INVESTING IN DEVELOPMENT AND INTEGRATION

01.09.2020
The Eurasian Development Bank (EDB) is an international financial institution established in 2006 on the initiative of the Presidents of Russia and Kazakhstan. Other members of the Bank are Armenia, Belarus, Kyrgyzstan and Tajikistan.

Other states and international organisations can become members by signing the Agreement Establishing the Bank.

**The EDB’s charter capital** exceeds **US $7 billion**, including **US $1.5 billion** of paid-in capital and **US $5.5 billion** of callable capital.

The Bank’s headquarters is located in Almaty. The EDB has a branch in St. Petersburg and representative offices in Nur-Sultan, Bishkek, Dushanbe, Yerevan, Minsk and Moscow.
The EDB's mission is to promote the development of the market economy in its member states, their sustainable economic growth and the expansion of trade and other economic ties through investment.

The Bank strives to create conditions for sustainable economic development and deepen integration among its member states:

- Armenia
- Belarus
- Kazakhstan
- Kyrgyzstan
- Russia
- Tajikistan
INVESTMENT PORTFOLIO

**US $9.410 billion**
Investment portfolio

**US $4.268 billion**
Current investment portfolio

**88 investment projects**
Financed in six member states

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![Bar chart showing investment portfolio over time](chart.png)

As of 1 September 2020
KEY CURRENT PROJECTS *

- Construction of the Western High-Speed Diameter road (PPP project, Russia) – US $360 million
- Construction of a bar and wire rolling mill at Belarusian Steel Works (Belarus) – US $166 million
- Financing of SSGPO’s (Kazakhstan) supplies to Magnitogorsk Iron and Steel Works (Russia) – US $95 million
- Construction of Beloporozhskaya HPPs 1 and 2 in Karelia (Russia) – US $54 million
- Construction of Central Ring Road 3 (PPP project, Russia) – US $167 million
- Constructing and operating a 90.09 MW wind farm in Azov District, Rostov Region (Russia) – US $134 million
- Financing preparations for the development and modernisation of Bakyrchik gold deposit (Kazakhstan) – US $80 million

* As of 1 September 2020
KEY CURRENT PROJECTS *

• Financing construction of the **Saryarka gas pipeline** (Kazakhstan) – US $266 million

• Financing **Belaruskali’s working capital and investment programme** (Belarus) – US $424 million

• Construction of **solar plants** with an installed capacity of up to 90 MW (Kazakhstan) – US $66 million

• Introducing a **cyclic and continuous coal mining technology** at the Bogatyr mine (Kazakhstan) – US $215 million

• Financing **St. Petersburg Vodokanal’s** investment programme (Russia) – US $80 million

• Constructing a **50 MW wind farm in Yereimentau** (Kazakhstan) – US $55 million

• Financing **Samruk-Energy’s investment programme** (Kazakhstan) – US $52 million

• Financing **Batys Transit’s PPP projects and refinancing a portion of its bond issue** (Kazakhstan) – US $65 million

* As of 1 September 2020
The EDB identifies the priority sectors for each member country according to their economic needs, the areas in which they need to become more competitive, and the Bank’s resources.

This approach helps to set goals that are relevant and achievable for each country, and provide tools for their achievement.
The Bank focuses on financing energy, transport and municipal infrastructure development projects in the member states.

INVESTMENT PORTFOLIO BY SECTORS

Current investment portfolio by sectors

- **Energy**: 14.8%
- **Transport**: 25.2%
- **Financial sector**: 14.9%
- **Mining**: 9.1%
- **Chemical sector**: 14.2%
- **Mechanical engineering**: 4.5%
- **Metallurgy**: 3.2%
- **Other infrastructure**: 11.4%
- **Other sectors**: 1.9%
- **Agroindustrial sector**: 0.8%

*As of 1 September 2020*
The **Bank** is an effective agent in promoting sustainable development in its member states and deepening integration in the region.

The projects financed by the **EDB** contribute to infrastructure development and the modernisation and diversification of its member economies and have significant socioeconomic and integration effects.

The **EDB’s** investment fosters increases in trade flows and mutual investment among the member states, additional production, and multiplier effects in their economies.
One of the EDB’s key objectives is to analyse and forecast the situation in the economy and financial markets of the member states, their investment opportunities, monetary and foreign exchange relations, including macroeconomic and financial risks.

