



Sida's support to the European Bank for Reconstruction and Development (EBRD)

The EBRD was established in 1991, with the aim to promote development of open and sustainable market economies in countries in Central and Eastern Europe committed to democratic principles. Today there are new challenges with more focus on green economy and inclusion and new regions have been included to EBRDs area of operation. During 2016, the Bank invested over EUR 9.4 billion in 378 projects. Sida's cooperation with EBRD is built around environment and climate change, gender equality, inclusive growth and employment. In 2016, Sida provided more than SEK 200 million to the Bank, making Sida the third largest bilateral donor.



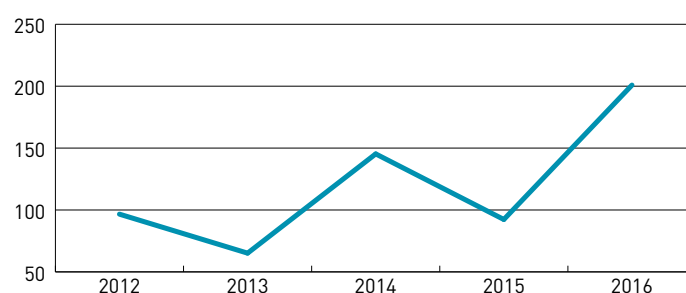
THE PARTNERSHIP WITH EBRD

The Sida partnership with the EBRD is focused on EU-integration, environmental and climate change, institutional reforms, sustainable services, gender equality, and job creation. The Swedish funds are directed both towards Technical Assistance for project preparation, implementation support and capacity building, as well as for co-financing of investments. For many projects, like municipal environment infrastructure projects in the Western Balkans, there are few alternatives to Swedish co-financing, and therefore Sida is an important bilateral donor to the EBRD and the clients in the countries of operation.

FINANCIAL OUTCOME

Sweden remains the largest bilateral donor to the EBRD in cumulative figures. In 2016, SEK 100 million was channelled as bilateral support, mainly to consultancy Trust Funds. Sweden is also an important contributor to several EBRD Multi-Donor Funds contributing with SEK 20 million to the Ukraine Multi Donor Account (UKMDA) and with SEK 22 million to the Women in Business (WiB) Programme and with SEK 10 million to the Small Business Impact Fund (SBIF) respectively. In addition, Sida contributes to several financing platforms, where EBRD act as Fund manager and together with other Financial institutions also as an Implementing agency. During 2016, Sida contributed with SEK 19 million to the Eastern Europe Energy Efficiency and

FIGURE 1: SIDA'S ANNUAL DISBURSEMENT TO EBRD, MSEK



Environment Partnership (E5P) and with SEK 30 million to the Western Balkans Investment Framework (WBIF).

GEOGRAPHICAL AND THEMATIC DISTRIBUTION

Geographically, the Sida funding focuses on the Eastern Partnership Countries (EaP), i.e. Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, as well as the Western Balkans countries Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. Sida's support by sector in 2016 is illustrated in Figure 2. The predominant sectors were Sustainable Infrastructure and Services (45%); Market Development (26%) and Environment (14%). The sector named Other (15%) includes the Western Balkans Joint Trust Fund which supports infrastructure investments in the Western Balkans. In addition, inclusion, gender

THE GLOBAL GOALS

The Global Goals for Sustainable Development include everyone – and we can all contribute. The goals are interdependent and therefore indivisible. Sida's main contribution is to implement development cooperation, thereby reducing poverty and saving lives. Together we can build a better future where no one is left behind.



