1. **EBRD Overview – EBRD’s Mandate, Context and Countries of Operations**

2. **Regional Economic Prospects: Growth Picking Up Despite Uncertainties**

3. **How to Work with the EBRD**

4. **Finland and EBRD Joint Cooperation & Selected Projects with Finnish Sponsors**

5. **EBRD Procurement and Technical Cooperation**

6. **Green Economic Transition & Refugee Crisis Response**

7. **Q&A & Contacts**

8. **Annex: Useful Links**
Introduction EBRD

- An international financial institution supporting the development of sustainable well-functioning market economies
- Owned by 65 countries and 2 inter-governmental institutions (the EU and EIB)
- Highest credit rating (AAA/Aaa) from all three main rating agencies (S&P, Moody’s and Fitch)
- Capital base of €30 billion
- 1991 - Establishment of the EBRD
- 1992 - Russia and 11 other members of the former Soviet Union join the EBRD
- 2007 - The Czech Republic becomes the first country to “graduate” from the EBRD
- 2012 - The EBRD starts investing in Egypt, Jordan, Morocco and Tunisia
- 2016 - EBRD celebrates 25th anniversary; China becomes 67th member
- 2017 – EBRD welcomed Lebanon and the West Bank and Gaza as countries of operations

(1) Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, Italy, and the UK each holds 8.6%
EBRD Basic Principles

Promotes transition to market-based solutions, ‘commercialized’ approaches, good corporate governance, international standards, private ownership where appropriate.

Supports, but does not replace/underprice private investment and/or commercial finance.

Invests in financially viable projects, prefer revenue generating projects, co-financing with private sector (banks/sponsors).
Where we invest – increasing footprint
EBRD largest investor in the region

Since 1991, EBRD invested over €116 billion in around 4,723 projects across private and public sectors in its countries of operations.

In 2016: €9.4 billion / 378 projects
- Private sector accounted for 76% share
- Debt 87%, Equity 9% & Guarantee 4%

NCBI = Net Cumulative Bank Investment

EBRD TOP 10 INVESEE COUNTRIES IN 2016 (€, million)
1. Turkey 1,925.2
2. Kazakhstan 1,051.1
3. Poland 776.2
4. Egypt 744.2
5. Bulgaria 620.9
6. Ukraine 581.2
7. Greece 484.9
8. Jordan 403.4
9. Croatia 311.2
10. Serbia 304.3

Note: unaudited as at 31 December 2016
Projects in all key business sectors

- Transport
- Municipal & Environmental Infrastructure
- Property & Tourism
- Financial Institutions
- Natural Resources
- Telecommunications, Informatics & Media
- Manufacturing & Services
- Power & Energy
- Industry, Commerce & Agribusiness
On current projections, region’s growth will remain below the world average in 2017-18.

Source: IMF (WEO), EBRD
Growth trends differ by country and region

Average growth rates by sub-region

Source: National Authorities via CEIC, EBRD forecasts
Growth opportunities in the EBRD region

Market Liberalisation
- Privatisation of state owned assets throughout CEE and Turkey
- Need for restructuring & market reform
- Improvement in corporate governance reporting, transparency, operational efficiency and ESG standards

Consumer Industries
- Urbanisation, growing middle class, global integration are increasing consumer spending
- Local businesses, core over the past 20 years are seeing generation change
- Equity need for growth and acquisition

Regional Consolidation
- Regional fragmentation limits growth to home market share
- Businesses are seeking growth opportunities in the EBRD’s region and globally

Knowledge Economy
- Developing educated-skill base in many countries in EBRD’s region
- Historic technical, aeronautical and engineering skills in CIS
- Increased focus on R&D in CEE with strong EU and CIS linkages

Financial Intermediation
- Bank re-privatisations, restructurings and NPL disposals. Local champions
- Underdeveloped financial intermediation and capital markets and providing growth opportunity
- FinTech has lowered barriers to entry

Infrastructure and Energy
- Strong demand for PPP infrastructure across transport (road, rail, port, aviation) and utilities (water, waste)
- Regional energy generation, integration
- Strong demand for renewable energy across wind, solar and hydro
Working with the EBRD

- Financial investments with Finnish sponsors and/or banks for projects (debt, mezzanine and equity)

