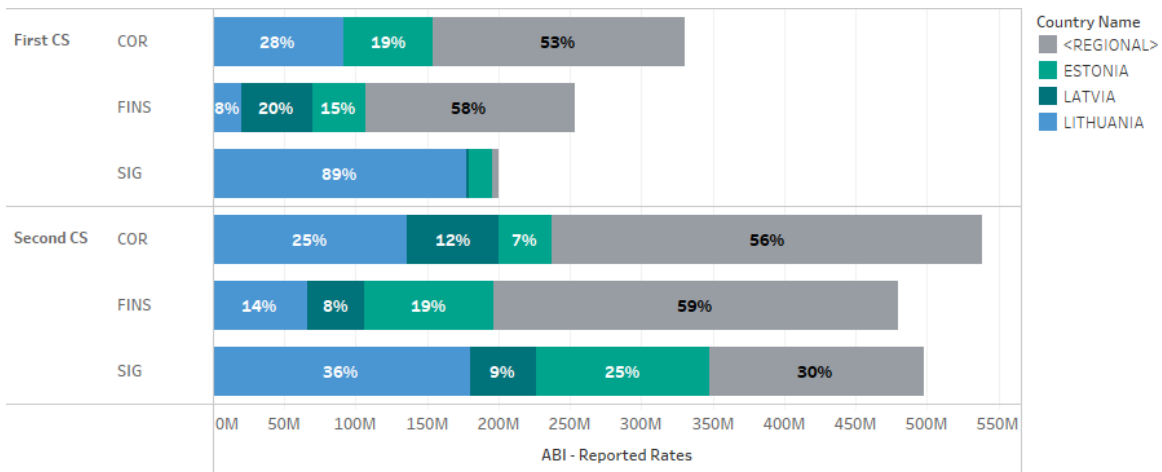
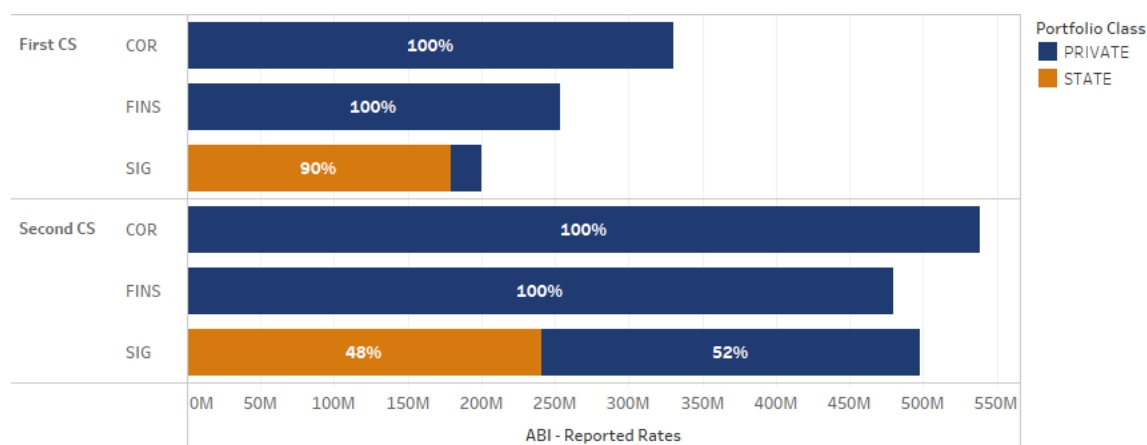


Figure 19: Baltics ABI by sector and country, 2016-2024



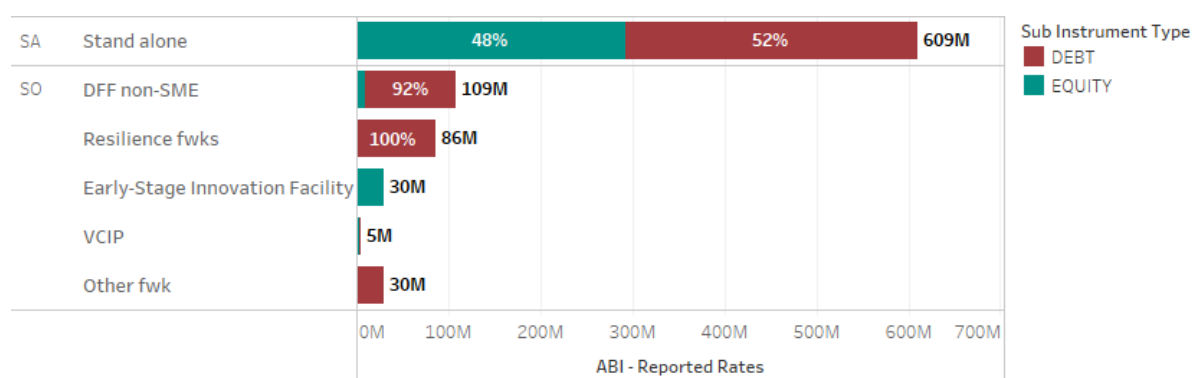
Note: First CS – 2016-2020 (five years); Second CS – 2021-2024 (four years)