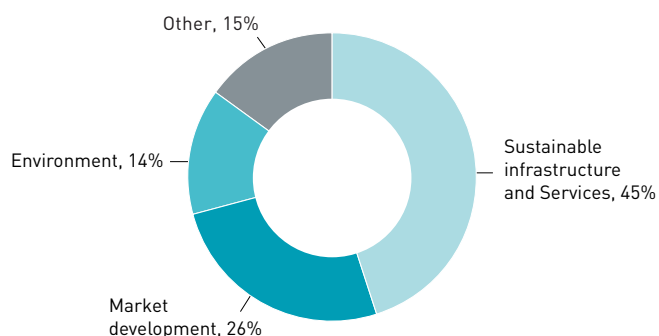
Results

THE EBRD'S MANDATE AND STRATEGIC PRIORITIES

Investing primarily in private sector clients whose needs cannot be fully met by the market, the EBRD promotes entrepreneurship and fosters transition towards open and democratic market economies in its 36 countries of operations. The EBRD serves the interests of all its shareholders – 65 countries from five continents plus the European Union and the European Investment Bank – not just those countries which receive its investments. The Bank's mandate is to support transition in its countries of operation, i.e. to support change to open market economy and democratic and pluralistic societies. The EBRD has a particular focus on the private sector but has over time increased lending to public entities. Still, private sector lending and lending to financial institutions remains the biggest share of EBRD operations. The mandate of the EBRD stipulates that it must only work in countries committed to democratic principles. Respect for the environment is part of the strong corporate governance attached to all EBRD investments. Safeguarding the environment and a commitment to sustainable energy are therefore central to all EBRD's activity.

equality, environment and climate change, together with a strong results focus are prioritised cross-cutting areas, to be integrated across sectors.

FIGURE 2: SIDA'S SUPPORT TO EBRD BY SECTOR IN 2016



GLOBAL DEVELOPMENTS

During 2016, donor contributions amounted to EUR 445 million, a 24 % increase from 2015. Some highlights from donor supported EBRD projects supported during 2016:

- Under its Green Economy Transition framework, EBRD financed projects will lead to a 3,3 million tonnes of CO2 reduction per year, and more than 2000 people trained to develop skills and know-how.
- Investments in municipal infrastructure leading to improved municipal services for more than 30 million people.
- Almost EUR 1 billion of EBRD credit lines to local partner financial institutions were on-lent to SMEs. Of the private businesses receiving grant financed advisory support, 68% increased their turn-over and more than 50 % increased the number of employees, with almost 25 000 new jobs created.

PROGRAMMES AND PROJECTS RECEIVING FUNDING FROM SIDA

The "Eastern Europe Energy Efficiency and Environment Programme (E5P)" is expected to lead to reductions in CO2 emissions of more than 500 000 tonnes per year from the up to now approved projects in Ukraine alone. The grants from the fund are further leveraging an investment volume five times the grant size.

The "Municipal Environment and Climate Programme" has so far approved investment grant co-financing for projects expected to result in improved basic services for 1.9 million people. The total approved grant volume of SEK 250 million has leveraged financing of investments amounting to SEK 3 billion.

Under the Ukraine Multi Donor Account, one of the larger programmes is the support to the Business Ombudsman Office (BOI). The BOI provides objective investigations of complaints by businesses against government agencies, ministries and regional authorities. The office calculates that due to BOI intervention businesses saved about EUR 190 million in various levied payments that were cancelled or returned after intervention by the BOI.

In 2014, the EBRD established the "Women in Business Programme" (WiB), to promote women's entrepreneurship and more broadly women's participation in business by assisting women-led SMEs to access finance, know-how and non-financial business development services. The business advisory part of the programme have so far led to that:

- 231 women-led enterprises were supported with advisory projects tailored to their business;
- 334 women were trained through Women in Business Workshops;
- 122 women-led enterprises were assisted through the mentoring programme.

STORY OF CHANGE AT THE INDIVIDUAL LEVEL

Ludmila Gurâu is the manager and the co-funder of the communications agency Proimagine in Moldova. Proimagine was launched by two women and it specializes in public relations and developing and implementing corporate social responsibility projects. Ludmila knows the value of market positioning and company branding and that is why she sought a local consultant through the WiB programme to develop the company's brand book and website. The company received highly positive feedback on the new identity from their partners and one year after the project's completion more than 500 new visitors accessed the website, of which an estimated of 5% generated new business. Thanks to the support this resulted in a threefold turnover increase and that the company could add 4 full staff and 7 freelancers. Proimagine is now looking forward to further growth.