

United States of America

Investing in changing economies



European Bank
for Reconstruction and Development

2012

The USA is a founding member of the EBRD, with a 10 per cent capital share and a representative on the Board of Directors. The EBRD, an international financial institution investing in 29 countries from central Europe to central Asia, is owned by 63 countries, including its countries of operations, and two intergovernmental institutions.

At a glance

Capital share

10%

Donor funds

€112 million

US-EBRD joint investments

€14.58 billion

Consultancy contracts in 2011

68

Contacts

Office of the Board Director for the United States

James Hudson, Director
Tel: +44 20 7338 6503
Fax: +44 20 7338 6487
Email: USAOffice@ebrd.com

US Commercial Service Liaison Office to the EBRD

Tel: +44 20 7338 7493
Email: Will.Center@Trade.gov
www.buyusa.gov/ebrd

Business Development Unit

Tel: +44 20 7338 7168
Fax: +44 20 7338 6538
Email: newbusiness@ebrd.com

Further information

www.ebrd.com

Making a difference

Since 1991, the United States has contributed €112 million to the EBRD's technical cooperation and investment programmes. The key areas of support are the development of small and medium-sized enterprises (SMEs), the modernisation of infrastructure and the expansion of the financial sector in the EBRD's countries of operations.

The United States is supporting the EBRD's efforts to enhance the competitiveness of small and medium-sized enterprises in Central Asia, with a particular focus on businesses owned by women. Financing is provided through its bilateral fund with the Bank. In 2011 the United States also made available US\$ 5 million for the Early Transition Countries Technical Cooperation Local Currency Risk-Sharing Special Fund and provided US\$ 7.5 million to the Eastern Europe Energy Efficiency and Environment Partnership.

The US is a key donor to the EBRD-managed Nuclear Safety Account (NSA) and Chernobyl Shelter Fund (CSF), with contributions totalling €26 million and €190 million, respectively. These funds finance decommissioning projects at the Chernobyl site and the programme to transform the destroyed reactor 4 into an environmentally safe state. The US also helped organise a pledging conference in April 2011 to raise additional funds for Chernobyl projects. This included an amount of US\$ 123 million pledged by the US.

Investing together

The US is one of the main sources of foreign direct investment in the EBRD's countries of operations. The value of joint US-EBRD investment stood at €14.6 billion as of January 2012. EBRD finance accounted for €6 billion, and American investment accounted for €8.6 billion. Adding in further investment from other countries and sources, the total value of projects with American-EBRD involvement was €34.2 billion. The majority of these deals were in the private sector.

The EBRD works closely with American banks within the EU/EBRD Small and Medium-Sized Enterprises (SME) Finance Facility. The Facility is channelled through local banks, leasing companies and equity funds. US financial institutions have taken part in the programme through Bulgarian and Hungarian subsidiaries of GE Finance and the Bulgarian-American Enterprise Fund. The EBRD committed €35 million to these companies with financial support of €4.3 million from the EU. A total of 3,640 sub-projects with SMEs were disbursed for a total volume of €92.1 million.

American banks are also involved in the Trade Facilitation Programme (TFP). Since the start of the Programme in 1999, the TFP has guaranteed more than 11,629 transactions worth over €7.2 billion, including 429 US export and import transactions totalling €284.2 million. Forty-six American banks and branches of banks have joined TFP as confirming banks.

In 2011 American consultants won 68 contracts totalling €4.12 million. These consultants were involved in projects in finance, power and energy, SMEs, sustainable energy investment and natural resources sectors.



Increasing lending to Armenian enterprises

More than one-quarter of Armenia's labour force is employed in the micro, small and medium sized enterprises (MSMEs) sector and in the past years the demand for finance has been significantly growing.

To strengthen the Armenian financial sector and improve the business environment for MSMEs, the EBRD established the Armenia Multi-Bank Framework Facility (AMBFF), a credit facility for US\$ 120 million - now extended to phase II – which supports Armenian enterprises providing equity and debt financing through financial intermediaries, including local banks, microfinance, leasing and insurance companies.

The Armenia Microlending Programme (AMP) is a component of AMBFF designed to provide additional loan funding and institution-building to partner financial institutions. The AMP received TC support from USAID for US\$ 1.5 million which consolidated the progress made under the AMBFF expanding the programme's institution-building to ensure increased lending to MSMEs and improved skills and knowledge within the partner financial institutions. Other donors include the EBRD Early Transition Countries (ETC) Fund (€670,000 grant) and the EBRD's Shareholder Special Fund (SSF) (€400,000),

Thanks to US funding, the MSME lending programme was implemented in more than 120 branches, including more than 17 newly established branches and lending units, covering Yerevan, as well as rural areas. Some 136 loan officers were trained to develop accessible and profitable MSME loan products, including credit scoring and rural and agri-lending. Best international practices in credit management were introduced allowing participating financial institutions to diversify their loan portfolio. As a result, the number of monthly loans to MSMEs has increased significantly, providing a boost for the expansion of the Armenian private sector.



Supporting agricultural reform in Tajikistan

Employing more than half the population and accounting for about a quarter of Tajikistan's GDP, agriculture plays a vital role in Tajikistan's economy and society.

But finance to farmers is mainly provided in-kind by intermediaries that buy out the harvest at very low prices, leading to huge losses and the accumulation of debts that, for example, in the cotton sector reach more than half of the loan provided.

Through the Tajik Agricultural Finance Framework (TAFF), the EBRD provides a credit line to local banks and microfinance institutions for on-lending to small and medium farms to fund their seasonal working capital requirements.

TAFF is complemented by technical assistance activities to ensure the project has a long-lasting impact. These are financed by donor grants provided by the US Treasury, the Early Transition Countries Fund, Luxembourg and the European Union. For example, donor funding paid for more than 164 loan officers and agricultural advisers in partner financial institutions to be trained in sound agricultural lending.

Further, the EBRD has been widening the scope of these activities since the second phase of TAFF got under way in 2010. Two new components support farmers directly on the ground and promote environmentally and socially sound agricultural practices, as well as the marketing of their products with training and advice, for example, on irrigation techniques, eliminating toxic pesticides and adequate crop rotations. This helps improve their yields for cotton and other major crops.