

Sources of Finance for Trade & Investment in the NIS

Table of Contents

| | |
|--|-----------|
| BISNIS FinanceLink | 2 |
| Export-Import Bank of the United States (Ex-Im Bank) | 3 |
| Overseas Private Investment Corporation (OPIC) | 14 |
| Trade Development Agency (TDA) | 16 |
| U.S. Department of Agriculture Export Credit Programs | 18 |
| European Bank for Reconstruction and Development (EBRD) | 20 |
| EBRD New Trade Facilitation Program | 25 |
| EBRD Russia Small Business Fund | 31 |
| World Bank Group | 36 |
| Investment Funds | 41 |
| Asian Development Bank (ADB) | 57 |

BISNIS FinanceLink

FinanceLink is simple, easy-to-use, free service that promotes relationships between exporters and finance service providers with no commitment. For exporters, it is a five-minute process that simply requires the U.S. company to visit the BISNIS website (www.mac.doc.gov/BISNIS) and fill out a short application to provide company contact information and details on planned transactions.

March 1999

BISNIS FinanceLink is designed to help US companies seeking financing for the export of goods with at least 51 percent US content from the United States to the Newly Independent States by facilitating links between U.S. exporters and U.S.-based financial services companies. To participate in the program, fill out the form available on the BISNIS website at: www.mac.doc.gov/bisnis/finlin3.htm. Through BISNIS FinanceLink, your proposed transaction will be submitted to participating financial service providers.

NOTE: Information collected through BISNIS FinanceLink will be forwarded only to financial service companies registered with BISNIS. Aside from this disclosure, all information will be treated as confidential by BISNIS and the International Trade Administration to the extent allowed under law. However, companies should be aware that such information may be subject to the Freedom of Information Act, 5 U.S.C. Sec. 552.

Exporters are strongly encouraged to consult the broadest variety of public and private sources for their export transactions. The number of financial service providers participating in BISNIS FinanceLink is growing and, at no time should be considered exhaustive.

BISNIS FinanceLink is an informational service. Information collected on U.S. companies' planned transactions and transferred to financial service companies in no way constitutes an endorsement or guarantee of future performance of listed companies on any side of an export transaction.

Finance service companies wishing to receive these regular updates of export transactions must be incorporated in the U.S. and conduct their business in the United States should email their company contact information to BISNIS@ita.doc.gov

NOTE: Exporters should also be aware that exports of certain dual-use commodities, technology and software from the United States to the NIS, as well as reexports of certain U.S.-origin products from foreign countries to the NIS require prior written export authorization from the Department of Commerce's Bureau of Export Administration (BXA). In addition, U.S. exporters must obtain prior U.S. Government authorization for virtually all items they export to third countries, including the NIS, if they know such items will be reexported, in whole or in part, to embargoed destinations or entities. BXA is responsible for licensing exports of dual-use items to most countries of the world, including certain embargoed destinations (e.g., Cuba and North Korea) (see 15 CFR parts 739-744). The Treasury Department's Office of Foreign Assets Control is responsible for licensing exports to other embargoed destinations and entities (e.g., Iran, Iraq, Libya and Specially Designated Territories) (see 31 CFR parts 500-597).

EXPORT-IMPORT BANK OF THE UNITED STATES (Ex-Im Bank)

The Export-Import Bank of the United States (Ex-Im Bank) is an independent U.S. Government agency that helps finance the overseas sales of U.S. goods and services. For 65 years, Ex-Im Bank has supported more than \$300 billion in U.S. exports.

Updated March 1999

EX-IM BANK'S MISSION

Ex-Im Bank's mission is to create jobs in the United States through the export of U.S. products. It provides guarantees of working capital loans for U.S. exporters, and it guarantees the repayment of loans or makes loans to foreign purchasers of U.S. goods and services. Ex-Im Bank also provides credit insurance that protects U.S. exporters against the risks of non-payment by foreign buyers for political or commercial reasons. Ex-Im Bank does not compete with commercial lenders, but assumes the risks they cannot accept. For each Ex-Im Bank transaction, Ex-Im's criteria for "reasonable assurance of repayment" must be met.

Ex-Im Bank helps provide a level playing field for U.S. exporters by countering the export credit subsidies of other governments. To qualify for Ex-Im Bank support, a transaction must meet rigorous credit standards. The product or service being financed must have at least 50 percent U.S. content and must not adversely affect the U.S. economy. The dollar amounts of transactions financed by Ex-Im Bank vary greatly, with services available for small, medium-sized, and large companies and transactions.

Ex-Im Bank will finance the export of any type of good or service, including commodities, as long as they are not military-related (certain exceptions exist). Two of the Bank's major goals are to increase the export of environmental goods and services, which are in strong demand among developing nations, and to expand the number of U.S. small businesses using Ex-Im Bank programs.

While Ex-Im Bank is not a foreign aid or development agency, its programs often help U.S. exporters participate in development projects. Ex-Im Bank has co-financed projects with the U.S. Agency for International Development, the World Bank, and regional development banks.

EX-IM BANK PROGRAMS

Working Capital Guarantees

Ex-Im Bank working capital guarantees cover up to 90 percent of the principal and interest on commercial loans to creditworthy small and medium-sized companies that need funds to produce or market U.S. goods or services for export. Obtaining an Ex-Im Bank working capital guarantee helps a U.S. manufacturer or exporter to obtain the best financing terms from a private lender. Guarantees are issued for a single transaction or a revolving line of credit. Guaranteed loans generally have maturities of 12 months and are renewable. Certain lenders, experienced in the program, have been given authority to commit Ex-Im Bank's guarantee. Ex-Im Bank's two main concerns regarding working capital guarantees are the exporter's

ability to perform satisfactorily and a reasonable assurance of repayment.

Export Credit Insurance

Export credit insurance policies protect against both the political and commercial risks of a foreign buyer defaulting on payment. Policies may be obtained for single or repetitive export sales and for leases. Short-term policies generally cover 100 percent of the principal for political risks and 90-95 percent for commercial risks, as well as a specified amount of interest. They are used to support the sale of consumer goods, raw materials, and spare parts on terms of up to 180 days, and bulk agricultural commodities, consumer durables, and capital goods on terms of up to 360 days. Under the medium-term policy, which covers 100 percent of principal and interest on the financed portion, capital goods may be insured for up to five years depending upon the contract value. Ex-Im Bank's credit insurance allows exporters to finance receivables more easily by assigning the proceeds of the policy to their lender.

Guarantees of commercial loans

Guarantees of commercial loans to foreign buyers of U.S. goods or services cover 100 percent of principal and interest against both political and commercial risks of nonpayment. Medium-term guarantees cover the sale of capital items such as trucks and construction equipment, scientific apparatus, food processing machinery, medical equipment, or project-related services--including architectural, industrial design, and engineering services. Long-term guarantees are available for major projects, large capital goods and/or project-related services. Ex-Im Bank's Credit Guarantee Facilities also can be used to extend medium-term credit to buyers of U.S. capital goods and services through banks in certain foreign markets.

Direct Loans

Direct Loans provide foreign buyers with competitive, fixed-rate financing for their purchases from the United States. Ex-Im Bank's loans, guarantees and medium-term insurance cover 85 percent of the contract price (100 percent of the financed portion). The foreign buyer is required to make a 15 percent cash payment. The fees charged by Ex-Im Bank for its programs are based on the risk assessment of the foreign buyer or guarantor, the buyer's country, and term of the credit. Ex-Im Bank's fees are highly competitive with those charged by the export credit agencies of other exporting countries.

Exporters can obtain an Ex-Im Bank Letter of Interest (LI) to assist in negotiations with a potential foreign buyer. The LI indicates the Bank's willingness to consider a financing offer if sale is completed. An LI can be issued within seven days of a request for financing and remains in effect for six months.

NIS PROGRAMS

Ex-Im Bank programs are available to support U.S. exports to most of the NIS countries. In many countries, Ex-Im Bank will accept only sovereign risk, i.e., obligors which commit the full faith and credit of the national government. In Russia, Ex-Im Bank will now accept bank guarantees from private commercial banks. Currently, transactions with private Russian bank guarantees are being evaluated on a case-by-case basis.

Exports of consumer goods, spare parts, raw materials (on terms up to 180 days), and bulk agricultural commodities, agricultural chemicals, and quasi-capital goods (on terms up to 360 days) can be supported under Ex-Im Bank's short-term credit insurance.

Exports of capital goods and related services can be supported where Ex-Im Bank is open for medium-term loans, guarantees and insurance (up to 5 year repayment terms), and/or long-term loans and guarantees (up to 10 years). For most countries, transactions will be structured on a sovereign basis with the country's Ministry of Finance as the borrower, or with a government bank or a corporation as the borrower and a Ministry of Finance guarantee. Prior to accepting an application for a final commitment in Russia and the

NIS, Ex-Im Bank will require an indication of host-government support for the application, except for private-sector risk in Russia.

Also, Ex-Im Bank is willing to consider financing secured by assignment of hard currency earnings held in offshore escrow accounts and other assets without recourse to the government. Such projects involving a public sector borrower may require a waiver of the "negative pledge" clause (imposed by the World Bank, IMF, EBRD) regarding the use of state-owned assets as security for international financial transactions.

RUSSIA

At present, Ex-Im Bank is willing to extend insurance, guarantees and credits based on export contract security arrangements, limited recourse project risk, Russian sovereign risk, and private commercial bank risk. Exporters can apply for a letter of interest (LI) when negotiating a sale of capital goods or services to Russia. The LI will be issued within seven business days and indicates Ex-Im Bank's willingness to finance a potential sale. LI's are not available under the Oil and Gas Framework Agreement or the Russian Forest Products Industry Memorandum of Understanding.

Sovereign Risk

Ex-Im Bank supports—under its short- and medium-term insurance, loan, and guarantee programs—transactions involving U.S. exports to the Russian Federation where the only available security would be a sovereign obligation or guarantee. In such cases, the obligor will be the Bank for Foreign Economic Affairs of the Russian Federation (Vneshekonombank), acting on behalf of the Russian Federation. Before processing applications for sovereign risk transactions, Ex-Im Bank will require clearance from Vneshekonombank. A confirmation from the Russian Ministry of Finance will be needed for medium-term transactions.

Private Commercial Bank Risk

Ex-Im Bank is open for short- and medium-term private sector risk, if a Russian commercial bank acts as obligor or guarantor. At this time, transactions are limited to \$10 million or less. The Russian bank must be adequately capitalized, and in sound financial condition, and must provide at least three years of financial statements, in English, audited by a recognized auditor in accordance with international accounting standards. There are no pre-approved Russian banks.

Export-Contract Security for Oil and Gas Projects

In July 1993, Ex-Im Bank signed the Oil and Gas Framework Agreement under which Ex-Im Bank may provide financing assistance for purchases of equipment and services to revitalize Russia's energy sector. Repayment security will be through the assignment of hard currency export contracts with reliable offtake parties, with sales proceeds deposited directly into offshore accounts. Applications for final commitments are accepted only from the Russian borrower and only after approval of the transaction by the Ministry of Fuel and Energy. Repayment terms will be five years (or possibly longer, if appropriate). The same model may be used for sectors other than oil & gas.

Asset-Based Financing

Ex-Im Bank is also prepared to consider export security arrangements to assist certain export sectors such as minerals and forest products. Ex-Im Bank will consider loan and guarantee applications in any sector of the Russian economy where the project will generate hard-currency export revenues and where the amount of financing by Ex-Im Bank will be significant. Repayment terms and security arrangements will be on a case-by-case basis.

Russian Forest Industry

On January 30, 1996, Ex-Im Bank signed a Memorandum of Understanding with Rosles prom, the Russian state timber industry governmental entity. This memorandum opens the way for Ex-Im Bank to support transactions involving the export of U.S. goods and services for the modernization of Russia's timber industry. The Memorandum provides that Ex-Im Bank will obtain repayment security for individual transactions from the proceeds of hard currency export sales of existing production by enterprises in the Russian forest industry. Please contact Ex-Im Bank for additional information.

CONTACT INFORMATION

United States

Oleg Enoukov
The Bank for Foreign Economic Affairs
(Vneshekonombank -VEB)
527 Madison Avenue
New York, NY 10022
Tel.: (212) 421-8660; Fax: (212) 421-8677

Russia

Ludmila N. Rybakova
The Bank for Foreign Economic Affairs
(Vneshekonombank)
3/5 Kopievski pereulok
Moscow 103009
Tel.: +7 (095) 204-6384
Fax: +7 (095) 975-2069

Oil and Gas Framework Agreement

Igor Starostin
Ministry of Fuel and Energy
Kitaisky pr. 7
103074 Moscow
Tel.: +7 (095) 929-1703
Fax: +7 (095) 975-2045

Ministry of Finance

Tatiana Kim
Tel.: +7 (095) 298-9125
Fax: +7 (095) 925-0889

Armenia

Coverage is not currently available in Armenia.

Azerbaijan

Coverage is not currently available in Azerbaijan.

Belarus

Coverage is not currently available in Belarus.

Georgia

Although closed for certain routine trade finance transactions, Ex-Im Bank will consider structured

financing arrangements such as Ex-Im Bank's project finance program, asset-based aircraft leases, and other financing arrangements that offer a reasonable assurance of repayment,

including reliable access to adequate foreign exchange.

Kazakhstan

Short-, medium-, and long-term cover is available for sovereign risk transactions. Ex-Im Bank requires an indication of host government support before accepting a final application. For more information contact Mr. B Izteleuov, Chairman of the Board of the Kazakhstan Ex-Im Bank, at +7 (3272) 633-767 (voice), or +7 (3272) 509-629 (fax). Ex-Im Bank is now open up to medium-term for private sector transactions, as well, most likely with a guarantee from a Kazakhstani bank. (No preapproved banks there.)

Kyrgyzstan

Coverage is not currently available in Kyrgyzstan.

Moldova

Short-and medium-term cover is available for sovereign risk transactions. Ex-Im Bank requires an indication of host government support before accepting a final application. Please call Ex-Im Bank for more information.

Russia

Closed for long-term private sector transactions

Tajikistan

Coverage is not currently available in Tajikistan.

Turkmenistan

Short-and medium-term cover is available for sovereign risk transactions. Ex-Im requires an indication of host government support before accepting a final application. For more information, contact Mr. Gurbanmuradov,

Chairman of the State Bank for Foreign Economic Affairs of Turkmenistan (Turkmenvnesh-ekonombank), at +7 (3632) 510-570 (voice), or +7 (3632) 510-070 or 298-928 (both fax).

Miami, Florida
Tel.: (305) 526-7425
Fax: (305) 526-7435

Ukraine

Short- and medium-term cover is available for sovereign risk transactions. For medium-term exports, Ex-Im Bank requires an indication of host government support before accepting a final application. For more information, please contact Mr. Victor V. Kapustin, Department Chairman, at the State Export-Import Bank of Ukraine (Ukreximbank), at +380 (44) 228-8336, or 226-3347 (both voice), or 229-8082 (fax); or contact Mr. Victor A. Hlacky at 228-5103 (voice) or 229-8082 (fax).

Chicago, Illinois
Tel.: (312) 353-8081
Fax: (312) 353-8098

Uzbekistan

Short-, medium-, and long-term cover is available for sovereign risk transactions. Ex-Im Bank requires an indication of host-government support before accepting a final application. For more information, please contact Mr. Rustam S. Azimov, Chairman of the Board of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan, at +7 (3712) 336-070 (voice), or 333-200 (fax).

EX-IM BANK CONTACT INFORMATION

Ex-Im Bank's coverage policies are subject to periodic review and may change from time to time. For additional information on Ex-Im Bank's programs in the Newly Independent States, contact Ex-Im Bank:

Houston, Texas
Tel.: (713) 589-8182
Fax: (713) 589-8184

U.S. Toll Free Number: 1 (800) 565-EXIM
Worldwide Number: (202) 565-3946
Home page: www.exim.gov

Long Beach, California
Tel.: (310) 980-4580
Fax: (310) 980-4590

Business Development Group

Tel.: (202) 565-3900
Fax: (202) 565-3931

U.S. Regional Offices

New York, New York
Tel.: (212) 466-2950
Fax: (212) 466-2959

EX-IM BANK CITY/STATE PARTNERS PROGRAM

What Is the City/state Partners Program?

The City/State Partners Program is a joint effort between Ex-Im Bank and state and local entities around the country to bring Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export. Small business represents the economic sector where the greatest potential for American job and export growth lies. But despite the competitiveness of their products, smaller businesses often cannot get commercial bank export financing. Frequently they are unaware of Ex-Im Bank's programs and how to use them.

