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# **Eurasian Development Bank as Anti-crisis Fund Resources Manager**

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# EDB in a Snapshot

**EDB's mission** is to facilitate, through its investment activity, the **development of market economies, economic growth** and the **expansion of trade** and other economic ties in its member states

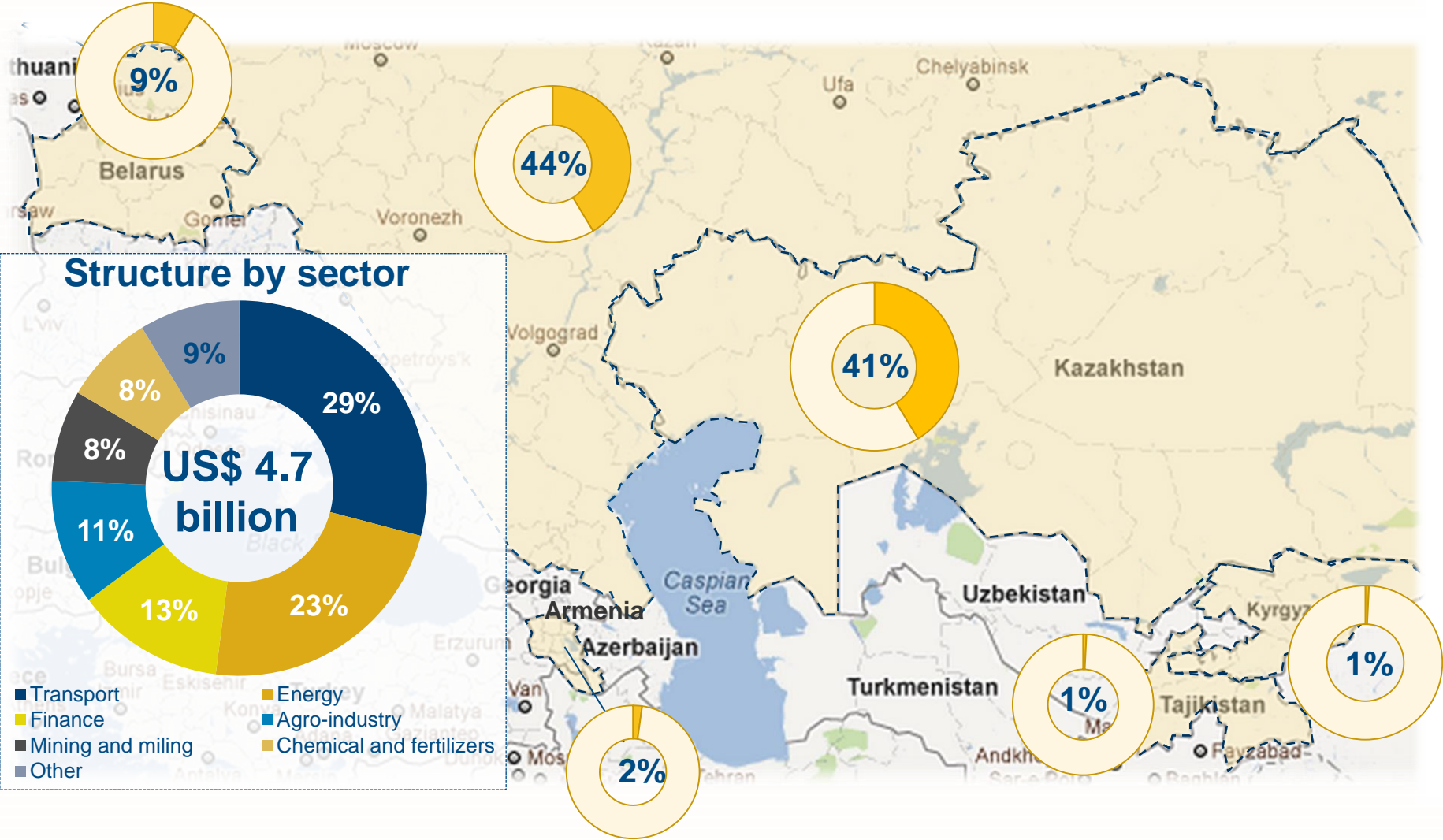
## Fast facts

- Established in **2006** by Russia and Kazakhstan
- Member-states: **Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan**
- Headquarters: **Almaty, Kazakhstan**
- Authorised capital is over **US\$ 1.5 billion**
- **Manager** of the EurAsEC Anti-Crisis Fund
- Current ratings: **BBB/A3/BBB**

