Activities of multilateral development banks. Information digest.

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ADB Adopts Open Access for its Development Research

12 February 2015

The Asian Development Bank (ADB) has made all its economic and development research on Asia and the Pacific available under open access, a principle that promotes unrestricted online access to scholarly research so that it can be more widely distributed and used.

ADB’s open access initiative combines the creation and launch of a new open access website with the adoption of more liberal terms of use for ADB copyrighted knowledge products. Open access removes the need for any form of payment or permission to gain access, read, download, use, or distribute an ADB publication.

The open access website was launched today with more than 2,000 publications from ADB’s current publications and archive. It will eventually include the complete back catalog of ADB research—well over 5,000 publications—dating back to 1966, the year ADB was established.

Scholarly research is traditionally published in commercial academic journals that often require an expensive paid subscription to access it and strict terms of use to reproduce it. Open access is based on the principle that publically-funded research should be circulated as widely as possible so that the knowledge can be built upon, which may lead to innovative ways of thinking.

ADB joins other multilateral development banks, like the World Bank and the Inter-American Development Bank, as one of the first international financial institutions to embrace the principle of unfettered online access to research.

The new website conforms to standards already used by more than 3,000 open access repositories worldwide. These standards aim to facilitate the exchange of information between institutional and university repositories. They will also make it easier for ADB research to be indexed on academic search engines, such as Google Scholar.

ADB’s Open Access Repository can be found at https://openaccess.adb.org

ADB Prices 7-Year Global Bond Issue

11 February 2015

The Asian Development Bank (ADB) returned to the US dollar bond market yesterday with the pricing of a $2.25 bln 7-year global benchmark bond issue, proceeds of which will be part of the bank’s ordinary capital resources and used in its non-concessional operations.

The 7-year bond, with a coupon rate of 1.875% per annum payable semiannually and a maturity date of 18 February 2022, was priced at 1.912% to yield 11.5 basis points over the 1.50% US Treasury notes due January 2022.

The transaction was lead-managed by Bank of America-Merrill Lynch, Morgan Stanley, RBC CM, and TD Securities. A syndicate group was also formed consisting of BNP Paribas, Credit Agricole, Credit Suisse, Deutsche, HSBC, Mizuho, Nomura, SEB, SMBC Nikko, and Standard Chartered Bank.

The deal marks ADB’s second global benchmark outing in the US dollar global bond market in 2015.

ADB Sells Largest Georgia Lari Bond to Boost Capital Market, Small Companies

20 February 2015

The Asian Development Bank (ADB) has raised GEL100 mln (approximately $48.54 mln) from its first-ever sale of bonds denominated in Georgian lari to support development of the local capital market and smaller businesses in the regions of Georgia.
The proceeds of the bond issue will be lent to TBC Bank to provide investment and working capital loans to micro, small and medium-sized enterprises in Georgia. TBC Bank has the largest market share in retail banking in Georgia and the second largest in corporate banking, with total assets of more than GEL5.4 bln, representing 26% of the market.

The issue carries ADB’s AAA credit rating and meets the National Bank of Georgia’s quality requirement as a liquid asset for Georgian banks.

ADB sold the 3-year bonds at a price of par, with a floating rate coupon that resets quarterly based on the National Bank of Georgia’s 3-month Certificate of Deposit. The bonds will mature on 15 February 2018.

The privately placed bond was managed by TBC Broker, a subsidiary of TBC Bank.

EBRD’s BelSEFF helps Kalinkovichi Dairy cut energy costs

26 February 2015

One of Belarus’s largest milk processing plants will significantly reduce its energy costs and minimise losses of power supply thanks to help from the EBRD Belarus Sustainable Energy Finance Facility (BelSEFF).

Annual heat and electricity savings at the Kalinkovichi Dairy are expected to be worth more than $2.9 mln per year, enhancing its profitability and competitiveness and cutting more than 2,900 tonnes of CO2 emissions annually.

The plant in the town of Kalinkovichi works around the clock all year round, producing up to 460 tonnes of milk per shift and more than 60 kinds of natural dairy products for both the internal and export market.

And milk processing is highly energy-intensive – large amounts of heat are required for milk pasteurisation and drying – and so high energy prices always have a negative impact on dairy products’ competitiveness.

In the past Kalinkovichi Dairy was supplied with a 7 MW heat and steam load via a poorly insulated pipeline, 300 metres above ground, from an old gas-fired municipal heat plant (in operation since 1978). The heat plant also supplies 40 MW of heat load to neighbouring residential settlements. But the boiler efficiency is only about 70-75% and heat losses from the pipeline are estimated at around 10%.

