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## **Round Table Discussion**

### **With European Bank for Reconstruction and Development**

### **EBRD**

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EBA has organized a round table meeting with European Bank for Reconstruction and Development (EBRD) representatives during their visit to Egypt.

Mr. Josue Tanaka Managing Director, Operational, Strategy & Planning, Energy Efficiency & Climate Change at the EBRD started by introducing the bank's role, services, and activities, as well as the mission's aim to find out the real need of the private sector in Egypt.

Since the bank's establishment in 1991 it becomes the largest financial investor in the region of operations which stretches from central Europe and the Western Balkans to central Asia. With the ability and willingness to bear risk on behalf of the bank's clients, also the bank helps countries in the region to become open market economies. EBRD is owned by 61 countries, the European Union and the European Investment Bank.

The bank works directly with individual firms or with local banks.

The EBRD offers a wide range of financial instruments and takes a flexible approach in structuring its financial products.

### **Direct Financing**

The principal forms of direct financing provided by the EBRD are loans, equity and guarantees:

- Loans are tailored to meet the particular requirements of a project. The credit risk may be taken entirely by the Bank or partly syndicated to the market.
- An equity investment may be undertaken in a variety of forms. When the EBRD takes an equity stake, it expects an appropriate return on its investment and will only take a minority position.
- Guarantees are also provided by the Bank to help borrowers gain access to financing.

## **Assistance for Small Business**

One of the EBRD's key aims is to support the development of micro, small and medium-sized enterprises (MSMEs) which are crucial to nurturing a private sector economy. To do this, we make equity and loan financing available to MSMEs through a range of intermediaries throughout our countries of operations.

These intermediaries include banks in which the EBRD has an equity stake or with which it has signed a loan, and investment or venture capital funds in which the EBRD has made an investment.

The EBRD also provides direct financing and support for MSMEs through a number of loan and equity facilities.

## **Advice and Guidance**

The EBRD's complementary, donor-funded business development programme – TurnAround Management (TAM) and Business Advisory Services (BAS) – helps build stronger businesses.

TAM focuses on broad managerial and structural changes within small and medium-sized enterprises, bringing in sector-specific, internationally experienced executives from economically developed countries to help the businesses develop a new management culture and skills. BAS helps micro and small enterprises improve performance by supporting local consultants in projects with narrowly defined objectives and market development activities.

Both programs prepare enterprises for outside investment, including EBRD-financed projects.

The 61 shareholder countries supports EBRD to move to countries like Egypt and Morocco.

During the open discussion the following points were raised:

- The bank does not have sector preference for financing.
- The bank has specialists teams in many sectors such as “agro business” etc. as it tends to provide large amounts of money.
- Providing medium enterprises with support in different sectors.
- The EBRD provides money with technical assistance.

- The minimum size of the company that the bank finances depends on the country and the business size in the country, as the bank is market driven.
- The bank helps companies to move from family companies to corporate, EBRD gets involved as partner, helping the company till it will be in International market, then it gets out.
- The importance of developing the SME's sector in Egypt, as the Egyptian government pays a major concentration to that sector and Banque de caire will be changed to SME's bank, as also EBRD has developed methods over the 20 years to help SME's.
- The engative impact of the mess with the interest rates which destroys the market, and some parties pay for that.
- The reasons for some companies to get loans from EBRD rather than the local banks:
  - To internationalize its financial resources.
  - The limit the the borders of security