To bridge the gap, Ex-Im Bank has formed partnerships with 36 state and local government offices and private sector organizations to bring its programs to the exporter at the lowest cost to the American taxpayer. Ex-Im Bank has resources in the form of loans, guarantees and insurance programs. State and local representatives have the staff and the knowledge of the local market and how to reach it. By pooling strengths in a local-federal partnership, both accomplish what neither could do alone—creating high-quality U.S. jobs and expanding the local tax base through exports.

How Does the Program Work?

Ex-Im Bank trains the staff of its City/State partners to market Ex-Im Bank's programs to local businesses and commercial banks, teach seminars, counsel exporters and banks, and package transactions. The expense of packaging a small deal is often prohibitive for a bank. By packaging transactions for the banks, City/State partners facilitate many commercial loans that otherwise would not go forward.

Where Are Programs Operating?

City/State partners programs presently are operating in 30 states, three counties, two cities, a Chamber of Commerce and the Commonwealth of Puerto Rico. The addresses of these programs are listed on the following pages. Other interested agencies should contact:

What Services Are Available Through the Program?

All Ex-Im Bank resources are available through its City/State partners, including two programs found particularly useful by smaller exporters: (1) the **Working Capital Guarantee Program** which provides guarantees of working capital loans to finance companies' export-related and pre-export activity, and (2) the **Export Credit Insurance Program** that insures companies against payment default by foreign customers. Ex-Im Bank also provides medium-term credits and guarantees.

Export Assistance Center Liaison

City/State partners also represent Ex-Im Bank in the U.S. Export Assistance Centers set up around the country by the Trade Promotion Coordinating Committee to bring a wide range of federal government trade promotion services to smaller exporters.

U.S. EXPORT ASSISTANCE CENTER CONTACTS

State of Alaska

Alaska Industrial Development & Export Authority (AIDEA)
480 West Tudor Road
Anchorage, AK 99503
Tel.: (907) 269-3000; Fax: (907) 269-3044
Email: jmcmillan@aidea.alaska.net
Contact: Jim McMillan, Deputy Director
Programs: Business finance assistance, loan

packaging and referral for Ex-Im Bank programs, referral service for SBA programs.

State of Arkansas

Arkansas Development Finance Authority
100 Main St., Suite 200
Little Rock, AR 72203-8023
(501)682-5910 Fax: (501) 682-5939
Email: bscoggins@adfa.state.ar.us

Contact: Brian Scoggins, Export Finance Manager

State of California

Bay Area World Trade Center

345 California Street, 7th Floor
San Francisco, CA 94104

Tel.: (415) 392-2705; Fax: (415) 392-1710

Email: pyap@bawtc.baytrade.org

Contact: Peter Yap, Trade Manager

Programs: Financial advice, counseling, seminars and market research, Ex-Im Bank packaging, trade finance structuring.

California Export Finance Office

One World Trade Center, Suite 900

Long Beach, CA 90831-0900

Tel.: (562) 499-6014; Fax: (562) 499-6080

Email: cbrown@commerce.ca.gov

Homepage: commerce.ca.gov/international/cefo

Contact: Caroline V. Brown, Director

Programs: Ex-Im Umbrella Policy, pre/post shipment loan guarantee and SBA packaging.

State of Florida

Florida Export Finance Corp

5600 North West 36th Street, Suite 615

P.O. Box 526524

Miami, FL 33152-6524

Tel.: (305) 870-5027; Fax: (305) 870-5017

Email: fefc@gate.net

Homepage: www.dos.state.fl.us/feffc

Contact: Steve Fancher, President

Programs: Trade finance structuring, insurance counseling & WCGP packaging.

State of Georgia

Export Assistance Center

285 Peachtree Center Avenue, NE-Suite 200

Atlanta, GA 30303-1229

Tel.: (404) 656-4504; Fax: (404) 651-6505

Homepage: www.itt.state.ga.us

Contact: Bill Bounds, Export Finance Director

Programs: Trade finance structuring fixed asset financing, insurance counseling & WCGP packaging.

State of Illinois

International Trade Center at University of Illinois, Urbana-Champaign

428 Commerce West, 1206 S. 6th St.

Champaign, IL 61820

Tel.: (217) 244-1585; Fax: (217) 333-7410

Email: tmornso@uiuc.edu

Contact: Tess Morrison, Director

Programs: Trade finance structuring fixed asset financing, insurance counseling, WCGP and federal assistance program packaging.

State of Indiana

Indiana Department of Commerce/International Trade Division

One N. Capitol St., Suite 700

Indianapolis, IN 46204-2288

Tel.: (317) 233-4337; Fax: (317) 233-1680

Email: abrown@commerce.state.in.us

Contact: Autumn Brooks Brown, Trade Finance Specialist

Programs: Trade finance structuring, insurance counseling & WCGP packaging.

State of Louisiana

Louisiana Economic Development Corp.

339 Florida Street, Suite 402

Baton Rouge, LA 70801

Tel.: (504) 342-5675; Fax: (504) 342-0142

Email: mwilliams@mail.lided.state.la.us

Contact: Michael Williams, Deputy Director

Tel.: (504) 342-5680; Fax: (504) 342-0142

Email: martinez@mail.lided.state.la.us

Contact: Felipe E. Martinez, Business Loan Officer

Programs: Trade finance structuring, fixed asset financing, insurance, counseling & WCGP packaging.

Jefferson Parish Economic Development Commission (JEDCO)

3445 N. Causeway Blvd., Suite 300

Metairie, LA 70002

Tel.: (504) 362-9378; Fax: (504) 365-3890

Email: jedco1@communique.com

Contact: Jack Blanke, Commercial Loan Officer

Programs: Trade finance structuring, fixed asset financing, insurance counseling, WCGP and federal assistance program packaging.

State of Maryland

Maryland Industrial Development Financing

Authority (MIDFA)

Maryland Trade Finance Program
217 E. Redwood St., 22nd Floor
Baltimore, MD 21202
Tel.: (410) 767-6383; Fax: (410) 333-6931
Email: wgreen@mdbusiness.state.md.us
Contact: William L. Green, Relationship Manager
Programs: Trade finance structuring, WCGP packaging, Ex-Im Bank umbrella policy and preparation of applications for all Ex-Im Bank programs.

State of Massachusetts

Mass Industrial Finance Agency (MIFA)
75 Federal Street, 10th Floor
Boston, MA 02110
Tel.: (617) 451-2477; Fax: (617) 451-3429
Email: ehunter@state.ma.us
Homepage: www.massdevelopment.com
Contact: Eric Hunter, Export Finance Manager
Programs: WCGP packaging, Export Guarantee Program, trade finance structuring, Ex-Im Bank Umbrella Policy.

State of Michigan

State of Michigan/Jobs Commission
Keesee & Associates
600 N. Old Woodward Ave.
Birmingham, MI 48009
Tel.: (248) 540-8476; Fax: (248) 540-2250
Email: keesee@tir.com
Contact: Don Keesee, President
Programs: Trade finance structuring, insurance, and WCGP packaging.

State of Minnesota

Minnesota Trade Office
1000 World Trade Center
St. Paul, MN 55101-4902
Tel.: (612) 297-4658; Fax: (612) 296-3555
Email: noor.doja@state.mn.us
Contact: Noor Doja, Executive Director
Programs: Export finance counseling, packaging of MEFA, Ex-Im Bank and SBA working capital St. guarantees supporting exports, open account credit insurance.

State of Mississippi

Mississippi Department of Economic and Community Development

P.O. Box 849
Jackson, Mississippi 39205-0849
Tel.: (601) 359-6672; Fax: (601) 359-3605
Email: bscaggs@mississippi.org
Homepage: www.decd.state.ms.us
Contact: Bill Scaggs, Trade Specialist
Programs: Full service export marketing assistance, trade promotion, trade shows, & trade missions, business development, trade finance structuring, insurance counseling, and WCGP packaging.

State of Missouri

State of Missouri/Office of International Marketing
8182 Maryland Ave., Suite 303
St. Louis, MO 63105
Tel.: (314) 425-3310, x227; Fax: (314) 425-3381
Email: steppan@stlnet.com
Contact: John Schneider, Marketing Specialist
Programs: WCGP packaging, trade finance, counseling.

Missouri Development Finance Board

Harry S. Truman Building
301 West High Street, Room 680
P.O. Box 567
Jefferson City, MO 65102
(573) 751-8479; Fax: (573) 526-4418
Email: aweaver@mail.state.mo.us
Contact: Ashley R. Weaver, Export Loan Officer
Programs: WCGP packaging, trade finance, counseling.

State of Montana

Montana World Trade Center
Gallagher Business Building
The University of Montana
Missoula, MT 59812-1216
(406) 243-6982; Fax: (406) 243-2086
Email: mwtc@selway.umt.edu
Homepage: mwtc.business.umt.edu
Contact: Leslie Ann Jensen, Trade Specialist
Programs: Full service export marketing assistance, trade promotion, trade shows, business development, trade finance structuring, insurance counseling, and Ex-Im Bank and SBA WCGP packaging.

State of Nevada

Nevada State Development Corporation
 350 S. Center Street, Suite 310
 Reno, NV 89501
 (702) 323-3625; Fax: (702) 323-1997
 Email: nsdc_rno@ix.netcom.com
 Contact: Bobbi Bennett, President
 Programs: Counseling and financing assistance
 using SBA and Ex-Im Bank programs.

Nevada State Development Corporation
 4800 Alpine Place, Suite 17
 Las Vegas, NV 89107
 (702) 877-9111; Fax: (702) 877-2803
 Email: nsdc_lv@ix.netcom.com
 Contact: Debra Swartz, Vice President
 Programs: Counseling and financing assistance
 utilizing SBA and Ex-Im Bank Programs.

State of New Hampshire

Office of International Commerce
 International Trade Resource Center
 17 New Hampshire Avenue
 Portsmouth, NH 03801-2838
 (603) 334-6074; Fax: (603) 334-6110
 Email: g_kewley@dred.state.nh.us
 Homepage: www.dred.state.nh.us/oic/trade
 Contact: A. Glen Kewley, Senior Export Finance
 Officer
 Programs: Trade finance structuring, counseling,
 WCGP packaging, and packaging for all other
 Ex-Im Bank programs, packager of SBA's Export
 Working Capital Guarantee Program.

State of New York

*Erie County Industrial Development Agency
 (ECIDA)*
 Suite 300 - Liberty Building
 424 Main Street
 Buffalo, NY 14202-3595
 Tel.: (716) 856-6525; Fax: (716) 856-6754
 Email: ecida@buffnet.net
 Contact: Edward Arnold, Director of International
 Trade
 Programs: Export trade finance, WCGP and other
 loan packaging, market research & counseling;
 insurance brokers (including Ex-Im Bank
 insurance programs)

Monroe County Planning & Development Dept.
 2 State Street, Suite 500
 Rochester, NY 14614
 Tel.: (716) 428-5347; Fax: (716) 428-2147
 Email: phohensee@growmonroe.com
 Homepage: www.embarc.com/mcny
 Contact: Paul Hohensee, Business Dev. Analyst
 Programs: WCGP packaging, marketing in-
 formation and counseling.

State of North Carolina

*Small Business and Technical Development
 Center (SBTDC)*
 333 Fayetteville Street Mall, Suite 1150
 Raleigh, NC 27601-1742
 Tel.: (919) 715-7272; Fax: (919) 715-7777
 Email: abrady@sbtcd.org
 Homepage: www.sbtcd.org
 Contact: Annetta Brady, Director of International
 Business Development
 Programs: Trade finance structuring, WCGP
 packaging, insurance counseling and referral,
 marketing for Ex-Im programs, and SBA loans.

SBTDC -- Winston-Salem
 P.O. Box 19483
 Winston-Salem, NC 27110
 Tel.: (910) 750-2030; Fax: (910) 750-2031
 Email: cjohn@sbtcd.org
 Contact: Charles D. John, International Trade
 Counselor

SBTDC - Chapel Hill
 608 Airport Road, Suite B
 Chapel Hill, NC 27514
 Tel.: (919) 962-0389; Fax: (919) 962-3291
 Email: bphillips@sbtcd.org
 Contact: Barry Phillips, Counselor

SBTDC -- Charlotte
 c/o The Ben Craig Center
 8701 Mallard Creek Road
 Charlotte, NC 28262
 (704) 548-1090; Fax: (704) 548-9050
 Email: mmastromichalis@sbtcd.org
 Contact: Michael Mastromichalis, Int'l Trade
 Counselor

State of Ohio

International Trade Division

Ohio Department of Development
 775 Hyde St., 29th Floor
 P.O. Box 1001
 Columbus, OH 43216-1001
 Tel.: (614) 466-5017; Fax: (614) 463-1540
 Email: tlaporte@odod.ohio.gov
 Homepage: ohiotrade.tpusa.com
 Contact: Tom LaPorte, Manager
 Programs: Technical export assistance,
 agent/distributor searches & marketing
 information. WCGP packaging.

State of Oklahoma

Oklahoma Department of Commerce
 Export Finance Program
 900 N. Stiles
 P.O. Box 26980
 Oklahoma City, OK 73126-0980
 Tel.: (405) 815-6552; Fax: (405) 815-5142
 Email: bddinfo@odoc.state.ok.us
 Contact: Rana Brown, Economic Development
 Specialist
 Programs: Trade financing structure, WCGP
 packaging, Ex-Im Bank Umbrella Policy and
 foreign accounts receivable financing.

State of Pennsylvania

*Pennsylvania Department of Community and
 Economic Development*
 Office of International Business Development
 303 Forum Building
 Harrisburg, PA 17120
 Tel.: (717) 787-7190; Fax: (717) 234-4560
 Email: Mary_McGlinchey@dced.state.pa.us
 Contact: Mary McGlinchey, Export Finance
 Specialist
 Program: WCGP packaging.

City of Philadelphia

Department of Commerce
 One Parkway
 1515 Arch Street, 12th floor
 Philadelphia, PA 19102
 (215) 683-2120 FAX: (215) 683-2097
 Email: carol.brooks@phila.gov
 Contact: Carol Brooks, International Trade
 Coordinator
 Programs: WCGP packaging.

Puerto Rico

Promoexport Puerto Rico
 268 Munoz Rivera Avenue, Plaza Floor
 Hato Rey Tower
 Hato Rey, Puerto Rico 00918
 Tel.: (787) 765-2707; Fax: (787) 765-4260
 Email: emisla@promoexport.com
 Contact: Edison R. Misla, Deputy Executive Dir.
 Programs: Full range of export related services
 and financing assistance including SBA, and Ex-
 Im Bank packaging, venture capital, and direct
 loans.

State of South Carolina

Export Financial Services Inc.
 P.O. Box 2877
 Greenville, SC 29602
 Tel.: (864) 241-6351; Fax: (864) 241-0643
 Email: trotter@iopa.sc.edu
 Contact: Wayne Trotter, Director
 Programs: Export-readiness profiles and
 assessments, market research, export strategy
 development and implementation, WCGP and
 insurance counseling.

State of South Dakota

South Dakota International Business Institute
 Northern State University
 620 SE 15th Avenue
 Aberdeen, SD 57401
 Tel.: (605) 626-3098; Fax: (605) 626-3004
 Email: bollenj@wolf.northern.edu
 Contact: Joop Bollen, Director
 Programs: Full service export support, market
 research, business plans & trade finance
 structuring, WCGP packaging & insurance
 counseling.

State of Tennessee

The Knoxville Area Chamber Partnership
 601 West Summit Hill Drive
 Knoxville, TN 37902-2011
 (423) 632-3744; Fax: (423) 523-2071
 Email: awinston@kacp.com
 Homepage: www.knoxville.org
 Contact: Annette Winston, Director
 Programs: Trade finance and export counseling.

State of Texas

Texas Department of Economic Development
 Business Development Division

P.O. Box 12728
Austin, TX 78711
Tel.: (512) 936-0270; Fax: (512) 936-0520
Email: craigp@ded.state.tx.us
Contact: Craig Pinkley, Director of Finance
Programs: Trade finance structuring, private funding sources, WCGP packaging, fixed asset financing, insurance referrals, trade shows) preparation of applications for all Ex-Im Bank programs & packaging for SBA WCGP.

Greater Dallas Chamber of Commerce
World Trade Center,
2050 Stemmons Freeway, Suite 150
Dallas, TX 75207
Tel.: (214) 712-1934; Fax: (214) 748-5774
Email: tmeyrat@dallaschamber.org
Homepage: www.gdc.org/global.html
Contact: Thierry Meyrat, Director of Trade Finance
Programs: Full service export support, SBA packaging, WCGP packaging, insurance counseling, medium-term insurance.

