

EBCI

Vienna Initiative



IFIs Exceed Targets in Support for Central and Eastern Europe During Crisis

The participants of the *Joint IFI Action Plan* – the European Bank for Reconstruction and Development, the European Investment Bank Group, and the World Bank Group - are pleased to report that their financing plan in *support of banking sector stability and lending to the real economy in Central and Eastern Europe* has already exceeded the target set for end-December 2010 by more than 10 percent.

The resources that have been made available as of end-August 2010 – EUR 27 billion - exceed the commitment of up to EUR 24.5 billion for 2009-2010.

The pipeline for the rest of the year remains strong. It is therefore expected that the parties to the Joint IFI Action Plan will have allocated significantly more resources than initially foreseen to support lending and banking sector stability in the region in 2009-10.

Support has been provided against the backdrop of a difficult economic environment, with reduced capital inflows and declining overall lending to the real economy, as well as additional shocks to some regions such as Southeastern Europe. The Joint IFI Action Plan has supported, and benefited from, intensive policy dialogue under the European Bank Coordination “Vienna” Initiative.

Looking forward, challenges remain with respect to adequate levels of credit to the real economy, strengthening further bank balance sheets, mitigating credit risk and addressing where necessary existing capital constraints and non-performing loan ratios and reigniting credit to the economy. There is also a need to remain vigilant with respect to potential additional shocks.

The participating institutions will continue to work under the Joint IFI Action Plan with additional resources until it expires at the end of 2010, and shall continue their enhanced collaboration established under the framework.



Commitments and Delivery under the Joint IFI Action Plan

(Euro billions)

	Commitments 2009-2010	Available as of end-August 2010 ^{1/}	Of which: signed as of end-August 2010
TOTAL	24.5	27.1	21.5
EBRD	6.0	6.8 ^{2/}	4.9
EIB	11.0	13.1 ^{3/}	10.2 ^{3/}
World Bank Group	7.5	7.2	6.4
IBRD	3.5	4.0	3.3 ^{4/}
MIGA	2.0	1.2	1.1 ^{5/}
IFC	2.0	2.0 ^{6/}	2.0 ^{6/}

1/ Board approvals (EBRD, MIGA, IBRD), available committed resources (EIB), signings (IFC).

2/ Of which €4.9 billion committed and €3 billion disbursed. Includes local bank support and trade finance.

3/ Of which €5.4 billion disbursed.

4/ Excludes funds made available under the Action Plan that have not been signed.

5/ All signed guarantees are effective (same as disbursed for lenders).

6/ Of which €1.3 billion disbursed.