Activities of multilateral development banks. Information digest.

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**Inaugural ADB Green Bond to Drive More Funds to Climate Change Projects**

13 March 2015

The Asian Development Bank (ADB) has raised $500 mln from an inaugural green bond issue, aimed at channeling more investor funds to ADB projects that promote low-carbon and climate-resilient economic growth and development in developing Asia.

Asia’s fast-growing cities, such as Manila in the Philippines, and others located on coastlines or low-lying areas, are at huge risk from climate change. Lives and livelihoods in rural areas are also threatened by changing weather patterns which can disrupt farming, cause floods or droughts, or slow hydropower output in mountainous regions. The cost of adapting to climate change in Asia and the Pacific is estimated at $40 bln or more, annually, through 2050.

Meanwhile, developing Asia’s share of global energy-related carbon dioxide emissions more than doubled from 17% in 1990 to 37% in 2010, and is expected to increase to about 47% by 2035.

The proceeds from ADB’s 10-year green bonds, lead managed by BofA Merrill Lynch, Morgan Stanley, and SEB will be used to finance climate change adaptation projects such as those which climate-proof water, energy, transport, or other urban infrastructure. Climate change mitigation projects that could be financed by the bond include renewable energy, energy efficiency or sustainable transport initiatives like rail or bus services.

The bond was priced at 99.294%, with a spread of 12.45 basis points over the 2% US Treasury due 15 February 2025. The coupon is 2.125%. The bonds were sold to about 44 investors including AP2, AP3, AP4, Baliose Insurance, Bank Morgan Stanley AG, Banque Syz & Co SA, Blackrock, Calvert Investments, Donner & Reusche Asset Management, Mirova, Nikko Asset Management Europe Ltd, Nippon Life Insurance Company, Omega Global Investors on behalf of Local Government Super, Praxis Intermediate Income Fund, SEB Wealth, State Street Global Advisors, and TIAA-CREF.

By investor type, 16% of the bonds went to central banks and official institutions, 22% to banks, 61% to fund managers/pension funds/insurance, and 1% to other types of investors. By geography, 31% of the bonds placed in Asia, 45% in Europe, Middle East and Africa, and 24% in the Americas.


**ADB Sees Strong Growth for Developing Asia in 2015 and 2016**

24 March 2015

Developing Asia will maintain its strong economic growth in 2015 and 2016 supported by soft commodity prices and recovery in the major industrial economies, says a new Asian Development Bank (ADB) report.

ADB’s flagship annual economic publication, Asian Development Outlook 2015 (ADO), released today, forecasts developing Asia will achieve gross domestic product (GDP) growth of 6.3% in both 2015 and 2016. The region also grew 6.3% in 2014.

Weak oil prices and recession in the Russian Federation pushed subregional growth in Central Asia down 1.5 percentage points to 5.1% in 2014. In 2015 growth will slacken in Kazakhstan, Turkmenistan, and Uzbekistan as lower petroleum exports constrain domestic spending. The weak economy in the Russian Federation will curb export and remittance flows, slowing growth in Armenia, Georgia, the Kyrgyz Republic, and Tajikistan. Average growth in the subregion is forecast at 3.5% in 2015 and 4.5% in 2016.

Diversifying the Economy and Structural Reforms are Key for Fighting External Shocks in Tajikistan

24 March 2015

Landlocked and possessing limited arable land and a narrow industrial base, Tajikistan is highly vulnerable to external shocks. In 2014, growth slowed to 6.7% from 7.4% a year earlier, reflecting sharp declines in remittances and aluminum and cotton exports, the Asian Development Bank (ADB) says in its annual economic report.

ADB's flagship economic publication, Asian Development Outlook 2015 (ADO), released today, forecasts annual gross domestic product (GDP) growth for Tajikistan to slow to 4.0% in 2015, and 4.8% in 2016, reflecting a recession in the Russian Federation and continued weakness in forecast commodity prices.

Inflation is forecast to accelerate to 10.0% in 2015 with currency depreciation and ease back to 6.5-7.0% in 2016. In 2014, inflation reached 6.1% from 5.1% a year earlier.

ADO provides a comprehensive analysis of macroeconomic issues in developing Asia, including growth projections by country and region. Its special theme chapter, Financing Asia's Future Growth, examines the role of the financial system in supporting inclusive and stable growth as the region transitions toward a new growth paradigm built on efficient investment and increased productivity.


Asian Infrastructure Investment Bank

Establishment of new development institutes

AIIB offer still open for Japan

6 March 2015

The offer of joining as a founding member of the Asian Infrastructure Investment Bank (AIIB) is still open but the ball is in Japan's court, said Chinese Finance Minister Lou Jiwei here Friday.

The chance to be an AIIB founding member is available for all Asian countries including Japan by March 31, Lou said at a press conference on the sidelines of the ongoing national legislative session.

The Japanese government has been updated with the result of talks among the bank's current founding members, Lou said.

Lou confirmed that some European countries, including major ones, have expressed interest.

But current founding members agree that AIIB will consider Asian countries first and the membership of countries outside the region will be the next step, he said.

Currently 27 countries have confirmed their participation in AIIB, an initiative proposed by China in a bid to finance infrastructure projects across Asia.

Vice-Finance Minister Zhu Guangyao told media Tuesday that the bank will be set up within 2015.

http://www.chinadailyasia.com/nation/2015-03/06/content_15235444.html

Europeans defy US to join China-led development bank

17 March 2015

France, Germany and Italy have all agreed to follow Britain’s lead and join a China-led international development bank, according to European officials, delivering a blow to US efforts to keep leading western countries out of the new institution.

The decision by the three European governments comes after Britain announced last week that it would join the $50Bln Asian Infrastructure Investment Bank, a potential rival to the Washington-based World Bank.

Australia, a key US ally in the Asia-Pacific region which had come under pressure from Washington to stay out of the new bank, has also said that it will now rethink that position.

The European decisions represent a significant setback for the Obama administration, which has argued that western countries could have more influence over the workings of the new bank if they stayed together on the outside and pushed for higher lending standards.

The AIIB, which was formally launched by Chinese President Xi Jinping last year, is one element of a broader Chinese push to create new financial and economic institutions that will increase its international influence. It has
Russia to apply for China-led infrastructure bank AIIB

28 March 2015

Russia decided to apply to join the China-led Asian Infrastructure Investment Bank (AIIB), the country’s Deputy Prime Minister Igor Shuvalov said on Saturday.