Residential customers are not required to pay the full cost of heat supply and some of the burden has been transferred to the dairy. This cross-subsidy system means that Kalinkovichi Dairy pays more than the typical price in Belarus for heat.

Moreover, failures of external power and heat supply led to frequent production shutdowns, causing Kalinkovichi Dairy additional costs.

Kalinkovichi city has decided to replace the outdated gas boiler plant with new more efficient hot water boilers and to expand the heating network for households. Since the dairy was one of the two steam consumers of the heat plant, continuing the old arrangement would not be feasible.

Kalinkovichi Dairy considered installing of its own steam plant, but had limited financial resources to purchase such equipment and no experience of installing or operating energy generation technologies. Nevertheless, there was a solution.

A new private project was agreed with LLC Torsti – a private Energy Services Company (ESCO) – to implement a BOOT (Build-Own-Operate-Transfer) financing scheme for the energy supply equipment.

The ESCO purchased a combined heat and power unit that makes use of the waste heat produced during electricity generation and an additional pair of steam boilers. It was responsible for the specification and installation of the equipment and will operate the facility until is it transferred to the dairy after 8 years of operation.

A team from BelSEFF, a $50 mln credit line for financial institutions to help local companies select and finance energy efficiency and renewable energy investment projects with technical assistance funded by the Czech Republic, analysed the proposed technologies and carried out financial and technical due diligence, and proposed risk mitigation measures.


EBRD and UniCredit Group lend $260 mln to Kazakhstan’s Voskhod Chromium
EBRD and UniCredit Group are supporting a major cross-border investment which will enable a mining operation in western Kazakhstan to make its operations more efficient and allow it to keep importing best technologies and equipment.

The $260 mln financing facility has been jointly arranged by the EBRD and UniCredit for the benefit of Kazakhstan’s Voskhod Chromium, a subsidiary of Turkey’s Yildirim Group. The facility will consist of two portions: the EBRD will provide $130 mln for its own account (known as the A-loan), and an equal amount will be provided by UniCredit Group (in the form of a B-loan).

The loan agreement has been signed in London in the presence of EBRD President, Sir Suma Chakrabarti; the Prime Minister of Kazakhstan, Karim Massimov; and senior representatives of UniCredit Group.

The financing will be used by Yildirim Group to restructure the Voskhod mine and improve its efficiency and competitiveness while reinforcing the overall environmental and operational health and safety standards. The plan also includes the acquisition of new mining equipment from world-class manufacturers, the expansion of facilities and intense underground mine development works.

On the day of the signing, in a separate event, the EBRD hosted a meeting of the Mining Subgroup of the UK-Kazakhstan Intergovernmental Commission, created after an agreement between the UK Prime Minister and the President of Kazakhstan to support cross-border investment and business cooperation between the two business communities. Both recent and anticipated changes in the subsoil use legislation were discussed by delegates including the Minister of Investments and Development of Kazakhstan, UK Trade and Investment and UK Export Finance agencies, and mining and service companies which are active or are considering investment opportunities in Kazakhstan.


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**Tourism**

**EBRD and KICB finance improvements for Ak Bermet resort on Lake Issyk-Kul**

23 February 2015

Lake Issyk-Kul is one of the most famous sights in the Kyrgyz Republic and Central Asia. With appropriate investment, the area has the potential for further promotion as an attractive holiday resort.

The European Bank for Reconstruction and Development (EBRD) and KICB, its local partner bank, are supporting further development of this tourist attraction by financing a programme of improvements at one of the Issyk Kul resorts, Ak Bermet.

The resort plans to modernise its wastewater treatment facility, reduce energy consumption, build a swimming pool, improve the resort’s beach area and redesign the grounds, all of which will make Ak Bermet more environmentally friendly and more appealing to tourists.

The $500,000 financing package will pay for the installation of a new wastewater-treatment facility and an energy efficient heat-exchange unit for hot-water supply, as well as funding improvements to the grounds of the resort.

The loan to Ak Bermet is being made under a special medium-sized co-financing facility (MCFF), through which the EBRD and its partner banks can lend together to small and medium-sized enterprises.

Ak Bermet will also receive advice from the EBRD Small Business Support programme to help install the wastewater treatment plant.