State of Utah

Utah Technology Finance Corporation
177 East 100 South
Salt Lake City, UT 84111
Tel.: (801) 741-4220; Fax: (801) 741-4249
Email: kvance@utfc.org
Homepage: www.utfc.org
Contact: Kent Vance, Director, Trade Finance
Programs: Trade finance structuring, fixed asset financing, insurance counseling, WCGP and domestic state programs.

State of Vermont

Vermont Economic Development Authority
58 East State Street
Montpelier, VT 05602
Tel.: (802) 828-5461; Fax: (802) 828-5474
Email: mdussault@veda.state.vt.us
Contact: Marie Dussault, Loan Officer
Programs: WCGP packaging, counseling and referral service for export trade structuring.

State of Virginia

Virginia Small Business Finance Authority
901 East Byrd St., Suite 1800
Richmond, VA 23219

Tel.: (804) 371-8255; Fax: (804) 225-3384
Email: AMackleyCobb@DBA.State.VA.US
Contact: Anna B. Mackley-Cobb, Financial Services Representative
Programs: Trade finance structuring, counseling, WCGP packaging and Ex-Im Bank Umbrella Policy.

State of Washington

Export Finance Assistance Center of Washington
2001 6th Avenue, Suite 650
Seattle, WA 98121
Tel.: (206) 464-7152; Fax: (206) 464-7230
Email: efacw@sprynet.com
Contact: Warren Gross,
Managing Director & President
Programs: Trade financing structuring & WCGP packaging and SBA packaging.

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

The Overseas Private Investment Corporation (OPIC) is an independent, self-sustaining U.S. Government agency that encourages private sector U.S. investment overseas by providing investment finance and insurance to American businesses large and small making long-term investments.

INTRODUCTION

OPIC services are available in some 140 developing nations and emerging markets worldwide, including all of the countries of the New Independent States. OPIC has provided more than \$3.5 billion in combined project financing and political risk insurance to American companies sponsoring projects in Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Uzbekistan.

OPIC PROGRAMS

Project Financing

OPIC offers direct loans and loan guarantees that help American companies open new businesses or expand existing ones overseas. OPIC's long-term, limited-recourse project financing is available to ventures involving significant equity participation by U.S. businesses. Loan guarantees range in size from \$10 million to \$200 million and are typically used for larger projects, while direct loans are reserved for small businesses and cooperatives and generally range from \$2 million to \$30 million. Loan packages are individually structured for each project, and OPIC looks for repayment from the revenues generated by the project itself.

Political Risk Insurance

OPIC protects U.S. investors against political risks overseas by offering insurance for American investments that covers companies against expropriation, political violence, and currency inconvertibility. OPIC's policies are available with terms up to twenty years and for amounts up to \$200 million per project. OPIC has special programs for infrastructure development, financial institutions, leasing, natural resources, and oil and gas projects. For the coverage, companies pay market-based fees and premiums.

Investment Funds

OPIC provides loan guarantees to support privately owned and managed investment funds that make equity investments in new, expanding, or privatizing enterprises around the world. OPIC funds are currently operating in nearly every region of the world, including six concentrating their investments in the NIS. The investment funds are privately owned, privately managed, and make their own commercially-based investment decisions. Sponsors seeking long-term growth capital for their projects should approach the appropriate fund directly. Contact the OPIC Information Officer at (202) 336-8799 for a list of funds.

General OPIC Requirements

- OPIC-financed projects must demonstrate a potential for positive effects on the U.S. economy. Assistance will be denied to projects that are likely to have a negative effect on U.S. employment or trade. U.S. procurement, net financial flows, and net project exports to the United States are considered.
- OPIC does not participate in projects subject to performance requirements that would substantially reduce the potential U.S. trade benefits of the investment. Of particular concern are "trade-related" performance requirements of host governments to ensure local content and minimum export levels.
- OPIC has a statutory mandate to support projects that are responsive to host country development needs, and which foster private initiative and competition. The contribution of the proposed project to the host country's economic and social development is closely examined. Monopoly rights or concessions (over five years) will require special justification.
- OPIC is required by statute to decline to support projects that would have an unreasonable or major adverse impact on the environment of the host country. OPIC will conduct an environmental assessment of every project proposed for financing and insurance.
- OPIC is prohibited by statute from supporting projects that contribute to violations of internationally recognized worker rights. The investor must sign a contract with OPIC pledging to respect these rights, including the rights of association, collective bargaining and acceptable working conditions.

For additional information on OPIC programs in the New Independent States, contact:

James Gale
Overseas Private Investment Corporation
1100 New York Ave., NW
Washington, DC 20527-0001
Tel.: (202) 336-8629
Fax: (202) 408-5145
OPIC Website: www.opic.gov

TRADE DEVELOPMENT AGENCY (TDA)

The Trade and Development Agency (TDA) is an independent U.S. Government agency which provides funding for U.S. companies to conduct feasibility studies on major projects in developing and middle income countries. By providing assistance in project planning, TDA promotes economic development, while helping the U.S. private sector get involved in projects that offer significant export opportunities.

Updated March 1999

INTRODUCTION

TDA, which has programs throughout the world, was authorized to operate in the New Independent States (NIS) of the former Soviet Union in 1991. In the few short years since opening for business in the NIS, TDA has funded studies on over 180 major infrastructure and industrial projects. These projects present export opportunities of more than \$5 billion for U.S. companies. Exports of U.S. goods and services related to those projects already total about \$600 million.

Feasibility Studies

TDA provides grant funding for studies to determine the technical, economic, and financial feasibility of major projects and to provide detailed data for making decisions on how to proceed with project implementation. Historically, most TDA projects have been public sector undertakings, planned and implemented by government ministries or agencies. Increasingly, however, developing countries, including the NIS countries, have begun to promote private sector involvement in major infrastructure and industrial projects. Consequently, TDA now provides funding for both public and private sector projects, including joint ventures in which U.S. companies plan to take equity.

To initiate TDA consideration of a project, a request for assistance must be made directly to TDA by the appropriate NIS sponsoring entity (government or private sector). In cases where a specific U.S. company has been identified by the NIS sponsoring entity as its partner on the project, that U.S. company must submit a detailed proposal to TDA following a format which is available from TDA.

If a project appears promising, TDA hires its own consultant to review the project, through either a Desk Study or a Definitional Mission (DM). A Desk Study is a review of the project by the consultant in the United States, and is utilized when there is already sufficient information available so that a visit to the host country is not necessary. This is usually the case when TDA has received a detailed proposal from a U.S. company. A DM involves a short visit by the consultant to the host country to gather additional information on the project and work with the sponsoring entity to develop terms of reference and a budget for the feasibility study.

The Desk Study or DM ascertains whether a project meets the following TDA funding criteria: the project is a developmental priority for the host country; financing for project implementation has been identified and is available if the study confirms project feasibility; the potential for U.S. exports during project implementation is significant (potential U.S. exports of at least \$10-15 million); and

TDA has a facilitative role to play. Before approving funding, TDA also requires endorsement of the project by the appropriate U.S. Embassy or Consulate.

When TDA provides funding for a feasibility study, it signs a Grant Agreement with the NIS sponsoring entity (the Grantee), and it is the Grantee which selects the U.S. firm to conduct the study. In many cases, the Grantee already has identified that firm (typically the firm that has submitted the proposal to TDA). In other cases, a competitive selection process is undertaken by the Grantee, entailing publication of a request for proposals for the study in Commerce Business Daily. In either case, the selected U.S. contractor signs a contract with the Grantee to conduct the study.

While the Grant Agreement is signed by TDA and the Grantee, no funds are actually transferred to the Grantee. Instead, the U.S. contractor conducts work under its contract with the Grantee and submits its invoices to the Grantee, who, if satisfied with the work, approves the invoices and forwards them to TDA. TDA then pays the contractor directly in the United States.

In almost all cases TDA requires cost-sharing, i.e., TDA only partially covers the cost of the feasibility study, with the remainder of the cost being borne by the U.S. firm conducting the study. TDA's contribution varies according to a number of factors, including the size of the firm, the potential follow-on benefit to the firm as supplier to or investor in the project, the costs the firm has already incurred in developing the project, and the risks associated with the project. In addition, in appropriate cases, TDA may require the firm conducting the study to reimburse the TDA funding if the project is implemented and the firm reaps a substantial economic benefit.

CONTACTS

Daniel Stein
Regional Director

KelleyAnn Szalkowski
Country Manager (Russia)

Melissa Eustace, Country Manager
(all other NIS countries)

Cynthia Paddock, Project Analyst

U.S. Trade and Development Agency
1621 North Kent Street, Suite 300
Arlington, Virginia 22209-2131
Tel.: (703) 875-4357
Fax: (703) 875-4009
Home page: www.tda.gov

U.S. DEPARTMENT OF AGRICULTURE (USDA) EXPORT CREDIT PROGRAMS

The USDA Commodity Credit Corporation (CCC) administers the GSM-102 and GSM-103 export credit guarantee programs to insure financing for sales of U.S. agricultural exports. This program allows foreign buyers to purchase U.S. agricultural commodities from private U.S. exporters, with U.S. banks providing financing to the importers' banks on commercial terms.

Updated March 1999

INTRODUCTION

Under the GSM-102 & 103 programs, CCC is the guarantor and does not directly finance the export of the commodities and insures up to 98 percent of the principal and a portion of the interest. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to the foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). Any follow-on credit arrangements between the foreign bank and the importer are negotiated separately and are not covered by the CCC guarantee.

GSM-102 & 103 Programs

The Export Credit Guarantee Program (GSM-102) covers credit terms up to three years. The Intermediate Export Credit Guarantee Program (GSM-103) covers longer credit terms up to 10 years. Target countries are those with high market development potential and reasonable expectation of repayment. A U.S. exporter, foreign buyer or buying agency, or foreign or U.S. bank may initiate the allocation of new country coverage under CCC's guarantee programs. Before a program is announced, however, the creditworthiness of a country and its financial institutions are evaluated.

Most programs are operated under individual bank credit limits. These limits are established by the Consolidated Farm Service Agency (CFSA) and establish the maximum amount of cumulative exposure or potential risk the CCC will assume for an individual bank. In selected cases, governments whose banks are not considered creditworthy by the CFSA may participate by providing USDA with a commitment to back obligations of individual country banks. This commitment is called a credit guarantee assurance (CGA), and may permit exposure to exceed bank limits.

If the CCC decides political and economic risks are balanced by market development potential, it will issue

a program announcement specifying the commodity, country, amount of coverage available, shipping deadline, and other pertinent information. If an exporter is interested in obtaining a guarantee for a commodity that is not included in a country's commodity allocation, the exporter may request that the CCC consider extending coverage.

GSM-102 & 103 Requirements

The commodity must be 100-percent of U.S. origin. Manufactured agricultural inputs such as pesticides, fertilizers, machinery, or vitamin supplements are not covered. The exporter must have a business office in the United States and not be debarred or suspended from participating in CCC programs.

CONTACTS

For more information on the export credit guarantee program for the NIS, contact the nearest U.S. Embassy, or USDA in the United States:

Grant Pettrie, Area Manager
Foreign Agricultural Service/Export Credits
U.S. Department of Agriculture
14th and Independence Ave., SW
Room 4524
Washington, DC 20250-1000
Tel.: (202) 720-5319
Fax: (202) 690-0251
Home page: www.fas.usda.gov

Specific inquiries regarding Russia can also be addressed to the Office of Agricultural Affairs in the U.S. Embassy in Moscow, which is the official representative of the U.S. Department of Agriculture in the Russian Federation.

Home page: www.agmoscow.post.ru/english.htm

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

The European Bank for Reconstruction and Development (EBRD) was established in 1991 to foster the transition towards market-oriented economies and to promote private and entrepreneurial initiative in Central and East European countries committed to and applying the fundamental principles of multiparty democracy, pluralism, and market economics.

Updated March 1999 (Sources: EBRD & US Commercial Service Liaison to the EBRD)

Further EBRD information is available at:

www.mac.doc.gov/bisnis/isa/isa.htm#Misa
www.mac.doc.gov/bisnis/finance/finance.htm and
www.ebrd.com

INTRODUCTION

The Bank aims to help its countries of operations to implement structural and sectoral economic reform, including de-monopolization, decentralization and privatization, taking into account the particular needs of countries at different stages of transition. Its activities include the promotion of private sector activity, the strengthening of financial institutions and legal systems, and the development of infrastructure needed to support the private sector.

The EBRD encourages co-financing and foreign direct investment from the private and public sectors, helps to mobilise domestic capital, and provides technical cooperation in relevant areas. It works in close cooperation with international financial institutions and other international organisations. The Bank promotes environmentally sound and sustainable development in all of its activities.

Membership and Capital

The EBRD has 60 members (58 countries, including the United States, the European Community, and the European Investment Bank), including 26 countries of operations in Central and Eastern Europe and the Commonwealth of Independent States (CIS).

The EBRD's subscribed capital is ECU 20 billion, of which 30 per cent is paid in. The Bank also borrows in various currencies on world capital markets.

Financing

The EBRD operates in both the private and public sectors. It practices both merchant and development banking, providing funding for private or privatisable enterprises and for physical and financial infrastructure projects needed to support the private sector. The EBRD uses a broad range of financing instruments tailored to specific projects. The kinds of finance it offers include loans, equity investments and guarantees. In all of its operations, the Bank applies sound banking and investment principles. The terms of the EBRD's funding are designed to enable it to cooperate both with other international financial institutions and with public and private financial institutions through co-financing arrangements.

By September 1998, the Bank had approved 603 projects: these involved ECU 13.9 billion of the EBRD's own funds and were expected to mobilize an additional ECU 32.2 billion. Of the approved projects, 525 had been signed, committing ECU 11.2 billion of the EBRD's own funds. Eighty-four per cent of total committed funding was for private sector projects.

Project-related technical cooperation is a major feature of the EBRD's activities. By the end of 1997, 53 cooperation fund agreements with bilateral donors, totalling ECU 512 million, had been made with the Bank for this purpose; 1,808 projects, with a total estimated cost of ECU 500 million, had been committed.

Operations

The EBRD's operations are carried out through its Banking Department, which is composed of teams combining the Bank's private sector and public sector specialists. Country teams ensure consistent implementation of the Bank's country strategies; these are backed up by the specialist expertise of sector teams and operations support units.

WORKING WITH THE EBRD

There are three ways in which U.S. companies can work with the EBRD: (1) as borrowers and/or investors in private-sector projects that require financing; (2) as suppliers of goods and services on Bank-financed projects; and (3) as consultants, under the Bank's technical cooperation program and Bank-financed projects (further information can be found at: www.mac.doc.gov/bisnis/isa/isa.htm#Misa).

Investors: Private Sector Projects

The primary targets of the EBRD's financing are private companies or state-owned enterprises undergoing privatization and new companies, including joint ventures with international strategic investors. A key aim is to encourage investment in the region, and the Bank works in partnership with other investors and lenders to provide a range of financing instruments including loans, equity, and guarantees. This activity is complemented by finance for infrastructure projects in the public sector that support initiatives in the private sector. The Bank encourages regional cooperation, and the projects it supports may involve more than one country

The Bank lends for specific projects and investment programs and co-finances with multilateral institutions, commercial banks and other lenders. The terms of the EBRD's funding are designed to enable it to cooperate both with other international financial institutions and with public and private financial institutions through co-financing arrangements. From the U.S., the EBRD works with the Overseas Private Investment Corporation (OPIC), the Export Import Bank (Ex-Im), and several commercial banks.

The Bank also invests in the equity capital of private and state-owned enterprises, and may facilitate access to international capital by underwriting debt or equity securities offerings and providing guarantees,

financial advice and various other forms of technical cooperation.

Lending Requirements

The Bank is normally prepared to provide, in the form of debt or equity, up to 35 per cent of the capital for a single project. The sponsor, in turn, is expected to provide an additional third of the project cost in the form of equity, with the remaining financing provided by an outside lender. The terms will primarily reflect the commercial and country risks, although the latter is mitigated by the EBRD's status as a preferred creditor. The Bank's financing may take the form of limited recourse (to the sponsors), senior or subordinated debt, equity or guarantees. *All projects financed by the Bank must be commercially viable and must be able to generate cash flow sufficient to service the debt.*

Loans are available in local or hard currency. If hard currency funding is provided, the project must demonstrate the ability to generate hard currency or the ability to absorb increases in local currency financing costs should there be any devaluation during the loan period.