Shuvalov added that Russia welcomes China’s Silk Road Economic Belt initiative and is happy about stepping up cooperation.

Britain and Switzerland have been formally accepted as founding members of the AIIB, China’s Finance Ministry confirmed Saturday. This comes a day after Brazil accepted an invitation to join the bank.

AIIB has 30 founding members with applications still coming in, according to China’s Finance Ministry. Australia has recently applied to join the bank.

The application deadline has been set for March 31. Other nations will still be able to join the AIIB after the deadline expires, but only as common members, Chinese Finance Minister Lou Jiwei said last week. China wants to see the AIIB operational before the end of 2015.

Washington recently shifted its tone towards the AIIB, which is seen as a rival of the US-led World Bank, the International Monetary Fund (IMF), and the Manila-based Asian Development Bank (ADB) which is dominated by Japan and the US.

The China-led infrastructure bank is expected to launch with an initial subscribed capital of $50 bln and focus on financing infrastructure projects across Asia – including energy, transport and telecommunications infrastructure, urban and rural development, and the environment.


The Centre for Integration Studies publishes the assessment of the effects of non-tariff barriers

17 March 2015

Non-tariff barriers are a significant problem for the mutual flows of goods and services between the countries of the Eurasian Economic Union (EEU). This is the main finding of report titled An Assessment of the Economic Effects of Lifting Non-Tariff Barriers in the EEU, which provides the first comprehensive assessment of the effects of non-tariff barriers on mutual trade and makes recommendations as to how to remove them. The report has been prepared by Eurasian Development Bank’s (EDB) Centre for Integration Studies based on a poll of 530 Russian, Kazakh and Belarusian exporters.

In the research non-tariff barriers are divided into two groups. The first group includes non-tariff barriers such as sanitary and phytosanitary measures, technical barriers to trade, quotas, prohibitions, and quantitative controls. The second group comprises price and competition controls (the institute of ‘special importers’, sale restrictions, restrictions on public procurement, various subsidies). The second group of barriers is often referred to as “sand in the wheels,” because it hinders the movement of goods and in principle can be fully removed. The specialists from the Centre for Integration Studies have come to a conclusion that this very group of barriers possesses a more negative influence on trade. Therefore, the main policy efforts should be directed at removing “sand in the wheels” of mutual trade.

The report provides a number of scenarios as to how reduce non-tariff barriers. In the base scenario, Belarus will derive the highest benefits: its real GDP is expected to grow by 2.8% and welfare by an aggregate of 7.3%. In Kazakhstan, welfare will grow by 1.3% and real GDP by 0.7%. The effects for Russia will be less significant: welfare will improve by 0.5% cumulatively and real GDP 0.2%. These differences are due to the greater size of its
Economy and the lower importance for Russia of trade inside the EEU, compared to trade with other countries.

The research has shown that reductions in non-tariff barriers will be particularly important to the producers of machinery and equipment, because in this sector the costs associated with non-tariff barriers are the highest. Pulp-and-paper and food enterprises, as well as the producers of leather, shoes, resins and plastics will also see significant benefits.


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European Bank for Reconstruction and Development

**EBRD and government of Armenia sign a contribution agreement on Armenia’s participation in E5P**

17 March 2015

The European Bank for Reconstruction and Development (EBRD) and the Ministry of Energy and Natural Resources (MoENR) of Armenia have signed an agreement on Armenia’s participation in the Eastern Europe Energy Efficiency and Environment Partnership (E5P). Armenia will contribute €1 mln to E5P which will enable Armenia to access grant funds of €20 mln for priority energy efficiency investments in the municipal sector.

The agreement was signed on Monday 16 March by Armenia’s Energy and Natural Resources Minister, Yervand Zakharyan, EBRD Managing Director, Environment and Sustainability, Alistair Clark, and EBRD Manager of the E5P Fund, Anders Lund.

The E5P is a multi-donor fund providing grants to support energy efficiency projects that aim to improve energy efficiency and the environment in the Eastern Partnership countries. The main objective of the initiative is to use grants to leverage loans dedicated to municipal energy efficiency and environmental projects, for example the rehabilitation of water and wastewater systems, solid waste management, street lighting and the insulation of public buildings.

E5P is part of the strategic response to energy issues, allowing municipal authorities to invest in projects that make the most of opportunities for energy savings. As a partnership, E5P also includes a strong commitment to policy dialogue, allowing partners to address policy issues in their efforts to find practical solutions to problems municipalities face when investing in energy efficiency measures.


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Small & Medium Enterprises

**EBRD helps unlock SME potential in Kazakhstan**

18 March 2015

The European Bank for Reconstruction and Development (EBRD) is raising awareness about the value of external advice for small and medium-sized enterprises (SMEs) at an event held today in Kazakhstan’s largest financial centre, the city of Almaty.

The forum entitled “Barriers to business: unlocking the entrepreneurial spirit” brought together leading Kazakhstan entrepreneurs and business representatives to recommend ways to improve the investment climate in Kazakhstan, including addressing the existing challenges of access to finance and know-how, and to discuss the role of SMEs in achieving sustainable economic growth. The discussion was moderated by the Financial Times reporter Jack Farchy.

SME representatives had a unique opportunity to share their experience on how advisory services, supported by the EBRD, had enabled them to improve their performance and become more competitive, domestically and abroad.

The EBRD has launched an information campaign in Kazakhstan on the value of external advice for businesses. The latest funding by BG Kazakhstan brings their total contribution to €661,000.

The EBRD, through its Small Business Support team, has helped more than 1,200 small and medium-sized
SMEs a priority of new EBRD strategy for Kyrgyz Republic

26 March 2015

EBRD shareholders approve new strategic priorities in the country: cross-border links, SME growth and competitiveness, sustainable public utilities

The Board of Directors of the European Bank for Reconstruction and Development (EBRD) has approved a new strategy for the Bank’s activities in the Kyrgyz Republic which will guide EBRD investment and policy dialogue there in the next four years.

The strategy sets out the following priorities for the organisation’s work in the country:

• Strengthening regional cross-border links: the Bank will facilitate economic and trade cooperation and integration with other countries in the region.
• Enabling small and medium-sized enterprises (SMEs) to grow and bolster their competitiveness: the Bank will encourage the sustainable growth of SMEs – especially those small businesses with potential to become mid-sized corporates – through both investment and advisory services. It will continue to improve access to finance for SMEs, particularly in local currency, and to back energy efficiency projects through dedicated credit lines.
• Promoting the sustainability of public utilities through commercialisation and private sector participation: the Bank will continue to offer its recognised expertise and delivery models to municipal utilities and to support private sector participation and the modernisation of assets.

