

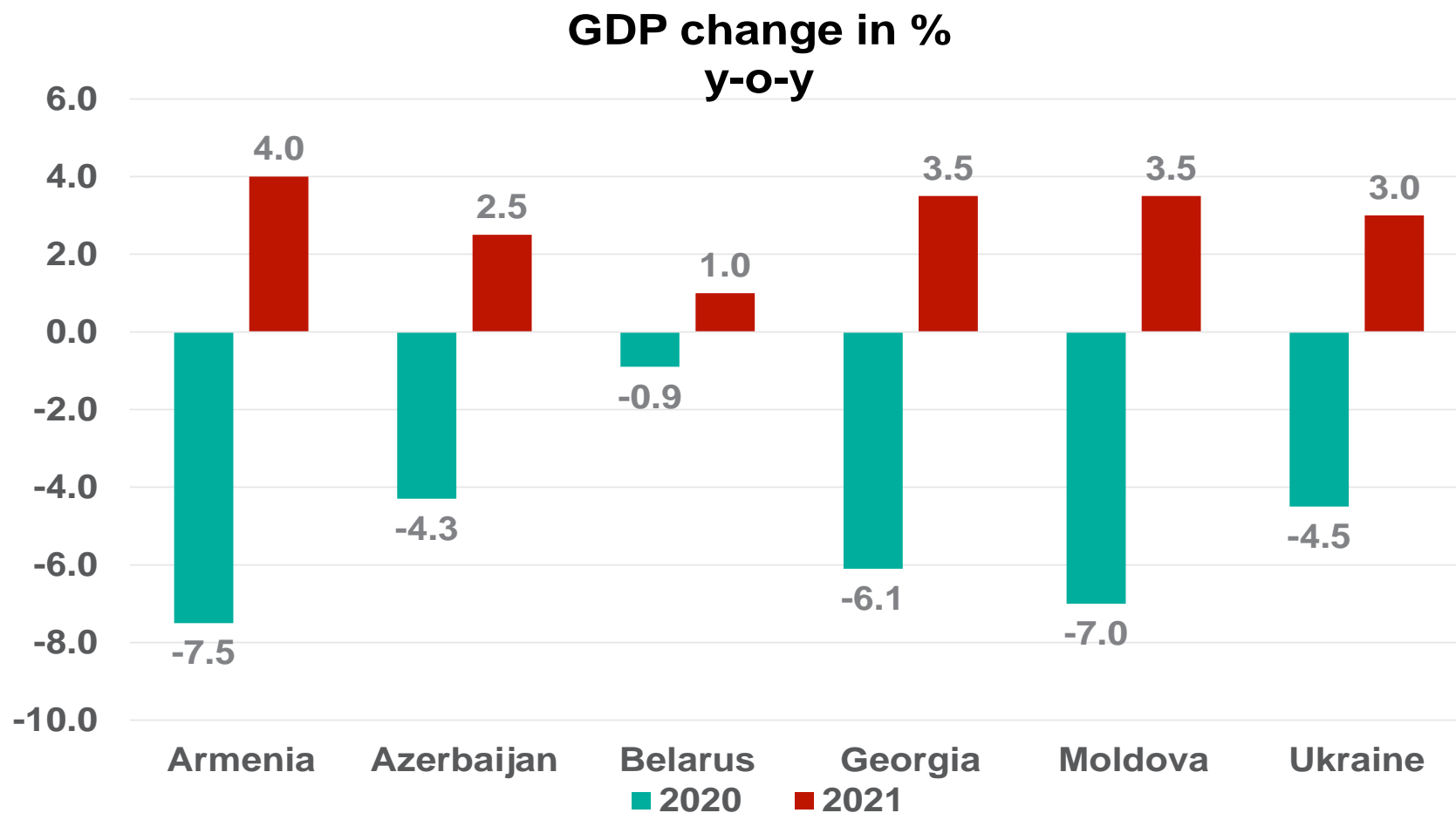
Financing Environment in Eastern Europe (non-EU) - Status and Prospects