Mobilizing Co-financing

At present, the principal form of mobilizing external financing for private sector projects is the participation by banks in EBRD loans. Through this technique, the commercial banks can share with the EBRD the benefit of its status as an international institution. The EBRD, as lender of record, extends a loan to a borrower on terms pre-arranged with, and funded by, bank lenders and the EBRD. Structurally, the EBRD sells participation, without recourse to itself, in such loans to the banks. Through the participation mechanism, each bank lender may benefit from the EBRD's preferred creditor status.

The EBRD works with commercial, investment and merchant banks acting as advisors to investors in its countries of operations. The Bank also co-operates with other lenders and risk-takers such as export credit agencies (Ex-Im) and investment insurers (OPIC), and international institutions such as development banks and bilateral donors. The Bank's objective is to provide and develop capital sources for investments. It is pleased to work with a financial advisor to develop appropriate capital structures that the EBRD and the international capital markets can support.

Multi-Project Facility Program (MPFP)

The MPFP is a wholesale approach to lending that was introduced to more efficiently distribute the Bank's resources by combining several investment projects under a single umbrella commitment. The facility is aimed at relatively large western companies with strong balance sheets who wish to undertake a series of projects ranging in individual size from \$3 to \$30 million, with total financing needs of at least \$60 million. In total, the EBRD would commit debt or equity of at least \$20 million.

The MPFP includes a framework agreement between the EBRD and the project sponsor, allowing the sponsor to develop projects on a more independent basis. A great deal of responsibility and risk is transferred to the project sponsor. However, the MPFP gives the sponsor access to a source of co-financing early in the project development process and reduces the amount of paperwork per project.

Financing Small & Medium-Sized Projects

In general, the Bank seeks to directly fund projects where its minimum participation is around \$7 million. Due to cost constraints, the Bank is not generally able to directly finance smaller projects. As part of its mandate to provide financing in support of private sector initiatives, and especially to assist small and medium-sized enterprises, the Bank has established financial intermediaries such as equity funds, credit lines to local banks and venture capital funds, who are better positioned to consider such projects. (See BISNIS document Alternative Sources of Financing with the EBRD: www.mac.doc.gov/bisnis/finance/altsoufi.htm).

Proposing a Private Sector Project

Private sector projects are generally brought to the Bank by the borrower (either a local or a foreign firm) or the joint venture. A company with a project in mind is advised to write a thorough and complete **Business Plan**, which should be submitted to the Bank as a first step in applying for Bank funds. The proposal should include a description of the project and the main parties to the transaction, a financing plan and a financial overview. It is important to note that responsibility for project preparation rests with the borrower, and not the Bank, although the Bank works closely with the borrower to ensure that the proposal meets Bank standards.

If, after reviewing the Business Plan, the Bank is interested in the project, the following process occurs:

Concept Clearance. This first step ensures that an operation fits within the policies of the Bank and is consistent with prevailing country priorities and sector operations policies. After a project officer has developed a broad outline of a proposed project, he or she submits a memorandum via the relevant team leader to the Deputy Vice President and Vice President. Once approval is granted, a mandate letter is prepared and sent to the project sponsor spelling out necessary costs and undertakings as a project is prepared.

Initial Review. An Operations Committee (OpsComm), comprised of senior Bank management, discusses the project at an early stage to identify strategic and operation issues that may require special attention or assistance. These key issues must be resolved prior to the project returning for final review.

Final Review. The project, now in the form of a draft final review package, returns to the OpsComm, having received approval from relevant departments such as procurement, environment, credit, co-financing, loan syndication, etc. At this stage the focus is on the successful resolution of any outstanding business and credit issues, on readiness for implementation of the project, and on project consistency with the policy and portfolio goals of the Bank.

Executive Committee Review. Prior to being presented to the Board, the project is seen by the President and the vice-presidents, and then presented to the Board by the President.

Board Approval. The final responsibility for approving a project rests with the Board. The Board meets twice a month, and requires at least three weeks to review a project prior to the date scheduled for consideration.

Although timing varies for each individual project, approval for projects has been completed in as little as

four and a half months (rare) but in some cases has taken over a year. Please note, however, that the Bank will not commit itself to any time frame for completion of the process and that these are only estimates. The Bank is seldom the reason for a delay; it can not proceed with funding until it is completely satisfied with the information and documentation provided by the sponsor.

CONTACTS

US Commercial Service Liaison to the EBRD

Gene Harris, Senior Commercial Officer

Tel: +44 (171) 338 7493

Fax: +44 (171) 588 4026

Email: harrisG@ebrd.com

Neil McKain, Senior Commercial Specialist

Tel: +44 (171) 588 4027

Fax: +44 (171) 588 4026

Email: McKainN@ebrd.com

European Bank for Reconstruction and
Development

One Exchange Square

London EC2A 2EH

United Kingdom

Tel.: +44 (171) 338 6000

Fax: +44 (171) 338 6100

Telex: 8812161 EBRD L G

Project enquiries / proposals:

Project Enquiries

Tel: +44 171 338 6282/6252

Fax: +44 171 338 6102

E-mail: singh@ebrd.com

Consultants should contact:

Consultant Contracts Unit

Tel: +44 171 338 6219

Fax: +44 171 338 7451

General enquiries about the EBRD:

Communications Department

Tel: +44 171 338 7931/6372

Fax: +44 171 338 6102

E-mail: nixb@ebrd.com

Procurement Opportunities:

Procurement Department

Tel: +44 (171) 338 6534

Fax: +44 (171) 338 7472

Requests for publications:

Publications Desk

Tel +44 (171) 338 7553

Fax: +44 (171) 338 6102

Email: pubsdesk@ebrd.com

Business Information Service:

Subscription-based service providing business
information about each of the EBRD's countries

of operations.

Business Information Center

Tel: +44 (171) 338 6361

Fax: +44 (171) 338 6155

New Trade Facilitation Program for Banks in the Former Soviet Union/Central and Eastern Europe

Please note that this program is for banks in the EBRD countries of operation and not directly for exporters. However, exporters should inform their bank of the existence of the EBRD guarantees in favor of western Confirming Banks which can facilitate the transaction by providing a safety net in case of a default by the local Issuing bank.

March 1999

The European Bank for Reconstruction and Development (EBRD) has a range of products aimed at facilitating intra-regional and international trade of the countries of operations. These products are offered in two principal types:

- * credit facilities in the form of EBRD guarantees for confirmation of letters of credit that are provided to banks in the countries of operations, and
- * direct financing of selected large private sector companies in the form of revolving pre-export finance and/or working capital loans.

This information sheet outlines the new structure of the EBRD trade finance products offered to banks in Central and Eastern Europe (CEE) and in countries of the Former Soviet Union (FSU). Advice and information about direct pre-export financing of large private sector non-bank companies can be obtained from the EBRD Resident Offices or Country Teams. Special assistance for US companies can be obtained by contacting the Office of the U.S. Executive Director.

New Trade Facilitation Program for Local Banks

In January 1999, the EBRD has launched a new Extended Trade Facilitation Programme (TFP) covering all 26 countries of operations. The new Trade Programme will consolidate all existing trade facilitation projects for local banks established by the European Bank (Russia, Belarus, Kazakhstan, Lithuania, Ukraine, Uzbekistan and regional Omnibus TFPs) into a single streamlined and efficient product intended to meet the needs of the changed environment in the CEE and FSU states.

The principal operating scheme of the Trade Facilitation Programmes will remain unchanged: EBRD will, from time to time, issue EBRD Guarantees in favour of western Confirming Banks to guarantee all or part

of the obligations of CEE and FSU issuing banks acceptable to EBRD arising under eligible trade finance transactions. The flow charts of typical import and export transactions supported by EBRD Guarantees are set out on the following pages.

A number of important changes have been made to the product structure to provide greater flexibility. An outline of these changes is set out below, and is explained in more detail later in this information sheet and in EBRD Terms and Conditions for Issue of Trade Finance Guarantees:

- * EBRD will extend its cover to advance payment bonds, other forms of payment guarantees, bills of exchange and promissory notes issued or avaled by Issuing Bank. These instruments will become eligible in addition to letters of credit and standby letters of credit;
- * the amount of the EBRD Guarantee may be extended up to 100% of the face value of the underlying trade finance instrument. However pricing reductions are available where Confirming banks are prepared to share a portion of the risk. In this respect it is intended to offer political risk coverage for the risk taken by Confirming banks under an A/B loan structure;
- * all trade finance lines provided to Issuing Banks will be uncommitted and can be amended or cancelled by EBRD at any time;
- * rates of guarantee fee payable to EBRD will be variable and agreed separately for each individual trade finance instrument guaranteed by EBRD;
- * the procedure for issue of EBRD Guarantees has been revised to develop a simple and straightforward approval process; and
- * in addition to off-balance sheet credit, EBRD will provide short-term revolving loans to selected CEE and FSU banks for pre-export finance on-lending to local companies.

Issuing and Confirming Banks

The new Trade Facilitation Programme will be open to banks registered in all countries of operations, including banks with majority foreign ownership and subsidiaries of foreign banks.

All foreign banks with established record of trade finance operations with banks in CEE and FSU are eligible to join the Programme as Confirming Banks. Selected banks from the countries of operations which have a demonstrated capability of processing confirmations of trade finance instruments may also act as Confirming Banks. Participation of Issuing Banks and Confirming Banks will be subject to EBRD's approval and signing of appropriate legal documentation.

Underlying Transactions and Eligible Instruments

The facility will support both intra-regional trade and international trade of the countries of operation. EBRD Guarantees may be used to guarantee the following transactions associated with exports from, or imports to, the countries of operations:

- * confirmation by the Confirming Bank of documentary letters of credit or trade-related standby letters of credit issued by the Issuing Bank (such letters of credit and standby letters of credit being subject to UCP 500);
- * issuance of advance payment bonds and other forms of payment guarantees (other than bid, performance

and similar contract bonds) by the Confirming Bank on the basis of counter-guarantees issued by the Issuing Bank;

* discount or similar refinancing by the Confirming Bank of trade-related promissory notes issued by the Issuing Bank, or of trade-related promissory notes issued by a third party and guaranteed per aval by the Issuing Bank; and

* discount or similar refinancing by the Confirming Bank of trade-related bills of exchange issued by a third party and guaranteed by acceptance by the Issuing Bank.

EBRD will consider issuing EBRD Guarantees in support of other types of trade finance instruments issued or guaranteed by the Issuing Bank in relation to exports from and imports to the Countries of Operations.

EBRD Guarantees may be issued to guarantee exports or imports of any type of goods or commodities, other than:

* armaments and munitions;

* tobacco and tobacco products;

* hard liquor;

* products listed in the Environmental Exclusion List (Annex 1); and

* products prohibited for import to, or exports from, the relevant countries by applicable law or international convention.

EBRD Guarantees

An EBRD Guarantee will cover only the risk of payment by the Issuing Bank and will not assume any risk on the exporter or the importer. The Guarantee will be issued by SWIFT or by tested telex in the form of an irrevocable standby letter of credit in favour of the Confirming Bank payable upon its first written demand.

The EBRD Guarantee can be issued in any freely convertible currency in the amount of up to 100% of the nominal value of the guaranteed instrument.

Pricing

For each EBRD guarantee issued or pre-export advance made, EBRD will charge a guarantee fee or, in the case of advances, interest, which will depend on the agreed market rate and tenor of the EBRD exposure. Due to the uncommitted structure of trade finance limits, no commitment fee will apply.

For each transaction, guarantee fee will be negotiated with, and payable by, the bank which requested the issuance of the EBRD Guarantee, which may be the Issuing Bank or the Confirming Bank. As a general guideline, lower fee rates will be charged for reduced percentages of EBRD Guarantee cover to encourage risk-sharing by Confirming Banks.

Guarantee Application Process

The issue of EBRD Guarantee may be requested either by Issuing Bank or by Confirming Bank. EBRD Trade Finance staff will be pleased to discuss details of the guaranteed transaction, percentage of cover and pricing before a formal guarantee request is submitted.

Guarantee requests may be submitted by a tested telex or SWIFT. Where the issue has been requested by the Confirming Bank, a confirmation from the Issuing Bank will be sought. EBRD's decision to issue its guarantee for any particular instrument will be based on its commercial judgement, with due consideration of risks and to the underlying transaction. EBRD will have no commitment to issue further guarantees or make pre-export advances, but will consider doing so on a case-by-case basis.

EBRD will not be involved in processing of shipment documents, which will be handled between the Confirming Bank and the Issuing Bank.

Pre-export Finance Advances

In addition to providing trade finance guarantees, EBRD will extend short-term revolving loans to banks in the countries of operations. These loans will be structured to fund pre-export finance advances provided to local companies. EBRD normally requires that export proceeds generated by companies financed through the program are directed through an escrow account or similar arrangement.

Legal Documentation

The issuance of EBRD Guarantees will be governed by standardized Trade Finance Agreements to be signed between Issuing Banks and EBRD. EBRD's pre-export advances will be governed by a standard Revolving Loan Facility Agreement between client banks and EBRD.

In line with the uncommitted structure of the Programme, signing of a Trade Finance Agreement or a Revolving Loan Facility Agreement will not constitute a commitment on behalf of EBRD to issue its guarantees or to provide pre-export advances. Instead, it will set forth the basis for operational and legal relationships between the EBRD and the Issuing Bank as and when the EBRD Guarantee is issued or an advance is made.

No Payment Agreement will need to be signed between EBRD and Confirming Banks. The Confirming Banks will receive "EBRD Terms and Conditions for Issuance of Trade Guarantees" which will form the basis for operation under the Programme. All accredited Confirming Banks are eligible to operate with every Issuing Bank for which EBRD agrees to issue its Guarantee.

Large and/or Complex Transactions

As events and conditions in EBRD's countries of operations change rapidly, the trade facilitation programme may be adjusted or new products introduced.

EBRD welcomes proposals related to trade finance transactions that—as a result of their size, complexity or other factors—cannot be readily financed within the trade facilitation program. Details of the size, maturity and type of financing required should be included, as well as the product and industry involved. The preferred targets for this type of EBRD support include equipment, commodities and commodity-based industries, raw materials, manufactured and basic consumer goods, agricultural produce, construction materials and pharmaceuticals.

KEY CONTACTS

Stephanie Crossley
Financial Institutions
European Bank for Reconstruction
and Development
One Exchange Square
London EC2A 2JN
United Kingdom
Tel: + 44-171-338-6524
Fax: +44-171-338-7380
Email: CrossleS@ebrd.com

The Communications Department can provide information on any other type of EBRD finance (Project Enquiries: Tel: +44 171 338 6282; Fax: +44 171 338 6102) and can supply other EBRD publications (Publications Desk: Tel: +44 171 338 7553; Fax: +44 171 338 6139).

Gene R. Harris
Senior Commercial Officer
Office of the U.S. Executive director
EBRD
One Exchange Square
London EC2A 2EH
United Kingdom
Tel.: + 44-171-588-4027/28 or 338-7490
Fax: + 44-171-588-4026 or 338-6487
Email: HarrisG@ebrd.com

Annex 1.

Environmental Exclusion List for Trade Finance Operations

Significant environmental concern is associated with project development or trading of the following activities or products. Funds of the European Bank should not be used to finance activities related to them without prior written approval of the EBRD:

- Wildlife and wildlife products regulated under the Convention on International Trade with Endangered Species (CITES Convention);
- Genetically modified organisms to be released into the natural environment;
- Banned pesticides and herbicides;
- Drift nets for fishing in excess of 2.5 km length and any products harvested using such nets;
- Radioactive material, including radioactive waste;
- Chlorofluorocarbons (CFCs), halons and other substances regulated under Annex A and B of the Montreal Protocol;
- Oil-filled electrical or hydraulic equipment containing greater than 0.005% by weight of polychlorinated biphenyls (PCBs);
- Asbestos-containing products;
- Transboundary trade in waste and waste products.
- Without limiting the generality of any of the foregoing, goods violating environmental, health or safety laws and regulations and product standards of the country of export, import or transit (as appropriate) or any applicable international regulations or standards.

Annex 2.

Transition Arrangements for 1999-2000

Following the introduction of the new programme, accreditation of new CEE and FSU banks to existing country Trade Facilitation Programmes (Russia, Belarus, Kazakhstan, Lithuania, Ukraine and Uzbekistan) and to the regional Omnibus TFP was discontinued. Banks which had active unexpired Letter of Credit Agreements with EBRD under any of the above Programmes have been offered to transfer to the new Trade Facility. The following banks have elected to join the new Programme and terminate their participation in the previous TFPs:

- * Bank X,
- * Bank Y

Banks with active unexpired Letter of Credit Agreements which elected to maintain existing modus operandi of TFPs will continue to operate in accordance the legal framework set out by their relevant Letter of Credit Agreements and by Payment Agreements with respective Confirming Banks, until the contractual expiry of these agreements in 1999-2000. The list of these banks and the date of expiry of the relevant Letter of Credit Agreement is set out below:

- * Bank A,
- * Bank B.