Figure 20: Baltics portfolio class by sector and strategic period, 2016-2024

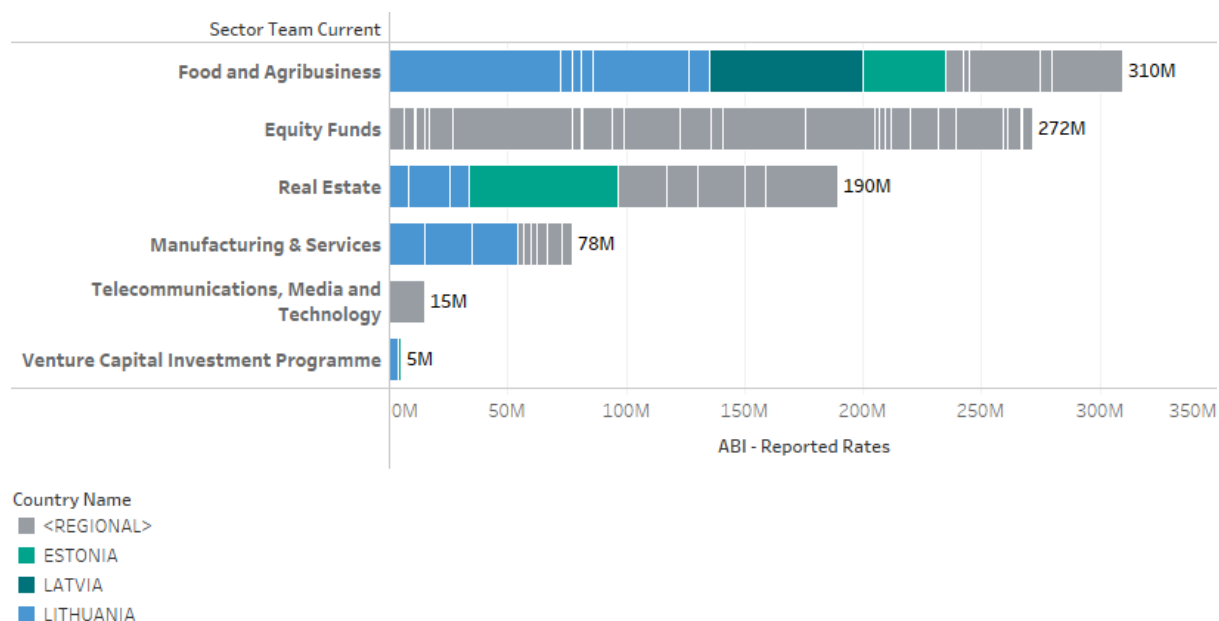
Note: First CS – 2016-2020 (five years); Second CS – 2021-2024 (four years)

In the Corporate sector the majority of ABI was delivered in stand-alone operations, with 38% equity overall in the sector. Stand-alone operations represented €609m (70%) of Corporate ABI over the 2016-2024 period. Largest frameworks represented in the sectors were DFF non-SME framework (€109m) and the Resilience frameworks (€86m). In terms of instruments, Corporate sector was implemented through equity at 38% of ABI. (Figure 21) The largest sector teams represented in the corporate sector ABI were Food and Agribusiness (€310m), Equity Funds (€272m), and Real Estate (€190m). (Figure 22) There were a total of 60 unique operations in the corporate sector over the period, with the top five largest representing a third of the sector ABI:

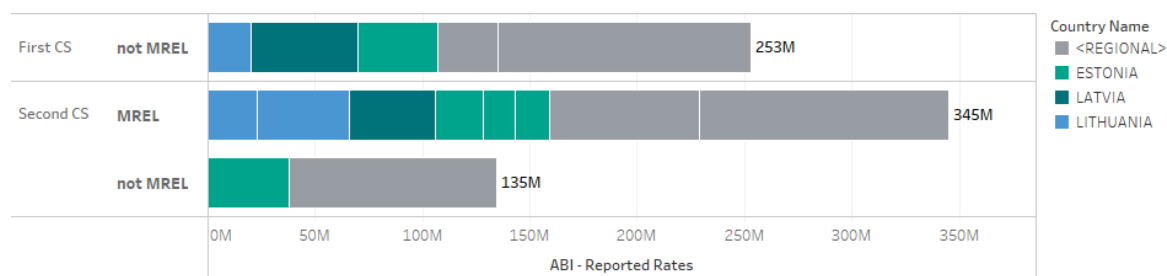
- 53722 RLF Maxima Grupe Bond 2022 (f. RLF-Project Pinnacle), 2022, Debt, Food & Agri, Lithuania; €72m
- 54828 Schwarz Sustainable Retail Exp Latvija, 2023, Debt, Latvia, Food & Agri, €65m
- 50545 Porto Franco Regeneration Project, 2020, Debt, Estonia, Real Estate, €63m
- 54248 Taaleri SolarWind III Fund, 2023, Equity, Regional, Equity Funds, €50m
- 50245 Project Union, 2018, Debt, Lithuania, Food & Agri, €40m

Figure 21: Baltics Corporate sector ABI by framework and instrument, 2016-2024

Note: DFF non-SME; Resilience fwks – Resilience fwk, Resilience and Livelihoods fwk; Early-Stage Innovation Facility – ESIF I, ESIF II; VCIP – VCIP, VCIP III; Other fwks – Baltics CP, EBRD InvestEU, SCSF

Figure 22: Baltics Corporate sector ABI by sector team and country, 2016-2024

The ABI of the Financial Institutions sector almost doubled in the second strategic period, owing to large investments in MREL instruments. The FI sector ABI in the first four years of the second strategic period was €480m, compared to €253m in the first period. The second strategic period has been characterised by large scale investment into bail-in-able instruments (MREL) at €345m, not present in the first strategic period. (Figure 23)

Figure 23: Baltics FI sector ABI by strategic period, country and instrument, 2016-2024