5 March 2021



European Bank
for Reconstruction and Development

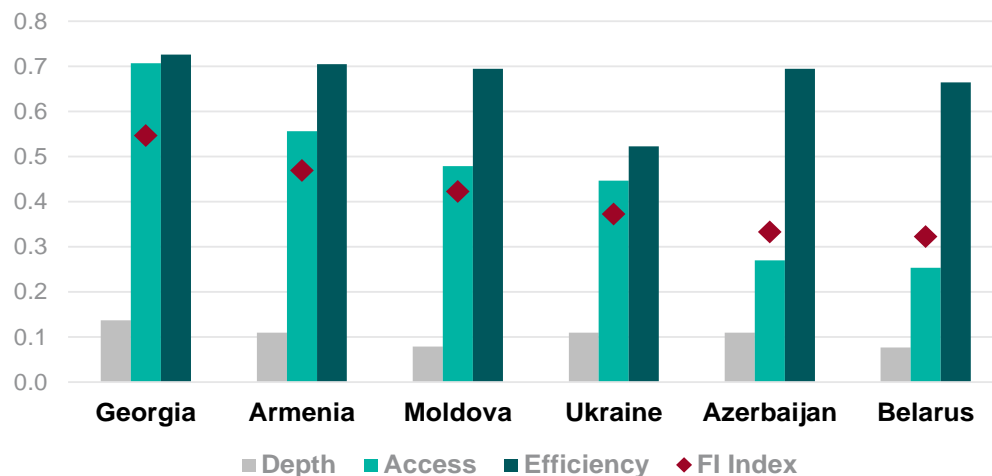
Covid-19 crisis has caused a sharp economic downturn across EEC in 2020



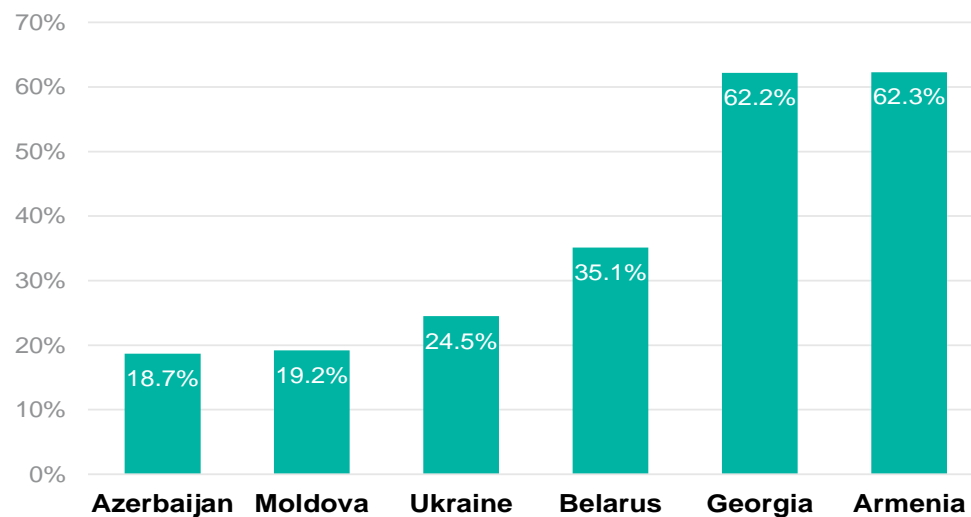
Source: National Statistical Offices and EBRD estimates

