

How to be financed by EBRD

DIPA is a pre-qualified consultant firm to provide advisory services to beneficiary micro, small and medium-sized enterprises, through projects supported by the EBRD in Cyprus, in fields such as:

Strategy

- ✓ Organisation
- ✓ Operations
- ✓ Environmental Management
- ✓ Energy/ Resource Efficiency

The European Bank for Reconstruction and Development (EBRD) offers a range of products and services. EBRD is not a retail bank and do not offer commercial products, such as mortgages and bank accounts.

Sectors supported by the EBRD are:

- ✓ Agribusiness
- ✓ Energy efficiency
- ✓ Financial institutions
- ✓ Manufacturing
- ✓ Municipal & environmental infrastructure
- ✓ Natural resources
- ✓ Power & energy
- ✓ Property & tourism
- ✓ Small & medium sized enterprises
- ✓ Telecommunications, information technology & media
- ✓ Transport

EBRD financing for private sector projects generally ranges from \$5 million to \$250 million, in the form of loans or equity. The average EBRD investment is \$25 million. Smaller projects may be financed through financial intermediaries or through special programmes for smaller direct investments in the less advanced countries.

Project structure:

The EBRD typically funds up to 35% of the total project cost for a greenfield project company. The Bank requires significant equity contributions from the sponsors, which must equal or be greater than the EBRD's investment. There must be additional funding from the sponsors, other co-financiers or generated through the EBRD's syndications programme.

To assess the eligibility of a project, the EBRD requires the following information:

Project information

- ✓ a brief description of the project, detailing how the Bank's financing will be used
- ✓ background information on the sponsor, including operating experience, financial status and how the company will support the project in terms of equity, management, operations, production and marketing
- ✓ details of the product or service that will be developed and how it will be produced
- ✓ a review of the market, including target customers, competition, market share and sales volume, pricing strategy and distribution

Financial information

- ✓ an accurate breakdown of the project costs and how the funds will be used
- ✓ a summary of the implementation requirements, including the appointment of contractors, and an overview of the procurement process
- ✓ identification of additional sources of funding
- ✓ an overview of the project's anticipated financial performance

Environmental & regulatory information

- ✓ a summary of any environmental issues and copies, where possible, of environmental audits or impact assessments
- ✓ details of government licenses or permits required, subsidies available, import/export restrictions, border tariffs or quotas and currency restrictions