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**Finance sector development**

**EBRD provides multi-currency loan equivalent of $4 mln to FINCA Tajikistan**

23 February 2015

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**EBRD and KICB finance improvements for Ak Bermet resort on Lake Issyk-Kul**

3 February 2015

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**EBRD provides multi-currency loan equivalent of $4 mln to FINCA Tajikistan**

9 February 2015

EBRD provides multi-currency loan equivalent of $4 mln to FINCA Tajikistan
The European Bank for Reconstruction and Development (EBRD) is expanding its support for rural areas of Tajikistan with a new loan to microcredit deposit-taking organisation FINCA LLC.

The multi-currency loan equivalent to $4 mln, will be used by FINCA to increase financing for micro and small businesses mainly outside the capital, in regions underserved by banks.

FINCA has a strong presence across the country, serving clients through its 36 branches and service outlets in central, northern and southern Tajikistan. Since its establishment in 2003, FINCA has mainly been serving smaller microfinance borrowers with an average loan size of around $1 100.

The EBRD has been working with FINCA in Tajikistan since 2012, providing a total of $7 mln for on-lending to local small businesses. The Bank also works with FINCA in Jordan, Kosovo and Russia as well as other countries in Central Asia and the Caucasus.

The $4 mln equivalent loan to FINCA Tajikistan for on-lending to micro and small businesses will be the second under the Early Transition Countries (ETC) Non-Bank Microfinance Institutions Framework. The framework aims to strengthen microfinance institutions in countries that are in the early stages of transition to open market-oriented economies. Loans are provided for on-lending to the smallest borrowers across the ETC countries: Armenia, Azerbaijan, Belarus, Georgia, the Kyrgyz Republic, Moldova, Mongolia, Tajikistan and Turkmenistan. The facility is accompanied by a technical cooperation framework funded by multi-donor funds.


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**EBRD provides loan to AccessBank to finance MSMEs in Tajikistan**

9 February 2015

The European Bank for Reconstruction and Development (EBRD) is boosting its support for the financial sector in Tajikistan with a multi-currency loan facility, equivalent to $5 mln, to AccessBank Tajikistan CJSC for the benefit of its micro, small and medium-sized enterprise (MSME) customers.

The EBRD aims to boost local currency lending in Tajikistan, to build up local sources of domestic funding and reduce the use of foreign exchange in the country’s financial system.

AccessBank is a microfinance bank established in April 2010 with the participation of the EBRD, International Finance Corporation (IFC), KfW and AccessHolding to create a financial institution that offers a wide range of loan and deposit products to MSMEs in Tajikistan, a country with one of the lowest levels of financial intermediation. AccessBank Tajikistan has been an EBRD client since 2009 and has received $8 mln in debt and equity financing from the organisation to date.


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**EIB board approves €4.8 bln lending to SME’s and welcomes engagement with civil society**

6 February 2015

The Board of the European Investment Bank meeting this week approved € 4.8 bln of new loans to support investment by small and medium sized businesses (SMEs) and mid-cap companies across Europe. Board members also discussed the EIB’s expected role managing the European Fund for Strategic Investments to be implemented under the EU’s Investment Plan for Europe and to be discussed by the EIB’s Board of Governors, Europe’s finance ministers, at an extraordinary meeting on 17th February.

The 3 February meeting of the Board welcomed the valuable discussions held recently with a broad spectrum of civil society representatives on a range of issues, including updating the EU Bank’s transparency policy.

The EIB’s Board of Directors approved loans for investment in Europe totaling €5.8 bln. This includes €295 mln for strategic infrastructure, €224 mln for resource efficiency and €562 mln for knowledge economy and research investment. Corporate investment by SMEs and mid-cap companies will benefit from new loans totaling €4.8 bln to be managed by local banks and financial institutions. This includes a
€3 bln loan to support investment by SME and mid-cap companies in a number of EU countries.

Loans were approved in support of investment in new roads in Slovenia, in port infrastructure in Turkey and for energy investment in Armenia, as well as supporting a private equity fund working to improve access to electricity in Africa.


**Bond issues**

**EIB’s 10-year USD 3bln Global Benchmark**

5 February 2015

On 3 February 2015, the European Investment Bank ('EIB') priced a new 10-year USD Global benchmark issue. – This is EIB’s second USD Global benchmark of the year.

The issue pays a semi-annual coupon of 1.875% and has an issue price of 99.547% to give a spread of 18.5bp basis points over the 2.250% UST due 15 November 2024. The transaction was announced on Monday, 2nd February.

Lead Managers for the transaction were Barclays, Deutsche Bank and J.P. Morgan.