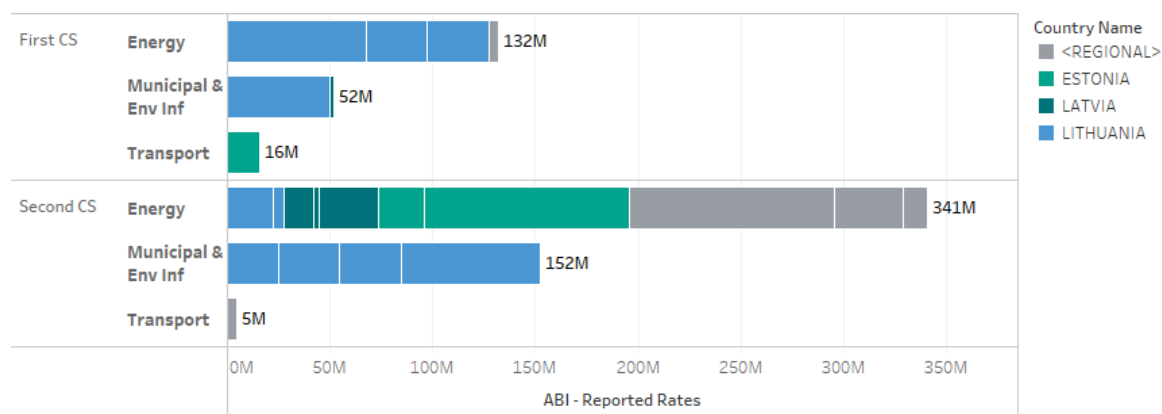
Note: First CS – 2016-2020 (five years); Second CS – 2021-2024 (four years)

The ABI of Sustainable Infrastructure grew strongly in the second strategic period, expanding beyond Lithuania in the Energy sector. The SIG ABI was €498m in the first four years of the second strategic period, growing from €200m in the first strategic period. While the SIG portfolio in the first period was concentrated in Lithuania (89% of SIG ABI), in the second period there were large Energy projects in all three countries. (Figure 24) There were 21 unique operations implemented in the sector over the 2016-2024 period, with the top five projects accounting for €385m (55%) of SIG ABI:

- 55305 Green Genius (f.Project Stella), 2024, Equity, Energy, €100m
- 54467 Enefit Wind, 2024, Debt, Energy, €100m
- 52097 VIPA Energy Efficiency Loan II, 2021, Debt, MEI, €68m

- 52352 Ignitis Grupe (f.Project Octavia), 2020, Equity, Energy, €68m
- 48417 VIPA Energy Efficiency Structured Loan, 2017, Debt, MEI, €50m

Figure 24: Baltics Sustainable Infrastructure ABI by sector, country and strategic period, 2016-2024



Note: First CS – 2016-2020 (five years); Second CS – 2021-2024 (four years)

Prepayments and cancellations

There was one large cancellation and three project prepayments over the 2016-2024 period. One project in the Corporate sector in Estonia was cancelled after signing:

- 50545 Porto Franco, ABI €63m

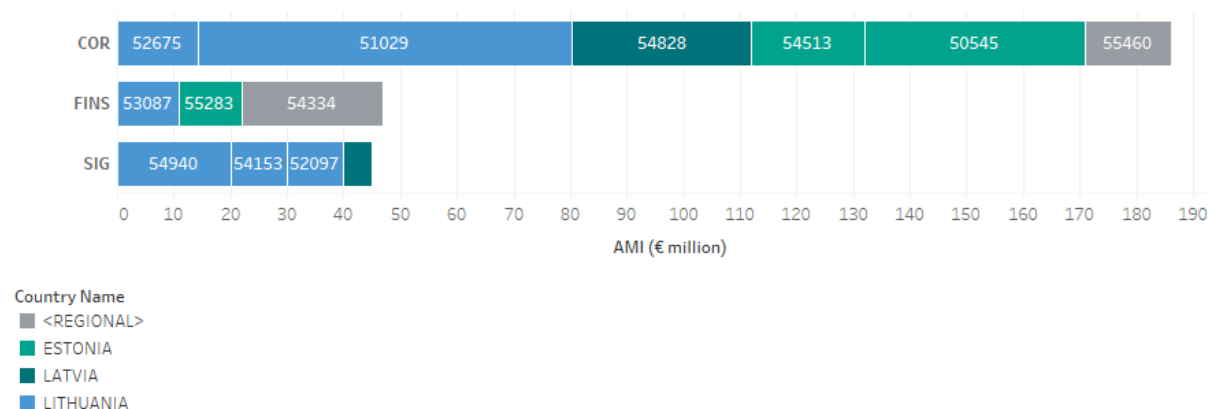
Three projects were prepaid:

- 51029 VMG Akmene, fully prepaid €20m, COR Lithuania
- 48417 VIPA Energy Efficiency Structured Loan; partially prepaid €29m of €50m ABI, SIG Lithuania
- 52097 VIPA Energy Efficiency Loan II; partially prepaid €45m of €68m ABI, SIG Lithuania

Annual Mobilised Investment

Annual Mobilised Investment was €278m over the 2016-2024 period, with the majority mobilised in the Corporate sector. All AMI was recorded from 2020 onward. Corporate sector was the largest contributor, with €186m AMI over six operations. (Figure 25) However, the two largest AMI contributors, project 50545 Porto Franco with AMI of €39m, and project 51029 VMG Akmene with AMI of €66m, were fully cancelled and fully pre-paid respectively. This leaves €81m of AMI on implemented projects in the Corporate sector. Three FI projects registered AMI of €47m total through mobilising institutional investors on MREL bonds. Four projects in Infrastructure registered total AMI of €45m, mostly through URPs (€40m). (Table 3)

