

## CRITERIA FOR ECONOMIC INTEGRATION SUPPORT PROGRAM FOR 2016-2017 COUNTERPARTY SELECTION

### 1 | ECONOMIC INTEGRATION SUPPORT

In implementing the Economic Integration Support Program (hereinafter – “Program”), IIB adheres to its mission and takes into consideration the individual features of each of its member states, counterparty and project selection criteria, as well as the orientation of a credit and other support provided by IIB on creating added value and sustainable development of the member states.

The main goals of the program are stimulating cooperation, comprehensive communication, mutually beneficial exchange of modern technology between economic entities of two and more IIB member states, as well as between constituent entities of IIB member states and third-party countries.

Support is provided through long-term and short-term financing, bank guarantees and other trade finance products for economic entities of IIB member states and in third-party countries.

### 2 | PROJECT SELECTION CHANNELS

The Bank uses all available channels to search for projects to be financed, including government authorities of its member states. The following channels shall be identified as the most promising for achieving the objectives of the Program:

#### Corporate clients.

The key aspects of this area are:

- financing for creating stand-alone businesses and joint ventures or for implementing projects for the acquisition of new and upgrade of existing businesses by economic entities of IIB member states in the territories of other IIB member states or third-party countries or by economic entities of third-party countries in the territories of other IIB member states;
- financing large-scale projects worth over EUR 5 million or equivalent;
- each project shall be financed individually and require separate approval from IIB.

#### Export insurance agencies (export promotion banks) from countries of equipment suppliers for the business creation/upgrade projects.

ECA participation options:

- a channel for searching for new projects and partners where IIB is interested in ECA's expertise in national markets and its excellent knowledge of the pool of existing deals and contractors;
- ECA participates in promoting a project offering exports of equipment required to create/upgrade a business as a partner, co-financing the deal or providing related financing for the project;
- ECA can provide guarantee coverage for a deal.

#### Banks (commercial banks, national and international development banks).

The key aspects of this area are:

- a channel for searching for new projects and partners qualifying for the Program;
- joint financing of major projects;
- raising related financing for projects;
- trade finance.

### 3 | MAIN TYPES OF COUNTERPARTIES

Main types of counterparties (economic entities expanding into other countries by implementing projects in those countries to create stand-alone businesses and joint ventures or to implement projects to acquire new and upgrade existing businesses)

- economic entities of IIB member states implementing multilateral projects in the territories of other IIB members states;

- economic entities of IIB member states implementing multilateral projects in the territories of third-party countries;
- economic entities from third-party countries implementing projects in the territories of IIB members states, aimed at the sustainable development of IIB member states.

#### 4 | GENERAL COUNTERPARTY SELECTION CRITERIA

- Carrying out financial activity in IIB member state other than the Counterparty's country of origin (country of operation) or implementing a project aimed at sustainable development of IIB Member state other than the Counterparty's country of origin (country of operation);
- availability of a license authorizing to perform activities in accordance with the counterparty's profile;
- availability of positive audit opinions for the last reporting period;
- positive business reputation;
- credit rating (if any) taking into account the specific factors of the member states;
- goals and objectives of counterparty should comply with principles and priorities of IIB.

#### 5 | GENERAL PROJECT SELECTION CRITERIA

In addition to counterparty selection the Bank identifies the following general criteria for project selection for financing and proper utilization of funds:

- a project should be implemented by creating stand-alone businesses or joint ventures, or by acquiring a new or upgrading existing businesses by economic entities of certain countries in the territory of other countries;
- a project to be financed should meet the strategic target of the Program, in particular, it should be implemented in segments ensuring the sustainable development of IIB member states;
- a project to create/acquire and upgrade of business should involve one or more IIB member state;
- the project should be in line with IIB's focus areas:
  - promotion of cooperation between IIB member states;
  - social and economic development and experience and technology sharing;
  - innovations and modernization;
  - environment and clean technologies, resource and energy saving.