- Guarantees to Finnish banks covering political and payment risks. TFP supported 174 export and import transactions for Finnish companies for a total of €96 million together with 5 Finnish confirming banks

- Supply of Finnish equipment and/or services to EBRD financed projects

29 September, 2017
### What the EBRD can finance

**What we finance**

Projects may be considered for EBRD assistance if they:

- are located in a country where the EBRD works
- Bankable projects
- have significant equity contributions in cash or in kind from the project sponsor
- would benefit the local economy
- satisfy the EBRDs environmental standards as well as those of the host country

### What we don’t finance

**What we don’t finance**

- Defence-related activities
- Tobacco industry
- Substances banned by international law
- Gambling facilities
- Environmental harmful projects (or if adverse impact cannot be adequately mitigated)
EBRD financing instruments

Loans
- Senior, subordinated, convertible
- Long term (up to 10y or more) or short term revolving
- Floating/Fixed rates
- Choice of currencies (€, US$, LCY)

Equity
- Common stock or preferred
- Minority position only (up to 35%)
- Mezzanine debt

Technical Cooperation
EBRD has a strong track record to mobilize grant monies to support technical assistance to its projects

Other: guarantees, currency swaps, trade facilitation programme etc.
Finland and EBRD joint cooperation

• Value of joint Finnish-EBRD investment: €4.71 billion as of December 2016:
  • €2.73 billion from EBRD and €1.97 billion from Finland

• Major beneficiary countries: Russia, Poland, Romania and Lithuania

• Dominant investment sectors:
  • Industry, Commerce & Agribusiness: €2.35 billion
  • Energy: €1.14 billion
  • Infrastructure: €991 million
  • Financial Institutions: €216 million

• Technical Co-operation
  • From 2012 to December 2016, entities from Finland participated in 3 tenders and submitted two expressions of interest for consultant services assignment, under our public sector projects worth €58.4 million and won one consultant services contract worth €1.4 million.

  • Entities from Finland won a Supply and Installation contract worth €7.4 million, under Nuclear Safety Grant.

  • In 2016, 55 consultancy contracts with an aggregate value of € 2,212,084 were awarded to Finnish consultants, including 43 contracts for €488,702 for the Small Business Support team for provision of management advice. The other main areas of expertise were in the engineering, sustainable energy investment and SME.
Metsa Tissue – Copernicus
Russia

**Client:**
Metsa Tissue Oyj., based in Finland, one of the leading European suppliers of tissue and cooking paper.

**EBRD finance**
A senior debt of €35 million.

**Use of proceeds and EBRD value added / impact**
To finance Energy Efficiency CAPEX as a part of the operational restructuring and consolidation of Metsa’s Polish operations and follow-on CAPEX to its Russian operations.

The Bank’s long term funding helped to close the financial gap and facilitated better match of the longer maturity of the CAPEX programme in Poland and Russia.

*Signed in 2012*
Fazer II
Russia

Client
Hlebny Dom is the Russian subsidiary of Fazer Group, a leading Nordic bakery and confectionery company based in Finland.

EBRD Finance
EUR 25 million loan with a tenor up to 6 years.

Use of proceeds and EBRD value added/impact
The loan supported the development of a modern bakery industry in Russia by supporting operations which produce good quality, high standard, well-packaged bakery products.

Signed in 2011
Client:
Eskaro Group is an established paint and varnish manufacturer with multinational operations, including production plants in Russia, Ukraine, Estonia and Finland.

EBRD finance
EUR 7 million loan with a tenor of up to 5 years.

Use of proceeds and EBRD value added / impact
The loan proceeds was used for the construction of five new distribution centres and warehouses in Belarus and Russia. It was also used for the completion of a new manufacturing plant in Odessa and to support company’s working capital needs.

- The impact of the investment enabled the company to improve its business standards and environmental impact control.
- Successful investment track records will encourage more investors to move to the region.

Signed in 2011
Client
Huhtamaki, one of the world’s largest consumer packaging groups based in Finland and listed on the Helsinki exchange.

EBRD Finance
EUR 15 million multi-currency loan RUB, USD, EUR.

Use of proceeds and EBRD value added/impact
The EBRD financing supported establishing a plastic and paper consumer packaging plant near Moscow in 2002 and upgrade in 2009.