The EBRD will also aim to reduce regional economic disparities and address inclusion gaps in relation to gender and youth across all sectors.

The previous strategy for the Kyrgyz Republic was approved in September 2011. Since then, the EBRD has increased its support for the country’s economy, investing €207 mln in 56 projects. It has directed investments and technical assistance to local private SMEs involved in agribusiness, manufacturing, trade, tourism and logistics; provided liquidity to banks and microfinance institutions and strengthened their capacity; helped to rehabilitate critical infrastructure; and improved basic service delivery across entire country.

EBRD opens office in Khujand, north Tajikistan, to work with local SMEs

18 March 2015

The European Bank for Reconstruction and Development (EBRD) is opening its second office in Tajikistan, in the northern city of Khujand, the capital of the mountainous Sughd region.

The office will focus on supporting small and medium-sized enterprises (SMEs) in the region by helping them access professional business advice through local consultants and international industry experts.

The EBRD’s Small Business Support (SBS) team will also launch its Know How campaign on the value of external advice for small and medium-sized businesses in the Sughd area of Tajikistan.

The campaign aims to show SMEs how expert advice can help their businesses grow. The information campaign, centred on the concept of “know-how”, looks at the value of knowledge for businesses and how it can help improve a company’s performance, and is being carried out across 25 countries in which the EBRD works.

Energy
EBRD provides €65 mln to Ukrenergo

24 March 2015
The European Bank for Reconstruction and Development (EBRD) is allocating €65 mln to the Ukrainian national transmission network operator, Ukrenergo, for the construction of a 330kV Zahidna substation as well as the construction of two 330kV lines, which will connect the new substation to the grid.

The project should help Ukraine and Ukrenergo improve the security of electricity supply, increase energy efficiency, meet growing demand for power in the Ukrainian capital and tackle problems linked to power shortages and blackouts in the city of Kiev and the region.

The project cost is covered by procurement savings achieved by Ukrenergo in implementation of the Zaporizhzhia-Kakhovs’ka high-voltage transmission line project, financed by a €175 mln loan from the EBRD in 2010. The savings were achieved as a result of a competitive tendering procedure, using the EBRD’s procurement rules.

The new operation is also expected to provide more flexibility to Ukrenergo in managing four existing 330kV substations in the Kiev region, which operate above their design load for significant periods of time every year.


Equity

EBRD, KfW and IFC increase stake in MEGABANK

17 March 2015
The European Bank for Reconstruction and Development (EBRD), KfW, the German development bank on behalf of the German Ministry for Economic Cooperation and Development, and the International Finance Corporation (IFC) are participating in a UAH 43 mln (€1.8 mln) equity deal with Ukraine’s MEGABANK - one of the key regional banks in the eastern Ukraine.

The international financial institutions, which already hold stakes in MEGABANK, have decided to participate in a pro rata capital increase thus keeping their collective stake in the bank at a level of 36 per cent.

The project shows that international financiers remain committed to Ukraine and are ready to support good businesses, like MEGABANK, in extremely adverse geopolitical and macroeconomic situation. It is expected that the agreed capital increase will help MEGABANK to boost its capital base and strengthen stakeholders’ confidence. Additional resources will also help the bank remain an important provider of SME finance in the region.

As a part of a broader support package to MEGABANK, KfW has recently provided it with a $4.75 mln subordinated debt facility and the EBRD correspondingly increased its Trade Facilitation Programme limit for MEGABANK by $4 mln in December 2014.

By making this equity investment, the EBRD is continuing to support Ukraine’s banking sector, which attracted over €300 million from the Bank in 2014 alone.

MEGABANK, PJSC has been operating in the banking market since 1990. Among the shareholders of MEGABANK there are the European Bank for Reconstruction and Development (EBRD), German Development Bank KfW and International Finance Corporation (IFC). The regional network of MEGABANK, PJSC includes 158 units in 18 regions of Ukraine. MEGABANK provides a full range of classical banking services used by 549,000 customers. A specific feature of MEGABANK is its unique banking product - Integrated Clearing Center (ICC) for payment for housing and utility services, which has been developed and implemented in 11 regions of Ukraine. The National Bank of Ukraine moved MEGABANK, PJSC from a group of medium-sized banks up to the group of big banks for the year 2015.


European Investment Bank

Bond issues

EIB’s first US dollar Global of 2015

4 March 2015
On 3 March 2015, the European Investment Bank (‘EIB’) priced a new 3-year $ Global benchmark issue. This is EIB’s third US Dollar Global of the year and its first in the 3-year tenor. The transaction was priced at mid-swaps minus 5 basis points, in line with initial guidance. The issue pays a semi-annual coupon of 1.250% and has an
issue price of 99.913% to give a spread of 23 basis points over the 1.000% UST due 15 February 2018. The transaction was announced early in the London afternoon on Monday 2nd March. Lead Managers for the transaction were BNP Paribas, Citigroup and Goldman Sachs International.

Summary Terms and Conditions for the new bond issue:
Issue Amount: 4 bln
Pricing Date: 3 March 2015
Payment Date: 10 March 2015
Maturity Date: 15 May 2018
Issue/Re-offer Price: 99.913%
Re-offer Yield: 1.278%
Semi-Annual Coupon: 1.250%
Re-offer Spread: 23 bps over the 1.000% UST due 15 Feb 2018
Format: Global
Listing: Luxembourg

New EIB €2 bln 10-year benchmark priced at record low levels

20 March 2015

On Thursday 19th March 2015, the European Investment Bank issued its first new Euro Area Reference Note (EARN) of 2015. The bond was priced at a spread of mid-swaps -30bps, from initial price thoughts of mid-swaps – 30bps area. This equated to a spread at the time of pricing of +5.8bps over the Bund 0.5% due February 2025.

EIB announced the intention to issue a new 10-year EARN benchmark on Tuesday, 17th March, making EIB a first-mover in the 10-year EUR segment after the start of the PSPP. Lead managers started to collect indications of interest on Wednesday, 18th March, at 14:30 CET after the €4 bln auction of the DBR 2025. The Initial Price Thoughts were announced at mid-swaps -30bps area. Order books were officially opened on Thursday, 19th March at 09:20 CET, with the price guidance of mid-swaps -30bps area. The transaction met with solid demand and books approached €2 bln at 11:30 when the spread was fixed at MS -30bps. At 13:15 the deal size was set at €2 bln with final pricing at mid-swaps -30bps.