Summary Terms and Conditions for the new bond issue:

- Issue amount: $3 bln
- Pricing date: 3 February 2015
- Payment date: 10 February 2015
- Maturity date: 10 February 2025
- Issue/Re-offer price: 99.547%
- Re-offer yield: 1.925%
- Semi-Annual coupon: 1.875%
- Re-offer spread: 18.5bp over the 2.250% UST due 15 November 2024
- Format: Global
- Listing: Luxembourg


**International Financial Corporation**

**Bond issues**

**IFC Issues First Iveria Bond to Support Capital Markets Development in Georgia**

17 February 2015

IFC, a member of the World Bank Group, today issued a 30 mln Georgian lari bond – equivalent to approximately $15 mln – to support Georgia’s capital markets. This is IFC’s first local currency issuance in Georgia.

The bond, named Iveria after an ancient kingdom based in present-day Eastern Georgia, is part of a 200 mln lari bond program and creates a pricing benchmark for future IFC issuances in Georgia’s domestic capital markets. Under the program, IFC can issue lari-denominated bonds when market opportunities align with the funding needs of the country’s private sector.

Galt & Taggart, the wholly-owned investment arm of Bank of Georgia, acted as the arranger for the bond. IFC has issued bonds in 16 local currencies, including the Armenian dram, Brazilian real, Chinese renminbi, Indian rupee, and Nigerian naira.

IFC Iveria Bond Summary Terms and Conditions:

- Issue amount: 30 mln Georgian lari (approximately $15 mln)
- Pricing date: February 17, 2015
- Settlement date: February 17, 2015
- Maturity date: February 17, 2017
- Coupon: 6.924%
**Finance sector development**

**IFC, Imon International to Expand MSME Finance in Tajikistan**

9 February 2015

IFC, a member of the World Bank Group, has mobilized $16.5 mln, including $5 mln from its own account, for IMON International, Tajikistan’s leading microfinance institution, to boost lending to micro, small, and medium enterprises in the country’s remote and rural areas.

The local currency loan is IFC’s first parallel financing in Tajikistan. It will be complimented by investments mobilized by IFC from PROPARCO, a subsidiary of Agence Française de Développement (AFD), and the OPEC Fund for International Development (OFID), which is making its first private sector investment in the country.

In Tajikistan, IFC makes local currency loans using a swap facility established with the National Bank of Tajikistan. Under this agreement, the IFC and Proparco investments will be hedged by converting U.S. dollar-denominated borrowings into Tajik Somoni, while OFID’s loan is being provided in U.S. dollars. By borrowing in their currency of revenue, which is scarce in the local market, Imon International is protected from currency risk.

Since 2008, IFC has provided funds to IMON International totaling $12.5 mln to boost lending to small businesses. These investments were accompanied by advisory services to develop and expand its product range, improve its risk management practices, including environmental and social risks, and assist its transformation into a deposit-taking institution. As a result, IMON successfully launched and rolled out deposit operations in 2013.

**Development assistance**

**World Bank Group, Financial Institutions Help Tajik Population Increase Financial Literacy**

20 February 2015

The World Bank Group, together with a number of financial institutions, is today launching a comprehensive national financial education program to combat low levels of financial literacy and growing concerns about over-indebtedness.

The initiative, which will be delivered across a variety of channels including television and radio, will help Tajik individuals and households learn how to better manage their money, develop sound financial skills, and foster stronger banking relationships, as part of wider efforts to increase access to finance in the country.

Recent research on financial literacy in Tajikistan carried out by IFC, a member of the World Bank Group, revealed that more than 40 percent of respondents spend all their income, while only half make regular savings. In addition, 83 percent could not explain basic banking terms, about 90 percent had never heard about the credit bureau, and only about 40 percent would agree to provide their credit information to the credit bureau.

The program includes educational materials on household budgets and personal finance management, smart borrowing rules, preventing over-indebtedness, savings strategies, managing remittances, and the benefits of credit information reporting.

The initiative is part of the World Bank Group Finance and Markets Global Practice’s Central Asia Financial Markets Infrastructure Project, which aims to strengthen the financial infrastructure in Tajikistan. The project is funded by the Government of Switzerland.
Tajikistan Joins Apostille Convention with World Bank Group Support

23 February 2015

The World Bank Group is helping Tajikistan improve its investment climate and promote foreign investment and international trade by streamlining government administration and eliminating red tape.

