



## **Guarantees as effective measure of support for Russia's small and medium-sized businesses - IIB and RSMB Corporation sign cooperation agreement**

October 19, 2016

The International Investment Bank (IIB) and JSC Russian Small and Medium Business Corporation (RSMB Corporation) signed the Cooperation Agreement focused on developing complex support for small and medium-sized businesses in Russia. The document was signed by Vladimir Liventsev, Deputy Chairman of the IIB Board, and Alexander Braverman, Director General of the RSMB Corporation.

The Agreement defines the conditions and terms of cooperation between the parties. The RSMB Corporation will provide guarantees in favour of the IIB to secure obligations of companies in the small and medium segment under the Bank's loan and credit facility agreements.

*"The guarantee element of the Agreement creates additional opportunities for expanding financial assistance and lending to SMEs in the Russian Federation, a major shareholder of the IIB", - said **V. Liventsev**. - "Implementation of effective and practical solutions for small and medium-sized businesses, the basis of a modern market infrastructure - this is a priority for our partner organisations in all member states of the Bank. I am confident that the Agreement will give a new impetus to cooperation in this area."*

*"RSMB Corporation implements a wide range of measures to support small and medium-sized entrepreneurship and we are expanding the number of our partners among financial institutions that finance SME projects. The signed Agreement will provide Russian entrepreneurs with additional opportunities to obtain debt financing for the implementation of projects in the priority sectors of the economy," - said **A. Braverman**.*

In line with IIB's development strategy, support for the SME sector is considered by the Bank as one of the most important catalysers of economic growth, innovations and progress in all IIB member countries. Small and medium-sized businesses ensure a competitive environment, contribute to economic growth, define the structure and quality of GDP and support employment. The Agreement with the RSMB Corporation demonstrates that the IIB focuses on expanding cooperation with leading international and national financial institutions to implement joint projects.

The first IIB project to have already received guarantee support from the RSMB Corporation is the construction of hydropower plants Byeloporozhskaya-1 and -2 in Kem region of the Republic of Karelia. Based on approved funding from the New Development Bank (NDB), the International Investment Bank and the Eurasian Development Bank have provided a loan to finance the project in the amount of RUB 8.15 billion. Guarantee from the RSMB Corporation covers 50% (about RUB 4 billion) of the loan amount. The total investment reaches RUB 11.8

billion.

## Reference

**Russian Small and Medium Business Corporation (RSMB Corporation)** acts as a development institution in the field of small and medium business development. Main activities of RSMB Corporation include: providing support for SMEs and organizations which compose the SME support infrastructure; providing finance support for SMEs; raising funds of Russian, foreign and international organizations for SME support purposes; organizing information, marketing, finance and legal assistance for investment projects of SMEs; taking measures targeted at increase of SMEs share in purchases of particular buyers (large companies with state ownership and infrastructure monopolies); maintaining communication with federal, regional, local and other authorities and organizations for SME support purposes; making proposals on improvement of SME support measures, including proposals on legal regulation improvement in this field. Detailed information about RSMB Corporation is available at [www.corpmsp.ru](http://www.corpmsp.ru).