Signed in 2010
Stora Enso: Implementing micro-flute packaging plant in Russia

**Client**
Stora Enso Packaging BB

**EBRD Finance**
€5.85 million loan with a tenor of 9 years.

Total €17.25 million syndicated loan with Handelsbanken, Nordea and SEB bank

**Use of proceeds and EBRD value added/impact**
Construction of a greenfield offset printed micro-flute packaging plant in Kaluga region.

**EBRD value added**
MPF as an important umbrella for new investments in the forest product sector

*Signed in 2007*
## Industry sector: Municipal & Environmental Infrastructure (MEI)

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
<th>Projects</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water &amp; Wastewater</strong></td>
<td>€2.4 billion</td>
<td>183</td>
<td>32</td>
</tr>
<tr>
<td><strong>Urban Transport</strong></td>
<td>€2 billion</td>
<td>94</td>
<td>22</td>
</tr>
<tr>
<td><strong>Solid Waste</strong></td>
<td>€194 million</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td><strong>District Heating &amp; Other Municipal Services</strong></td>
<td>€ 1.42 billion</td>
<td>87</td>
<td>22</td>
</tr>
<tr>
<td><strong>Facilities Management</strong></td>
<td>€377 million</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

New and rehabilitated water and waste water treatment plants, network rehabilitation and extensions as well as pumps and metering to improve the quality of service and environmental compliance; investment in both maintenance and asset renewal.

Fleet and rolling stock renewal, metro, LRT, buses and trams, public transport infrastructure, including track, power supply and signalling, depot refurbishment, e-ticketing and automated fare collection; traffic management and vehicle information systems, and rehabilitation of municipal streets.

Investment in new landfills, recycling and collection equipment to improve both the efficiency and frequency of collection and well as to prevention of groundwater contamination.

District heating/cooling, parking, ESCOs and facilities management to promote efficiency gains and new ways of service delivery.

Investment in social infrastructure (e.g., hospitals and schools) using long-term facilities management PPP models.

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**Products carefully tailored to project needs and market conditions**
Industry sector: Municipal & Environmental Infrastructure (MEI)

EBRD helps local authorities meet their infrastructure needs

- Total investments: € 6.45 billion / 396 projects / 39 countries
- In 2016: € 664 million / 50 projects
- Portfolio: € 3.522 billion

Strategic priorities/investment areas / opportunities

- Structuring the financing of municipal infrastructure, equipment and services to improve service levels
- Promoting the commercialisation and corporatisation of services
- Developing sound regulatory structures
- Promoting local capital market development
- Promoting private sector involvement, where appropriate
- Supporting environmental, social, health and safety improvement
- Facilitating donor grant and commercial loan co-financing
- Providing comprehensive support for project preparation, using new Infrastructure Project Preparation Facility (IPPF) – a dedicated €40 million Facility to improve efficiency, focus and quality of project readiness for both public sector and PPPs

Note: as at 31 December 2016
MEI sector case study
Water supply and wastewater treatment sector

• 39% of MEI’s cumulative portfolio: 172 projects for €2.3 billion across 30 countries

• Investments to both maintenance and asset renewal to improve service levels and to improve quality and delivery of drinking and reduction of non-revenue water

• For wastewater, focus on collection and treatment of sewage and ways to monetise sludge and wastewater

• Technical cooperation and support to operational and financial performance of municipal water and to introduce regulatory and tariff regimes

• Focus on cost recovery tariffs within affordability levels

• A financial sustainable operator provides the highest service levels resulting in satisfied customers
EBRD shares the same principles as other IFIs.

Aligned to principles of WTO Government Procurement Agreement.

Use of efficient procurement methods, standard tender documents and contract forms.

Based on fundamental principles of economy, efficiency, accountability, non-discrimination, fairness and transparency.

In principle no eligibility restrictions, no domestic/member state preference (exception: tied donor funds).

Main consideration is capability to perform the contract.