EBRD RUSSIA SMALL BUSINESS FUND

Russia Small Business Fund, a program of the European Bank for Reconstruction and Development (EBRD), provides small businesses with finance to fit their particular requirements and to help strengthen the capacity of the Russian banking sector so that it may effectively lend to small businesses.

Updated March 1999

INTRODUCTION

Supported by the G-7 countries and additional contributors, the EBRD has established a \$ 300 million fund, half of which is being funded from EBRD resources and half from donor countries.

The Russia Small Business Fund provides micro and small loan financing through a number of Russian banks located throughout the country. Loans are given on a purely commercial basis. Businesses must have adequate financial standing and cashflow, market demand for their product, and sound management in order to be considered for financing.

Small loans are available in amounts of up to \$125,000 with maturities of up to a maximum of 3 years. Such financing has not been accessible previously for small firms from local banks. The loans are available to companies with up to 50 employees involved in production or service industries. Potential borrowers must have sufficient cash-flow and good management skills to obtain credit.

They should also have their own funds to put into the project. Micro credits, of \$100 to \$30,000 rouble equivalent, are generally for shorter terms to begin with; as companies build up a credit record they are allowed subsequent longer and larger loans, for all purposes (trade, services, and investment). The firm's debt capacity is analyzed before loans are extended. Individual entrepreneurs and firms with up to 20 employees may apply for micro-credits.

EBRD consultants, International Projekt Consult (IPC), Shorebank, and Bank of Ireland are working in regional banks alongside credit officers to analyze loans and to increase the banks' institutional capabilities. The program was initially implemented in three regions, Tula, Nizhny Novgorod and Tomsk, but has expanded to include Ekaterinburg, Kemerovo, Novo-sibirsk, St. Petersburg, Samara, Togliatti, Omsk and Moscow. There are currently 12 local banks and multiple branches which participate.

The Russia Small Business Fund has also invested in Small Enterprise Equity Funds in Nizhny Novgorod and St Petersburg. These funds, which are managed on behalf of the Bank by Small Enterprise Assistance Funds (US), invest a combination of equity and long-term debt in small businesses employing up to 150 people in production or service industries. The maximum investment is \$300,000.

RUSSIA SMALL BUSINESS FUND REGIONAL CONTACTS

Yekaterinburg

Micro/Small Loans: Bernd Buschman

Tel.: +7 (3432) 561-639 or 583-766

Kemerovo

Micro and Small Loans: Thomas Oetter

Tel./Fax: +7 (3842) 538-566

Moscow

Micro Loans: Martin Holtmann, Reiner Muller-Hanke

Tel.: +7 (095) 209 2061

Tel./Fax: +7 (503) 232-3821

Small Loans: Lauren Moser

Tel.: +7 (095) 230-3456 or 230-3173

Tel./Fax: +7 (095) 258-7590 or 230-3097

Stepan Boven

Tel: +7 (095) 231-4448

(See participating banks for additional contact numbers.)

Nizhny Novgorod

Micro Loans: Christoph Freytag,

Tim Engmann

Tel.: +7 (8312) 308-753

011 7 (8312) 334-723

Small Loans: Marina Titova

Tel./Fax: 011 7 (8312) 333-447

Small Enterprise Equity Fund: Eric Johnson

Tel./Fax: 011 7 (8312) 354-345

Tel.: 011 7 (8312) 354-285

Novosibirsk

Micro and Small Loans: Dirk Felske

Tel.: 011 7 (3832) 257-910

Vincent Pearson

Tel.: 011 7 (3832) 110-596, or 251-973, or 201-291

Omsk

Andreas Francke

Tel.: 011 7 (3812) 310-306

St Petersburg

Micro Loans: Matthias Fohs, Kai Ilm

Tel.: +7 (812) 275-3893

Fax: +7 (812) 272-1108

Small Loans: Neil Ramsden

Tel./Fax: +7 (812) 209-9775

John Whelan, Pat Murphy

Tel.: +7 (812) 219-6693

Fax: +7 (812) 219-6680

Samara

Micro Loans: Alexander von Gleich

Tel.: +7 (8462) 332-211

Small Loans: Irinal Fradkova

Tel.: +7 (8462) 415-417

Togliatti

Micro Loans: Elke Oehme

Tel.: +7 (8469) 326-654, or 233-415

Small Loans: Connie Max

Tel.: +7 (8469) 338-185

Fax: +7 (8469) 480-468

Tomsk

Micro and Small Loans: Ludmilla Dause,

Ilonka Ruhle

Tel.: +7 (3822) 232-058 or 232-781

Tula

Micro Loans: Julia Abakayeva

Tel./Fax: +7 (0872) 364-168

EBRD Russia Small Business Fund**Management Team:**

Elizabeth Wallace, Mike Taylor, Nick Tesseyman
EBRD Russia Small Business Fund
One Exchange Square
London EC2A 2EH
United Kingdom
Tel.: 011 44 (171) 338-6511 or 338-7205
Fax: 011 44 (171) 338-7163

**Banks currently participating in the Russia
Small Business Fund Program**

Yekaterinburg

Uralpromstroybank (micro loans)
ul. Marshal Zhukov 6
620219 Yekaterinburg
Tel.: +7 (3432) 512-188
Fax: +7 (3432) 512-438

Sberbank (micro and small loans)
Melkovskaya, 2b
620027 Yekaterinburg
Tel./Fax: +7 (3432) 586-600

Mosbusinessbank (micro loans)
Frunze St. 35a
620062 Yekaterinburg
Tel.: +7 (3432) 220-500

Kemerovo

Kuzbassotsbank (micro and small loans)
90/4, pr. Lenina
650099 Kemerovo
Tel.: +7 (3842) 315-795

Moscow

Stolichny Bank
(micro and small loans)
Headquarters
ul. Piatnitskaya, 70
113095 Moscow

Polyanka branch

ul Polyanka, 50
Tel.: +7 (095) 236-4460, or 237-5504

Branch No. 1
GUM Department Store
Tel.: +7 (095) 923-0807

Branch No. 2
Tverskaya ul, 16/2
Tel.: +7 (095) 250-8801

Branch No. 7
Per Sivtsev Vrazhek, 20
Tel.: +7 (095) 241-7340

Branch No. 11
ul. Lazo, 2/30
Tel.: +7 (095) 306-0720

Branch No. 14
ul. Smolnaya, 22
Tel.: +7 (095) 457-581

Branch No. 15
ul. Chekhova, 24/2
Tel.: +7 (095) 925-0104 or 925-0477

Branch
ul. 1905 goda, 10a
Tel.: +7 (095) 253-3872

Branch No. 22
Boulevard Yana Rainisa, 41
Tel.: +7 (095) 913-5001

Branch No. 24
Komsomolskiy Prospekt
Tel.: +7 (095) 230-3846

Branch No. 30 (small loans only)
Prospekt Mira, 41

Nizhny Novgorod

Sberbank(micro loans)
21/10 Gargarin Avenue
603022 Nizhny Novgorod
Tel.: +7 (8312) 370-871
Fax: +7 (8312) 370-871

Inkombank

ul. Varvarskaya, 32
603006 Nizhny Novgorod
Tel.: +7 (8312) 376-202 or 307-652
Fax: +7 (8312) 372-853

Nizhegorodsky Bankirsky Dom (small loans)

6 Gorkogo Square
603600 Nizhny Novgorod
Contact: Mr Andrei Morov
Tel.: +7 (8312) 343-983
Fax: +7 (8312) 343-948

Novosibirsk

Kuzbassotsbank (micro and small loans)
Pr. Lavrentyeva, 6a
630090 Novosibirsk
Contact: Evgeny Kovban
Tel.: +7 (3832) 324-989
Fax: +7 (3832) 322-350 or 322-352

St Petersburg

Bank Petrovsky (micro and small loans)
ul. Ruzovskaya, 8
198013 St. Petersburg
Contact: Semyon Sadovsky
Tel.: +7 (812) 292-5322; Fax: +7 (812) 316-4040

Mosbusinessbank (micro and small loans)

Pr. Metallistov, 115
195197 St Petersburg
Tel.: +7 (812) 540-9339
Tel./Fax: +7 (812) 311-8449

Promstroibank (small loans only)**Central Operating Branch 4**

Contact: Vera Konstantinovna Kalinina
Tel.: +7 (812) 110-4901, or 110-4926

Admiraltiski Branch

Contact: Vladislav Germanovich Trofimov
Tel.: +7 (812) 311-1890, or 311-8212, or 275-0461

Krasnogvardiskiy Branch

Contact: Ludmila Vasilievna Efimova
Tel.: +7 (812) 528-7528, or 227-2882

Samara

Sberbank (micro and small loans)
Lenin Av. , 2a
443002 Samara
Contact: Alexei Zborovsky
Tel.: +7 (8462) 386-902
Fax: +7 (8462) 386-286

Togliatti

Rosestbank (micro and small loans)
Komsomolskaya Street, 88
445703 Togliatti
Contact: Alexander Byelousov
Tel.: +7 (8469) 483-008 or 338-185
Fax: +7 (8469) 296-6596

Sberbank (small loans)

Yubileynaya Street, 25
445027 Togliatti
Contact: Natalya Onishuk
Tel.: +7 (8469) 341-538
Fax: +7 (8469) 341-481

Tomsk

Kuzbassotsbank (micro and small loans)
ul. Herzen, 18
634029 Tomsk
Contact: Nikolai Potapov
Tel.: +7 (3822) 233-304
Fax: +7 (3822) 232-552 or 231-186

Mosbusinessbank (micro and small loans)

ul. Lazareva, 3a

634040 Tomsk

Contact: Vladimir Gonchar

Tel.: +7 (3822) 768-571

Fax: +7 (3822) 786-576

Orbita Bank (micro loans)

Belinskogo St, 15

634029 Tomsk

Tula

Orbita Bank (micro loans)

54, Komsomolskaya

300002 Tula

Tel.: +7 (0872) 775-327

Mosbusinessbank (micro and small loans)

25 Krasnoarmeisky Pr

300341 Tula

Contact: Mr Shamayev

Tel./Fax: +7 (0872) 367-789

Sberbank (micro loans)

Mendeleevskaya Street, 1

300000 Tula

Tel.: +7 (0872) 364-515

THE WORLD BANK GROUP

The World Bank Group, a multilateral lending agency, supports development projects and sector-specific investment programs to build capital infrastructure in developing and transitional countries. The World Bank's central purpose is to reduce poverty and improve living standards by promoting sustainable growth and investments in people.

Updated March 1999

INTRODUCTION TO THE WORLD BANK GROUP

The World Bank Group consists of five closely associated institutions (collectively known as “The World Bank Group”): the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Center for Settlement of Investment Disputes (ICSID), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). ICSID arbitrates and mediates investment disputes pursuant to a clause providing recourse to ICSID. This clause is often included in investment contracts which involve project funded by the World Bank Group. IFC lending and MIGA insurance programs support private-sector activities, and are described more fully below.

In order to better assist you, the **Business Partnership Center** (BPC) was launched in late 1996 to: serve as a central contact point for business inquiries about the World Bank Group's products and services; and promote cooperation and strategic partnerships with leading business organizations.

The BPC provides basic information and acts as a referral service directing incoming business inquiries (via phone, fax, e-mail, and visitors) to appropriate staff within the World Bank Group for action. Information brochures and resource guides on the Bank Group's products and services are provided and can also be accessed through the World Bank Group website: <http://www.worldbank.org> under “for businesses.” The BDC also issues a newsletter which highlights the World Bank Group private sector initiatives and has produced a CD-ROM about the World Bank Group Products and services for the private sector.

CONTACT

Business Partnership Center
The World Bank Group
1818 H Street, N.W.
Washington, D.C. 20433
Email: Business_Partner@Worldbank.org

Tel.: (202) 522-4272; Fax: (202) 522-1727

The World Bank Monthly Business Briefing

The World Bank Group offers a Monthly Business Briefing, a one day program held at the Bank headquarters designed to familiarize private firms with the World Bank Group. Fees are \$100 per attendee. The one day program offers seminars on How to Get Business from World Bank Projects, an Overview of the International Finance Corporation, and Overview of the Multilateral Investment Guarantee Agency, and an Overview of the World Bank and Consulting Services.

CONTACT

Ivonna Lejuez
Monthly Business Briefing
The World Bank
Room MC 10-442
1818 H St. N.W.
Washington, D.C. 10433
Tel.: 202-473-1819; Fax: 202-522-3317

Dates in 1999

Thursday, September 9
Thursday, October 7
Thursday, November 4
Thursday, December 9
Briefings are not held in August

The US Department of Commerce's Commercial Liaison Office

The US Department of Commerce maintains a Commercial Liaison Office within the Office of the US Executive Director of the World Bank. This Liaison Office, operated and staffed by the Office of Multilateral Development Banks of the US & Foreign Commercial Service, provides counseling, information dissemination, and assistance to U.S. firms and individuals doing business on World Bank Group funded projects. Firms seeking the assistance of the Commercial Liaison Office should call 202-458-1954; fax 202-477-2967.

INTERNATIONAL FINANCE CORPORATION (IFC)

Investment Guidelines

In order to receive IFC funding, a project must be in the private sector; it must be technically sound; it must have a good prospect of being profitable; and it must benefit the local economy. The project must also be environmentally sound. To ensure the participation of other private investors, IFC funding is usually limited to 25 percent of the total project cost. Investments in small and medium-sized projects range from \$100,000 to \$1 million, and in larger projects from \$1 million to \$100 million.

Application Procedures

There is no standard application form for IFC financing. A company or entrepreneur seeking to establish a new venture or expand an existing enterprise can approach IFC directly. This can be done by requesting a meeting or by submitting preliminary project or corporate information. After these initial contacts and a

preliminary review, IFC will request a detailed feasibility study or business plan to determine whether or not to appraise the project.

IFC Products and Services

IFC offers three broad and complementary services: project finance, resource mobilization, and advisory services.

* *Financial Products:* IFC provides fixed-and variable-rate loans in a variety of leading currencies. These loans typically have maturities of 8 to 12 years, with grace periods and repayment schedules determined on a case-by-case basis in accordance with the borrower's cash flow needs. If warranted by the project, IFC provides longer-term loans and longer grace periods.

IFC's equity investments are based on project needs and anticipated returns. The Corporation is never the largest single shareholder and does not take an active role in company management. To meet national ownership requirements, its share holdings can, in some cases, be treated as domestic capital or "local" shares. IFC usually maintains its equity investments for a period of 8 to 15 years and is considered a long-term investor. IFC's preferred objective is to sell its shares through the domestic stock market.

IFC provides a full range of quasi-equity finance, including convertible debentures, subordinated loans, loans with warrants, and other instruments. These products are provided when necessary to ensure that a project is soundly funded.

Other financial products offered by IFC include credit and equity lines, venture capital, and leasing. The Corporation invests in credit lines and private equity funds to make longer-term finance available to small and medium-sized enterprises as they seek to enhance their competitiveness in more open economies around the world. Credit lines to developing-country banks help redress the limited availability of term financing that constrains the ability of these banks to provide working capital and investment financing for their corporate customers.

IFC's venture capital funds help channel investment to companies that are generally unlisted and that might not receive the notice of large investors.

* *Resource Mobilization:* IFC raises additional funds from foreign commercial banks by encouraging other institutions to make investments in its projects through the Corporation's loan participation program. It helps individual companies from emerging markets to tap international capital markets. IFC also raises funds from institutional investors through underwriting arrangements for public offerings or the private placement of shares, debentures, and other corporate securities.

* *Advisory Services:* IFC's third major area of assistance is advisory services offered independent of project financing. Advisory services are provided for a wide range of activities, including project assistance, privatization and restructuring, capital markets development, foreign investment, advice, and small and medium-sized business development.

The Corporation's project assistance services include financial as well as industry-specific issues, from the structuring and packaging of financial plans, to engineering and technical advice. This includes market, technical, and feasibility studies; project preparation and implementation; partnership arrangements; locating appropriate technology and sources of funding; and providing financial and operational assistance.