The order-book was driven by bank treasuries and central banks, mainly from European and Asian investors. There was especially strong interest from the U.K. (19%) and France (18%), and Asian accounts represented over a third of the issue's allocation.

With this issue EIB has raised € 22bln or almost 37% of its EUR 60bn funding programme for 2015. Total EARNs outstanding are currently €129.4bln across 25 lines with maturities up to 2037.


Imminent publication of new Green Bond Principles

25 March 2015

Today, the European Investment Bank (EIB), the EU Bank, rated Aaa/AAA/AAA (Moody’s / Standard and Poor’s / Fitch), increased the 1.25% Climate Awareness Bond (CAB) 11/2026 by €250mln. The issue carries an annual coupon of 1.250%, has the final maturity date of 13 November 2026 and has been priced with the existing EIB ECoop curve at MS-32bps.

The tap reinforces the reference status of the longest green benchmark outstanding and draws market attention to the imminent publication of a new edition of the Green Bond Principles in London on March 27. The GBP are voluntary process guidelines that provide a reference to the market in the areas of use of proceeds, evaluation and selection of projects, management of proceeds, reporting, and assurance. They reflect consensus among a representative group of issuers, investors and intermediaries coordinated by the International Capital Market Association, which acts as Secretariat.

The EIB, an active member of the GBP Executive Committee, plans to publish a special edition of its annual CAB-Newsletter on the same date, with extensive disclosure of EIB’s practice in each of the relevant areas.

Summary Terms and Conditions for the new bond issue:
Tap Amount: €250mln
Issue Amount after tap: €1.25bln
Payment Date: 31 March 2015
Maturity Date: 13 November 2026
EIB supports high voltage interconnection of Armenia and Georgia

16 March 2015

The European Investment Bank (EIB) is lending €10 mln to finance the construction of an electricity transmission line and a high voltage direct current station to develop a link between Armenia and Georgia. The new electricity infrastructure will deepen regional integration by facilitating energy trade between the two countries and provide Armenia and Georgia with better access to European electricity markets.

The project consists of the construction of a new back-to-back station in Ayrum (Armenia) close to the Georgian border and a power transmission line linking the two countries. It is designed to provide secure and economically efficient coverage of the growing electricity demand.

The project is also being supported by a €85.2 mln loan from lead financier KfW Bankengruppe on behalf of the German government, a €10 mln grant from the EU Neighbourhood Investment Facility (NIF), and the own resources of Armenia (€1.5 mln) and Georgia (€6.6 mln).

International Forums

IFC Hosts Forum in the Kyrgyz Republic to Improve Food Safety

19 March 2015

IFC, a member of the World Bank Group, today hosted a forum in Bishkek to promote better food safety management practices, part of an effort to support the development of the food processing industry in Europe and Central and help companies enter new export markets.

The IFC International Food Safety Forum, held in Central Asia for the first time, welcomed more than 100 food producers, retailers, industry experts, and government officials. Attendees discussed food safety best practices, consumer safety regulations, the best ways for small- and medium-sized producers to expand internationally, and other important topics. The event was part of IFC's efforts to help the region's agribusinesses fulfill their potential, creating jobs in the process.

This marks the fourth year of the IFC International Food Safety Forum. Previous events were held in Belarus, Ukraine, and Georgia.

IFC's advisory work on food safety, supported by the Austrian Finance Ministry, has helped attract about $159 mln of investment in over 80 of our clients in Europe and Central Asia. We have also helped clients generate $323 mln in additional sales, while boosting efficiency, saving money, improving risk management, and increasing brand value.

http://ifcextapps.ifc.org/IFCExt/Pressroom/IFCPressRoom.nsf/0/9ECDEE3FCEB7606485257E0D00429B9A?opendocument

International Monetary Fund (IMF)

Bilateral Cooperation

Statement by the IMF Mission to the Republic of Belarus

17 March 2015

An International Monetary Fund (IMF) team led by Mr. David Hofman visited Belarus during March 5–16 to hold 2015 Article IV Consultation discussions. The team met with Prime Minister Andrei Kobyakov, Chair of the Board of the National Bank of the Republic of Belarus Pavel Kallaur, First Deputy Prime Minister Vasily Matyushevsky, Minister of Economy Vladimir Zinovsky, First Deputy Minister of Finance Maxim Ermolovich, and representatives from think tanks, business, and the diplomatic community.

At the conclusion of the mission today in Minsk, Mr. Hofman made the following statement:

“Belarus’ economic model continues to make it highly vulnerable to economic shocks as was illustrated once more by the recent market turmoil, triggered by a deteriorating external environment. The recurrent pressures are rooted in the continual inability of Belarus’ over-determined central-planning model to deliver sustainable growth. Frequent bouts of expansionary macroeconomic policies have fueled inflation and external imbalances and left the country highly dependent on ad hoc external financing.

“A decisive reorientation of policies is urgently needed to promote stability and a sustainable recovery, and the recommendations of recent IMF missions remain highly relevant.

“The first steps taken by the authorities after the December reshuffle of the economic team have been encouraging. Following an initial unhelpful attempt to stave off mounting exchange rate pressures through administrative measures, the NBRB has allowed substantial rubel depreciation. It also started the transition toward a more flexible exchange rate regime, though the flexibility of the new regime remains to be tested in practice. Further, and appropriately, the NBRB significantly tightened monetary policy. Administrative measures were reversed or relaxed, although the full removal of the highly distortive ban on price increases remains a priority.


IMF Executive Board Approves 4-Year $17.5 Bln Extended Fund Facility for

Kyrgyzstan

Ukraine

Good governance
Ukraine

11 March 2015

The Executive Board of the International Monetary Fund (IMF) today approved a four-year extended arrangement under the Extended Fund Facility for Ukraine. The arrangement amounts to the equivalent of SDR 12.348 bln (about $17.5 bln, 900 percent of quota) and was approved under the Fund's exceptional access policy. The Board also took note of Ukraine’s decision to cancel the Stand-By Arrangement (SBA) for Ukraine that was approved on April 30, 2014 (see Press Release No. 14/189).

The authorities’ economic program supported by the Extended Fund Facility (EFF) will build on and deepen reforms launched under the SBA. The program aims to put the economy on the path to recovery, restore external sustainability, strengthen public finances, and support economic growth by advancing structural and governance reforms, while protecting the most vulnerable.