Figure 25: Baltics AMI by sector, project and country; 2016-2024



Source of data: OSP 326 Annual Mobilised Investment

Table 3: AMI sources by sector, 20216-2024

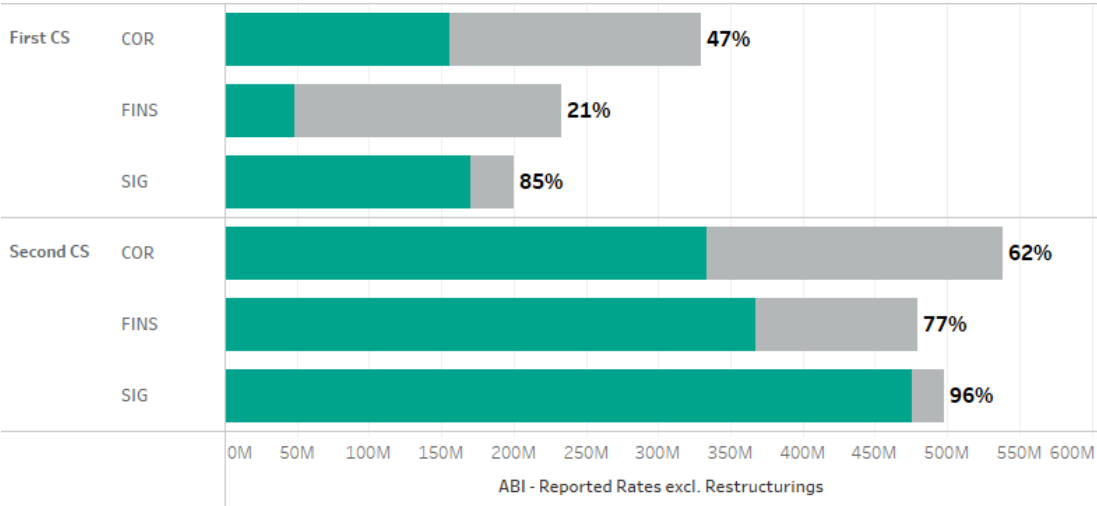
Sector	Number of projects with AMI	Syndications (€)	URPs (€)	Non-Payment Insurance (€)	Non-EBRD Finance (€)	TOTAL AMI (€)
COR	6	15 M	20 M	32 M	119 M	186 M
FINS	3	0	0	0	47 M	47 M
SIG	4	0	40 M	0	5 M	45 M

Source of data: Internal Bank dataset

GET finance

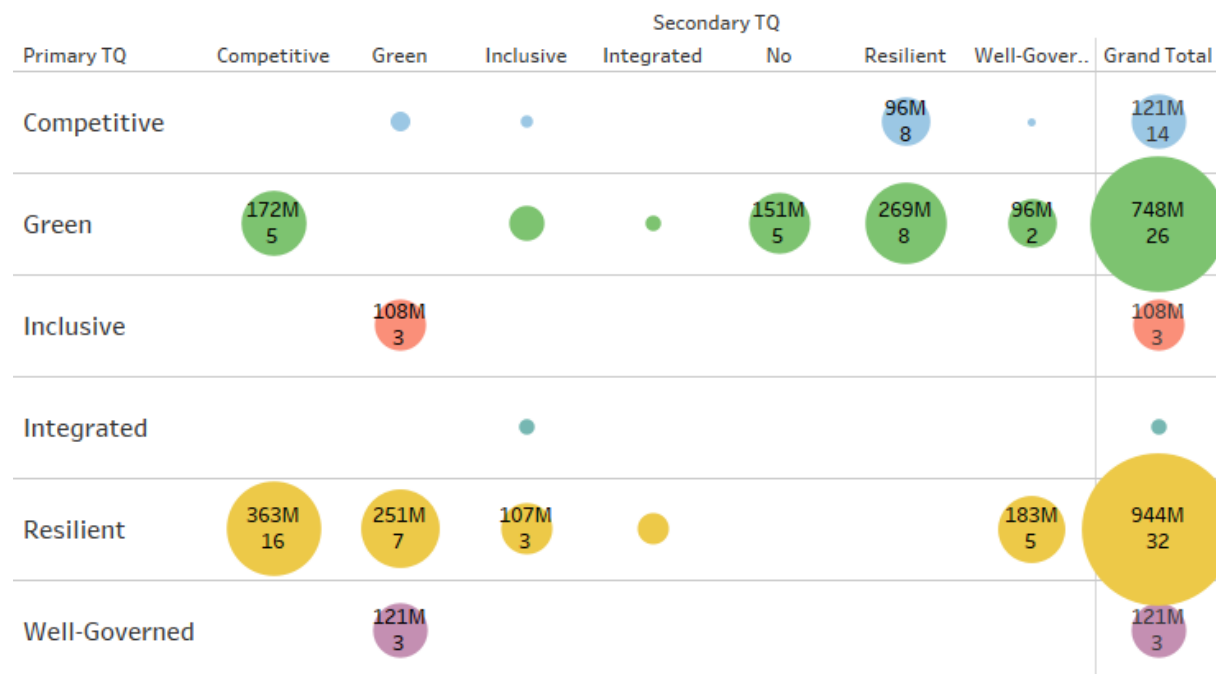
The GET share of finance increased from 49% to 78% between the two strategic periods. The GET share increased across all sectors between the two periods. The FI sector saw the most significant increase of GET share, from 21% to 77%. This was largely due to investments into large GET-eligible MREL bonds. (Figure 26)