The Bank regularly:

- publishes research papers, sector and theme reports, and macroeconomic reports analysing problems and forecasting economic development in the region
- Conducts major research and applied projects
- arranges conferences and round-table discussions

The EDB is a leading think-tank for Eurasian integration research.
The Bank offers financial support for pre-investment and innovative research aimed at deepening integration at the interstate, country and sector level.

To this end it established the **Technical Assistance Fund (TAF)** in 2008.
FINANCIAL MARKETS

The EDB mobilises long-term funds in international capital markets. These funds are the most important source for financing the Bank’s investment activities.

Funds raised include:

- debt securities such as Eurobonds
- local bonds
- eurocommercial papers
- bilateral bank loans
- targeted loans insured/guaranteed by export credit agencies

The total amount of loans raised by the EDB in financial markets exceeds US $2.65 billion*.

The EDB has been recognised by the Organisation for Economic Co-operation and Development (OECD) as a multilateral financial institution with risk classification 4 and buyer risk classification SOV/CC0.

*As of 1 September 2020
The Eurasian Fund for Stabilization and Development (EFSD) totalling US $8.513 billion was established in 2009 by the governments of six countries: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan.

The main objectives of the EFSD are to help its member countries mitigate the negative effects of the global financial crisis, to ensure their long-term economic stability, and to foster regional integration.

The EFSD has the following tools:
- financial credits to support budgets, balances of payments, and national currencies
- investment credits for large interstate and national projects
- grants from the EFSD's net profit to finance social programmes

The EFSD members appointed the EDB as the EFSD Resources Manager and Secretariat. In this role the EDB prepares and implements EFSD projects.
Financial Credits

The following countries have completed their reform programmes supported by the EFSD:

- Armenia (US $300 million)
- Belarus (financial credit 1; US $2.56 billion and financial credit 2; US $1.8 billion)
- Tajikistan (financial credit 1; US $70 million and financial credit 2; US $20 million)

The following EFSD-supported programmes will be implemented during the COVID-19 pandemic (2020):

- Kyrgyz Republic (a US $100 million financial credit for budget support); and
- Tajikistan (a US $50 million financial credit for budget support).

Grants

3 grants totalling US $5 million:

- Improving prevention and control of non-communicable diseases in primary health care (Armenia, US $1 million)
- Caravan of Health in the Kyrgyz Republic (US $2 million)
- Caravan of Health in Tajikistan (US $2 million)
**Investment loans**

**10 investment projects totalling US $636 million at different stages of implementation:**

- Construction of the North–South road corridor (Phase 4) in Armenia (US $150 million)
- Toktogul HPP rehabilitation (Phase 2) in the Kyrgyz Republic (US $100 million)
- Reconstruction of the Bishkek–Osh road (Phase 4) in the Kyrgyz Republic (US $60 million)
- Financing agricultural equipment supplies to the Kyrgyz Republic (US $14,5 million)
- Upgrade of irrigation facilities in Armenia (US $40 million)
- Commissioning of Unit 2 at Kambarata HPP 2 in the Kyrgyz Republic (US $110 million)
- Nurek HPP rehabilitation (Phase 1) in Tajikistan (US $40 million)
- Uch-Kurgan HPP rehabilitation in the Kyrgyz Republic (US $45 million):
- Construction of the Mastara Reservoir in Armenia (US $25 million)
- Securing the safe operation of Kambarata HPP 2 in the Kyrgyz Republic (US $50.7 million)
INTERNATIONAL COOPERATION

The **EDB** holds observer status at:

- the United Nations General Assembly
- the Eurasian group on combating money laundering and financing of terrorism (EAG)
- the UN Trade and Development Board (UNCTAD)
- the International Investment Bank

The **Bank** is developing cooperation with:

- regional integration organisations (EAEU, CIS, SCO)
- United Nations institutions (UNDP, UNIDO, FAO, UNECE, UN ESCAP, UNEP)
- international development institutions (WB, IFC, ADB, EDRD, NDB, AIIB) in the form of project co-financing, information exchange and the introduction of best international practices in corporate governance
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