Rustamjon Soliev, Tajikistan’s Ambassador to Belgium, the Netherlands, and Luxembourg, today deposited Tajikistan’s instrument of accession to the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents.

Known as the Apostille Convention, it is one of the world’s most successful legal cooperation treaties in private international law. Following the usual procedural steps, the Convention will enter into force for Tajikistan on October 31, 2015, making it the 108th Contracting State to the Convention.

This will replace the traditionally lengthy legalization process with an authentication certificate, greatly simplifying the process of producing public documents abroad and providing foreign companies with a higher degree of juridical confidence in cross border issues.

The initiative is part of World Bank Group efforts to improve the investment climate in Central Asia by facilitating investments and reducing compliance costs for businesses. The IFC Central Asia Investment Climate Program is part of the World Bank Group Global Practice on Trade and Competitiveness. The Practice’s focus is on driving economic growth and job creation by strengthening competitiveness, increasing trade, promoting investment, fostering innovation, and promoting entrepreneurship, in partnership with policymakers and the private sector worldwide.

The program is implemented in partnership with the Government of Switzerland and the United Kingdom’s Department for International Development (DFID).

http://ifcextapps.ifc.org/IFCExt/Pressroom/IFCPressRoom.nsf/0/1C4C4376BED02F9285257DF60029BD09?opendocument

IMF Announces Staff Level Agreement with Ukraine on a New $17.5 Bln Extended Fund Facility Arrangement

12 February 2015

An International Monetary Fund (IMF) mission visited Kyiv during January 8 - February 12, to discuss the authorities’ economic reform program, which could be supported by an Extended Fund Facility (EFF) Arrangement. The EFF would replace the existing Stand-By Arrangement (See Press Release No 14/189). The new arrangement would provide a medium-term framework for policy adjustment and reforms, which, combined with strong support from the broader international community, aim to restore macroeconomic stability and promote robust growth over the medium term.

At the conclusion of the visit, Nikolay Gueorguiev, Mission Chief for Ukraine, issued the following statement today in Kyiv:

“The mission has reached a staff-level agreement with the authorities on an economic reform program, which can be supported by a four-year Extended Fund Facility, in the amount of SDR 12.35 bln (about $17.5 bln, €15.5 bln), as well as, by considerable additional resources from the international community. The staff level agreement is subject to approval by IMF Management and the Executive Board. Consideration by the Executive Board is expected in the next few weeks, following the authorities’ implementation of decisive front-loaded actions to achieve program goals.

“The policies under the new arrangement, developed by the Ukrainian authorities jointly with Fund staff, are designed to address the many challenges confronting the Ukrainian economy. Economic activity contracted by around 7-7½ percent in GDP in 2014, weighed down by the conflict in Eastern Ukraine, which has taken a significant toll on the industrial base and exports, undermined confidence and ignited pressures on the financial system. The economic reform program focuses on immediate macroeconomic stabilization as well as broad and deep structural reforms to provide the basis for strong and sustainable growth over the medium term.”
economic growth over the medium term.

"The 2015 budget initiates an expenditure-led adjustment to strengthen public finances within the availability of resources. This required bold, but necessary, measures, including keeping nominal wages and pensions fixed. The budget is supported by revenue reforms, including increasing the progressivity of the personal income tax and streamlining the tax system. The authorities are committed to medium term reforms of the civil service and the important health and education sectors, aiming to improve quality and efficiency, as well as widening the tax base and improving customs and tax administration. Fiscal consolidation would continue over the coming years which together with the debt operation envisaged by the authorities will strengthen debt sustainability.


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**Samruk-Kazyna**

**Kazakhstan**

**Corporate Sector**

**Management of «Samruk-Kazyna» JSC reports on results for 2014**

20 February 2015

«Samruk-Kazyna» group of companies closed the year of 2014 fairly well. This was achieved through the preventive measures of possible risks. According to preliminary data, the net income of the group estimated at 458 bln tenge.

In 2014, fund's group of companies commissioned 13 projects worth $2.9 bln. More than 5.6 thousand temporary jobs and more than 1.2 thousand permanent workplaces have been created.

The Fund has developed a set of measures within the President's instructions:

- Optimization of costs by 337 bln tenge or 7%. The non-optimized expenses include salaries of production personnel, taxes and mandatory payments to the budget, amortization.
- Support of the national currency. As of March 1, 2014 the Fund's group contribution made 2 361 bln tenge, including deposits in foreign currency - 1 052 bln tenge or 44.6%. As of December 1, 2014 Group's deposits amounted to 1 985 bln tenge, including in foreign currency - 823 bln tenge or 41.5%. The work to reduce the foreign currency deposits of the Fund will be continued.

