|  |  |
| --- | --- |
|  |  **NEWS RELEASE**  |

**World Bank Group Provided over $10.4 Billion to Emerging Europe and Central Asia**

*Helping Governments Support Growth and Sustain Recovery*

**WASHINGTON, July 11, 2012** – The World Bank Group provided US $10.47 billion in funding to governments in Emerging Europe and Central Asia (ECA) in fiscal year 2012, which ended on June 30, amid uncertainty in the Eurozone and modest growth.

|  |
| --- |
| World Bank Group CommitmentsEurope and Central AsiaFiscal Year 2012 (July 1, 2011 – June 30, 2012)(in U.S. billions) |
| World Bank Group | FY 12\* |
| IBRD | 6.2 |
| IDA | 0.362 |
| IFC | 2.98+ |
| MIGA | 0.928 |
| Total | 10.47 |
| \*Preliminary and unaudited numbers as of July 1, 2012 |
| +Own account only. FY12 funds mobilized from other investors are excluded. |

 *“Countries in Emerging Europe and Central Asia continue to face the challenge of sustainable recovery,”* said **Philippe Le Houérou, World Bank Vice President for the Europe and Central Asia region.** *“The crisis is harming the region through three main channels – finance, trade and workers’ remittances. The World Bank is supporting countries in their efforts to strengthen their economic structures, providing financial support to governments to improve public services, strengthen banking systems, and protect the most vulnerable from the impact of the crisis.”*

The recently published Global Economic Prospects report highlights that growth in the region should slow in 2012 to 3.3 percent, assuming a resolution of the Euro Area crisis by end-2012.Bank support in ECA reached $6.6 billion this fiscal year, including $6.2 billion from the **International Bank for Reconstruction and Development (IBRD)** and $362 million from the **International Development Association (IDA)**. Romania ($1.9 billion), Turkey ($1.1 billion), Kazakhstan ($1.1 billion) and Poland ($1 billion) were the largest borrowers. Lending was targeted in supporting three regional pillars: deepening reforms for improved competitiveness, supporting social sector reforms for inclusive growth, and helping countries take action for greening growth trajectories.

**Increasing competitiveness**

* Through operations in the region in fiscal year 2012, the Bank helped stabilize the financial sector in Serbia and FYR Macedonia and increase access to finance for small and medium-size enterprises in Armenia, Bosnia and Herzegovina, Moldova, and Turkey. Its investments improved roads in Kazakhstan, the Kyrgyz Republic, Ukraine, and the South Caucasus; helped modernize the public administration in Romania; and financed efforts by Poland and the Russian Federation to diversify their economies and spur innovation.

**Supporting social sector reforms**

* In Romania, the Bank is working to make a comprehensive social assistance program more equitable and efficient. In Tajikistan, it is supporting the government’s efforts to channel support to the most vulnerable in times of need. Bank lending helped protect spending on social assistance programs in Albania, Armenia, Latvia, and Romania; education in Kazakhstan, FYR Macedonia, and the Russian Federation; and healthcare in Armenia, Bosnia and Herzegovina, Tajikistan, and the Kyrgyz Republic. It supported improvements to social safety nets and insurance in Moldova, provided Rapid Social Response and IDA grants to Tajikistan, and funded a health system improvement project in Uzbekistan.

**Climate action for sustainable growth**

* A legacy of environmental mismanagement and the highest energy intensity of production in the world created massive challenges for the countries of Emerging Europe and Central Asia. To help meet them, the Bank is financing energy efficiency and renewable energy projects in Poland, Turkey, Ukraine, and Uzbekistan. It is helping Turkey reduce its carbon emissions and supporting carbon finance operations in the Czech Republic, Poland, and Romania. It is investing in improving the capacity of weather forecast and climate change in Moldova, Russia, and Central Asia; disaster mitigation and climate risk management in Moldova; flood management in Poland; and urban development and water and sanitation services across the region.

The **International Finance Corporation (IFC)** this year continued to maintain a focus on investing in strategic areas. In FY12, IFC committed $4.28 billion, including $1.3 billion in syndicated loans and other mobilization, in 114 projects across the region. In this fiscal year, IFC commitments in ECA on its own account only were $2.98 billion.

*“IFC continued to play a countercyclical role in Europe and Central Asia this fiscal year, with a particular emphasis on the Balkans, where we supported the key banks and companies that generate growth and employment,”* said **Dimitris Tsitsiragos, IFC Vice President for Europe, Central Asia, the Middle East and North Africa.** *“We increased our commitments in the region by 11 percent from $2.68 billion last fiscal year to $2.98 billion this year and mobilized about $1.3 billion from partner banks - a significant result against a background of continued uncertainty in Europe. IFC supports inclusive and sustainable private sector growth in the region with a focus on access to finance, agribusiness, infrastructure, and climate change related projects.”*

During fiscal year 2012, the **Multilateral Investment Guarantee Agency (MIGA)** provided support for 18 projects with $928 million in political risk insurance coverage in Europe and Central Asia. While the agency continued its historical support to the region’s financial sector, especially as the euro-zone crisis affected Central and Southeastern Europe, this year MIGA expanded its support to a wider range of activities in the region’s economies. MIGA-supported projects included hydropower in Albania, gas development in Uzbekistan, agribusiness in the Russian Federation, and manufacturing in Turkmenistan and Ukraine. MIGA also reinsured some of the services portfolio of the Slovenian export credit agency, SIB Bank, Inc., so that it could maintain its lending capacity to the real economy in the Balkans.

*“We’re very pleased that this year we have significantly broadened our portfolio in the region to include more sectors that will create jobs and boost development,”* said **Izumi Kobayashi, MIGA’ s Executive Vice President.** “*Especially at a time when financing capacity was constrained, MIGA was able to help maintain productive private sector investment by underpinning several important projects.”*

**Contacts:**

*In Washington:* Victor Neagu, (+1 202) 458-2736, vneagu@worldbank.org

For more information about the World Bank: <http://www.worldbank.org>

Visit us on Facebook: <http://www.facebook.com/worldbank>

Be updated via Twitter: http://[www.twitter.com/worldbank](http://www.twitter.com/worldbank)

For our YouTube channel: http://[www.youtube.com/worldbank](http://www.youtube.com/worldbank)