For further information: www.ifc.org

CONTACTS

IFC

Corporate Relations Unit (general inquiries)
2121 Pennsylvania Avenue, NW,
Washington, DC 20043
Tel.: (202) 473-9331; Fax: (202) 974-4383
Email: information@ifc.org

Turkmenistan and Uzbekistan and others)
Tel.: (202) 473-6786; Fax: (202) 974-4396

Moscow Representatives

Edward Nassim, Director

Richard L. Ranken, Manager, General
Manufacturing
(Armenia, Belarus, Georgia, Russia, Ukraine)

ul. Pushechnaya, 2
103012 Moscow, Russia
Tel.: +7 (095) 883-7056, or 755-8818, or
+7 (095) 913-7054
Fax: +7 (501) 775-8296, or 755-8298, or
+7 (095) 913-7053

Washington Representatives

Central and Southern Europe Department
Harold Rosen, Director
(Azerbaijan, Moldova)
Tel.: (202) 473-8841
Fax: (202) 974-4314

*Central Asia, Middle East and North Africa
Department*
Mohsen Khalil, Director
(Kazakhstan, Kyrgyz Republic, Tajikistan,

THE MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

MIGA Investment Guarantee Services

MIGA provides investment guarantees (i.e., political risk insurance) against certain non-commercial risks to foreign investors in developing member countries. The program is designed to complement national and private investment insurance services.

MIGA underwrites both directly and in cooperation with other political risk insurers through coinsurance and reinsurance arrangements to provide investors more comprehensive investment insurance coverage worldwide. In 1995 it also introduced a brokerage program, encouraging investment brokers to cooperate with MIGA.

MIGA offers long-term, low-maintenance political risk insurance coverage to eligible investors for qualified investments in developing member countries. MIGA insures against currency transfer, expropriation, breach of contract and war and civil disturbance.

MIGA investment guarantees are long-term: The standard coverage term is 15 years (non-cancellable by MIGA), which may be extended to 20 years under certain circumstances. MIGA can insure new cross-border investments originating in any MIGA member country, destined for any developing member country. New investment contributions associated with the expansion, modernization, or financial restructuring of existing projects are also eligible, as are acquisitions that involve privatization of state-owned enterprises. Investment projects supported by MIGA must be financially, economically, and environmentally sound, and contribute to the development of the host country.

For further information, visit www.miga.org

CONTACT

Mr. Christophe S. Bellinger
Chief Guarantee Officer
Multilateral Investment Guarantee Agency
1818 H Street, N.W.
Washington, D.C. 20433
Tel.: (202) 473-6163
Fax: (202) 522-2630
Email: Cbellinger@worldbank.org

FUNDS BACKED BY U.S. GOVERNMENT & MULTILATERAL INSTITUTIONS

Updated July 1999

AIG-Brunswick Millenium Fund

region: NIS
managers: American International Group, Inc. and Brunswick Capital Management, Ltd.
capitalization: OPIC guarantee: \$289 million, committed.

investment

objective: The Fund's objective is to achieve substantial long-term capital appreciation through the purchase, active participation in management, and disposition of a portfolio of direct equity investments in the NIS countries. The Fund will make direct investments in equity and equity-related securities of enterprises directly or indirectly operating in the NIS.

industries: Natural resources, infrastructure, and consumer products.

contact: Robert Howe
 Managing Director
 AIG Capital Partners
 70 Pine Street
 New York, NY 10270
 Tel.:(212) 458-2208
 Fax:(212) 458-2156

Agribusiness Partners International

region: All CIS Countries.
manager: Agribusiness Management Company, L.L.C.
capitalization: OPIC guarantee: \$100 million.

The

fundraising was completed in January 1997.

funds invested: Eight investments have been completed and are in final stages of closing. The Fund has committed 81% percent of its total capital to these eight investments. Investments made thus far are in dairy, poultry, beverage bottling, water bottling, packing and labeling industries.

investment

objective: Equity and debt. Interested in start-ups and joint ventures. Approximately \$5-\$15 million.

industries: Agriculture, broadly defined. Includes food firms, infrastructure projects, privatization, food storage and distribution facilities.

contact: Robert Peyton
 Agribusiness Management, L.L.C.
 1004 Farnam Street, Ste. 400
 Omaha, NE 68102
 Tel.: (402) 444-1630
 Fax: (402) 930-3040

Agribusiness Management Co.
 36, Str. 1, Bolshya Molchanovka
 Office 104
 Moscow 121069
 Russia

Attn: Mr. Andre Tikhomirov
 Tel: +7 501 792 3450
 Fax: +7 501 792 3451

Alliance Scaneast Fund

region: Baltics, Poland, Hungary, the Czech republic, Slovakia and Russia

manager: CapMan Capital Management and Alliance Capital

capitalization: \$40 million

investment

objective: Activities range from corporate acquisitions to privatization and investment projects to green-field investments. The Fund does not follow a strict sector policy but has a preference toward manufacturing industries. As an essential element of the Fund's investment policy is that a Western Industrial Partner invests an equal amount or more than the Fund in any given transaction

industries: Telecommunications; cables; construction materials; pulp and paper equipment; power generation; environmental technology; petrochemicals and plastics; oil and gas.

contact: Mr. Petri Saavalainen,
Investment Director, and
Mr. Peter Hellemaa,
Investment Director
Capman Capital Management Oy
Aleksanterinkatu 15 B
00100 Helsinki, Finland
Tel.: +358 (9) 6155 8314
Homepage: www.capman.fi

Allied Capital

region: OPIC-designated countries.

manager: Allied Capital Advisers, Inc.

capitalization: OPIC loan: \$10.5 million.

funds invested: \$10.5 million.

investment

objective: Mezzanine financing for international expansion opportunities.

industries: Basic manufacturing, telecommunications, retail, and service

industries.

additional notes: Fully invested.

contacts: Cabell Williams,
Managing Director
Allied Capital Corporation
1919 Pennsylvania Ave. N.W.,
3rd Floor
Washington, D.C. 20006
Tel.: (202) 331-1112
Fax: (202) 659-2053
Email:

Williamc@alliedcapital.com

Rabo Black Earth Regional Venture Fund (RVF)

region: Belgorod, Kursk, Lipetzk, Tambov, and Voronezh.

manager: Rabo Black Earth BV for EBRD.

capitalization: EBRD: \$30 million. \$20 million of technical assistance funds are also to be provided by the European Union's TACIS program.

investment

objective: Investments of \$210,000 (ECU 240,000) to \$2.1 million (ECU 2.4 million) will be considered in targeted privatized companies with between 200 and 5,000 employees. Like other EBRD Regional Venture Funds, the Black Earth RVF will normally take a significant minority stake but in some cases will consider a majority position. Investment capital is to be used to finance new projects, including associated working capital.

industries: No hard liquor, tobacco or firearms.

additional

notes: The Fund will provide some technical assistance alongside investment. Investees must have a western partner.

contact: Michel Hendriks
EWIC Larive
PO Box 870
NL 3700 AW Zeist,
Netherlands
Tel.: +31 (30) 693-3221

Fax: +31 (30) 693-2908
 Michel Hendriks
 Rabo Black Earth Regional
 Venture Fund
 Stepana Razina Str. 38
 394000 Voronezh
 Tel.: +7 (0732) 713-180,
 719-441, 713-291, 573-886
 Fax: (7 0732) 712-303
 Email: mhendricks@solcon.ul

Kari Haataja
 EBRD
 One Exchange Square
 London EC2A 2EH, UK
 Tel.: 011 44 (171) 338-7817
 Fax: 011 44 (171) 338-7029
 Email: haatajak@ebrd.com

**CARESAC-St. Petersburg/Small
 Enterprise Equity Fund (SEEF)**

region: Russia (St. Petersburg area).
manager: Small Enterprise Assistance Funds (SEAF)
capitalization: \$12.3 million, of which \$10 million is from the EBRD.
funds invested: \$3,000,000 in 16 completed investments.
investment objective: Equity (minority position), and long-term debt. SEEF funds operate on commercially-sustainable principles, investing primarily through equity in amounts from \$200,000-700,000. Small to medium-sized businesses of between 5 and 150 employees with majority Russian ownership and an annual revenues of \$500,000 (or ruble equivalent) are preferred.
industries: Food processing and distribution, light manufacturing for export, wholesale and retail distribution, housing, business service providers, and businesses helpful to the environment.

additional

notes: Technical support to investees will be provided through organizations such as the Citizens' Democracy Corps, the International Executive Service Corps, and the Volunteers in Overseas Cooperative Assistance.
contact: Jonathan Carr,
 General Director
 Small Enterprise Equity Fund
 Lermontovsky prospekt 7,
 2nd Floor
 190008 St. Petersburg, Russia
 Tel.: +7 (812) 114-2632
 Fax: +7 (812) 325-6337
 Thomas C. Gibson, President
 Small Enterprise Assistance Funds
 400 17th St., N.W.
 Washington, D.C. 20038
 Tel.: (202) 737-8463
 Fax: (202) 737-5536

CEENIS Property Fund, L.P.

region: NIS, Eastern, and Central Europe.
manager: Pioneer Real Estate Advisors
capitalization: OPIC guarantee: \$160 million; sponsor equity: \$80 million; total: \$240 million.
funds invested: Beginning first round of investment.
investment objective: To assemble a portfolio of quality property assets, through purchase and development, throughout Central and Eastern Europe, Russia, and the new republics of the former Soviet Union. Fund transactions will include combinations of loans and equity investments, depending on project and market conditions. The Fund will acquire property interests either directly or through joint venture.
industries: Commercial, light manufacturing, office, retail, distribution, warehousing, and related residential development projects.

contact: Mr. Amos Rogers, III
Pioneer Real Estate Advisors
60 State Street-18th Floor
Boston, MA 02109
USA
Tel: (617) 422-4913

The Central Asian-American Enterprise Fund

region: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

manager: Central Asian-American Enterprise Fund, Inc.

capitalization: U.S. Government: \$150 million authorized. Additional funds sought from the private sector for co-investment.

funds invested: As of May 30, 1999, there were almost \$65 million of approved investments, including \$15 million that has been provided as financing to privately owned small and medium-sized businesses in all five countries.

investment objective: Equity and debt financing to small and medium-sized enterprises that are commercially viable and offer a reasonable prospect for an acceptable rate of return on investment. Investments must be accompanied by a local investment component. Joint ventures with financial participation are encouraged, with preference given to U.S. partners, although others from Europe and Asia are also accepted. Typical investments will range from \$300,000 up to \$5 million.

small loan program: CAAEF makes small business loans that range from \$100,000 to \$500,000. In Kazakhstan and Kyrgyzstan the Fund also supports a micro loan program that is operated by Mercy Corps International. Loan amounts under the micro program

industries: range from \$1,000 to \$25,000. Infrastructure development such as food processing, distribution and transportation, as well as consumer goods and services.

additional notes: Technical assistance will be provided with investment.

contacts: CAAEF President Donald R. Nicholson II and ACLC President Robert Dunmyer both reside in Tashkent, Uzbekistan.

United States: Brian K. Mercer,
Chief Financial Officer

Central Asian-American
Enterprise Fund
1634 Eye Street, N.W., Suite 200
Washington, D.C., 20006
Tel.: (202) 737-7000
Fax: (202) 737-7077
Email: us@caaef.com
Web page: www.caaef.com

Kazakhstan: John B. Owens
Chief Investment Officer
Senior Vice President and Head of Office,
Central Asian American Enterprise Fund
Veronica John, Vice-President
David Lloyd, Vice-President
Daniel Worrell, Vice-President
531 Seyfullin Street, 2nd Floor
480091 Almaty, Kazakhstan
Tel.: +7 (3272) 638-815
Fax: +7 (3272) 694-589
Email: caeefkaz@sovam.com

Kyrgyzstan: Tom Jacobs,
Vice President & Head of Office
CAAEF
South Gate Business Center
P.O. Box 1137
720021 Bishkek, Kyrgyzstan
Tel.: +996 (312) 512-318
Fax: +996 (312) 512-325
Email: invest@imfiko.bishkek.su

Tajikistan: Daniel R. Dougherty,
Vice President
CAAEF
35 Kirova Street

734000 Dushanbe, Tajikistan
 Tel.: +7 (3772) 51-00-88
 Email: caaef@tajnet.com
 Lenin 1, 4th Floor
 Khujand, Tajikistan 735700
 Tel.: +7 (3792) 243-532
 Fax: +7 (3792) 260-073

Turkmenistan: Paul Hamlin
 Vice President &
 Head of Office
 CAAEF
 2 Pushkin Street
 744000 Ashgabat,
 Turkmenistan
 Tel.: +9 (9312) 357-445
 Fax: +9 (9312) 390-152
 Email: caaef@online.tm

Uzbekistan: Steven Shea
 Senior Credit Officer
 Senior Vice President and
 Head of Office
 Central Asian-American
 Enterprise Fund
 39-41 Zarkainar Street
 700011 Tashkent, Uzbekistan
 Tel.: +7 (711) 206-134, 206-360
 Fax: +7 (711) 206-138, 206-359
 E-mail: caaeftas@sovam.com

Central Russia Regional Venture Fund (RVF)

region: Russia: Ivanovo, Nizhny Novgorod,
 Southwest Kostroma, Yaroslavl,
 Vladimir.

manager: Deutsche Handelsbank, AG, for the
 EBRD.

capitalization: EBRD: \$30 million.

investment

objective: Minimum investment of \$300,000,
 maximum investment of \$3 million.
 Capital provided by the fund must
 be used to finance a new project
 including associated working
 capital. The principal criterion will
 be whether the expected return on
 investment is commensurate with
 the risks. Eligible projects are
 expected to involve the

rationalization, modernization or
 expansion of productive capacity. At
 least 75 percent of the voting shares
 of the enterprise concerned must be
 owned by private shareholders prior
 to the Fund's investment.

industries: No hard liquor, tobacco, firearms,
 gambling, financial services,
 speculative activities including real
 estate speculation, or activities that
 are on the EBRD Environmental
 Exclusion List.

contact Kendrick White
 Central Russia Regional Venture
 Fund
 Ulitsa Osharskaya, 52
 603006 Nizhny Novgorod
 Tel: +7 (8312) 77-32-55
 Fax: +7 (8312) 77-32-55
 E-mail: k.white@quadrigacapital.ru

Leonid Moshejko
 Central Russia Regional Venture
 Fund
 Ulitsa Deputatskaya, 1
 150000 Yaroslavl
 Tel: +7 (0852) 32-87-89
 Fax: +7 (0852) 32-91-83
 Email: l.mozheiko@quadrigacapital.ru

Daiwa Far East and Eastern Siberia Investment Fund

region: Russian Far East and Eastern
 Siberia.

manager: Daiwa Securities, Itochu
 Corporation, Nippon Investment and
 Finance, Ltd., Daiwa Institute of
 Research, Ltd., CRC Institute.

capitalization: Total capitalization of \$53 million.
 EBRD: \$30 million (investment
 funds); Japan Ministry of Foreign
 Affairs Technical Cooperation
 Fund: \$20 million (technical
 cooperation funds); Nippon
 Investment and Finance Fund for
 Equity Investment: \$3 million

(investment funds).

investment objective: The objectives of the Fund are twofold: (1) to secure a return on investment capital commensurate with risks; and (2) to cooperate with and assist private and privatized enterprises (through equity investments and consulting) in their effort to modernize and re-structure themselves. Target companies must be in sound financial condition and have good prospects in their core business. Privatized or private companies which are located in the geographical regions covered by the Fund, and which have no more than 5,000 employees will be eligible for investment. At least 75 percent of the Fund will be invested in companies located in the Russian Far East. Not more than 25 percent will be invested in Eastern Siberia. Investments will range from \$330,000 to \$3.3 million.

industries: Enterprises in infrastructure development such as food processing, distribution and transportation, as well as consumer goods and services. No hard liquor, tobacco or firearms.

additional notes: Technical assistance will be provided alongside investment. Investees must have a western partner.

contact: Pavol Katancik
Daiwa Far East & Eastern
Siberia Investment Fund
c/o Japan Centre
ul. Moskovskaya 7
680000 Khabarovsk, Russia
Tel.: +7 (4212) 227-243
Fax: +7 (4212) 336-287
Email: pavol@daiwa.khv.ru
Mitsuhiro Ichiyanagi
Daiwa Far East and Eastern

Siberia Fund
c/o Japan Center
37 Okeansky Prospekt, 3rd Floor
690091 Vladivostok
Tel.: +7 (4232) 425-601,
425-623, or (509) 851-2530
Fax: +7 (4232) 425-700, or
+7 (509) 851-2540
Email: daiwavia@online.ru
Masaomi Mogi
Daiwa Institute of Research Ltd.
15-6 Fuyuki Koto-Ku
Tokyo 135
Japan
Tel: +81 3 5620 5407
Fax: +81 3 5620 5610
Email: m.mogi@dir.co.jp