Figure 26: Baltics GET finance share by sector and strategic period, 2016-2024



Transition Qualities

The most represented primary TQ was Resilient, both by ABI volume and number of projects. Resilient was the primary TQ of the majority of Equity Fund investments in the Corporate sector, as well as for all but one investments in the FI sector, including all MREL investments. This made TQ Resilient the largest primary TQ over the whole portfolio, with 32 investments of total €944 ABI. Green TQ was the second largest primary TQ, delivered by Sustainable Infrastructure (€430m ABI) and Corporate sector (€318m ABI). In addition, TQ Green was a secondary TQ on the majority of FI MREL investments. TQs Inclusive and Well-governed were not present as primary TQs in the first strategic period, but both had three projects in the second strategic period, all in conjunction with Green as secondary. TQ Integrated has been the least represented TQ, both as primary and secondary. (Figure 27)

Figure 27: Baltics primary and secondary TQ distribution, ABI and number of projects, 2016-2024

Primary TQ – rows, Secondary TQ – columns; Size of mark is based on ABI volumes

Note: only projects where data on TQs are included in the system are represented; no data for approximately 15 projects from 2016-18

Annex 3. List of operations

	Year Signing	Type	Operation Name	Portfolio Class	Instrument	Life Cycle Current	Status Current	ABI ²⁷ (€)
CORPORATE								
Equity Funds								
<REGIONAL>	2016	SA	Resource EEE Partners LP II	PRIVATE	EQUITY	Repaying	Active	4M
	2017	SA	Alpha Associates CEE IV	PRIVATE	EQUITY	Repaying	Active	1M
			Accession Mezzanine Capital IV	PRIVATE	EQUITY	Repaying	Active	6M
			Polish Enterprise Fund 2017	PRIVATE	EQUITY	Repaying	Active	2M
	2018	SA	BaltCap Infrastructure Fund	PRIVATE	EQUITY	Repaying	Active	20M
			Mid Europa Fund V	PRIVATE	EQUITY	Repaying	Active	12M
	2019	SA	Almaz Capital Fund III	PRIVATE	EQUITY	Repaying	Active	8M
			BaltCap Private Equity Fund III	PRIVATE	EQUITY	Repaying	Active	35M
		SO	Innovation Nest Fund II	PRIVATE	EQUITY	Repaying	Active	2M
			Confidential	PRIVATE	EQUITY	Repaying	Active	
	2020	SA	Earlybird Digital East Fund II	PRIVATE	EQUITY	Repaying	Active	3M
			Taaleri Solarwind Fund II	PRIVATE	EQUITY	Repaying	Active	30M
	2021	SA	BPM Mezzanine Fund II	PRIVATE	EQUITY	Repaying	Active	13M
			Livonia Partners Fund II	PRIVATE	EQUITY	Repaying	Active	24M
		SO	Change Ventures Fund II	PRIVATE	EQUITY	Repaying	Active	8M
	2022	SA	CVI Private Debt Fund	PRIVATE	EQUITY	Repaying	Active	5M
			Innova/7	PRIVATE	EQUITY	Repaying	Active	5M
	2023	SA	Enterprise Investors Fund IX	PRIVATE	EQUITY	Repaying	Active	12M

²⁷ For Regional projects ABI volumes are as allocated to Baltic countries; For all projects ABI volumes only from 2016-2024 period

			AMC V	PRIVATE	EQUITY	Repaying	Active	4M
			Taaleri SolarWind III Fund	PRIVATE	EQUITY	Repaying	Active	50M
		SO	500 Istanbul Fund II	PRIVATE	EQUITY	Disbursing	Active	1M
			Practica Venture Capital III	PRIVATE	EQUITY	Repaying	Active	10M
	2024	SA	V4C Poland Plus Fund II	PRIVATE	EQUITY	Disbursing	Active	4M
			CVI Private Debt Fund II	PRIVATE	EQUITY	Repaying	Active	6M
		SO	Digital East Fund III	PRIVATE	EQUITY	Disbursing	Active	2M
			Revo Capital Fund III	PRIVATE	EQUITY	Disbursing	Active	1M
			Cogito Fund II	PRIVATE	EQUITY	Repaying	Active	5M
	Food and Agribusiness							
<REGIONAL>	2018	SA	Scandagra Baltics	PRIVATE	DEBT	Completed	Complete	30M
	2019	SO	DFF - Kormotech	PRIVATE	DEBT	Repaying	Active	5M
	2021	SA	Scandagra Expansion	PRIVATE	DEBT	Disbursing	Active	30M
	2024	SO	DFF - Turpaz	PRIVATE	DEBT	Disbursing	Active	2M
			RLF - Kormotech Expansion	PRIVATE	DEBT	Disbursing	Active	8M
ESTONIA	2024	SA	Schwarz Sustainable Retail Exp Estonia	PRIVATE	DEBT	Disbursing	Active	35M
LATVIA	2023	SA	Confidential	PRIVATE	DEBT	Disbursing	Active	
LITHUANIA	2018	SA	Project Union	PRIVATE	DEBT	Completed	Complete	40M
		SO	Confidential	PRIVATE	EQUITY	Disbursing	Active	
	2019	SO	DFF - Kormotech	PRIVATE	DEBT	Repaying	Active	5M
	2021	SO	Baltics CP: Maxima	PRIVATE	DEBT	Completed	Complete	4M
	2022	SO	Baltics CP: Maxima Extension	PRIVATE	DEBT	Completed	Complete	5M
			RLF - Maxima Grupe Bond 2022 (f. RLF-Project Pinnacle)	PRIVATE	DEBT	Disbursing	Active	72M