Financing of strategic projects within SPFIIID. Investment costs will be optimized by 18%, but will not affect the optimization of large-scale projects SPFIIID-2, «Nurly Zhol» program, objects of «EXPO-2017» and others.

Measures to support the business will be strengthened taking into account the President's instructions. In 2014, under the Program to promote the modernization of existing and creation of new productions 13 projects were approved. Their total cost made 20 756 mln tenge.

According to comprehensive privatization plan till 2020 «Samruk-Kazyna» Fund sells 106 assets. In 2014, the total amount of transactions amounted to about 23.4 bln tenge, which is 1.6 times higher than their estimated value.

As part of the restructuring management levels and the number of companies in «Samruk-Kazyna» will be optimized.

The transformation program of the Fund's Group of companies launched on October 6, 2014 continues to gain momentum. On June 1st, 2015 Fund «Samruk-Kazyna» moves from the principle of operational intervention and to the professional management through the board of directors by analogy with the large market companies around the world.

The economic effect of the implementation of the transformation program for «Samruk-Kazyna» group of companies in the next few years is estimated at 100 bln tenge annually.


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**The World Bank**

**All countries**

**Bond issues**
World Bank Raises $4 bln with a record breaking 7-Year Global Bond

4 February 2015

The World Bank (IBRD, Aaa/AAA) priced a record 7-year USD Global benchmark transaction, raising $ 4 bln in a single tranche. This is the largest 7-year bond ever priced in the USD SSA market, and the joint-largest USD benchmark transaction in 2015 year to date. The transaction was significantly oversubscribed, with a final orderbook in excess of $5 bln, with strong international investor participation. This is the World Bank’s fourth USD benchmark offering of its 2014-2015 fiscal year, following from the highly successful record 10-year transaction in November, 2014. The joint-lead managers for this global bond are Bank of America Merrill Lynch, BNP Paribas, Citigroup and Toronto Dominion Securities.

This 7-year USD benchmark carries a semi-annual coupon of 1.625% and matures on February 10, 2022. It offers investors a yield of 1.742%, which is equivalent to a spread of 10.9 basis points over the 1.500% U.S. Treasury note due January 31, 2022.


World Bank issues €30 Mln Fixed Rate Green Bond due 2045

17 February 2015

The World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA) announced a € 30 mln 30-year fixed rate World Bank Green Bond that was issued in response to demand from Zurich Insurance Group (Zurich). This is the World Bank’s longest maturity fixed rate Green Bond to date. Morgan Stanley was the sole lead manager for this transaction.

World Bank Green Bonds offer an opportunity for investors to support environmental solutions through a high grade fixed income investment. World Bank Green Bonds benefit from the triple-A credit strength of the World Bank and provide comparable returns to other World Bank bonds. World Bank Green Bonds support the financing of projects in its member countries that meet specific criteria for low carbon development and resilient investments. The types of eligible projects include alternative energy installations, funding for new technologies that reduce greenhouse gas emissions, reforestation, watershed management and flood protection that build climate resilience among others.


World Bank Issues its Largest USD Green Bond

19 February 2015

Today, the World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA) launched a $600 mln 10-year fixed rate global green bond, its largest USD green bond and also its longest-dated green benchmark in this currency. World Bank Green Bonds support its lending to eligible development programs that are designed to address the challenges of climate change.

With today’s issue, the World Bank continues to attract new investors and expand the investor base for the green bond market, marking another important milestone. The World Bank has now issued nearly $8 bln equivalent through over 80 green bond transactions in 18 currencies since its inaugural green bond in 2008. Examples of the types of projects supported by World Bank Green Bonds include renewable energy installations, energy efficiency projects, new technologies in waste management and agriculture that reduce greenhouse gas emissions, forest and watershed management, and infrastructure to prevent climate-related flood damage.

The bonds were placed with 25 investors including AP2, AP4, Blackrock, Deutsche Bank Treasury, Mirova, Nikko Asset Management, Nippon Life Insurance Company, Praxis Intermediate Income Fund, United Nations Joint Staff Pension Fund and Zuercher Kantonalbank. The distribution by investor type and geography was as follows: 43% of the bonds were placed with asset managers, 31% with bank treasuries and corporates, and 26% with pension and insurance companies; 39% of the bonds were placed with investors in the Americas, 28% in Europe, 17% in MENA, and 16% in Asia.

