Regional Consultations on MDGs
Global Partnerships: the role of EBRD

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1. Introduction

- Transition bank
- Promotes transition to market economy
- Committed to sustainable development
- Financing investment projects (loans, equity)
- Provides no concessional financing
- Promotes private sector (80%)
- Promotes FDI

2. Relevant MDGs Addressed by the EBRD Investments

MDG1: Poverty, Employment and Food Security:

- Sectors: Microfinancing, MEI, Agribusiness, Transport, other

MDG3: Gender equality and Empowerment of Women

- Mainstreaming gender issues in the Bank's activities

MDG7, Tg. 9,10: Environmental Sustainability:

- Sectors: MEI, Agribusiness, SEI

MDG8, Tg. A: Developing Financial Systems

- Sector: Financial Institutions

3. Constraints in Addressing MDGs by Country Groupings

- Heterogeneous conditions to meet MDGs: constraints vary considerably
- The crisis aggravates meeting MDG1, MDG7, MDG8
- Constraints in resource-rich countries: weak institutions, corruption, lack of transparency, high inequality
- Constraints in the ETC: high foreign indebtedness, lack of progress in reforms, high corruption, cronyism, poverty trap

4. Addressing MDGs by Investments- Agribusiness

MDG1; MDG7, Tg9

EBRD objective: Improve food security

How to achieve it:

- Providing working capital for primary agriculture
- Providing other financing instruments to farmers
- Supporting investments in agribusiness infrastructure
- Tajik Agricultural Financing Framework
- Agribusiness Sustainable Investment Facility

5. Addressing MDGs by Investments- MEI

MDG1, MDG7 Tg 10

EBRD objective: to improve access to water and sanitation

How to achieve it:

- Progress in water sector reforms
- Funding with a sovereign guarantee in the least advanced countries
- Direct lending to utilities with or without local authority guarantee
- Addressing affordability issues
- Technical assistance

6. Addressing MDGs by Investments-Financial Institutions

MDG8 A

EBRD objective: to promote development of financial system

How to achieve it:

- Bank equity investments
- Investments in equity funds
- Promoting non-bank financial institutions
- Developing local currency market
- Providing TA to improve corporate governance and banking skills
- Policy dialogue

7. Addressing MDGs by Investments- Microfinancing

MDG1, Tg 1

EBRD objective: to build financial infrastructure providing access to finance for MSME through FIs

How to achieve it:

- Sustainable lending & responsible lending
- Improved corporate governance of lending institutions
- Improvement of risk management
- Local currency funding
- Geographical diversification to rural areas
- Tajik Agricultural Financing Framework: includes training of farmers

8. Addressing MDGs by Investments- Environmental Sustainability

MDG 7, Tg9

EBRD objective: to promote sustainable development

How to achieve it:

- Application of high environmental standards in all investment projects (environmental due diligence, reporting, monitoring)
- Initiatives with a strong environmental component; like SEI (climate change mitigation) including GIS
- Environmental projects
- Donor’s funding of TA

9. Addressing MDGs by Investments- Sustainable Energy

MDG7, TG9

EBRD objective: to promote energy efficiency, energy security, reduction of CO_2, and to address fuel poverty

How to achieve it:

- SEI I, SEI II :
- energy efficiency: incentives for households + SME (grants, TA)
- renewables: legal environment
- GIS
- Index of SEI (3 components: EE, ER, CC)

10. Gender: Promoting Gender Equality and Empowering Women

MDG3, MD61

EBRD objective: to promote gender equality

How to achieve it:

- EBRD Gender Action Plan
- Integrating gender considerations in the project cycle
- Investments in sectors that benefit women (in addition to men)
- Investments and TA designed to benefit women
- Developing financial products that serve women better
- Additional training for women in business
- Promoting board appointments of women

11. Conclusions: The Way Forward

Address Constraints:

- Systemic constraints: lack of progress in reforms
- Funding constraints
- Capacity building constraints
- Business climate not conducive to investments
- Lack of economic diversification
- Different exposure to climate change
- Environmental legacy and high carbon intensity