The approval of the extended arrangement under the EFF enables the immediate disbursement of SDR 3.546 bln (about $5 bln), with SDR 1.915 bln (about $2.7 bln) being allocated to budget support. Further disbursements will be based on standard quarterly reviews and performance criteria.


Islamic Development Bank

Corporate Sector

The Islamic Development Bank approves more than $718 mln for new development projects

12 March 2015

The 303rd meeting of the Board of Executive Directors of the Islamic Development Bank (IDB) which ended on Tuesday approved more than $718.6 mln of funding for development projects in member countries in such important sectors as roads, power generation, water supply and sanitation, agriculture, and rural development in Turkey, Sultanate of Oman, Uganda, Uzbekistan, Cote d'Ivoire, Benin, and Yemen as well as a technical assistance for Bahrain.

Chaired by the IDB Group Chairman, Dr. Ahmad Mohamed Ali, the meeting reviewed a number of important documents including the follow up report on the progress in implementing phase II of the ten year strategic framework of the IDB Group as well as a draft MoU for cooperation in the field of Islamic finance between IDB and the International Monetary Fund (IMF). The Board also considered some documents of the 40th Annual Meeting of the Board of Governors of the Bank to be held in Maputo, Mozambique (10-11 June, 2015), at the level of ministers of finance and economy of the 56 member countries.

The approvals included $300 mln to fund a Restricted Mudaraba Financing for the General Directorate of Foundations in Turkey. The roads sector, meanwhile, received a $225 mln financing for the Dualization of Al Kamil-Sur Road Project in Oman. The power generation sector saw the approval of $70.7 mln for the Grid Rural Electrification Project in Uganda while $57.5 mln was approved for contributing to the Syrdarya Region Sewerage Improvement Project in Uzbekistan. The Board also gave the green light to contribute $27 mln of financing to Production and Processing of Certified Rice Seeds Project in Cote d'Ivoire. The project for Rural Irrigated Perimeters Development Project in Benin received an approval for $20 mln. A sum of $18 mln financing contribution was also approved for the Marib Power Dispatch Project in Yemen.

The Board approved $430,000 in grants for three educational and vocational projects for Muslim communities in Kenya, New Zealand and South Africa in addition to a $100,000 technical grant for contribution to feasibility studies for Bahraini agricultural investment projects in Sudan.

The Board of Executive Directors agreed on devising a joint financing mechanism between the IDB and the Bill and Melinda Gates Foundation authorizing the IDB President to sign the agreement during the upcoming Annual Meeting of the Board of Governors of the Bank in Maputo, Mozambique, next June. Two teams from the IDB and the Bill and Melinda Gates Foundation are currently working to formulate the operational, financial and legal details of the mechanism for its first financial closure which is $100 mln in the form of grants prior to the end of the year 2015. It is expected that operations would begin in 2016.

A memorandum was also approved by the Board on the cooperation between the IDB and the IMF to provide technical assistance to the countries willing to develop Islamic financial services.

http://www.isdb.org/irj/portal/anonymous?NavigationTarget=navurl://71cd39288bf9ac31b2b312401ca8eea7
IDB Achieves Attractive Pricing for its $1 Bln Fixed Rate Trust Certificate Issuance

9 March 2015

The Islamic Development Bank (IDB), rated Aaa/AAA/AAA by Moody's, S&P and Fitch (all stable outlook), has successfully priced $1 bln, 5-year, Trust Certificates (Sukuk) issued at par with a 1.83% semi-annual profit rate under its $10 bln Trust Certificate Issuance Program. Despite an uncertain market environment, IDB achieved extremely attractive pricing, with the deal pricing approximately 22bps inside the secondary market levels. The Trust Certificates will be listed on the London Stock Exchange, Nasdaq Dubai and Bursa Malaysia under an Exempt Regime.

Book-building began on 4 March with the release of initial price thoughts of MS plus 10 basis points (bps) area on the back of which good momentum was built into the order-book.

This is a significant achievement of IDB’s continued efforts in positioning itself closer to its supranational peers through important investor meetings across key hubs of Asia, and Middle-East. IDB’s AAA ratings, strong financial position and commitment to support the liquidity of its Sukuk, were other major reasons that guaranteed its success. CIMB, Dubai Islamic Bank, GIB Capital, HSBC, National Bank of Abu Dhabi, NCB Capital, Natixis, RHB Islamic Bank and Standard Chartered Bank acted as joint lead managers and joint book-runners, with Bank of London and Middle East as co-manager.

The issue saw strong participation from investors across the Middle East, Asia and Europe with 50% allocated to MENA, 35% to Asia, and 15% to Europe, respectively. There was strong participation from real money accounts and official institutions providing credence to IDB’s credit strength. Of the issuance, 54% was allocated to central banks, 28% to other banks, 10% to fund managers and 8% to other investor types.

IDB Group voices strong support for greater economic cooperation and integration in Central Asia

9 March 2015

The Turkmenistan International Investment Forum was held in Istanbul, Turkey, under the patronage of the President of the Republic of Turkey, HE Recep Tayyip Erdogan and the President of Turkmenistan, HE Gurbanguli BERDIMUHAMEDOV.

The Chairman of the Islamic Development Bank (IDB) Group, Dr. Ahmad Mohamed Ali, addressed the Forum which took place over two days (5-6 March 2015) and was hosted by the Foreign Economic Relations Board of Turkey (DEIK) and Turkmenistan Business Council in cooperation with the Chamber of Commerce and Industry of Turkmenistan. The Forum was attended by a large number of Cabinet Members from both Turkey and Turkmenistan as well as high profile representatives from international organizations and global investors.

In his statement, Chairman of the Islamic Development Bank (IDB) Group, Dr. Ahmad Mohamed Ali, appreciated the support rendered by the Government of Turkmenistan to the implementation of the IDB Group Projects. He also congratulated Turkmenistan on the successful completion of the construction of the Bereket-Etrek Railway Project which links Turkmenistan to neighboring countries and helps in giving it access to the sea. Dr. Ali expressed hope that the event contributes to attracting further foreign investment to the priority sectors in Turkmenistan while benefitting from a strong Turkish economy sitting on a unique strategic gateway between the East and the West. “Forging greater regional economic cooperation amongst the Central Asian Republics will expand developmental opportunities and advance social progress for the people of the region. The IDB Group is, therefore, committed to assist in facilitating and enhancing intra foreign direct investment flows amongst member countries within the context of investment promotion”, the IDB Group Chairman underlined.