Defense Enterprise Fund

region: Russia, Ukraine, Kazakhstan, and Belarus.

manager: The Defense Enterprise Fund, Inc.

capitalization: U.S. Department of Defense: \$70 million.

funds invested: \$70 million committed

investment objective: Equity and debt. The Fund will make investments only in joint ventures involving privatized enterprises or enterprises that commit in writing to privatization. An enterprise will be considered privatized when more than 50 percent of the ownership and control is in the private sector. At least one of the partners in any joint venture should be from a country outside the NIS, with preference given to joint ventures with U.S. involvement. Investments will be diversified among smaller enterprises or spinoff enterprises derived from larger defense enterprises, large enterprises that have converted or are in the process of converting, and start-ups formed by former defense or military personnel. Investments range from \$1 to \$5 million.

industries: Enterprises that include personnel and/or facilities currently or formerly involved in research, development, production, or operation and support of the defense sector. Particular emphasis is given to facilities which helped to produce weapons of mass destruction, as well as firms associated with the production of command, control, and communications equipment for military forces associated with these weapons.

contact: Rick Sample, CEO
John Nowell, President
816 Connecticut Ave NW
Suite 900
Washington, DC 20006
Tel.: (804) 673-6230
Fax: (804) 281-0708
E-mail: barbara_scott@def.org
Home Page: www.gpventures.com/

East European Food Fund

region: Central/Eastern Europe & N.I.S. Countries.

manager: Jupiter Asset Management (Bermuda) Limited.

capitalization: U.S.\$ 76 million, including EBRD equity participation.

investment

objective: This fund undertakes equity and equity-related investments in the food and beverage industry. Investments range from \$3 million to \$7 million.

contact: William Creuwdsen, Director
Jupiter Asset Management, Ltd.
Knightsbridge House,
197 Knightsbridge
London SW7 1RB, UK
Tel.: +44 (171) 412-0703
Fax: +44 (171) 581-3857
Email: laurie@jupiter-group.co.uk

First NIS Regional Fund

region: NIS (60 percent Russia),

Baltics.

manager: Baring International Investment Management Limited, Sovlink-American Corporation, Investment Advisor.

capitalization: \$145 million, of which \$40 million has an OPIC guarantee; EBRD: \$20 million; IFC: \$15 million.

investment

objective: Equity and direct investments. The purpose of the fund is to achieve long-term capital growth through investment in a portfolio of companies doing business in one or more of the 15 countries of the former Soviet Union. The Fund makes both direct investments in unlisted companies and passive investments in "over-the-counter" and listed stocks. The Fund seeks out companies which are leaders in their respective industries, with progressive and capable management, current and future earnings and cashflow, and compelling valuations on both an asset and earnings basis. Investments generally range in size from \$3 million to \$10 million.

industries: Diverse.

contact: Peter Willis
Baring International Investment Management Limited
155 Bishopsgate
London EC2M 3XY, UK
Tel.: +44 (171) 214-1878
Fax: +44 (171) 214-1635
Terrence J. English
Sovlink Corporation
1221 Avenue of the Americas
New York, NY 10020
Tel.: (212) 730-4868
Fax: (212) 730-2871
Michael Calvey,
Managing Director
Sovlink Corporation
10, Uspenski per.

103006 Moscow, Russia
 Tel.: +7 (095) 967-1300
 Fax: +7 (095) 967-1308
 Andrei Terekhov
 Sovlink Corporation
 ul. bol. Zhitomirskaya 6A, Apt. 3
 252025 Kiev, Ukraine
 Tel.: +380 (44) 229-5533
 Fax: +380 (44) 229-5533

managers: Global Environment Fund Management Corp.
capitalization: GEEMF I--\$70 million; GEEMF II--\$120 million. OPIC guarantee: \$80 million.
funds invested: Approximately \$70 million.
investment
objective: Equity or equity-related investments.

Framlington Russian Investment Fund

region: Russian Federation
manager: Framlington Investment Management Limited.
capitalization: \$65 million. EBRD: \$16.6 million; IFC: \$8 million.
funds invested: Fully invested
investment
objective: The Fund invests in export-oriented industries as well as domestic sectors with rapid growth potential. Typical investment ranges from \$500,000 to \$2.5 million. The Fund will not subscribe to more than 20 percent of the capital of any investee company.
additional notes: No hard liquor, tobacco, or firearms.
contact: Gary C. Fitzgerald,
 Managing Director
 Framlington Emerging Markets
 155 Bishopsgate
 London EC2M 3XJ, UK
 Tel.: +44 (171) 330-6621
 Fax: +44 (171) 330-6432
 garyfitzgerald@framlington.co.uk
 Tom Vallance
 General Director
 Framlington Investment Management
 Tel: +7 (095) 937-5933
 Fax: +7 (095) 937-5934

The Fund seeks significant minority positions in operating companies or projects with demonstrated cash flows, significant long-term revenue growth potential, and high anticipated margins of profits from operations. Projected rates of return to the investor should substantially exceed the current risk-free return available in individual markets, with additional consideration for risks related to the volatility and convertibility of currency and the degree of liquidity for the investor. Investments of up to \$10 million from GEEMF I, and up to \$20 million from GEEMF II.
industries: Environment-oriented industries, especially those engaged in developing, financing, operating or supplying infrastructure projects related to the delivery of clean energy (natural gas and renewable sources), potable water, and wastewater treatment.

additional notes: Portfolio companies can arrange for OPIC investment insurance against certain political risks and debt financing for projects that involve significant U.S. ownership.

contact: H. Jeffery Leonard
 Global Environment Fund
 1201 New York Ave., NW, #220
 Washington, DC 20005
 Tel.: (202) 789-4500
 Fax: (202) 789-4508

Global Environment Emerging Markets Fund (GEEMF) I and II

region: NIS as well as emerging markets in Asia, Latin America, Europe, the Middle East, and Africa.

Lower Volga Regional Venture Fund (RVF)

region: Russia: Volgograd, Samara, and

manager: Saratov Oblasts.
Volga River Management, Inc. (a partnership of Hancock Venture Capital and Point Venture Partners), for the EBRD.

capitalization: EBRD: \$30 million. U.S.AID: \$10 million to fund feasibility reports, financial audits, and environmental studies, and to provide for skills and "know how" transfer. \$3 million co-investment by the partnership.

funds invested: Investments have been made in a wall-paper manufacturer, a bakery, a wood-processing facility, and a brewery.

investment objective: To make investments with a high potential to produce superior investment returns. Target investments will possess a highly competent management team willing to meet recognized international standards for financial re-orting and management performance, and will display a willingness to sell the Fund a significant minority interest, including special board representation. Preferred minimum initial investment of \$300,000; preferred maximum initial investment of \$3 million.

contact: Joel Montgomery
Volga River Management Inc.
Ulitsa Alabayana, 10/1
Kor. 6
125080 Moscow
Tel: +7 (095) 198 4340/4341
Fax: +7 (095) 198 5702

Kent Engelmeier
HP Russia, L.P.
3260 USX Tower
600 Grant Street
Pittsburg, PA 15219
USA
Tel: +1 412 263 5310

Fax: +1 412 263 5313

Email:

102132.3500@compuserve.com

New Century Capital Partners

region: Armenia, Belarus, Estonia, Georgia, Kazakhstan, Latvia, Lithuania, Moldova, Russia, Ukraine.

managers: NCH Inc.

capitalization: OPIC -\$250 million.

funds invested: \$210 million (December 1997).

investment

objective: Equity investments in diversified manufacturing, financial, and service industries. New Century Capital Partners seeks substantial majority or minority positions in infrastructure or natural resource-based businesses. This fund does not invest in start-up companies.

industries: Diversified.

additional notes: New Century Capital Partners has offices in Moscow, St. Petersburg, Almaty, and Kiev, but initial inquiries should be made to the New York office.

contact: Gil Schorr
NCH Capital Inc.
712 Fifth Avenue, 46th Floor
New York, NY 10019-4108
Tel.: (212) 641-3275
Fax: (212) 641-3201
Email: gil@nchcapital.com

Capital International Global Emerging Markets Private Equity Fund (CIGEMPEF)

region: global emerging markets.

manager: Capital International.

capitalization: \$600 million.

investment

objective: The fund invests in projects valued between \$10-100 million. CIGEMPEF will take 10-40% of projects

additional notes: No other funds/no real estate

contact: Ashley Dunster or

Stewart Gibson
 Capital Research International
 25 Bedford Street
 London WC2E 9HN, UK
 Tel.: +44 (171) 257-6700
 Fax: +44 (171) 257-6767
 Email: jjc@capgroup.com
 James Ho (Asia)
 Tel: +852 2842 1007
 Leonard Kim (Asia)
 Tel: +65 437 0694
 William Bannister-Parker (Europe)
 Tel: +44 171 864 5748
 Ashley Dunster (Europe)
 Tel: +44 171 864 5993

**Quadriga St. Petersburg and Leningrad
 Region Venture Fund (RVF)**

- region:* Russia: the city of St. Petersburg and Leningrad oblast.
- manager:* Quadriga Capital Russia GmbH & Co. KG
- capitalization:* EBRD: \$30 million. Federal Republic of Germany: \$20 million, for consulting services to enterprises in which the St. Petersburg RVF invests.
- funds invested:* \$28 million as of November 27, 1996.
- investment objective:* Equity investments in medium-size private sector enterprises with no more than 25 percent state ownership and up to 5,000 employees. Investment targets should have a strong position in the domestic market, and will not necessarily have a foreign partner or hard currency earnings. Preferred minimum investment is \$300,000, preferred maximum investment is \$3 million. Capital provided by the St. Petersburg RVF will finance the acquisition of productive assets, including associated working capital. Primary investment criterion: that the expected return on investment is commensurate with the risks.
- additional notes:* The Fund may also provide some technical assistance along with investment.
- industries:* No hard liquor, tobacco, military industry, gambling, speculative activities including real estate speculation, or immoral or illegal activities.
- contact:* Reinhard Kohleich
 Managing Director
 Quadriga Capital Russia GmbH & Co. KG
 Representative Office, St. Petersburg
 Nevski Prospekt 30
 Office # 3.3
 199034 St. Petersburg, Russia
 Tel: +7 (812) 325-8474
 Fax: +7 (812) 325-8477
- Russia Partners Fund**
- region:* Russia/NIS.
- manager:* Russia Partners Management, L.L.C. (a subsidiary of Siguler Guff & Company, L.L.C.).
- capitalization:* Originally closed at \$130 million in

1994. Now open for a second subscription for up to \$155 million. Partially guaranteed by OPIC. Russian government: \$5 million, and has given a \$20 million "back-door" guarantee.

investment objective: Equity and quasi-equity securities of both new and expanding enterprises in Russia, including newly privatized. No more than 15 percent of the Fund's assets will be invested in any one portfolio company, nor more than 25 percent in any one business sector or venture. Companies with Western strategic partners are considered desirable. The average investment size is \$2 million to \$10 million.

industries: Telecommunications, manufacturing, natural resource processing, pharmaceuticals, and consumer goods. No investments that will cause environmental damage in Russia, or that will have a negative impact on the U.S. economy.

additional notes: Whenever possible, the Fund will attempt to use its investment to leverage loans from other sources, such as EBRD or the IFC.

contact: Orhan Sadik-Khan,
Managing Director
Russian Partners Management,
L.L.C.
c/o Siguler, Guff & Company
Rockefeller Center
630 Fifth Avenue, 16th Floor
New York, NY 10011-0100
Tel.: (212) 332-5110
Fax: (212) 332-5120
Boris Karlov
Managing Director
Max Scherbakov
Managing Director
Russia Partners Management
ul. Myasnitskaya 35,
Room 424, 4th Floor
101959 Moscow, Russia

Tel.: +7 (095) 207-6020

Fax: +7 (095) 207-9140

Russian Technology Fund

region: St. Petersburg and the Leningrad oblast, initially. Later, all of Russia.

management: Top Technology.

capitalization: \$5 million

investment objective: The fund will make equity investments in small-sized technology-related ventures. The fund will typically consider investments between \$250,000 and \$1 million.

contact: Harry Fitzgibbons
Russia Technology Fund
Top Technology
20-21 Took's Court
Cursitor Street
London EC4A 1LB, UK
Tel.: 011 44 (171) 242-9900
Fax: 011 44 (171) 405-2863

Sector Capital

region: Russia, especially the Russian Far East.

management: Sector Capital.

capitalization: EBRD equity participation.

investment objective: This fund is interested in co-investment or project finance. Where appropriate, Sector Capital will deploy its corporate finance and securities capabilities to assist directly in restructuring and refinancing portfolio companies. Investments will range from \$500,000 to \$2 million.

industries: Logistics, transportation, infrastructure.

contact: Alexandre Goodwin,
Chief Executive Officer
Sector Capital
Novy Arbat 34, Dom 2
121099 Moscow, Russia

Tel.: +7 (095) 290-8656

Fax: +7 (095) 205-7077

Small Enterprise Equity Fund

region: Russia (Nizhny Novgorod area).

manager: Small Enterprise Assistance Funds (SEAF), formerly the CARE Small Business Assistance Corporation.

capitalization: EBRD: \$5 million.

funds invested: Seventeen investments worth a total of \$2,348,031.

investment objective: Equity (minority position), and long-term debt, but only to borrowers in which the Fund is an equity partner. Small to medium-sized businesses of between 5 and 150 employees with majority Russian ownership and an annual turnover of between \$100,000 and \$1 million (or ruble equivalent) are preferred. SEAF funds operate on commercially-sustainable principles, investing primarily through equity in amounts from \$50,000 to \$300,000, with an average size of \$150,000. For the most part, the Fund does not invest in trading companies or start-ups, unless the Russian owner(s) are committed to investing significant time and personal resources in manufacturing or services activities which benefit Nizhny Novgorod and the surrounding area.

industries: Businesses engaged in the production of goods and services beneficial to the local economy, and majority owned and operated by Russians with an established reputation for integrity, competence, and a commitment to succeeding in a free market.

additional notes: Technical support to investees will be provided through organizations such as the Citizens' Democracy Corps, the International Executive Service Corps and the Volunteers in Overseas Cooperative Assistance. No hard

contact:

liquor, tobacco or firearms.