Deutsche Bank, Morgan Stanley and SEB are the joint-lead managers for this transaction.

Key Findings and Recommendations of the Kyrgyz Republic’s Heating Sector Assessment Discussed in Bishkek

25 February 2015

Preliminary findings and recommendations of the World Bank’s Urban Heating Assessment in the Kyrgyz Republic study, were presented today in Bishkek at a round table organized by the World Bank and chaired by Mr. Kubanychbek Turdubaev, Minister of Energy of the Kyrgyz Republic. The key objective of the event was to bring together representatives of the Government, state-owned energy companies, donor agencies and research organizations for a discussion of the challenges in the country’s heating sector.

The Assessment analyzed the condition and performance of the urban heating infrastructure and building stock in Bishkek and Tokmok, two cities that are largely representative of the current heat demand and supply characteristics in the country’s urban areas. According to the study, heat generation assets operate at 20-50% of their installed capacity and heat losses often exceed 25% of the heat generated due to the old age and under maintenance of the district heating infrastructure.

Among other notable challenges, identified by the study, are the lack of sufficient funds for maintenance of and investments in modernization of the district heating system as a result of low tariffs for heat and electricity; reliance of 35% of households on cheap electricity for heating, which only aggravates winter power shortages; use of inefficient and polluting coal-fired stoves or boilers with resulting detrimental consequences for people’s health; and, finally, poor energy performance of residential and public buildings, which widens the gap between heat supply and customers’ needs.

According to Kathrin Hofer, World Bank’s Energy Specialist who presented the study to the round table participants, the required investments to ensure reliable heat supply are sizable and should be carefully planned and sequenced. These include investments in rehabilitation of the district heating network, rehabilitation or replacement of the dilapidated small heat-only-boilers, replacement of inefficient electric heaters and polluting solid fuel-fired stoves with more efficient alternatives, and implementation of an energy efficiency program in the public and residential buildings. These investments should be accompanied by policy reforms, including tariff and social assistance reforms.

The feedback and proposals made during the round table discussion of the draft findings and recommendations of the assessment will be used to complete the study, the final version of which will become available in April 2015.


Citizen Engagement for Better Education Service Delivery in Moldova

20 February 2015

A new “Scoala Mea” online platform was launched today in Moldova during an event at the World Bank office in Chisinau. The portal (http://scoalamea.md/) was created by the Moldovan independent think-tank Expert-Grup with support from the Global Partnership for Social Accountability (GPSA), a World Bank-administered initiative.

Improving the quality of education is a priority for Moldova. The government, with support from the World Bank-financed Moldova Education Reform Project, is implementing comprehensive reforms to improve learning and value-for-money.

The GPSA-supported project “Empowered Citizens Enhancing Accountability of the Education Reform and Quality of Education in Moldova” will allow parents and the general public to get information on key parameters of the schools (class-size, student-teacher ratio, number of students and teachers, qualification of teaching staff), the school budgets and spending, as well as the schools exam results and how these compare to rayon and country average. In this way, the project will support the government’s education reform program by making schools more accountable.

This five year initiative has the following specific objectives:

• Facilitate engagement of local stakeholders in approximately 100 schools using social accountability tools and promoting a dialogue on school budgets;
• Improve the flow of information on the performance of education services from users of these services to local and national authorities;
The World Bank Group’s Board of Executive Directors today approved an allocation of $45 mln equivalent to finance the second phase of the transformative Central Asia Road Links Program, to be implemented in Tajikistan in 2015-2020. The objective of this project is to increase transport connectivity between Tajikistan and neighboring countries along key cross-border road links in Sughd Oblast, and thus connect people and firms, markets and opportunities, regionally.

The Central Asia Road Links (CARs) Program is a collaborative regional, multi-phase program initiated by governments of Central Asia. The program aims to increase transport connectivity between neighboring countries while supporting improvements in road operations and maintenance practices. The first phase of the CARs, covering the Kyrgyz Republic, focuses on the rehabilitation of cross-border road links bordering Tajikistan in Batken Oblast.

This Second Phase of the Central Asia Road Links Program – CARs-2 will focus on the rehabilitation of approximately 70 kilometers of cross-border road sections in Sughd Oblast connecting Tajikistan’s road network with that of Uzbekistan and the Kyrgyz Republic. Specifically, the road sections to be rehabilitated include: Kuchkak-Kim-Isfara-Guliston border crossing (45.1 km), Dehmoi-Proletarsk-Madaniyat border crossing (16.9 km), including a link to the intermodal rail terminal in Proletarsk, and Kanibadam-Patar border crossing (5.7 km).