Dr Ali further underlined that the IDB Group is currently seeking to foster the regional cooperation framework in the Central Asian region through the Special Program for Central Asia (SPCA), under the framework of the OIC Plan of Action for Cooperation with Central Asia. The main objective of the SPCA Initiative is to further enhance the economic cooperation and complementarity between the Central Asian countries and other IDB regions, through supporting regional high-impact activities, mainly transport, energy, trade, and agriculture sectors.
NIB in 2014: Increased lending in sluggish investment environment

10 March 2015

Despite a subdued investment climate in 2014, NIB saw an increase in its lending operations. NIB’s profit for 2014 amounted to €210 mln (2013: €217 mln). Based on last year’s financial results, NIB’s Board of Directors is proposing to pay out €55 mln in dividends to the member countries.

In 2014, the Bank signed 45 loan agreements, totalling €2.389 bln, one third higher than the year before.

Projects financed by NIB have to contribute to improving competitiveness or the environment of the Nordic and Baltic countries. Last year, NIB extended loans to a number of renewable energy projects supporting the transformation of the member countries into more resource-efficient, low-carbon economies. A substantial part of the Bank’s financing is issued for research and development. In the public sector, the focus was on investments in transport, roads, transmission lines, healthcare development and education facilities.

During 2014, NIB raised €3.4 bln in new funding. The five-year, $1 bln global benchmark was the Bank’s largest transaction of the year. NIB also launched its first green benchmark—a seven-year, $500 mln Environmental Bond.

Despite a very demanding financial environment with low interest rates and modest economic growth, NIB’s profit for 2014 amounted to €210 mln (2013: €217 mln).

On the profit recorded for the year, the Board of Directors proposes to the Board of Governors that €55 mln be paid as dividends to the Bank’s member countries.

http://www.nib.int/news_publications/1587/nib_in_2014_increased_lending_in_sluggish_investment_environment

75% of all procurements of «Samruk-Kazyna» JSC accounts for local producers

19 March 2015

The briefing with participation of representatives of «Samruk-Kazyna» JSC and its subsidiaries «Samruk-Kazyna Contract» LLP, «Kazakhstan Temir Zhol» JSC and Majilis of the Parliament took place at the Central Communications Service under the President of Kazakhstan. The theme of the meeting was the work of the Group of Companies in the framework of increasing the transparency of procurement and increasing the share of local content in it. The representatives of the Fund's group of companies told about achievements and developments in this area for the past 6 years since the introduction of the Procurement Rules of Samruk-Kazyna.

To date, procurement rules of «Samruk-Kazyna» JSC applied by 250 organizations within the Fund's group of companies. Since 2009, more than 150 thousand purchases have been announced. 75% of all procurements of the Fund accounts for Kazakh producers and this figure is growing. Procurement rules of the Fund provides system of preferences for domestic producers, consisting of 14 benefits.

The introduction of e-procurement information system in 2013 allowed to automatize the mechanisms of purchasing goods, works and services. Thanks to this system, the average savings for suppliers is 80 000 tenge for each tender. This figure is the result of the lack of need for notarization of documents, transport and travel expenses. In addition, each participant can see procurement documents provided by its competitors and, in case of any mistake can contact the Fund.

In order to enhance transparency of the procurement system of the Fund online portal «Marketing in the procurement of goods, works and services of «Samruk-Kazyna» organizations was introduced in the beginning of 2014.

The portal allows users to view the annual procurement plans of all 250 organizations of the Fund.

Since 2012 a unified nomenclature reference of goods, works and services has been introduced in the procurement process. At present, the directory contains more than 200,000 items of goods, works and services. It
The World Bank

**World Bank Launches 1.2 Bln 5-Year Canadian Dollar Global Bond**

3 March 2015

Today, the World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA), launched a CAD 1.2 bln 5-year fixed rate global bond. This is the World Bank’s largest CAD transaction to date. It follows the World Bank’s previous record-setting CAD 1 bln global bond in May 2014, which at the time was the largest single-tranche deal from a supranational issuer in that market.

The 5-year bond carries a semi-annual coupon of 1.125% and will mature on March 11, 2020. It offers a semi-annual yield of 1.178% which is equivalent to a spread of 39.7 basis points over the Canadian Government’s 1.50% March 2020 benchmark.

Based on strong investor interest, the transaction was upsized from initial expectations of a benchmark around Canadian Dollar 500 mln. Central banks and official institutions led a well-diversified, high-quality orderbook with 40 orders from investors across the globe. The joint lead managers for this offering were BMO Capital Markets and TD Securities.


**World Bank Prices Australian Dollar 550 Mln with 5-year Benchmark**

4 March 2015

The World Bank (International Bank for Reconstruction and Development, rated Aaa/AAA) today priced a new 5-year benchmark Australian dollar (AUD) transaction.

The AUD 550 mln 5-year fixed rate notes are due on March 12, 2020 and have a semi-annual coupon of 2.5% p.a., and a reissue price of 99.755%. This equates to a spread of 48 basis points over the ACGB 4.5% due April 2020. Settlement date is March 12, 2015.

The joint lead-managers for the transaction are Deutsche Bank, RBC Capital Markets and TD Securities (London).

The notes were distributed to a broad range of investors in Asia 31% (including Japan), Australia 30%, Europe 35%, Middle East plus Africa 3%, and the Americas 1%. Investors remain attracted by the rarity of the issuer in this market, the global recognition of the name, the strength of the credit, and the liquidity afforded to investors.

The notes are issued under the laws of New South Wales and documented under the World Bank's Global Debt Issuance Facility. The notes will be listed on the Luxembourg Stock Exchange, will settle through Austraclear, Euroclear and Clearstream, and are intended to qualify as eligible collateral for repurchase agreements for the Reserve Bank of Australia’s open market operations.


**World Bank Launches Green Growth Bond for Retail Investors across Europe**

10 March 2015

The World Bank is pleased to announce the launch of the Green Growth Bond 05/2023, its second Green Bond for retail investors that is linked to the Ethical European Equity Index. This product will allow investors to benefit from the growth potential of an equity index while at the same time, support projects with a positive impact on climate change, financed by the World Bank.

Offered to the public across different countries in Europe, the Green Growth Bond 05/2023 has an 8-year maturity and the subscription period will run from March 10th to April 23rd 2015.

This initiative follows the recent success of the World Bank’s first Green Growth Bond which was offered to retail investors in Belgium and Luxembourg. The transaction closed on January 7th 2015 with a total subscription amount of $91 mln, making it the largest public offer subscription for a non-Euro denominated equity index-linked...
bond across Belgium and Luxembourg in 2014.

