Working with the European Bank for Reconstruction and Development

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I. About EBRD
**About EBRD**

**Introduction**

An international financial institution supporting the development of sustainable well-functioning market economies

### Highest credit rating
(AAA/Aaa)

### Owned by 69 countries and 2 inter-governmental institutions
(the EU and EIB)

### Capital base of €30 billion

### Shareholding structure

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 29 Countries</td>
<td>54%</td>
</tr>
<tr>
<td>Japan</td>
<td>8.59%</td>
</tr>
<tr>
<td>USA</td>
<td>10%</td>
</tr>
<tr>
<td>Others</td>
<td>18.7%</td>
</tr>
<tr>
<td>UK</td>
<td>8.59%</td>
</tr>
</tbody>
</table>

1. Includes European Union and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, and Italy, each holds 8.6%.

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**1991** Established

**1992** Russia and 11 other members of the former Soviet Union join

**2012** Starts investing in Egypt, Jordan, Morocco and Tunisia

**2016** 25th anniversary; China becomes the 67th member

**2017** Lebanon and the West Bank and Gaza become shareholders of EBRD

**2019** Libya joins the EBRD as a shareholder
About EBRD
Increasing regional footprint

Central Eastern Europe
( incl. Mongolia)

Central Asia

SEMED

Western Balkans

Cyprus, Greece

Turkey

Armenia, Azerbaijan, Belarus,
Georgia, Moldova, Ukraine

Central Asia (incl. Mongolia)

West Bank and Gaza

Lebanon
About EBRD
Largest investor in the region

Since 1991, EBRD invested over €142 billion in more than 5,600 projects

In 2019

€10 billion
452 projects

EBRD Top 10 investee countries in 2019 (€m)

1. Egypt 1,214
2. Ukraine 1,125
3. Turkey 1,002
4. Poland 833
5. Kazakhstan 685
6. Greece 571
7= Uzbekistan 517
7= Serbia 517
9. Belarus 391
10. Romania 372
About EBRD
Basic Principles

Transition Impact

Sound Banking

Additionality
About EBRD
Transition Qualities

Competitive
Well-governed
Inclusive
Integrated
Resilient
Green
About EBRD

Key strengths

- Long-term perspective
- Commercial basis
- Regional integration
- Policy dialogue
- Work with governments and shareholders
- 25 years experience
- Structuring expertise
- Local presence in 36 countries
- Catalyst to mobilise finance for both private and public sector clients

Objectives

- Invest both in the private and state sectors
- Commercial basis
- Improve people's lives
- Private sector development
- Innovate
- Foreign direct investment

Innovate
About EBRD
Key business sectors

- Transport
- Municipal & Environmental Infrastructure
- Property & Tourism
- Telecoms, Informatics & Media
- Natural Resources
- Industry, Commerce & Agribusiness
- Financial Institutions
- Power & Energy
- Manufacturing & Services
About EBRD
Working with commercial investors

The EBRD

does not compete with commercial investors
invites other banks to participate in its operations
leads the market with innovative products and longer tenors
employs donor grant funds to blend with its projects
cooperates with other investors (supporting strategic equity investors)
investment of €1 “mobilises” another €3 for the project
provides assistance in structuring and executing investments with significant energy and resources efficiency gains
does not lend or invest when commercial banks or private investors can do it alone
Working with the EBRD

- Investment
- Procurement
- Trade facilitation
- Policy dialogue
## About EBRD

### Financing instruments

#### Loans
- **Senior, subordinated, convertible**
- **Long term (up to 10y or more) or short term revolving**
- **Floating/Fixed rates**
- **Choice of currencies (€, US$, LCY)**

#### Equity
- **Common stock or preferred**
- **Minority position only (up to 35%)**
- **Mezzanine debt**

#### Technical Cooperation
EBRD has a strong track record to mobilise grant monies to support technical assistance to its projects

#### Other
Guarantees, currency swaps, trade facilitation programme, etc.
II. EBRD in SEMED
EBRD in SEMED Presence

SOUTHERN AND EASTERN MEDITERRANEAN

EBRD offices
- Resident Office
- Satellite Office
EBRD in SEMED

Context

• Aftermath of Arab Uprising.
• Uncertain political and geopolitical environment.
• Weak, but evolving institutional capacity to implement reforms and public sector projects.
• Pricing pressures in local currency and regulatory restrictions.
• Concessional terms and grant-funded projects of other IFIs.
• However, there is increasing government appetite for reform across the region.
• IMF programmes serve as reform anchor and driver.
• Environmental and demographic pressures raise interest in energy efficiency, renewables, municipal infrastructure and agribusiness.
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Investment

Total investment: 11bn EUR in 281 projects (since 2012):

- Egypt: 6.1bn EUR (115 projects)
- Jordan: 1.4bn EUR (50 projects)
- Lebanon: 0.6bn EUR (9 projects)
- Morocco: 2bn EUR (61 projects)
- Tunisia: 0.9bn EUR (46 projects)
EBRD in SEMED
Focus in Egypt

- Private sector competitiveness through stronger value chains, improved access to finance for SMEs and increased economic opportunities for women and young people.

- Improve the quality and sustainability of public utilities through private sector participation and commercialisation.

- Support Egypt’s transition to a green economy.

- Strengthen governance and improve the business environment.
EBRD in SEMED
Activities in Egypt

- Bank’s largest country of operation: 1.2bn EUR invested in 2019.
- 69% in the private sector.
- Portfolio composition: Sustainable Infrastructure 49%, Financial Institutions 25%, Industry, commerce and agribusiness 25%.
- Equity 5%.
- Non-performing loans: 6.9%.
- Green investment in 2017: 43%.
- Presence in Cairo, Alexandria, and Ismailia (soon in Upper Egypt).
III. EBRD and Spain
Spain, one of EBRD founding members, with 3.4% capital share.

EBRD joint investment with Spanish companies:

€4.4 billion

EBRD finance €2.8bn + Spanish investment €1.6bn

• Active EBRD outreach to Spanish companies led by Alain Pilloux, EBRD Vice President for Banking.

• Broken down by industry, the joint investment has been in energy, industry, commerce and agribusiness, followed by financial institutions and infrastructure.

• EBRD partnered with: Aqualia, CAF, Almar, Acconia, Cementos La Union and others.

• EBRD provides regular trade finance support to 21 Spanish-owned banks such as Banco Santander, Banco Sabadell, or CaixaBank (La Caixa).
Majority owned by Aridos Jativa, a fully owned subsidiary of the Spanish cement producer, Cementos La Union. The Company is listed on the Egyptian stock exchange with a free float of 22.5%.

The project allows Arabian Cement (ACC) to introduce additional operational efficiencies and innovative dust recycling investments. The investments, combined with the increased use of alternative fuels (AF), will result in a less carbon intensive (CO2/ton cement) production process and an overall decrease in net CO2 emissions from the plant despite a production rate increase.

Arabian Cement requested the Bank to agree to work with one of the local banks to provide a multicurrency financing package to refinance the existing lender and finance selected energy efficiency investments that the Bank helped identify.

The Bank also mobilized a grant of EUR 170,000 under the Bank’s FINTECC program.

The project benefits overall from EBRD’s low-carbon policy dialogue initiative in Egypt. The effective implementation of the policy and technology recommendations described in a resulting roadmap will enable, by 2030, to reduce the CO2 impact of the cement industry by 15%. 
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