



Market needs for IFI intervention in CESEE

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on IFI products supporting investment
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“Having exhausted the advantages that used to underpin their strong growth performance in the past, the countries of the EBRD region now require a new growth model.

That model needs to be based on innovation, going beyond the importing of technology.”

EBRD Transition Report, 2017-18

22 November 2017

A new growth model for the region?

A successful post-crisis model of economic convergence and growth for the CESEE region could include the following elements:

- Stronger role on home-grown innovation to increase productivity.
- Preservation and development of the skilled labour force.
- A system of financial intermediation that supports growth and investment based on domestic savings.
- Efficient use of structural funds to close the remaining gaps in infrastructure.

Where can IFIs help the most?

Key candidate areas for investment support in the CESEE:

- a. Products supporting R&D, innovation, and innovative firms.
- b. Development and preservation of human capital.
- c. Addressing the remaining infrastructure gaps such as transport, energy, digital infrastructure.
- d. Supporting capital markets development to provide alternatives to bank financing.
- e. Overcoming the issue of low collateral through providing credit guarantees.
- f. Supporting credit supply to businesses through assisting the region's banking system to overcome the legacy of the crisis, and to adjust to the changes of the regulatory environment.
- g. Enabling businesses to finance themselves in local currency.