The World Bank’s Green Growth Bond 05/2023 has been designed to deliver three key objectives for the environmentally conscious investor:

- **Eco-citizenship**: bond proceeds are used by the World Bank to support the financing of projects aimed at addressing climate change.
- **Peace of mind**: at maturity, investors are entitled to the repayment in $ of 100% of their original capital investment by the World Bank (Aaa/AAA).
- **Return on capital**: at maturity, investors can potentially earn a redemption premium that is linked to an ethical equity index, made up of 30 European companies which are selected according to sustainability criteria defined by independent organisations.

http://treasury.worldbank.org/cmd/htm/GreenGrowthBond_EuropeanRetailInvestors.html

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**Armenia**

**World Bank Supports Social Investments in 150 Communities Across Armenia**

13 March 2015

The World Bank Board of Executive Directors today approved a $30 mln loan for the Social Investment and Local Development (SILD) Project in Armenia. This project will further assist the Government of Armenia to improve the quality, use of and access to community infrastructure for the poor and vulnerable groups.

Local populations throughout Armenia will benefit from renovated and rehabilitated social infrastructure such as schools, kindergartens, health and social service facilities, community centers, water supply, waste management, as well as economic infrastructure such as irrigation systems, agro-processing and storage facilities, markets, etc. Priority needs will be identified through assessments of economic development potential and prioritization by the communities.

SILD has grown out of one of the oldest WB-supported projects, Armenian Social Investment Fund (ASIF), which has been addressing territorial imbalances in the country for almost 20 years. ASIF has proven to be an effective tool in responding to the needs of the poor and promoting economic growth in remote and isolated villages. As in the past, the success of the program will depend on how well local communities would be able to sustain the new investments.

The project has three components. The first component supports socio-economic development at the local level following the model of ASIF and will implement micro-projects covering 120 communities. SILD will target rehabilitation and development of public, social, economic, and environmental community infrastructure and services. It will also build institutional and financial capacity at the local level for implementation of these activities.

The second component – inter-community social and economic development initiatives – will finance socioeconomic initiatives with the potential for longer-term development impacts by bringing together two or more communities. This new collaborative development approach will provide additional incentives for communities to explore development synergies and opportunities in line with the concept of the territorial development reform. Overall, SILD will fund the design, selection and implementation of about 30 inter-community sub-projects.

The third component will support ASIF’s transition to Armenian Territorial Development Fund (ATDF) to evolve ASIF’s work from small, discrete projects to larger, sustainable development projects, in line with the objectives of the Armenian Development Strategy 2012-2025 of reducing socio-economic disparities and promoting harmonic regional development. Key dimensions of the transition will include development of new tools and approaches for appraisal, promotion and selection of inter-community projects; organizational development; and staff capacity building.


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**Belarus**

**World Bank Supports Forests Protection and Development in Belarus**

27 March 2015

The Board of Executive Directors of the World Bank today approved a $40.71 mln loan to the Republic of
Belarus for a new Forestry Development Project designed to enhance silvicultural management, reforestation and afforestation, increase the use of felling residues, and increase the overall contribution of forests to sustainable development. The project is also financed by a grant from the Global Environment Facility in the amount of $2.74 mln.

The project will also facilitate modernization of forest nurseries to produce container-grown seedlings of improved quality, installation of video and communications equipment for monitoring, surveillance and detection of fires, introduction of fire-fighting equipment to help extinguish the fires once started, as well as the development of a web-based interface to allow sharing of information, including geo-information. It is estimated that the measures on prevention, improved detection and more timely and effective response to forest fires is expected to reduce future losses by 30 percent.

This is the second World Bank supported forestry sector project in Belarus. The earlier Forestry Development Project implemented from 1994 to 2002 was actually the first World Bank investment operation in Belarus. It helped to promote economically and environmentally sound practices in the forestry sector, and to move to an open market pricing for wood and liberalization of trade in wood and wood products. New concepts and approaches to forest resource management and technology, such as forest certification and improved forest fire management, were introduced.

The new project also builds on the World Bank Forest Sector Policy Note which provided strategic advice on defining sector goals and opportunities in conjunction with the development of the National Forest Strategic Plan for 2015–2030 and the experience and knowledge gained from the European Neighborhood and Partnership Instrument East Countries Forest Law Enforcement and Governance (FLEG) Program (2008 – 2012, 2012-2017) which is being implemented by the World Bank.


Kazakhstan

Small & Medium Enterprises

World Bank to Help Kazakhstan SMEs Become More Competitive

2 March 2015

The World Bank Group’s Board of Executive Directors today approved a $40 mln loan to help enhance the competitiveness and management capacity of small and medium sized enterprises (SMEs) in Kazakhstan.

Lack of professional and management skills as well as limited market linkages are among key obstacles the Kazakhstan’s private sector is facing today. The SME Competitiveness Project is aimed at strengthening the management capacity of SMEs to grow and create more and better jobs. For this, the existing SME advisory programs will be enhanced in terms of quality and methodology in line with international standards. Several hundred business consultants will be trained and certified to deliver in turn professional consulting to several thousand entrepreneurs and SMEs.

The project will also focus on increasing market linkages for SMEs in non-extractive sectors with a market-based growth potential. The new linkages between SMEs and large buyers will provide entrepreneurs with an increased access to markets. To facilitate the process, the project aims at piloting a supplier development program and enhancing the capacity of policy making authorities in developing competitive sectors in emerging areas of the economy. The evidence-based policy making will be strengthened through improved existing monitoring and evaluation frameworks and public-private dialogue.

All these activities will result in increased firm productivity and revenues as well as overall contribution of SMEs to the country economy.

The implementation of the five-year project (2015-2020) will start after the country approval process is completed.

The SME Competitiveness Project will be financed through a $40 mln IBRD loan, with a 15-year maturity period and a 5-year grace period, with $6 mln in co-financing from the Government of Kazakhstan.


Kyrgyzstan

World Bank Continues Supporting Rural Development in the Kyrgyz Republic

27 March 2015

The World Bank’s Board of Executive Directors today approved financing in the amount of $12 mln equivalent for the Third Village Investment Project in the Kyrgyz Republic. $6.6 mln is a highly concessional credit and $5.4 mln is a grant.