Manufacturing & Services								
<REGIONAL>	2019	SA	Pelion Pharma Investment Programme (f. Project Pelion)	PRIVATE	DEBT	Completed	Complete	5M
	2020	SO	RF - Pelion Pharma II	PRIVATE	DEBT	Completed	Complete	6M
	2021	SA	Pelion E-commerce Expansion	PRIVATE	DEBT	Repaying	Active	4M
	2022	SA	ETEX	PRIVATE	DEBT	Disbursing	Active	3M
		SO	DFF - Greiner	PRIVATE	DEBT	Disbursing	Active	3M
	2023	SO	Confidential	PRIVATE	DEBT	Repaying	Active	
LITHUANIA	2019	SO	Confidential	PRIVATE	DEBT	Completed	Complete	
	2020	SA	VMG Akmene	PRIVATE	DEBT	Completed	Complete	20M
	2023	SO	DFF - ECSO	PRIVATE	DEBT	Repaying	Active	15M
Real Estate								
<REGIONAL>	2019	SA	EfTEN Baltics Sustainable Property Fund	PRIVATE	EQUITY	Repaying	Active	31M
	2021	SA	VGP Parks	PRIVATE	DEBT	Disbursing	Active	9M
		SO	DFF - Project Neris	PRIVATE	DEBT	Completed	Complete	20M
	2024	SA	SBA Urban JV	PRIVATE	DEBT	Disbursing	Active	13M
					EQUITY	Disbursing	Active	0M
			EfTEN Special Opportunities Fund	PRIVATE	EQUITY	Disbursing	Active	20M
ESTONIA	2020	SA	Porto Franco Regeneration Project	PRIVATE	DEBT	Signed	Cancelled	63M
LITHUANIA	2023	SO	DFF - J55	PRIVATE	DEBT	Repaying	Active	8M
	2024	SO	InvestEU - Jasinskio	PRIVATE	DEBT	Disbursing	Active	18M
			DFF - J55 II	PRIVATE	DEBT	Repaying	Active	8M
Telecommunications, Media and Technology								
<REGIONAL>	2023	SO	DFF - Project Billy	PRIVATE	DEBT	Disbursing	Active	15M
ESTONIA	2024	SO	VCIP III - Miros	PRIVATE	DEBT	Disbursing	Active	2M

LITHUANIA	2015	SO	VCIP - Trafi	PRIVATE	DEBT	Repaying	Active	1M
					EQUITY	Repaying	Active	3M
FINANCIAL INSTITUTIONS								
Depository Credit (banks)								
<REGIONAL>	2018	SA	Project Reval	PRIVATE	DEBT	Repaying	Active	100M
		SO	Project Reval (Senior & Bail-in Senior Preferred)	PRIVATE	DEBT	Repaying	Active	56M
			Project Reval (SP)	PRIVATE	DEBT	Repaying	Active	18M
	2020	SA	Project Valgus	PRIVATE	DEBT	Repaying	Active	125M
		SO	Project Reval (Senior & Bail-in Senior Preferred)	PRIVATE	DEBT	Repaying	Active	60M
	2023	SA	Project Kvass (Bail-in-able Programme)	PRIVATE	DEBT	Disbursing	Active	70M
ESTONIA	2020	SA	Project Quetzal	PRIVATE	DEBT	Completed	Complete	37M
	2021	SA	Project Oak (Bail-in Senior Preferred)	PRIVATE	DEBT	Completed	Complete	16M
	2022	SO	RLF - Project Helix (Bail-in Senior Preferred)	PRIVATE	DEBT	Completed	Complete	15M
	2024	SA	Project Semla (Bail-in Senior Preferred programme)	PRIVATE	DEBT	Disbursing	Active	22M
			Project Voda (Covered bonds)	PRIVATE	DEBT	Disbursing	Active	38M
LATVIA	2021	SA	Project Zelen (Bail-in Senior Preferred)	PRIVATE	DEBT	Disbursing	Active	40M
LITHUANIA	2005	SA	Siauliu Bankas equity	PRIVATE	EQUITY	Repaying	Active	20M
	2022	SA	Project Sun (Bail-in-able programme)	PRIVATE	DEBT	Repaying	Active	43M
	2024	SA	Project Spurga (Bail-in Programme)	PRIVATE	DEBT	Disbursing	Active	23M
Leasing Finance								
LATVIA	2019	SO	FIF - UniCredit Leasing Latvia	PRIVATE	DEBT	Completed	Complete	50M

SUSTAINABLE INFRASTRUCTURE								
Energy								
<REGIONAL>	2020	SA	Enefit Green	PRIVATE	DEBT	Repaying	Active	4M
	2021	SA	Enefit Green (f. Project Spring)	STATE	EQUITY	Completed	Complete	12M
	2023	SA	Sunly (f. Project Spike)	PRIVATE	EQUITY	Disbursing	Active	33M
	2024	SA	Green Genius (f. Project Stella)	PRIVATE	EQUITY	Disbursing	Active	100M
ESTONIA	2024	SA	Enefit Wind	STATE	DEBT	Signed	Active	100M
		SO	KC Pihlaka Solar PV	PRIVATE	DEBT	Disbursing	Active	22M
LATVIA	2021	SA	Latvenergo Green Bond Programme (f. Project Amigos)	STATE	DEBT	Disbursing	Active	29M
			Project Amigos (VISP)	STATE	DEBT	Disbursing	Active	3M
			Project Novus	STATE	DEBT	Disbursing	Active	14M
LITHUANIA	2017	SA	Lietuvos Energija Green Bond	STATE	DEBT	Disbursing	Active	30M
	2018	SA	Lietuvos Energija Green Bond 2	STATE	DEBT	Disbursing	Active	30M
	2020	SA	Ignitis Grupe (f. Project Octavia)	STATE	EQUITY	Disbursing	Active	68M
	2021	SO	DFF - AEI green bond (F. DFF - Project Kilimanjaro)	PRIVATE	DEBT	Disbursing	Active	5M
	2022	SA	Project Galaxy	STATE	DEBT	Disbursing	Active	23M
Municipal & Env Inf								
LATVIA	2016	SO	Confidential	STATE	DEBT	Completed	Complete	
LITHUANIA	2017	SA	VIPA Energy Efficiency Structured Loan	STATE	DEBT	Completed	Complete	50M
	2021	SA	VIPA Energy Efficiency Loan II	PRIVATE	DEBT	Completed	Complete	68M
	2023	SO	GrCF2 W2 E2 - VVT Trolleybuses Fleet Renewal	STATE	DEBT	Disbursing	Active	31M
	2024	SO	GrCF2 W2 - VVT Fleet Renewal - Phase 2	STATE	DEBT	Signed	Active	29M
			GrCF2 W2 - Siauliu Bank Energy Efficiency Fund	PRIVATE	DEBT	Disbursing	Active	25M

