
EBRD Allocates \$975 Mln For Georgia In 2008-2010

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The European Bank for Reconstruction and Development (EBRD) plans to invest \$975 million in Georgia in 2008-2010, the bank said on Thursday.

The EBRD said the funds were meant to support the ex-Soviet state's banking sector and to encourage foreign direct investment.

The bank said it would increase its investment as loans and acquired shares to \$350 million in 2009, with plans to grant Georgia some \$300 million in 2010.

The EBRD has invested over \$500 million in Georgia in recent years in all major sectors of the economy, the bank said on its website. Tbilisi has already received \$100 million from the EBRD for the implementation of various projects this year, and another \$225 million is due to be granted before yearend.

Georgia is involved in the bank's Early Transition Countries Initiative, aimed at mobilizing more investment and encouraging economic reform. The initiative, launched in April 2004, also includes Armenia, Azerbaijan, Kyrgyzstan, Moldova, Mongolia, Tajikistan and Uzbekistan.

Foreign governments and private businesses pledged to lend Georgia \$4.55 billion at an international Donors' Conference for Georgia in Brussels on Wednesday. The United States promised to contribute the largest sum of around \$960 million, with the EU and Japan planning to donate \$640 million and \$192 million, respectively.

Following the August conflict with Russia over Georgia's breakaway region of South Ossetia, the World Bank has assessed the Georgian economy's demands for the next three years at \$3.2 billion.