While EBRD closely monitors procurement, decisions are made by the client.
The Bank’s public sector clients are expected to sign in the next four years €7.5 billion and 850 contacts
EBRD Consultancy Contracts - 2016

Total value: €258m

By Regions
- South Eastern Europe: 9.2%
- Central Asia: 18.5%
- Central Europe and Baltics: 2.2%
- Eastern Europe and Caucasus: 17.5%
- SEMED: 10.4%
- Turkey: 4.6%
- Regional: 37.6%
- Russia: 0.1%

By Sectors
- Small Business: 19%
- Financial Institutions: 13%
- Transport: 5%
- Legal Transition: 4%
- Municipal Environmental Infrastructure: 20%
- Agribusiness: 7%
- Economics, Policy and Governance: 6%
- Energy Efficiency and Climate Change: 9%
- Research: 3%
- Legal and Regulatory Reform: 7%
- Project Preparation: 16%
- Project Implementation: 26%
- Capacity Building: 31%
- Institution Building: 13%
- Policy Dialogue: 4%
- Other: 17%

By Types of Work Assignments

Total value: €258m
Green Economic Transition
Mainstreaming Green Financing 2006-2016

€22.2 billion

Central Asia: 18%
Central Europe and Baltics: 16%
Eastern Europe and Caucasus: 16%
Russian Federation: 16%
South-Eastern Europe (incl. Cyprus and Greece): 14%
Southern and Eastern Mediterranean: 18%
Turkey: 3%
Regional: 7%

EBRD annual green business volume

- Green financing in industry, commerce and agribusiness
- Green Economy Financing Facilities
- Energy and natural resources sector

% of GET in EBRD annual business volume

Regional

29 September, 2017
FINANCED

1,200+
projects and credit lines

>900 directly financed projects with green components, and
>280 credit lines to locals financial institutions for on-lending to smaller projects

SIGNED

€22.2 billion
of green financing

For projects with a total value of €1,122 billion
In 2014-2016 green financing represented 36% of EBRD’s total business, up from only 15% in 2006.

REDUCED

84 million
tones of CO₂/year

Emission reductions equal to twice the annual energy emissions of Sweden
Plus annual water savings of 62 km³ since 2013 equal to 2/3 Prague’s water needs
The Green Cities Programme is an EBRD product that combines planning, technical assistance and donor support with EBRD finance to support cities to identify, benchmark, prioritise and invest in green city measures to improve urban environmental performance. Projects include the creation of more efficient public transport systems, better waste and water management, improved district heating supplies, energy efficiency in residential and public buildings. It's already making a difference in Belgrade, Chişinău, Sarajevo, Yerevan and Tbilisi. In the Georgian capital, we financed 143 modern CNG buses for a potential reduction of 2,000 ton CO2 eq/year.
Innovative Waste Energy

The Al-Ghabawi landfill site is reaching full capacity which presents a substantial risk of polluting the water, soil and air in Amman, Jordan’s most populous city. The development of the solid waste infrastructure is required to address the city’s 25 per cent increase in waste levels in recent years. The expanded landfill serves 4 million people and will create over 100 jobs. The innovative waste to energy programme the EBRD has put in place jointly with the EU will ensure that the methane from the landfill will be used to generate electricity.

Success Stories
Greening the agribusiness sector


The cumulative SEI/SRI/GET track record 2006 – Q1 2016 includes EBRD financing of EUR 19.5bn through 1095 projects.

Impact of the EBRD’s operations:
- Carbon emissions reduction: 78m t/yr
- Annual production of renewable energy: 61m MWh/yr
- Estimated annual energy savings: 228m TJ/yr (equiv. to 28.4m toe/yr)
- Water savings: 33.2m m3/yr
- Waste avoided: 1,110,786 t/year

Success Stories
Our Work: Inclusion of Refugees

The EBRD has been helping communities in Jordan and Turkey cope with the influx of millions of people from war-torn Syria. Our refugee crisis response plan is helping to cope with the challenges posed by the sudden surge in population and to build the host-countries’ economic resilience.

- Urgent priorities: Infrastructure development, SME growth, economic inclusion and gender

- Close coordination with national response programmes, other international financial institutions and international efforts.

- Grant-blending approach and private sector focus complementing humanitarian assistance and addressing the short and medium-term economic challenges.
THANK YOU
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Annex: Useful links

EBRD website:  
www.ebrd.com

Information about the countries of operations & Sectors of EBRD:  

Project Summary Documents, details of the projects signed with EBRD:  

Sending your project financing request online:  

Team dedicated for SMEs:  

Trade Facilitation Programme:  