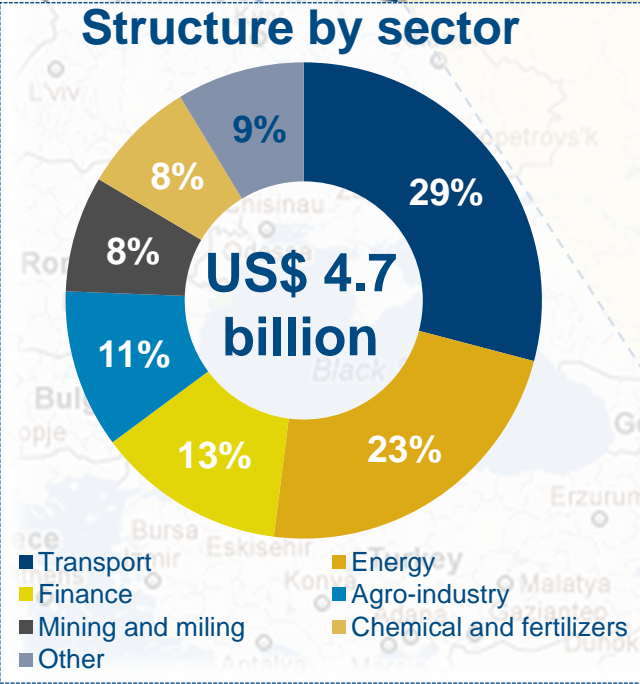


# EDB Investment Portfolio

## Structure by country



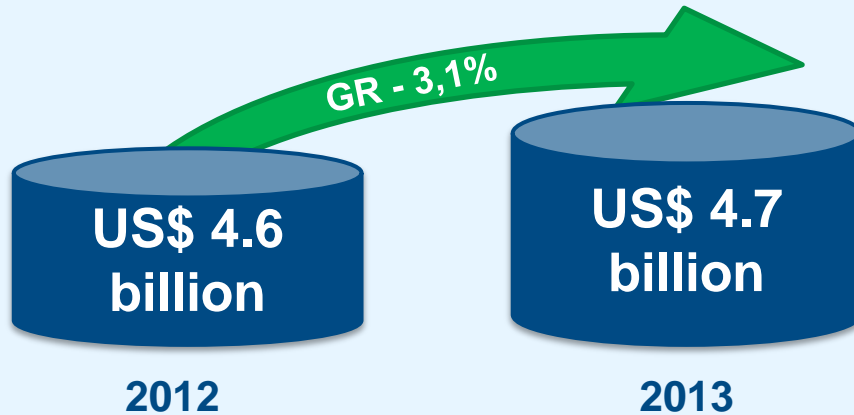
## Structure by sector



# EDB Activity Indicators

## Investment indicators

Cumulative investment portfolio



Total number of investment projects, 2013



## Integration indicators



Additional **mutual investment** between member states



Additional **trade flows** between member states per year



# EDB Investment Projects

## Priority sectors:

- Infrastructure development
- Development of high value-added production
- Energy efficiency programs

## Key projects :

Investment project	Country	Sector	Projected funding
Construction of the Western High-Speed Diameter toll road	Russia	Transport	US\$ 322M
Tikhvin Freight Railcar Plant	Russia	Manufacturing	US\$ 301M
Timber processing plant in Tomsk	Russia	Manufacturing	US\$ 105M
Construction and modernization of Pulkovo Airport in St. Petersburg	Russia	Transport	US\$ 90M
Ekibastuz GRES-2 power plant	Kazakhstan	Power sector	US\$ 460M
Eight agricultural projects	Armenia, Kazakhstan	Agriculture	US\$ 223M
Construction of electric locomotive plant	Kazakhstan	Manufacturing	US\$ 66M
Construction of an power transmission line	Kazakhstan	Power sector	US\$ 50M

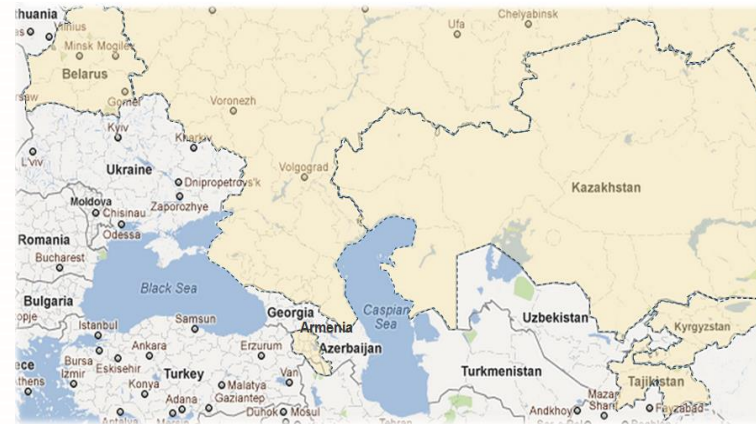


# ACF in a Snapshot

**ACF mission** is to help member countries **overcome** the consequences of **global financial and economic crisis**, to **ensure** their long-run economic **stability** and to **foster economic integration**

