



## **IIB boosts lending to Mongolia - an agreement is signed with the Development Bank of Mongolia at IGC meeting**

February 28, 2018

The 21st meeting of the Russian-Mongolian Intergovernmental Commission (IGC) on Trade, Economic, Scientific and Technical Cooperation was held in Moscow on February 28, 2018.

The meeting was held under the leadership of the Minister of Natural Resources and Environment of the Russian Federation, the Chairman of the Russian part of the Commission, Sergei Donskoy, and Deputy Prime Minister of Mongolia, Chairman of the Mongolian part of the Commission, U. Enkhvuvshin. Members of the IGC, including the delegation of the International Investment Bank (IIB), were also present.

The parties raised issues related to the bilateral cooperation in the following sectors: transport, fuel and energy complex, industry, trade, agriculture, environmental protection, etc. Ways and means to boost trade turnover and strengthen economic ties between the two countries were discussed in detail.

Within the framework of the meeting, an agreement was concluded between the IIB and the Development Bank of Mongolia (DBM) on provision of the additional funding to the Mongolian party. The document was signed by First Deputy CEO of the DBM, Ch. Enkhbat, and the head of the IIB delegation, Deputy Chairman of the Board, Vladimir Liventsev.

The agreement calls for raising the IIB's lending limit for DBM to EUR 50 million for a period of up to seven years to implement socially and economically significant projects in Mongolia.

*"By promoting the integration and development of member state economies, the IIB has consistently supported DBM as a crucially important financial institution of Mongolia. The agreement reached will make it possible to implement a number of project initiatives significant for the country, which fully match the IIB's mandate as a multilateral development institution",* **Vladimir Liventsev** commented on the agreement.

Following the meeting, the IGC members expressed their satisfaction with the results of the IIB's project activities in Mongolia and parties welcomed the signing of a loan agreement between two development banks.

The IIB consistently increases lending and investment activities in Mongolia. Since 2012, the total volume of the Bank's investments in the Mongolian economy has amounted to over USD 650 million. Trade finance transactions are also growing at a rapid pace with the participation of Mongolian counterparts. Thus, starting from November 2016, the Bank has executed 24 trade finance deals to support the supply of products from the Czech Republic, Japan, Oman, Switzerland, Russia, Belgium, Spain, and Germany to Mongolia for a total amount of EUR 8.6 million.

The IIB is also actively developing its partnership network and implements projects jointly with other development institutions. The Bank's loan portfolio in Mongolia includes syndicated loans with the International Finance Corporation and the Dutch development Institution FMO.