Overhaul of the financial sector in EEC is not over yet

Financial Development index, 2018



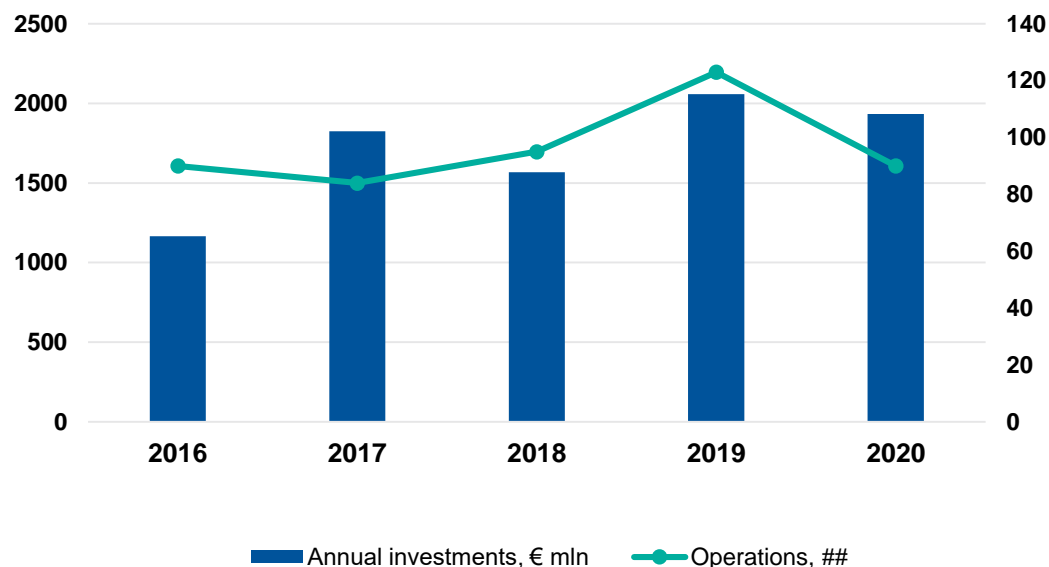
Credit to the economy/GDP, 2019



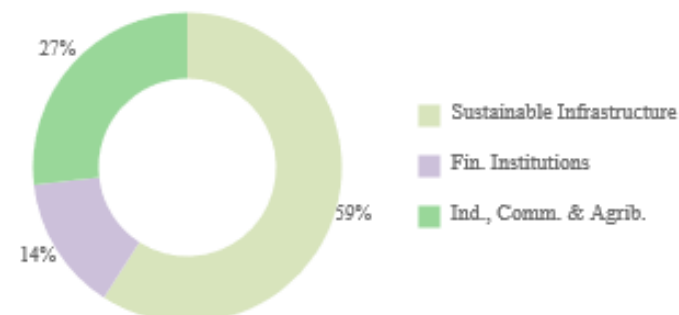
- Good trade location: proximity to Europe and links to EAEU (Armenia and Belarus – members, Moldova – observer);
- Educated labour force;
- Good potential for technological and IT industries (Armenia, Belarus, Ukraine);
- Developed manufacturing sector (Belarus, Ukraine);
- Abundant sources of renewable energy: solar, hydro (Armenia, Azerbaijan, Georgia, Ukraine);
- Rich natural resource base and infrastructure connection to EU (Azerbaijan);
- Good potential in tourism sector (Georgia)
- Good potential in agriculture sector across the region.

**EBRD investments in the region: EUR 27.5 bl in >1,340 projects,
including EUR 2.0 bln in 90 projects in 2020**

EBRD Annual Investments in the EaP Countries



Portfolio Composition by Sector



- The Bank's main policy activities focus on:
 - laying the regulatory and legislative foundations for green energy transition; promoting energy sector reform;
 - promoting municipal services sector reform and private sector involvement in infrastructure, including through PPPs;
 - developing the financial sector and local capital markets;
 - strengthening corporate governance including in SOE and SOBs;
 - improving overall investment climate through support of the investors councils in Armenia, Georgia, Moldova, Ukraine and other institutions, e.g. Business Ombudsman (Ukraine).

The Bank closely cooperate with EU, international and bilateral donors, MDBs and international organisations to pursue its objectives by:

- promoting important economic reforms, enhancing investment climate;
- enhancing international connectivity and integration, including through development of infrastructure and trade facilitation;
- promoting green agenda, including renewable energy generation, and private sector involvement in infrastructure, including PPPs.
- promoting gender equality and economic inclusion;
- assisting our clients to build their capacity in project preparation and implementation, investment planning, financial management and to improve corporate governance;
- helping SMEs to grow and become more competitive through investment and business advice and enhancing their access to finance, including in local currency.

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