



given project. As a minimum, the Bank will not lend less than \$5 million to any project. Those two criteria mean that a project have a minimum size of about \$15 million. Therefore, we are talking about very sizeable projects, especially given Ukraine's current economic condition. If you put that in the context that we are interested in the private sector, this means that these projects are very unique.

Having said that, we also recognize that our high minimum lending criterion would put financing out of the reach of smaller businesses. Therefore, we established a US\$130 million line of credit for small and medium enterprises (SME), and made it available through indigenous Ukrainian banks. This has the added benefit of enabling us to work closely with these banks and offer them our expertise and skills, to train them in modern banking procedures.

- *Must they be identified by Ukrainian partners?*

By anybody. For instance we are working with many western companies that are establishing joint venture operations here. We are very comfortable with western investors because they bring not only financial resources, but also management skills and product knowledge. Increasingly we are focusing on finding indigenous Ukrainian companies which do not have a western investor strategy. In these cases we have to spend a lot more time nurturing them and helping them develop to raise their level of performance so that they can compete more effectively abroad and in the near abroad, that is, to export to the neighbouring countries.

- *Realistically speaking, how many Ukrainian companies can meet these financial requirements?*

Many companies have excellent resources. Some generate export earnings. A few are very large and very successful with very

competent management. Often, what they need is an extra push, that extra investment from a bank like ourselves that will take them to a higher level.

For a western or a Canadian company, what they need to do is to identify, first of all, a project that is at least \$15 million. They must identify that the project is credit-worthy. In other words, be prepared to provide a full business plan. This is no different than what would be expected by any western bank. They must show to us what their contribution is, what their risk capital is, and what they are bringing to the project that will make it succeed together with the Ukrainians. They must present a business plan, some background material on their expertise.

But having said that, my advice is still that EBRD should be the first bank that is approached with any large project; Come to us!



- Pharmascience Inc. is pleased to announce that it is the first Canadian-owned pharmaceutical company to open a manufacturing, sales and distribution subsidiary in Kiev, Ukraine.
- This new company, Pharmascience - Ukraine Inc., mission is to produce and distribute Canadian and Ukrainian manufactured generic pharmaceuticals for the Eastern European market.
- Pharmascience - Ukraine Inc.. is located at 9 Leontovich Street in the National Academy of Sciences of Ukraine building. Tel. # 380-44-224-7334 , Fax # 380-44-229-6365

