

MONEY, FINANCES AND CREDIT

THE STATE AND PROSPECTS OF RELATIONS BETWEEN UKRAINE AND THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

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Among the international financial institutions, the European Bank for Reconstruction and Development (EBRD) plays a leading role in Ukraine. Our country is the second largest by the amount of financing provided among the partners of the EBRD, in addition, it is the largest financial investor in Ukraine. As of 31 January 2017, its credit portfolio amounted to 12.21 billion EUR in 377 projects.

The EBRD operates only on a commercial basis. Unlike the International Money Fund (IMF), it only provides targeted loans for specific projects to private and public structures to the needs of economic development.

The Bank has accumulated extensive experience and the success of the project implementation in all sectors, ranging from pharmaceuticals to grain trade and the production of glass for nuclear safety. According to EBRD, the Bank's loan portfolio in Ukraine is well balanced by the structure and the current loan portfolio amounts to 4.268 billion EUR. The dominant is the energy sector, which accounts for 33% of the loans, or 1.418 billion EUR. Priority remains for

infrastructure and industry, along with agriculture, the amount of which is 1.193 billion EUR, which corresponds to 28% of the loan portfolio. The remaining 11% or 483 million EUR came from the financial sector.

The main feature of the EBRD, distinguishing it from other development banks, is the support for private entrepreneurial initiatives. Another important achievement in Ukraine is the introduction of lending to small and medium enterprises (SME).

The Bank actively supports the agricultural sector of Ukraine. As for March 2016, the EBRD has invested over 2 billion EUR in a wide range of projects.

The Chernobyl Shelter Fund is also under control of EBRD. Ukraine receives assistance from the organization in terms of the recovery of Chernobyl, and its transformation into a completely safe and environmentally friendly area.

EBRD performs the function of catalyst and absorber of our economy. Therefore, further cooperation with Ukraine will ensure stable growth, the inflow of investments and the recognition of Ukraine as a country with a market economy.