In addition to rehabilitation work, the project will support the Ministry of Transport of Tajikistan in improvement of road operations and asset management practices. This will include: support in developing Transport Sector Development Strategy up to 2050, reviewing the technical standards, norms and parameters on vehicle weight, axle load limits and tariffication, as well as developing a strategic plan for the implementation of the axle load control systems. On asset management, the project will finance a survey equipment (including geo-references) and provide support for the final deployment of a road asset management system in the Ministry of Transport to help address the problem of overloaded of trucks.

The CARs-2 project will be implemented over five years by the Ministry of Transport of Tajikistan. The World Bank’s total contribution of $45 mln equivalent consists of $38.25 mln provided as a highly concessional credit, and $6.75 mln as a grant. The Government of Tajikistan provided co-financing in the amount of $9 mln. It is estimated that the project will directly benefit about 2.6 mln residents of Sughd Oblast who are expected to be regular road users travelling along the road sections.


The World Bank announced today that it will be providing up to $2 bln to Ukraine in 2015 through a mix of financial instruments. This assistance will focus on protecting the poor and supporting important reforms, especially in the gas and banking sector, as well as in fighting corruption and improving governance and business environment.

In 2015, the World Bank program will include significant budget support for reforms and a number of
investment projects to improve service delivery in health and public infrastructure. The World Bank financing will be part of the overall package of support from the international community, and the Bank is working closely with the IMF.

As the country’s long-term development partner, the World Bank has been implementing an on-going budget support and investment program of about $4.5 bln, aimed at accelerating structural reforms, improving basic public services in areas such as water supply, sanitation, power and roads, protecting the poor, and supporting the private sector development.


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Uzbekistan

Transport

7.6 Mln People in Uzbekistan Will Benefit from Better Inter-regional Accessibility by Railway Link

13 February 2015

The World Bank’s Board of Executive Directors today approved a $195 mln IBRD loan for the Pap-Angren Railway Project in Uzbekistan.

The project will help improve transport connectivity in the Ferghana Valley by enhancing the efficiency of transport services into and out of the Uzbekistan part of the Valley. The railway link will improve year round inter-regional accessibility for a population of 7.6 mln. Small and medium enterprises will be able to expand their market access and increase their profits. The construction of the railway will also stimulate enterprises’ growing demand for workers in some key sectors such as textiles or the services sectors.

The project contributes to the Central Asia Regional Economic Cooperation or CAREC Program that is implementing a Transport and Trade Facilitation Strategy focused on 6 transport corridors. The Pap-Angren investment is located along Corridor 2 that runs from the east to the west, from China to the Caucasus. The project also supports the government’s Medium Term Industrial Modernization and Infrastructure Development Program and is aligned with the main pillars of the World Bank Country Partnership Strategy for 2012-2015.

The project development objectives are to reduce transport costs and to increase transport capacity and reliability through the construction of a rail link between the Uzbek part of the Ferghana Valley and the rest of Uzbekistan. The line will offer a faster, cheaper, all season, and safer and more reliable transport service. The State Joint Stock Railway Company “Uzbekistan Temir Yullary” (UTY) is forecasting about 600,000 passengers to use the new infrastructure and about 4.6 mln tons goods to be transported during the first year of operation. The project is expected to reduce greenhouse gas emissions by about 200,000 tons annually.

The total project cost is $1 633.75, of which $1 088.75 mln is provided from the UTY own funds, the state budget and the Fund for Reconstruction and Development of Uzbekistan, $350 mln from China Exim Bank, and $195 mln from the World Bank (in particular, the International Bank for Reconstruction of Development or IBRD).

The project to build a single 124 km track rail link between Angren and Pap, including a 19.2 km rail tunnel through the Kamchik Pass, includes the following six components:

- Rail Main Infrastructure (estimated total cost $1 438.75 mln)
- Rail Electrification, Signaling, Track Maintenance and Railway Video Surveillance System (estimated total cost $154 mln, 100% IBRD financing)
- Power Distribution Line (estimated total cost $35 mln, 100% IBRD financing)
- Technical assistance to UTY for Supporting Railway Construction (estimated cost $0.5 mln, 100% IBRD financing)
- Technical Assistance to UTY for Improving Railway Logistics (estimated cost $1.0 mln, 100% IBRD financing)
- Implementation Support (estimated cost $4.5 mln, 100% IBRD financing)
