



The World Bank Group in Romania

Strong Partner

The mission of the World Bank Group is to reduce poverty and encourage economic growth. In Romania, the Bank Group's activities have matched the trajectory of the country's progress from socialism to free market and European Union candidacy. As of June 2005, the World Bank Group's combined active portfolio in Romania totaled \$2.1 billion.

Today, the focus is on facilitating Romania's economic integration and social cohesion with the EU. The Bank Group and the Romanian Government are currently finalizing a four-year Country Strategic Partnership. Through this partnership, the Bank Group will provide lending and advisory services to support Romania's institutional and governmental reform agenda. The Bank Group will concentrate on Romania's development priority areas such as governance, agriculture and rural development, human development, energy, infrastructure, and environmental protection.

World Bank Activities

The World Bank played a major role in Romania's transition, particularly during the 1990s when EU accession was not yet a driving force for reform. Its financial support not only helped finance the costs of transition but at times was crucial to avert external liquidity crises. Today, the World Bank is Romania's largest creditor. Its assistance covers practically all areas of the economy, from infrastructure to social services.

The World Bank has financed 51 operations in Romania, with cumulative commitments of \$5 billion. As of June 2005, the total active portfolio was \$1.4 billion with 21 projects.

The World Bank portfolio reflects continued strategic support of sustainable private sector growth, poverty reduction and human development, and improvements in governance and institution building.

International Finance Corporation Activities

IFC promotes sustainable private sector investment, helping reduce poverty and improve people's lives. Since Romania joined IFC in 1991, IFC has been directly involved in the privatization and restructuring of large state-owned enterprises in the banking and utility sectors. IFC has played an active role in developing the financial markets, including two large bank privatizations and improving access to finance for small and medium enterprises. IFC has also helped enterprises increase their competitiveness and attract foreign investors.

To date, IFC has committed more than \$712 million of its own funds in 37 projects and has arranged more than \$241 million in syndications to support projects in the financial markets, information technology, food and beverage, general manufacturing, and infrastructure sectors. As of June 2005, IFC's portfolio in Romania stood at \$409 million.

IFC expects to accelerate its involvement in support of Romania's EU accession target, especially through support to large, national-level privatizations in infrastructure. IFC investments will help increase reliability and affordability of services for consumers. Other priorities include municipal finance, financial markets development—including financing of affordable housing—ensuring growth of small and medium enterprises, and social and environmental sustainability.

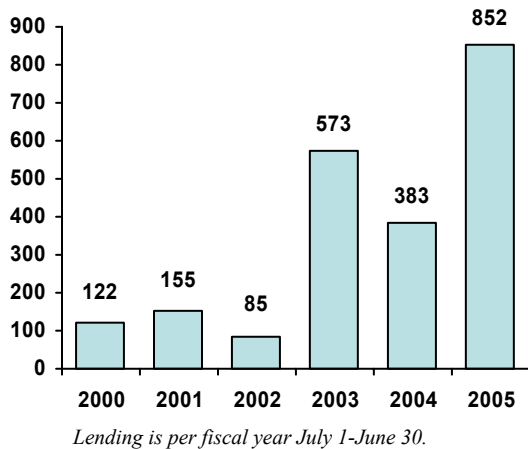
Multilateral Investment Guarantee Agency Activities

As a multilateral risk mitigator, MIGA promotes foreign direct investment into Romania. It does so by supporting a variety of sectors. In financial markets, MIGA has supported small and medium enterprises through longer tenor financing and leasing, and has helped foreign banks invest in bank privatizations and expand their operations in the country. In services and manufacturing, it has provided guarantees to investors.

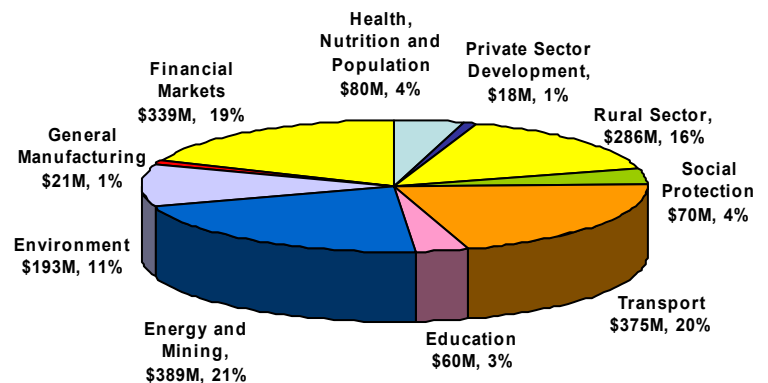
As of June 2005, MIGA's total gross exposure in Romania was \$287 million, mostly in the financial sector.

MIGA expects to continue its involvement in Romania, in particular by supporting further privatizations in infrastructure as well as public-private partnerships, at the sub-sovereign and sovereign levels.

World Bank and IFC Annual Commitments in Romania (\$ M)



World Bank and IFC Portfolio by Sector as of June 2005, Total of \$1.8 billion



For more information please visit www.worldbank.org, www.ifc.org, www.miga.org
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