Transport								
<REGIONAL>	2024	SA	Eldrive Holding (f. Project Ride)	PRIVATE	EQUITY	Disbursing	Active	5M
ESTONIA	2018	SA	Port of Tallinn (f. Project Lighthouse)	PRIVATE	EQUITY	Disbursing	Active	16M

Annex 4. Evaluation matrix

EVALUATION QUESTION <i>CRITERIA</i>	JUDGMENT CRITERIA AND INDICATORS	METHODS AND SOURCES
<p>To what extent did the EBRD's activities address the needs of three Baltic countries in the last decade, and how additional were they vis-à-vis actions of other international stakeholders and private sector investors?</p> <p>RELEVANCE, COHERENCE</p>	<ul style="list-style-type: none"> • Relevance of EBRD's priorities in three Baltic countries to the countries' own strategic needs and key challenges they are facing in the very dynamic context: <ul style="list-style-type: none"> - Extent of alignment of EBRD priorities with countries' structural challenges, their strategic priorities, especially in the areas of green economy, energy security, competitiveness of private sector, financial and capital markets development - Extent of alignment with the EU regulations and reform priorities, as well as relevant pan-Baltic regional agendas - Relevance and agility of Bank's response to Covid-19 crisis and implications of war on Ukraine for 3 Baltic states, particularly in the domains of capital availability, energy security, and human capital adjustment 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - EBRD country strategies for Estonia, Latvia, Lithuania for two strategic periods and underlying diagnostics - Countries' policy priority objectives (PPOs) and Policy Compacts - CSDRs for the period 2016-2024 - Countries' national development strategies and strategies in the priority areas of EBRD investments, countries international and domestic commitments (i.e. NDCs and GHG emission reduction targets) - EU strategic frameworks and commitments in the relevant sectors - Bank's strategies in the areas of green economy, sustainable infrastructure and energy security, financial and capital markets, private sector competitiveness • Internal interviews <ul style="list-style-type: none"> - Country banking - Sector banking - Regional economist and governance experts - Key policy teams – CSD, CFMD, PSD, Policy and Partnerships, LTT • External interviews <ul style="list-style-type: none"> - government stakeholders - EU representatives in EC Delegations or respective DGs - representatives of business community and private financiers - relevant CSOs
	<ul style="list-style-type: none"> • Relative significance of EBRD's operations in Baltic countries <ul style="list-style-type: none"> - Portfolio size relative to countries' GDP, investment flows - Policy dialogue and technical assistance intensity relative to the reform needs of the priority sectors 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - Portfolio analysis - Policy portfolio information • EU and national statistics data • Internal interviews <ul style="list-style-type: none"> - Country banking - Banking Portfolio

	<ul style="list-style-type: none"> - Selection process for policy priorities is aligned with countries' needs 	<ul style="list-style-type: none"> - Regional economist and governance experts - Key policy teams – CSD, CFMD, PSD, Policy and Partnerships, LTT
	<ul style="list-style-type: none"> • Complementarity and synergies of the EBRD's actions with relevant EU institutions, key IFIs, private sector financiers and CSOs working in the same fields 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - CSDRs, country briefs and BTORs from relevant missions - Project documents for joint investment and policy initiatives - External documents, reports and rankings, including by other IFIs when available • External interviews <ul style="list-style-type: none"> - Representatives of IFIs working in Estonia, Latvia and Lithuania (EIB, NIB) - EU representations in EC Delegations or respective DGs
	<ul style="list-style-type: none"> • Financial and non-financial additionality <ul style="list-style-type: none"> - EBRD's projects' structures offer value that is unavailable on the market (interest rate, tenor, repayment structure, share of concessionality, etc) - Private sector mobilisation achieved - TC and non-TC finance used to achieve country's strategic priorities 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - CSDRs and country-level reports on mobilisation - Project approval documents and regular reports - TC and non-TC supporting documents - Client reports and information available in public domain - External documents on national/municipal/ sectoral regulatory, legal and strategic frameworks in priority areas • Internal and External interviews

