Enhancing regional cooperation to finance better connectivity for LLDCs in North and Central Asia

June 9, 2023
A Leading Multilateral Development Bank in Eurasia

6 Eurasian countries
8 offices

17 Years
of stable growth and investment in sustainable development

276 successful national development projects and integration projects

$7bn EDB charter capital
$4.6bn current investment portfolio
$1.8bn equity

The EDB invests in promoting better living standards for >200 million people living in Eurasian region

As of 31 April 2023
Strengthening the EDB’s Unique Integration Role

2022–2026 Strategy

Sustainable development
- Implementing the ESG platform
- Issuing green and social bonds
- Financing ESG programmes

Digital competency
- Supporting the countries’ digital agendas to foster their digital development
- Implementing projects at cross-country, country, and corporate levels

Financing strategy
- Attracting investors, diversifying instruments, and establishing a liquid bond curve
- Reducing the cost of funding
- Building up financing in national currencies

Operational indicators
- Building up the lending portfolio
- Diversifying the portfolio and financial and investment products
- Participating in strategically important projects in the EAEU+ and in financing high-tech and digital projects
- Expanding the product range

Expansion strategy
- Membership and investment activities in the member states
- Activities in the smaller economies
- Capabilities by improving investment ratings and implementing the capitalisation plan

Our goal:
+$10.9bn
new investment by 2026

№1 International Financial Institution
in the countries of operation

Initiator
of cross-border investment mega-projects for a total of about $1.2bn

Leader
in implementing sustainable development initiatives in the Bank’s countries of operation

Partner
for the member states in digital transformation and achievement of Sustainable Development Goals
Aligning Partnerships for Development

MDBs unique power and critical role in:

- **Mobilizing**
  capital to achieve long-term development goals

- **Providing**
  knowledge and assistance for well-balanced economic growth

- **Building up**
  capacities and operational synergies for impact

EDB’s competencies:

- **Over $4 billion**
  EDB prospective investment project costs in transport and energy generation infrastructure

- **Leading research and analytics**
  Plans to visibly and measurably contribute

- **Complementary project expertise**
  Regional project expertise complementing global best practices and competencies
CASE 1: Cross-Border Public-Private Partnership Projects as a Job for MDBs

Criteria:

Mandatory criteria:

- **Object:** Cross-border infrastructure
- **Participants:** 2+ states on the side of public partner
- **Framework:** Intergovernmental agreement among the states

Supplementary criteria:

- **Objectives:** Joint utilization by the states of economic, transport, energy and other potential, and increased integration impact
- **Risk matrix:** Additional legal, commercial, financial, and political risks

MDBs:

- Contribute to their quick start
- Serve as long-term anchor
- Neutral platform for moderating interstate negotiations
- Expertise
- Risk mitigation
- Compliance of cross-border PPP projects with the MDB mission
CASE 2: MDBs Are Indispensable in Moving Forward Central Asian Water and Energy Complex

Case:

**HUGE DEMAND**
for irrigation and energy infrastructure modernization. Use water efficiency: $2.5/m³ in CA vs $19.01/m³ (average)

**COORDINATED REGIONAL ACTION**
is required

**MDBs are necessary to carry forward**
investment in regional Water and Energy

**Provide not only finance**
but also, expertise, technical assistance, standards, and mitigation and coordination platforms

Solution:

A project consortium (involving MDBs)

- **Governments of the parties**
- **Council of the Consortium**
- **Consortium founders**
- **Executive Board of the Consortium Director General**
- **International treaty on the establishment of a Consortium to build CA water and energy complex facilities**
- **Financial institutions, including the EDB**
- **Contractor entities and institutions**
EDB PARTNERSHIPS FOR DEVELOPMENT

JOINT RESEARCH
Examining the most urgent topics to unlock the investment potential of the region

JOINT TECHNICAL ASSISTANCE
Feasibility studies
Business plans and financial models
Government information systems

JOINT FINANCING
Road, pipeline, airport, rail infrastructure
Key Strategic Investment Priorities in the Region

**Transport**
- Border crossing points
- Caspian seaports and airports
- Railways and highways

**Water and Energy**
- Energy sector modernization
- Hydro plants construction
- Upgrading of irrigation systems

**Climate Change**
- Energy efficiency
- Renewable energy sources, in particular hydro power
- Green mobility and transport
- Climate finance
- Climate adaptation

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20% Additional GDP potential growth in the landlocked countries by:
- Solving connectivity issues
- Reducing high transport costs

+1.5% Additional increase of the regional GDP growth rate per annum
As a result of effective cooperation in the water and energy complex

x2.8 times increase in water stress (SDG 6.4.1) for certain Central Asian regions by 2040
EDB’s Technical Assistance Fund (TAF)

Private sector:
- Structuring
- Feasibility studies
- Training
- Subsidising interest rates

Public sector:
- Capacity building
- Financial infrastructure
- Research
- International conferences

TAF cumulative portfolio: $11.8m

89 projects
Analysis and Research

EDB is a recognized leader in applied economic research in Eurasia

Deep macroeconomic expertise

Infrastructure research – transport, energy, water, etc.

Proprietary databases

The Bank regularly publishes:

- Macroeconomic reviews, outlooks
- Research reports
- Sector- and issue-specific reviews

45 publications in 2021–2023

x3

EDB website views in 2021–2023 (YoY, monthly average)

>2000

media mentions annually

Please use this QR code to download any of the EDB publications from its website.
Cross-Border PPPs: New EDB Study

1. Cross-border PPPs: Definition, Criteria, Areas of Implementation

2. International Best Practices: 5 Cases in the sectors of Road, Rail, Pipeline Transport and Energy

3. Cross-border PPPs in the EAEU and Central Asia: Prospects, Risks, Opportunities

4. Guidelines for Cross-Border PPPs

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Thank you for your attention!