European Bank for Reconstruction and Development

A New Role in the Southern and Eastern Mediterranean Region

AFDB Syndication and Co-Financiers Conference, April 24, 2012

Hildegard Gacek
Managing Director, Southern and Eastern Mediterranean Working Group (SEMED)
EBRD: A Snapshot

- An International Financial Institution established in 1991 to support transition to market economy and democracy in the former communist countries

- Owned by governments of 63 countries and two inter-governmental institutions (EU, EIB)

- Headquartered in London and investing in 30 countries in Eastern Europe and Central Asia

- Cumulative commitments of €71 billion of which 77% private sector.

- Primary investment sectors: Financial Institutions (34%), Energy (21%), Infrastructure (20%), Corporate (14%), Manufacturing and Services (11%).

- Capital base of €30 billion, AAA rated by all 3 Agencies

- 380 new projects signed in 2011 with commitments of over €9.1 billion vs. 386 projects in 2010 with commitments of €9 billion
EBRD: Expansion into SEMED

- Arab Spring of 2011 has created major new transition challenges in the South Eastern and Mediterranean (SEMED) region.

- G8 Summit of May 2011 launches Deauville partnership to support democratic transition, transparent government and sustainable growth.

- EBRD shareholders later that year approved an expansion of the Bank’s mandate to include 4 SEMED Countries (Egypt, Morocco, Jordan, Tunisia)
Technical assistance and project preparation activities have already been initiated with donor funding (Overall capacity of €75 million), 32 operations projected for 2012.

Upon meeting the changes in Article 18 of our Charter EBRD can invest through a special fund (subject to approval at the Bank’s Annual Meeting in May). Fund amount is €1 billion and should be sufficient to fund investments until full ratification is achieved.

Following ratification by all shareholders, EBRD can then invest directly from regular resources (annual capacity of €2.5 billion).
EBRD: Expansion into SEMED
Progress to date

• Temporary offices are operational in all 4 countries, with permanent Offices to be opened from July onwards and staffed later this year

• Overall the bank will increase its staff by 107 employees of which 50% will be nationals of SEMED Region.

• Delineation of country strategies and project pipelines is well underway
EBRD: Expansion into SEMED
Operational priorities in the region

- To support and develop local capital markets
- Developing non sovereign financing solutions for infrastructure including PPP structures
- Support for the private sector with particular emphasis on SME’s
- To promote sustainable energy and energy efficiency initiatives
EBRD: Expansion into SEMED
Priority Sectors 1) Financial markets

- Working through local Banks to finance the SME Sector
- Trade facilitation and other services
- Support for restructuring and institutional building of selected banks
- Microfinance and other specialized institutions
EBRD: Expansion into SEMED
Priority Sectors 2) Infrastructure

- Support reform agenda for State enterprises including corporatisation, subsidy reduction and privatisation

- Introduction of legal and regulatory framework for PPP’s and concessions

- Direct investment in selected projects (ports, transport, waste management, etc)
EBRD: Expansion into SEMED
Priority Sectors 3) Financing Private Enterprises

- Manufacturing and Services including large corporates
- Agribusiness and related industries
- Direct support for the SME Sector
- Financial Restructurings in selected cases
EBRD: Expansion into SEMED
Priority Sectors 4) Energy efficiency

- Power sector reform (liberalisation, commercialisation, unbundling)
- Development of renewable energy
- Natural resources, preferably in less favoured regions
EBRD: Expansion into SEMED
Areas of future Cooperation

- Co financing with AFDB and other IFI’s

- Syndication and/or club deals for larger corporate financings (EBRD is limited to 35% of project cost)

- Large Infrastructure financings

- Other project financings including natural resources
There is much we can do together
Thank you for your attention
Contacts:

Egypt: Tarek El Sherbini
Senior Banking Representative
00442073386493
elshert@ebrd.com

Morocco: Remy Hassenforder
Senior Banking Representative
004420733887233
Hassenfr@ebrd.com

Tunisia: Bruce Leighton
Senior Banking Representative
00442073387974
Leightob@ebrd.com

Jordan: Peter Stredder
Head of SEMed Group/Senior Banker
00442073386824
StredddeP@ebrd.com