<p>To what extent did the EBRD implement activities and projects on time, within budget and in line with its sound banking mandate?</p> <p>EFFICIENCY</p>	<ul style="list-style-type: none"> • Adequate operational approach (bank execution performance) <ul style="list-style-type: none"> - Efficiency of internal operational model, including balance between HQ and RO-based expertise plus role of the Warsaw Regional Hub - Governance and decision-making process for regional projects and programmes - Timeliness of implementation and disbursements - Procurement issues in public sector projects - Adequacy of monitoring and reporting arrangements - Evolution of operational model to ensure relevance in the changing strategic and geopolitical context - TC and non-TC mobilisation and utilisation • Clients' and governments' perceptions of the EBRD's operational approach and its efficiency 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - Project operational and financial reports (investment and TCs) - Country briefings and BTORs - Project screenings in part of efficiency • Interviews with clients and stakeholders in 3 countries • Internal interviews <ul style="list-style-type: none"> - Banking teams in HQ and ROs - Other specialist teams (CSD, ESD experts, etc)
<p>To what extent has the EBRD achieved, or is expected to achieve, its strategic priorities in Estonia, Latvia, and Lithuania and is there evidence of its contribution towards systemic change on these markets?</p> <p>EFFECTIVENESS IMPACT</p>	<ul style="list-style-type: none"> • Evidence of Bank's achieving/ expecting to achieve its strategic priorities <ul style="list-style-type: none"> - Degree of achievement of operational outputs and outcomes of investment and policy projects (for selected projects) - Degree of achievement of transition outputs and outcomes (for selected projects) - Financial results achieved (for selected projects) - Notable changes in results due to changes in strategic priorities and operational model in the wake of the crisis - Notable differences in results delivery between country and regional projects 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - Project screenings in part of effectiveness - TIMS, credit, financial, environmental reports, other internal results reporting - Third party data for validating claimed results when available - Physical walk through of the project with field verification where feasible • Interview with clients on site (and remotely if needed) • Interviews with Operational Leaders and other members of the project teams

	<ul style="list-style-type: none">• Evidence of progress made in achieving intended impact<ul style="list-style-type: none">- Changes in Estonia, Latvia and Lithuania transition gaps in 2016-2024- Contribution to systemic change at the sector and country/ municipal level- Notable differences in contribution to systemic change between regional and country specific operations- Evidence of demonstration effect on Baltic markets and beyond- Perception of Bank’s contribution to country/ region development	<ul style="list-style-type: none">• Document review<ul style="list-style-type: none">- EBRD’s Transition Reports and other annual reports- Country’s annual reports/ reviews of progress in achieving strategic priorities, as well as the EU and IMF reports on progress in EBRD’s priority areas- Third party data for validating claimed results (i.e. credit rating agencies)- Project and client reports- Project screenings by IEvD• Interviews with clients• Focus groups with the wider groups of stakeholders in three countries
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<p>How lasting are the results of EBRD's investments, policy dialogue and technical assistance in the focus sectors after the Bank's operations have concluded?</p> <p>SUSTAINABILITY</p>	<ul style="list-style-type: none"> • Sustained change at the client level after EBRD's interventions completion <ul style="list-style-type: none"> - Indications of the lasting changes in clients' financial performance triggered by changes in corporate policies and governance model because of Bank activities (investments, TC, non-TC and policy dialogue) - Project results sustained after active EBRD interventions are completed, through clients' internal policies, mechanisms and investment decisions • Sustained systemic change at market level after completion of EBRD's interventions <ul style="list-style-type: none"> - Evidence of change in institutions, regulations and behaviours persisting after Bank's exit from certain segment or sector 	<ul style="list-style-type: none"> • Document review <ul style="list-style-type: none"> - Project level data and information, especially for repeat clients where results of previous engagements are presented - Past evaluations of EBRD's operations by IEvD and donors/ Bank management when available - Evaluations by the EU institutions of initiatives/ investments where EBRD was one of the partners - Relevant industry data, reports, rankings, including surveys of the perception of change when available - Third-party data for validating claimed results in reducing GHG emissions, energy efficiency, structural changes in the financial and capital markets • Internal interviews <ul style="list-style-type: none"> - Banking and policy teams - ESD (also for ex-post green data) - Board directors / governors • External interviews <ul style="list-style-type: none"> - government stakeholders - EU representations in EC Delegations or respective DGs - Key IFIs active in Baltic countries - EIB, NIB - representatives of business community and private financiers in three countries - analytical centres/ think tanks, relevant CSOs
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Annex 5. Summary of the Approach Paper for Evaluation of EBRD's activities in Advanced Transition Economies 2010-2024

The Independent Evaluation Department (IEvD) of the EBRD is conducting a thematic evaluation of the Bank's activities in Advanced Transition Economies (ATEs) from 2010 to 2024. ATEs are defined as countries ranked at or above Montenegro in the EBRD's Assessment of Transition Qualities (ATQs) and classified as high-income by the World Bank. The evaluation covers 12 countries, including Croatia, Czechia, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia, Romania, and Bulgaria.

Strategic Rationale

This evaluation is timely as the EBRD enters its Strategic and Capital Framework (SCF) 2026–30, which emphasises systemic impact and resilience. It aims to assess the Bank's relevance, additionality, and mobilisation capacity in mature markets where competition with other institutions (e.g., EIB) is high and market gaps are less visible.

Purpose and Goals

- Assess the relevance, additionality, and mobilisation capacity of EBRD operations in mature markets.
- Understand how EBRD fosters innovation, demonstration effects, and reforms that can be replicated in less advanced economies.
- Support institutional accountability and inform future strategic engagement.

Key Evaluation Questions

1. **Relevance & Coherence** – How well do EBRD's activities meet client needs and align with strategic priorities?
2. **Additionality & Mobilisation** – To what extent are EBRD's interventions providing unique value in ATEs?
3. **Innovation & Demonstration Effects** – How effectively has the Bank fostered innovation and replication?

Methodology

The evaluation follows a mixed-methods, theory-based approach. It combines quantitative and qualitative tools to explore operational performance, strategic alignment, and systemic impact. Core methods include portfolio analysis, country strategy reviews, interviews, and surveys, complemented by country case studies (Croatia, Lithuania, and Greece). By triangulating data from various sources, the evaluation will test causal assumptions, identify contextual factors shaping outcomes, and provide robust, evidence-based insights.

Timeline

The Final Report is expected to be presented to the Audit and Risk Committee of the EBRD Board of Directors in Q1 2026.