## Fast facts

- Established in **2009**
- Member-states: **Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan**
- Fund size is about **US\$ 8.5 billion**
- **Managed by EDB**
- Provides **Financial credits** and **Investment loans**
- The **main function** of the ACF is financing of **macro stabilization** programs



# ACF Governance

## ACF Secretariat

- Supports the activities of ACF Council
- Prepares meetings of ACF Council and its Council of Experts
- Acts as a Depository of ACF Documents

## ACF Council

- Supreme decision-maker
- Ministers of finance of member countries
- Decisions on the use funds and other activities

## Council of Experts

- MOF Department Directors
- Preliminary appraisals of projects and documents for the ACF Council
- Recommendations and draft decisions of the ACF Council

## ACF Manager

- MOF Department Directors
- Preliminary appraisals of projects and documents for the ACF Council
- Recommendations and draft decisions of the ACF Council

# ACF Financial Instruments

## Financial Credits

### Availability of funds:

- only to **governments**
- for a **limited** number of **specific policy actions** over a **specified period** of time
- for programs contributing to economic and social **stability, development, fiscal sustainability** and **integration**

### Minimum amount:

- **US\$ 10M**

### Requirements:

- policy **implementation** should be **measured**

## Investment Loans

### Availability of funds:

- to **governments** and **companies**
- for **large projects** contributing to economic and social **stability** and **integration**

### Minimum amount:

- **US\$ 30M** for countries with **GNI per capita over US\$ 5000**
- **US\$ 5M** for countries with **lower GNI**

### Participation in projects:

- **any form** used in international practice, **except of equity** participation



# Investment Loans

## Priority sectors:

- Road construction
- Agricultural infrastructure
- Heavy industry
- Power generation and distribution
- Agricultural equipment supply
- Irrigation

Key investment projects	Country	Sector	Projected funding
<b>Bishkek-Osh Road Rehabilitation Project, Phase IV</b>	<b>Kyrgyz Republic</b>	<b>Transport infrastructure</b>	<b>US\$ 60 M</b>
Agricultural machinery supply	Kyrgyz Republic	Agriculture	US\$ 20M
Development of agricultural commodities supply chain	Kyrgyz Republic	Agriculture	US\$ 50M
«North-South» Road Corridor Development Project	Armenia	Transport infrastructure	US\$ 100M
Irrigation networks reconstruction in the Sevan Cascade area (third stage)	Armenia	Agriculture	US\$ 30M
<b>Aral – Suusamyr road rehabilitation (part of North-South investment program)</b>	<b>Kyrgyz Republic</b>	<b>Transport infrastructure</b>	<b>US\$ 85M</b>
Toktogul HPP Rehabilitation Project	Kyrgyz Republic	Power generation	US\$ 75M
Kambarata HPP Rehabilitation Project	Kyrgyz Republic	Power generation	US\$ 85M