The Third Village Investment Project (VIP-3) aims to build the capacity of local self-governments to work with their communities to plan and implement local development programs. In particular, the project will work with local community members, local administration staff and local council members to increase their capacity for participatory development through social mobilization, training and peer-to-peer learning activities. It will also support the design and implementation of sub- and micro-projects from local investment plans to improve access of rural citizens to quality community infrastructure services.

The project will be implemented over four years by the Community Development and Investment Agency (ARIS) in four northern regions (Naryn, Issykul, Chui and Talas oblasts) and will directly benefit 266 communities with nearly 29,000 citizens. Targeted villages will develop local investment plans through a participatory process in which communities assess local needs and identify priorities for investments, taking into account needs of women and vulnerable groups such as youth and children.

Village investment projects for financing under VIP-3 will be selected through a competitive process. Local development plans will be judged against a set of criteria, and those ranked highest will have their priorities funded. A comprehensive selection process will be developed, with special attention paid to criteria that will help engage and strengthen weaker municipalities in the competition.

The VIP-3 project will build on the achievements of the World Bank-supported Village Investment Project (VIP-1, 2003-2008) and Second Village Investment Project (VIP-2, 2006-2014), both implemented by ARIS. These projects helped to establish village and local investment committees that mobilize communities and internal resources for planning and implementing investment activities. The VIP-1 Project helped 1,661 villages to implement 4,344 micro projects. 475 ayil aymaks (local municipalities) participated in VIP-2 Project and about 2.3 mln people benefited directly from the completion of about 6,000 micro projects.


17 March 2015

The World Bank Group’s Board of Executive Directors today approved a grant of $13.50 mln to finance the Tajikistan Communal Services Development Fund Project aimed at improved delivery of basic municipal services for the population. The project builds on previous World Bank financed investments and reforms in municipal sector, which have already benefited over one million residents of Dushanbe and secondary towns.

The Communal Services Development Fund Project will support municipal and communal infrastructure improvements, as well as enhance the capacity of local governments and service providers for better service delivery for local residents. These services include clean drinking water, sanitation, solid waste management, street lighting and local roads. Over 100,000 will benefit from physical infrastructure investments in Hissor, Konibodom, Dangara, Sarband, Vose and Fakhor. The project will also increase the efficiency of municipalities and local service providers through support in development of local investment plans, management of utility facilities, improved billings and collections and engagement of residents in management and maintenance of investments.

An important component of the project is support to the Government of Tajikistan in establishing a Communal Services Development Fund – a mechanism which will combine national and donor resources to support more efficient longer term financing and delivery of communal services for the population. The project will be implemented over the next four years by the State Unitary Enterprise “Khojagii Manziliu Kommunali”.

Apart from this new project, the World Bank’s engagement in the municipal sector of Tajikistan includes two ongoing projects – the Second Dushanbe Water Supply Project and the Additional Financing for Municipal Infrastructure Development Project to address the challenges in water, sanitation and solid waste management through institutional reforms and infrastructure investments.

**World Bank Provides Support for a Healthier Ukraine**

4 March 2015

The World Bank’s Board of Executive Directors today approved a $214.73 mln loan for the Serving People, Improving Health Project to support the implementation of reforms and improved service delivery in Ukraine’s health sector.

The new five-year project will seek to develop medical infrastructure and improve the quality of health services in eight regions across the country. The investment will focus on introducing a new funding mechanism within hospitals and enhancing primary and secondary prevention, early detection, and treatment of cardiovascular diseases and cancer.

It is expected to improve first aid services and bring legislative acts in line with best international practices, raising the efficiency of the healthcare system in Ukraine.

The project's main component covers the following participating regions: Dnipropetrovsk, Lviv, Poltava, Rivne, Vinnytsia, Volyn, Zakarpattya, and Zaporizhya. Out of the project’s total budget, the Bank will fund up to $41 mln per region, plus at least 10 percent coming in co-financing from the local authorities.

Another project component to be implemented by the Ministry of Health will be dealing with health financing, capacity building, e-health/information systems, and, finally, public outreach to increase awareness of the main risk factors, helping to prevent cardiovascular diseases and cancer. There will also be a small implementation component, with project management and monitoring and evaluation.


**Agriculture**

**World Bank Group, CelsiusPro Partner to Expand Access to Finance for Ukrainian Farmers**

12 March 2015

The World Bank Group and Swiss index-insurance specialist CelsiusPro AG have partnered to make agricultural insurance in Ukraine more affordable for smaller companies, expanding farmers’ access to financial services and helping boost agricultural productivity.

The Eastern Europe Access to Finance Project, a part of the World Bank Group’s Finance and Markets Global Practice, signed an advisory services agreement with CelsiusPro AG. The initiative aims to improve index area yield insurance and train insurers in order to localize the sales of agri-insurance products in Ukraine. Index insurance is an innovative approach to insurance provision that helps unlock productivity gains by making financial services more widely available at lower costs via data analytics.

The project is implemented by IFC, a member of the World Bank Group, in partnership with the Austrian and Hungarian governments. It builds on seven years of developing an agro-insurance market in Ukraine, part of a broader WBG effort in index insurance implemented by the Global Index Insurance Facility (GIIF).

Since the 2008 project launch, Ukrainian insurers have insured over three million hectares of land and sold 8490 contracts with a total sum insured of $1.8 bln and more than $80 mln in insurance premiums. But more work is required; agri-insurance sales represent less than 10 percent of the market in Ukraine.

http://ifcextapps.ifc.org/IFCExt/Pressroom/IFCPressRoom.nsf/0/C0BC3B8BCEFF996985257E060046A282?opendocument

**Vnesheconombank**

**Vnesheconombank Completes Secondary Placing of Bonds of Series 21**

13 March 2015

State Corporation ‘Bank for Development and Foreign Economic Affairs (Vnesheconombank)’ completed a
successful offer and secondary placing of bonds of series 21 with a total par value of 15 bln rubles.

A coupon rate on the bonds was set at 15.5% per annum for a period until maturity half a year from now until the next offer. In the course of implementing the current offer, Vnesheconombank bought out bonds in the amount of 0.8 bln rubles.

The bid book for bonds of series 21 as part of secondary placement was successfully closed on March 11, 2015. The total demand for bonds of series 21 on the part of new investors amounted to more than 7.8 bln rubles exceeding many times the amount of the secondary placement. Investors made bids to buy with a purchase price in the range of from 100.0 to 100.1% of par value of bonds of series 21. A common price for the secondary placing was set at 100.15% of par value of bonds of series 21.

Organizers of the offer and the secondary placing of bonds series 21 were BK REGION and GAZPROMBANK.