



## IIB joins “Project Finance Factory”

February 16, 2018

Operations related to the “Project Finance Factory” got under way at a Russian investment forum in Sochi on February 15, 2018. The initiative involves extending loans to borrowers in Russia with a state-subsidized rate on the basis of syndicated loan agreements.

The “Project finance Factory” is a mechanism developed at the initiative of the Russian Ministry of Economic Development jointly with Vnesheconombank (VEB), which will act as the operator and organizer of the syndicated loan facilities. Domestic commercial banks and national development institutions, as well as multilateral development banks, including the International Investment Bank (IIB) will lend credit support to the Factory.

The decision to support the “Project Finance Factory” is consistent with the IIB’s strategic priorities as a development institution by playing an active role in the implementation of state financial programmes in the territories of its member states.

*“The launch of the Finance Factory will undoubtedly become a hallmark event, and yet another key element to support Russia’s economy by commercial, state, and international institutions. For the IIB, as a development bank, participation in the Factory will become an important part of the implementation of its country strategy and further expansion of its activities in Russia”,* commented Deputy Chairman of the IIB Board **Denis Ivanov**. On February 15<sup>th</sup>, he participated in the signing ceremony at the Sochi Forum of the first cooperation agreements to finance projects under the new mechanism.

According to the Deputy Chairman of the IIB Board, the principle of syndicated lending and risk sharing, which lies at the heart of the Factory, will serve as a driver for attracting additional funds into key sectors of the Russian economy. Furthermore, participation in this entity diversifies the Bank’s capabilities as the integrator of economic cooperation of member states, taking into account possible demand for foreign technology and services in line with project implementation.

Since 2012, the IIB has been actively expanding its operations in Russia. Thus, over the past five years the volume of the Bank’s credit investments in development of the Russian economy has reached about EUR 500 million. The IIB funds both large-scale infrastructure projects, such as construction of the [Byeloporozhskaya HPPs in Karelia](#), as well as Russian SME development.