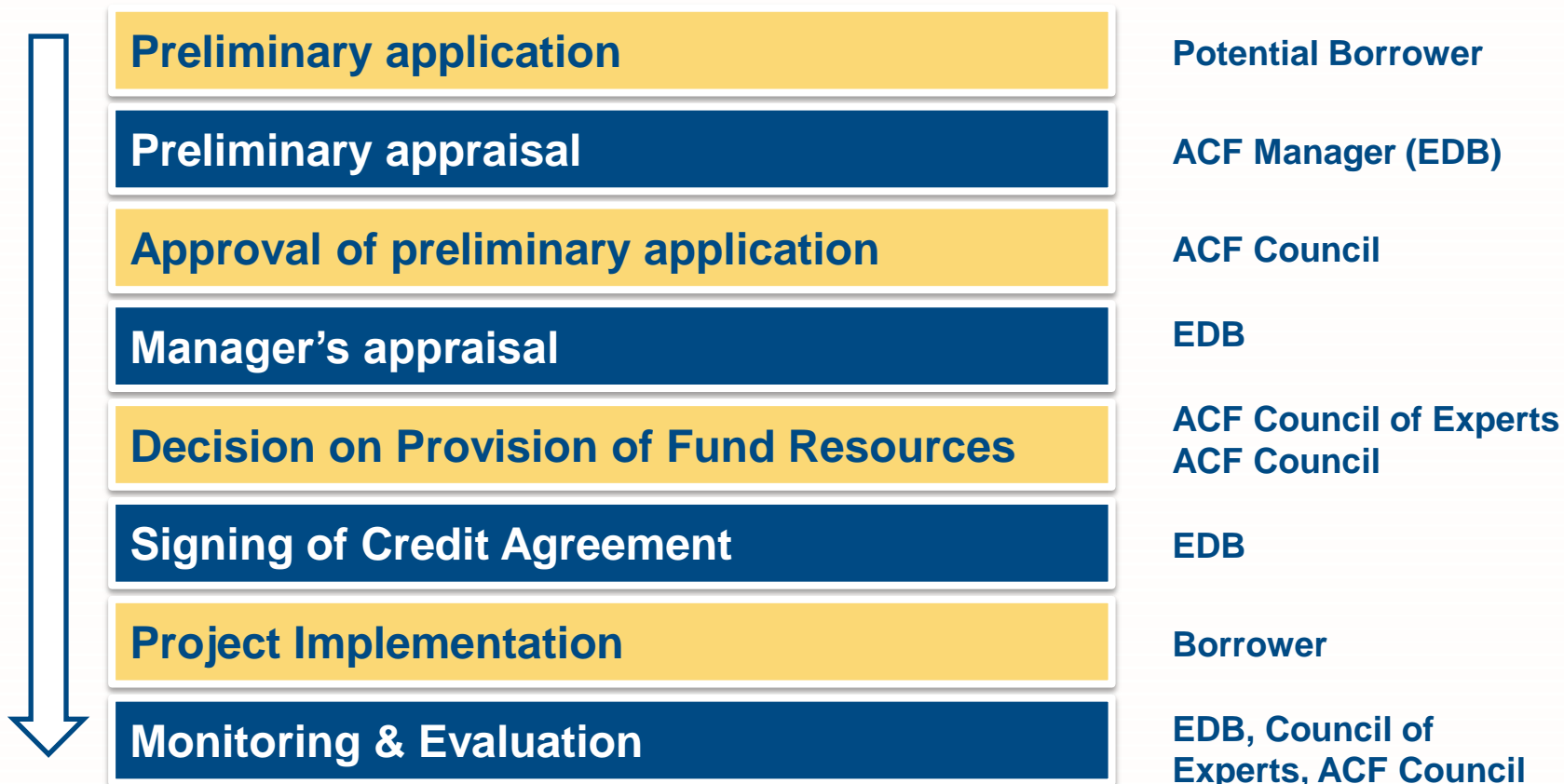
# Investment Loans

## Indicative Financial Terms

	ACF Member-State	Project company
Interest rate	Floating, Russia and Kazakhstan cost of funding	
Risk premium	Based on project and other risks	
Front-end fee	Up to 1 %	
Annual commitment fee	0,5%	
Maturity	Up to 15 years	Up to 10 years
Grace period	Up to 5 years	
End-recipient co-financing requirement	No less than 20% of the project	

# Investment Loans

## Decision Making Process



# Projects in cooperation with CAREC

## Bishkek – Osh road rehabilitation project



### Bishkek-Osh road corridor :

- **The only existing land transport corridor**, connecting northern and southern regions of Kyrgyz Republic
- Part of **CAREC-3**, which connects Kyrgyz Republic with **Russia, Afghanistan, Kazakhstan, Tajikistan, Iran, Turkmenistan, Uzbekistan**
- Potential **export channel** for Kyrgyz Republic **agricultural commodities** to central regions of **Russia and Kazakhstan**

### Section financed by ACF:

- **Madaniyat to Jalal-Abad (67km)**, southern part of the corridor
- Total financing – **US\$ 72M** (ACF resources – **US 60M**)
- Status: **signed loan agreement**

# Projects in cooperation with CAREC

## Aral – Suusamyр road rehabilitation



### North-South road corridor:

- **The alternative transport corridor**, connecting northern and southern regions of Kyrgyz Republic
- **Interchange between CAREC-1 and CAREC-3 corridors**

### Aral-Suusamyр road section:

- **Connection between North-South corridor and Bishkek-Osh road (91 km)**
- Total financing – **US\$ 102M** (ACF resources – **US 75M**)
- Status: **request** for investment loan is **under Manager's consideration**



# Future cooperation with CAREC



**ACF**

EURASEC Anti-Crisis  
Fund



**Eurasian Development Bank**

- Infrastructure projects in the CAREC framework are aligned with ACF and EDB mission and goals
- ACF and EDB are interested in **attracting CAREC expertise** in transport, infrastructure and trade facilitation **to their projects and programs**
- ACF and EDB are ready to expand geography of cooperation with CAREC program

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