Brian Shriver

150 Gorky Str.

Office # 700

PO Box 585

603000 Nizhny Novgorod

Russia

Tel.: +7 (8312) 354-285, 354-400

Fax: +7 (8312) 354-345

Thomas C. Gibson, President

Small Enterprise

Assistance Funds

1150 Connecticut Ave., N.W.

Suite 715

Washington, D.C. 20036

Tel.: (202) 737-8463

Fax: (202) 737-5536

Smolensk Regional Venture Fund (RVF)

region: Smolensk oblast, Russia.

manager: Siparex.

capitalization: EBRD: \$12 million.

investment objective:

Equity of up to 49 percent of capital. An EBRD Regional Investment Fund, the Smolensk RVF will concentrate on facilitating modernization, expansion, and/or restructuring of privatized companies. Investments range from \$300,000 to \$1.2 million. Capital provided by the Smolensk RVF must be applied to finance a new project, including working capital. The beneficiaries need not have a western partner. The principal criterion for evaluating prospective investments is whether or not the return on a proposed investment project is commensurate with the risk.

industries: Excluded: hard liquor, tobacco, firearms, real estate, gambling or banking activities.

additional notes: The Fund will provide some technical assistance alongside investment. Investees must have a

contact: western partner.
Philippe Lambert
Sigefi
139 rue Vendome
69477 Lyon Cedex 06
France
Tel.: +33 4 72 83 23 23
Fax: + 33 4 72 83 23 00
Mr. Henri Oliva,
Project Manager
SIGEFI
ul. Vorobiova 17
214015 Smolensk, Russia
Tel.: +7 (081) 223-4789
Fax: +7 (095) 943 5524

Southern Russia Regional Venture Fund (RVF)

region: Russia: Rostov oblast, Stavropol and Krasnodar kraia.

manager: Credit Agricole Consultants and Siparex Ingenierie et Finance, for EBRD.

capitalization: EBRD: \$30 million. Republic of France: \$20 million for technical assistance.

investment

objective: Equity of up to 49 percent of capital. An EBRD Regional Investment Fund, the Southern Russia RVF will target investments that lead to modernization, expansion, and/ or restructuring of private or privatized companies. Investments range from \$300,000 to \$3 million. Capital provided by the Southern Russia RVF must finance a new project (no start-ups), including working capital. The principal criterion for evaluating prospective investments is whether or not the return on a pro-posed investment project is commensurate with the risk.

industries: No hard liquor, financial institutions, tobacco, firearms, or companies with an existing majority of non-Russian capital.

additional notes: The Fund will provide some technical

contacts: assistance alongside investment.
Union d'Etudes et
d'Investissements
Paul-Henry Schmelck
100, boulevard du
Montparnasse
Paris 75682, Cedex 14, France
Tel.: + 33 (1) 43-23-61-99
Fax: + 33 (1) 43-23-34-13
Email: stephanie.egoian
@cnca.credit-agricole.fr
Credit Agricole Consultants
Sigefi
Southern Russia
Regional Venture Fund
Philippe Geynet,
Project Manager
International Business Center
ul. Beregovaya 10
344008 Rostov-on-Don, Russia
Tel.: +7 (8632) 673-128, 673-422
Fax: +7 (8632) 670-407
Email: srvf@iname.com

The U.S. Russia Investment Fund (TUSRIF)

region: Russia.

manager: U.S. Russia Investment Fund

capitalization: USAID (total anticipated):
\$440 million.

funds invested: 150 million in over 200 businesses, as of March 30, 1999.

investment

objective: The U.S. Russia Investment Fund provides financing and management support in the form of equity investment, loans, and technical assistance grants to firms operating in the Russian Federation. The Fund will consider investment proposals from enterprises as long as they are commercially viable and exhibit the potential for growth and profit generation. The business should have a committed and progressive management team and a coherent business plan or thoughtful vision for development. Investments have

ranged from \$20,000 to approximately \$11 million.

industries: Diversified.

additional notes: This fund was formed through a consolidation of the Fund for Large Enterprises in Russia and the Russian-American Enterprise Fund. TUSRIF also has a small-business lending program that works through Russian banks and lending institutions to make small loans to small enterprises.

contact: TUSRIF
545 Fifth Avenue, Suite 300
New York, NY 10017
Tel.: (212) 818-0444
Fax: (212) 818-0445

TUSRIF/Moscow
2 Pavletskaya Square
Block 3, 5th floor
103051 Moscow, Russia
Tel.: +7 (095) 960-3131
Satellite Tel.: +7 (501) 960-3131
Fax: +7 (095) 960-3132
Satellite Fax: +7 (501) 960-3132

TUSRIF/Yekaterinburg
ul. Gogola 15A, 1st Floor
620151 Yekaterinburg, Russia
Tel.: +7 (3432) 592-909
Fax: +7 (3432) 592-908

TUSRIF/Khabarovsk
33, Muraviev-Amursky St.
Office 303
680000 Khabarovsk, Russia
Tel.: +7 (4212) 325-647
Fax: +7 (4212) 327-941
Satellite Tel.: +7 (509) 01-49088

TUSRIF/Rostov-on-Don
ul. Beregovaya 10, 11 Floor
344007 Rostov-on-Don, Russia
Tel.: +7 (8632) 671-786
Tel./Fax: +7 (8632) 671-768

TUSRIF/St. Petersburg

ul. Italianskaya 5, Office 53
190000 St. Petersburg, Russia
Tel.: +7 (812) 315-7035
Fax: +7 (812) 315-8264

TUSRIF/Vladivostok
U.S. Consulate Building,
Commercial Section
Attn.: Thomas Nastas
32, Pushinskaya St.
690000 Vladivostok, Russia
Tel.: +7 (4232) 300-093
Fax: +7 (4232) 300-092

TUSRIF
American Business Center
Kommunistichesky Pros., 32
693000 Yuzhno-Sakhalinsk,
Russia Tel.: +7
(4242) 727-124/25
Fax: +7 (4242) 727-174

Ukraine Fund

region: Ukraine.
manager: Claflin Capital Management, Inc.
capitalization: \$22.5 million.
funds
invested: \$15.7 million in 27 projects.
investment
objective: Equity. Ukrainian nationals should have a sizeable share of the venture. Average investment is \$250,000, though up to \$1.5 million may be considered for portfolio investments over a period of time.

industries: Companies producing for the Ukrainian market. The Fund has invested in real estate, building materials, and food processing and distribution, among other sectors.

contact: Alexander Grenynk
Ukraine Fund
14-A Yaroslavival Str
252034 Kyiv
UKRAINE
Tel: +38 (044) 235-3790
Fax: +38 (044) 235-3792

Jerry Bird, Vice President
 Claflin Capital Management,
 Inc.
 77 Franklin Street
 Boston, MA 02110
 Tel.: (617) 426-6505
 Fax: (617) 482-0016

Urals Regional Venture Fund

region: Russia: Sverdlovsk, Perm, and Chelyabinsk oblasts.

manager: Fleming Investments Ltd.

capitalization: EBRD: \$30 million.

investment

objective: Equity investments in private-sector enterprises with no more than 25 percent state ownership and up to 5,000 employees. Investments targets will not necessarily have a foreign partner or hard currency earnings; the fund is expected to focus on enterprises that have a strong position in the domestic market. referred minimum investment is \$300,000; preferred maximum investment is \$3 million.

industries: No hard liquor, tobacco, or firearms.

additional notes: Investees must have a western partner.

contact
 John Ward
 GIMV/corpeq Urals Fund B.V.
 Ulitsa Kuibysheva 44
 6th Floor
 620026 Ekaterinburg
 Tel/Fax: +7 (3432) 596140/1/2
J.Ward@urvf.wtc-ural.ru
 Mr. Jan Dewijngaert
 GIMV
 Gareloomstraat 37
 2018 Antwerp
 Belgium
 Tel: 00 32 3 290 2100
 Fax: 00 32 3 290 2105
 Email: janDW@gimv.be

The Western NIS Enterprise Fund

region: Western NIS (Belarus, Moldova, and

Ukraine).
manager: Western NIS Enterprise Fund.
capitalization: The U.S. Government has capitalized the Fund with \$150 million in foreign assistance appropriations over the next 3-4 years.

funds

invested: \$29.4 million committed as of September 30, 1996.

investment

objective: The Fund provides portfolio companies with capital and the necessary management tools to evolve from entrepreneurial ventures to professionally-managed companies. Proceeds from the Fund's equity investments of \$500,000 to \$5 million are used primarily for restructuring and expansion.

industries: Food processing, distribution, construction materials, other light manufacturing.

additional notes: The Fund also arranges for experienced western executives to work with local management in order to prepare and position companies for growth. In addition, policies and procedures for proper corporate governance and operating management are implemented and management information systems are installed in each company. These management tools and the Fund's active participation on the supervisory council or board of each company are important elements of the Fund's post-investment monitoring.

contact: Scott A. Carlson,
 President & CEO
 Western NIS Enterprise Fund
 15 W. 39th Street, 11th Floor
 New York, NY 10018
 Tel.: (212) 556-9320

Fax: (212) 556-9321
 Natalie A. Jaresko
 Western NIS Enterprise Fund
 4 Muzeney provulok, 3rd Fl.
 252001 Kiev, Ukraine
 Tel.: +380 (44) 247-5580
 Fax: +380 (44) 247-5589

SpA (SOFIPA)
 Via Hoepli n 5
 20121 Milan, Italy
 Tel.: +39 (2) 725-9271
 Fax: +39 (2) 8901-1027

+West Russia Regional Venture Fund (RVF)

region: Russia: Novgorod, Pskov, Tver, Vologda.

manager: Società Finanziaria di Partecipazione SpA (SOFIPA), for the EBRD.

capitalization: EBRD: \$30 million.

investment

objective: Capital provided by the fund must be used to finance a new project including associated working capital. The principal criterion will be whether the expected return on investment is commensurate with the risks. Eligible projects are expected to involve the rationalization, modernization, or expansion of productive capacity. At least 75 percent of the voting shares of the enterprise concerned must be owned by private shareholders prior to the Fund's investment. Minimum investment of \$300,000; maximum \$3 million.

industries: No hard liquor, tobacco, firearms, gambling, financial services, speculative activities including real estate speculation, or activities that are on the EBRD Environmental Exclusion List.

contact: Paul Jackson/Francesco Gioffreda
 Sofitech
 ul. Mstinkaya 12
 173004 Novgorod, Russia
 Tel.: +7 (816) 223-5354
 Fax: +7 (816) 223-6684
 Email: pdj@sofitech.novgorod.ru,

Fg@sofitech.novgorod.ru

Giovanni Ciochetta
 Società Finanziaria di Partecipazione

Framlington West Siberia Regional Venture Fund(RVF)

region: Russia: Altay, Kemerovo, Novosibirsk and Tomsk oblasts.

manager: Framlington Investment Management Limited.

capitalization: EBRD: \$33 million.

investment

objective: To make supranormal capital gains over a 5 to 8 year period. Minimum investment of \$300,000, maximum investment of \$3.3 million. Risk-adjusted capital gains over a 4-6 year period.

industries: All with the following exceptions: hard liquor, tobacco, firearms, gambling, financial services, speculative activities including real estate speculation, or activities that are on the EBRD Environmental Exclusion List.

contacts: Josh Dick
 Framlington West Siberia Regional Fund
 53 Gorky Street
 630099 Novosibirsk 99, Russia
 Tel.: +7 (3832) 959-416, 959-417
 Fax: +7 (3832) 959-419
 Mobile: +7 (3832) 595-838
 Email: wsvf@online.ru
 Gary C. Fitzgerald
 Managing Director
 Framlington Emerging Markets
 155 Bishopsgate
 London EC2M 3XJ, UK
 Tel.: +44 (171) 374-4100
 Fax: +44 (171) 330-6432

ASIAN DEVELOPMENT BANK (ADB)

The **Asian Development Bank** (ADB) is a development finance institution that primarily lends funds and provides technical assistance to developing member countries. Over 95% of ADB's activities are large public sector loans made to government agencies in the developing member countries for large (\$60 million average) infrastructure and social projects. Lending for private projects constituted about 4% of ADB's portfolio in 1998. NIS members are Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan. ADB financing includes loans, equity investments, and guarantees. Since the United States is a shareholder and contributor to the Bank, U.S. companies are eligible to take part with NIS partners in ADB-funded projects.

Updated March 1999

INTRODUCTION

ADB-supported private-sector projects must be economically viable, create jobs, and positively affect the borrowing country's economy. Preference is given to projects that assist in removing economic bottlenecks and which transfer technology.

Eligible enterprises should be in the private sector of an ADB developing member country and may be locally or foreign-owned. An enterprise owned jointly by private interests and the government may also be eligible, provided that it satisfies the criteria of operational autonomy and managerial freedom and is run on a commercial basis.

The ADB normally requires sovereign guarantees. However, the ADB will make direct loans to private companies without sovereign guarantees if the project produces essential items or provides vital services.

As a general rule, the ADB does not provide majority funds for private sector projects, and avoids responsibilities associated with ownership except if this becomes necessary to safeguard the Bank's investment. The Bank will try to sell its equity in a company at a fair price as soon as possible, but will consult with major investment partners and give due consideration to their views. The total amount of ADB assistance to a project will not normally exceed 25 percent of the total cost of the project, or \$50 million, whichever is lower.

ADB Facilities

Direct financial assistance to private enterprises consists mainly of loans without a government guarantee and underwriting and investment in equity securities. Direct assistance is also provided to privately-owned financial institutions. The ADB has underwritten the initial offerings of several mutual funds. Financial institutions and sponsors of projects involving venture capital, leasing, factoring, investment management, and commercial finance, among others, are eligible for the Bank's direct assistance. In addition to assisting financial intermediaries, the ADB's private sector operations focus on infrastructure projects and industrial, agribusiness, and other projects which have significant demonstrational or economic merit.

Loans

Loans without government guarantees have been made available by the ADB since 1985. Direct financing is largely allocated to capital-intensive infrastructure projects. Credit lines established with financial institutions by the ADB for on-lending are intended mainly for small and medium-sized new ventures as well as for balancing, modernization, replacement, or expansion of existing ventures. The bank has several different loan products, with maturities generally ranging from 8 to 15 years, including a suitable grace period.

* *Market Based Lending (MBL)*: These loans may be more appropriate for borrowers that can pass on the foreign exchange risk to others, such as financial intermediaries. MBL loans allow both financial intermediaries and their sub-borrowers to match the currencies of their cash inflows and outflows. In addition, the market-based lending rate may suit the needs of financial intermediaries that usually use LIBOR (London Interbank Overnight Rate) as the base rate for their foreign currency lending.

* *U.S. Dollar Loans*: U.S. dollar loans are appropriate for borrowers that earn revenues in U.S. dollars, or in currencies that tend to move with U.S. dollar rates and do not require close linkage to current market interest rates. The variable interest rate of U.S. dollar loans is based on the cost of the Bank's outstanding U.S. dollar borrowings and is relatively stable.

* *Multi-currency Loans*: Multi-currency loans present borrowers with a significant exchange risk and are difficult to manage because of the nature of the currency composition. Consequently, these loans are appropriate only for borrowers that have the capacity to manage such currency risks. The variable lending rate of these loans is not linked to current market interest rates, but rather is based on the average cost of the Bank's outstanding borrowings undertaken to fund these loans.

Equity Investments

ADB equity investment operations are intended to complement domestic resources, and cofinancing is encouraged. The Bank's equity operations may take the form of investment in the equity of productive enterprises for financing specific projects, or investment in the equity of development finance institutions and other institutions set up to promote industry, mining, agribusiness, or allied activities.

Guarantees

ADB guarantees can offer limited support designed to reduce private sector exposure to risk unique to developing countries that the private sector cannot absorb or manage on its own. Guarantees are most appropriate in supporting private funding of infrastructure projects. These projects require considerable funds with extended maturities to match their long payback periods.

The Bank's guarantees can be offered in any currency for commercial debt financing to private entities in ADB developing member countries. The types of guarantee operation are:

* *Partial-credit Guarantee*: Intended for private sector borrowers with a government counter-guarantee, these are designed to cover the portion of financing that falls due beyond the normal tenure of loans provided by private financiers. This mode is generally used for private sector projects that need long-term funds to be financially viable. A partial credit guarantee typically extends maturities of loans and covers all events of

nonpayment for a designated part of the debt service. In that sense, it is an all-inclusive guarantee either of principal or principal and base interest, for those maturities that cannot be obtained from commercial lenders without credit enhancement. This facility will be particularly useful in ADB developing member countries with partially restricted access to international capital markets, but which are considered fundamentally creditworthy and sound by the ADB, for obtaining longer maturities of credit needed to improve project viability.

* *Partial-risk Guarantees:* Partial-risk guarantees are provided to cover specific risks arising from nonperformance of government contractual obligations that are critical to the viability of projects. Partial risk guarantees can mitigate specific risks that private financiers generally find difficult to absorb or manage. Such guarantees typically cover risks arising from government actions: non-delivery of inputs and/or nonpayment for output by state-owned entities; changes in the agreed upon regulatory framework; and political force majeure. Foreign exchange convertibility risk in projects that do not generate foreign exchange earnings may also be covered. A government counter-guarantee may also be provided to reaffirm the government's acceptance of the obligations backed by the ADB.

ADB PROGRAMS IN THE NIS

Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan are developing member countries of the Asian Development Bank and eligible for ADB programs. Tajikistan became a member in 1998.

To enable the ADB to promptly assess a project for Bank assistance, the sponsor should submit a brief outline which includes a description of the project, financial and managerial background of the sponsors, project cost estimates and foreign exchange requirements, financing plan including amount of ADB financing requested, market prospects and marketing arrangements, and a plan for implementing the project, including the status of government approvals.

CONTACTS

Manager, Private Sector Group
Asian Development Bank
P.O. Box 789
0980 Manila, Philippines
Tel.: +63 (2) 632-4444
Fax: +63 (2) 636-2346

Sponsors of medium-sized projects and transactions and those seeking underwriting, syndication, and other merchant banking services should contact the ADB-established Asian Finance and Investment Corporation:

Asian Finance & Investment Corporation, Ltd.
31/F Citibank Tower, Citibank Plaza
8741 Paseo de Roxas

1226 Makati City
Metro Manila, Philippines
Tel.: +63 (2) 817-3806
Fax: +63 (2) 816-3209

For further information about the ADB, contact:

Denny Barnes, Senior Commercial Officer
U.S. Commercial Liaison to the ADB
U.S. and Foreign Commercial Service
U.S. Embassy, Manila
APO AP 96440
Tel.: +63 (2) 890-9364 or 895-3020
Fax: +63 (2) 890-9713
Email: dbarnes@doc.gov
Home page: www.adb.org