

# France



**European Bank**  
for Reconstruction and Development

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**France is a founding member of the EBRD, with an 8.6 per cent capital share and has a representative on the Board of Directors. The EBRD is owned by 61 countries, including its countries of operations, and two intergovernmental institutions. The Bank's subscribed capital is €20 billion, and it borrows in various currencies on world capital markets.**

## Technical cooperation

Two technical cooperation (TC) funds were established by France and the EBRD in 1991 and 1992. Since then, France has contributed €27.7 million to support the preparation and implementation of EBRD projects through bilateral (€15.5 million) and multi-donor initiatives (€12.2 million) aimed at implementing the Regional Venture Fund and the Russia Small Business Fund. In 2007 France earmarked €1 million for the EBRD's Sustainable Energy Initiative (SEI) and signed a contribution agreement of €3 million to further support the SEI under the Fonds d'études et d'Aide au Secteur Privé (FASEP) Facility.

France supports cooperation on nuclear safety issues between western and eastern Europe. As a G-7 member, France promoted the establishment of both the Nuclear Safety Account (1993) and the Chernobyl Shelter Fund (1997). The EBRD manages both funds. France has contributed €57 million to the Nuclear Safety Account and pledged another €6.4 million to finance nuclear safety projects in central and eastern Europe. In addition, France has contributed €52.5 million to the Chernobyl Shelter Fund to assist Ukraine in transforming the existing shelter over Chernobyl's destroyed Unit 4 to a stable and

environmentally safe state. Through direct commitments and through the European Union, France also contributes to the decommissioning of Soviet-designed nuclear plants at three sites in eastern Europe: Kozloduy 1 to 4 in Bulgaria, Ignalina 1 and 2 in Lithuania and Bohunice V1 in the Slovak Republic.

France has also contributed €40 million to the nuclear window of the EBRD's Northern Dimension Environmental Partnership (NDEP). The NDEP provides grant funding to address severe environmental problems in north-west Russia. It focuses on the legacy of the operations of the Soviet nuclear fleet in the region, in particular the spent nuclear fuel and radioactive waste.

## Co-financing

France is an important source of foreign direct investment in the EBRD countries of operations. As of January 2009 the value of joint French-EBRD investment stood at €12.7 billion. Of this, EBRD investment was €7.53 billion and France's was €5.18 billion. Adding in further investment from other countries and sources, the total value of projects with French-EBRD involvement was €35 billion. The majority of these deals were in the private sector.

French-EBRD investment has been especially strong in Russia at €2.88 billion, followed by Romania at €1.46 billion and Hungary at €1.3 billion.

Broken down by industry, joint French-EBRD investment has been €2.83 billion in energy, €2.72 billion in infrastructure, €2.69 billion in corporates, €2.60 billion in general

## At a glance

€12.7 billion – the value of joint French-EBRD investments

€27.7 million – French contribution to EBRD TC funds

43 contracts worth €5.45 million were awarded to French consultants in 2008

industries and €1.87 billion in financial institutions.

French investment includes €2.2 billion of commercial co-financing and €134 million of co-financing from official sources, such as export credit agencies.

## Consultancy services

In 2008 French consultants remained in the top five in the consultant nationality ranking table that lists 65 nationalities by value of contract awards: French consultants were awarded 43 contracts worth €5.45 million. The contract awards included 19 contracts totalling €92,702 by the TurnAround Management Programme for provision of management advice. A wide range of expertise was retained for projects in the transport, municipal infrastructure, financial institutions, transport, and power and energy sectors. Examples of consultancy contract awards to French consultants by the Bank's clients include supervision for construction of a wastewater treatment plant and construction and rehabilitation of water supply and wastewater systems for Karlovac Wastewater Management Project in Croatia awarded to Safege,

and procurement and supervision consultancy services for the Illichivsk Sea Commercial Port Infrastructure Development Project in Ukraine, awarded to Egis Bceom (both funded from loan proceeds in public sector operations).

To facilitate the French consultants' participation in the EBRD's consultancy assignments, the EBRD's Consultancy Services Unit conducted a business briefing in Paris in 2008 which aimed to raise awareness of consultancy opportunities with the EBRD.

## Procurement

During 2008, 124 public sector contracts were financed by the EBRD for a total contract value of €1.20 billion. From 1992 to 2008, French entities submitted 516 tenders for a total of 3,313 public sector contracting opportunities and won 135 contracts for a total contract value of €481.2 million.

In 2008, entities from France submitted 14 tenders and won four contracts for a total contract value of €23.8 million. Two of these were consultancy services contracts under Karlovac Wastewater Management Project in Croatia (€2.5 million), another consultancy services contract was signed in Ukraine under Illichivsk Sea Commercial Port Infrastructure Development project (€0.9 million) and one supply and installation contract was signed under CFR Rail Traction Project in Romania (€20.5 million).

## EU/EBRD SME Finance Facility

French financial institutions have taken part in the programme through banking and leasing subsidiaries of Société Générale in Bulgaria, Czech Republic, Hungary, Poland, Romania and Slovenia and a leasing subsidiary

of Credit Agricole in Poland. The EBRD committed a total of €152 million to these companies with financial support of €18 million from the European Union. A cumulative total of 11,400 subprojects were disbursed by January 2009 for a total volume of €252 million.

## TAM Programme

France has provided just over €220,000 of funding to support the TAM Programme in Azerbaijan, Moldova and Romania. This funding has financed projects with seven enterprises, in particular in the pharmaceutical and medical as well as the chemical manufacturing sectors.

## Trade Facilitation Programme

Under the Trade Facilitation Programme (TFP) the EBRD guarantees the payment of trade finance instruments (such as letters of credit or payment guarantees) that are 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 financed more than 7,860 transactions for a total amount of more than €4.8 billion. At present, 114 issuing banks in the EBRD's 21 countries of operations currently participate in the programme, together with over 770 confirming banks, their subsidiaries and branches throughout the world. The TFP financed 258 export and import transactions of French companies for a total amount of €87.4 million. These transactions were confirmed by foreign banks in France and abroad. The EBRD issued 224 transactions worth €65.5 million in favour of 13 French banks. Thirty-four French banks and branches of banks have joined the programme as confirming banks (all figures as at January 2009).

## Upgrading transport services in Kiev

In 2012 Ukraine – together with Poland – will host the UEFA European Football Championship and one of the main arenas will be in Kiev.

The municipal transport companies Kyiv Metropolitan and Kyiv PasTrans are using €100 million of EBRD financing to purchase new underground trains, buses and trolleybuses and to fund service improvements to cope with an increase in traffic.

French donor funding of €150,000 will help to train staff and carry out a financial due diligence of the two Kiev companies.



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