

BRIEF REPORT ON THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

(EBRD)

AND ITS EXPANSION INTO THE SEMED REGION (JORDAN TO EGYPT)

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1. WHAT IS THE EBRD?

1.1 The European Bank for Reconstruction and Development (EBRD) is an international financial institution that supports projects from Central Europe to Central Asia and most recently, the Southern and Eastern Mediterranean. It has played a historic role and gained unique expertise in fostering change in the region - and beyond.

2. BACKGROUND / HISTORY

2.1 The EBRD was established in 1991. Since then, they have become the largest financial investor in their region of operation. Since 1991, the EBRD have performed 3,644 projects, they have a cumulative business volume of €78.9 billion, with a total project value of €235 billion.

2.2 The EBRD was established to help build a new, post-Cold War era in Central and Eastern Europe. Urgency and the ability to respond to momentous events swiftly and decisively, whether it be the end of the Soviet Union, financial crises or the 'Arab Spring,' have been one of the bank's hallmarks from the start.

2.3 During the frenetic years of the early 1990s the Bank's emphasis on the private sector as the main motor for change in Central and Eastern Europe was vindicated many times over. This was the period that established the EBRD's reputation as an expert on transition to the open market. New challenges and the welcoming of new countries to the EBRD world will continue to be its mission in years to come.

3. WHAT DOES THE EBRD DO?

3.1 The EBRD provide project financing for banks, industries and businesses, both new ventures and investments in existing companies. They also work with publicly owned companies. The Bank invests only in projects that could not otherwise attract financing on similar terms. For each project they finance, they assign a dedicated team of specialists with specific sectorial, regional, legal and environmental skills. Each of their projects is tailored to the needs of the client and to the specific situation of the country, region and sector. Direct investments generally range from €5 million to €230 million. The EBRD provide loan and equity finance, guarantees, leasing facilities and trade finance. Typically they fund up to 35 per cent of the total project cost.

3.2 Their Mission is: *"We aim to promote market economies that function well – where businesses are competitive, innovation is encouraged, household incomes reflect rising employment and productivity, and where environmental and social conditions reflect peoples' needs."*

4. SERVICES

4.1 The EBRD provide funds for well-structured, financially robust projects engage in policy dialogue with governments and other International Financial Institutions (IFIs) and give targeted technical assistance. Other services include:

- Direct financing
- Assistance for small businesses

- Advice and guidance
- The trade facilitation programme
- Procurement services – please see the below link for greater detail on procurement: <http://www.ebrd.com/pages/workingwithus/procurement.shtml>

5. WHO THEY ARE?

5.1 The EBRD is composed of multinational staff and in-house Board of Directors representing shareholders (64 countries plus the European Union and European Investment Bank).

6. WHO THEY WORK WITH?

6.1 The EBRD develops partnerships with local and international business and investment communities. They act in close cooperation with all members, public and private entities and all multilateral institutions concerned with the economic development of, and investment in countries from Central Europe to Central Asia.

7. WHERE THEY WORK?

7.1 The EBRD invests and operates in the following 30 countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, FYR Macedonia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Latvia, Lithuania, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovak Republic, Slovenia, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

7.2 The four official languages of the EBRD are English, Russian, German and French.

7.3 The Southern and Eastern Mediterranean is the latest region in which the Bank is working to support economic change in emerging democracies. In the wake of historic changes that swept across the Middle East and North Africa in 2011, and in response to calls from the international community and from emerging Arab democracies themselves, the EBRD's shareholders gave unanimous backing to the expansion of the Bank's mandate, allowing future activities in the Southern and Eastern Mediterranean (SEMED) region which includes Egypt, Jordan, Morocco and Tunisia.

8. SOUTHERN AND EASTERN MEDITERRANEAN (SEMED) REGION

8.1 The EBRD launched its first investments in Jordan, Tunisia and Morocco in September 2012 after they were granted the status of potential recipient countries, while the first project in Egypt was approved by the Board of Directors in December 2012.

8.2 The EBRD will apply the 20 years of experience that it has gained through supporting the process of economic and democratic change in Eastern Europe into this new region.

8.3 The goal is to improve financing of the private sector, including small and medium - sized enterprises (SMEs), via investments in loans and equities, while providing support and expertise through policy dialogue, capacity building and other forms of technical assistance.

8.4 Furthermore, SEMED aims to enhance agribusinesses by boosting yields, logistics and resource efficiency. Support energy and renewable energy efficiency investments. And build capacity for risk-taking and product innovation in the banking sector, in order to enable the sector to reach new groups of customers and address needs that are currently undersupplied.

9. STRATEGIES AND POLICIES

9.1 For information regarding the EBRD strategies and policies you can download and view various papers and articles on topics such as: corporate policies, procedures and strategies, sectorial policies and strategies, country strategies, country assessment and CSO dialogues, technical assessments for SEMED countries, board activity and strategies and policies archive.

9.2 Please see the link to access all the strategy and policy documents:

<http://www.ebrd.com/pages/about/policies.shtml>

10. PUBLICATIONS

10.1 For further information regarding any of the topics explained above; the EBRD produces a wide range of publications, from corporate reports and research papers to brochures, newsletters and factsheets that provide valuable insight into what we do, how we work and the countries where we operate. Please see: <http://www.ebrd.com/pages/research/publications.shtml>