

Austria

We invest in changing lives



European Bank
for Reconstruction and Development

2014

Austria is a founding member of the EBRD with a 2.28 per cent capital share and a representative on the Board of Directors. Operating from central Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean (SEMED) region, the EBRD is owned by 64 countries and two intergovernmental institutions. Working together with the private sector, the Bank invests in projects, engages in policy dialogue and provides technical assistance that builds open-market economies.

Making a difference

Austria is helping to improve people's lives and environments in the EBRD's countries of operations through generous funding for a wide range of projects and programmes supporting strategic initiatives. Since 1992 Austria has made available a total of €83 million in donor funds.

Particular attention has been given to municipal and environmental infrastructure and energy efficiency projects, with bilateral contributions totalling €21.6 million and €21 million, respectively. In 2013, Austria extended its support to the Sustainable Resource Initiative and its Sustainable Energy Financing Facilities, through which the Bank extends credit lines for energy efficiency investments to local financial institutions for on-lending to their clients, including small and medium-sized businesses.

Geographically, the Western Balkans is a priority region. Austria plays a key role in the activities of the Western Balkans Investment Framework and supports the Municipal Infrastructure Development Fund, which provides loans for projects in small and medium-sized municipalities and utility companies in the region. It also continues to finance projects in the infrastructure and energy efficiency sectors in Russia, Ukraine and south east Europe.

Since 1997, Austria has provided over €8.1 million of funding for 803 Small Business Support (SBS) projects in Kazakhstan, Montenegro, Poland, Russia, Serbia, Ukraine, and Uzbekistan, helping small and medium-sized businesses access business advice through local consultants and international industry experts. The most recent contribution of €1 million in 2013 was to support SBS' work in Romania, where Austria is the sole contributor of the programme.

Investing together

Austria is an important source of foreign direct investment in the EBRD's countries of operations. The value of joint Austria-EBRD investment stood at €19.19 billion as of January 2014. EBRD finance accounted for €11.63 billion of this total and Austrian investment accounted for €7.55 billion.

Austria-EBRD investment has been especially strong in Russia at €4.0 billion, followed by Romania at €2.17 billion and Poland at €1.88 billion. Broken down by industry, joint Austria-EBRD investment has been €10.42 billion in industry, commerce and agribusiness; €3.97 billion in energy; €2.44 billion in financial institutions; and €2.35 billion in infrastructure.

Austrian banks are also involved in the Trade Facilitation Programme (TFP), through which the EBRD guarantees the payment of trade finance instruments (such as letters of credit or payment guarantees) issued by banks in the EBRD's countries of operations to foreign confirming banks. Since the start of the Programme in 1999, the EBRD has supported more than 15,500 transactions worth over €9 billion, including 477 export and import transactions of Austrian companies totalling €175 million. Some 106 issuing banks in 23 countries participate in the Programme, together with over 800 foreign confirming banks and bank branches, of which 20 are Austrian.

In 2013, the EBRD and its clients awarded 59 consultancy contracts totalling €14.98 million to Austrian consultants, including 19 consultancy contracts worth over €210,000 with the SBS for the provision of management advice.

From 2009 to December 2013, entities from Austria won 36 contracts worth €348.3 million for EBRD public sector projects.

At a glance

Donor funds supporting EBRD operations

€83 million

Capital share

2.28%

Austria – EBRD investments

€19.19 billion

Data as at January 2014

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Upgrading district heating in Bosnia and Herzegovina

The EBRD is supporting the modernisation and expansion of Gradske Toplane Pale, the provider of district heating in Pale, with a loan of up to €4.5 million (signed in 2013). The loan is being used for the acquisition of a new biomass boiler and the reconstruction and extension of the heat distribution network. The utility serves commercial, public and private customers in the municipality of Pale, located in the eastern part of Bosnia and Herzegovina.

In addition to the EBRD funds, the investment will be supported by a grant of up to €1.5 million from the European Western Balkans Joint Fund under the Western Balkans Investment Framework. The loan is also co-financed by a grant of €0.5 million from the EBRD Shareholder Special Fund. The government of Austria has generously provided pre-signing technical cooperation support for a feasibility study in the amount of €200,000, as well as post-signing support for design and implementation in the amount of €600,000.

The project will include the introduction of modern, compact individual heating substations equipped with heat meters for buildings and the introduction of heat metering for individual apartments, together with the installation of thermostats on each radiator. It will support the development of the company by improving energy efficiency, extending its services to new consumers and improving the quality of services (that is, increased capacity of heat supply, and individual metering of heat consumption).

“This investment represents a major step towards the improvement of heating services in the municipality of Pale both in terms of supply and of energy efficiency,” explained Libor Krkoška, head of the EBRD office in Sarajevo. “The municipality covers a large, mostly mountainous area which is challenging to serve. With the new investments the company will be well prepared for a successful operation.”

Locally available biomass, which is mostly waste from the wood processing industry, and modern technology will enable Gradske Toplane to provide high-quality services at competitive prices. The project will also contribute significantly to the prevention of air pollution in Pale, thereby helping to develop tourism in the area.



EBRD energy efficiency funding for Russian homes

The EBRD launched in 2013 the first nationwide lending programme offering Russian householders loans to make their homes more energy efficient in a country that is one of the world's most intensive energy users.

The US\$ 100 million credit line is being on-lent through local private banks. Centre-Invest Bank, based in Rostov-on-Don, is the first bank to have signed up to this EBRD programme, borrowing 750 million roubles for on-lending to its clients in southern Russia.

The credit line is supported by Austrian-funded technical assistance for up to €4 million. Energy efficiency is a priority for Austrian support.

The goal of the credit line is to encourage the development of what is at present a practically non-existent market for financing energy efficiency in housing. This should result in the mobilisation of private sector financing for energy improvements and the modernisation of Russia's ageing housing stock.

Russia's residential sector is the second largest energy consumer after industry, accounting for 26 per cent of total energy consumption. It uses three times more energy per square metre than housing in EU countries with similar weather conditions. The potential for energy savings in Russia is therefore vast.

According to various estimates, Russia needs to spend from 220 billion roubles (around US\$ 7 billion) to one trillion roubles (nearly US\$ 32 billion) a year between now and 2035 in order to repair its housing so as to make it energy efficient.

Beyond private individuals, other potential beneficiaries of the programme include housing associations, housing management companies, providers of housing maintenance services, condominiums and energy service companies (ESCOs).