Action Document for the Investment Facility for Central Asia 2015 (IFCA)

1. IDENTIFICATION

<table>
<thead>
<tr>
<th>Title/Number</th>
<th>Investment Facility for Central Asia 2015 (IFCA) CRIS number: DCI-ASIE/2014/037-538</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost</td>
<td>Total amount of EU budget contribution: EUR 20 000 000 for an amount of EUR 0 from the general budget of the European Union for financial year 2014 and for an amount of EUR 20 000 000 for financial year 2015, subject to the availability of appropriations following the adoption of the relevant budget.</td>
</tr>
</tbody>
</table>
| Aid method / Management mode and type of financing | Project Approach  
This action shall be implemented in indirect management. |

| DAC-code | Sector | Energy policy and administrative management  
41010 | Environmental policy and administrative management  
32130 | SME development  
16050 | Multi-sector aid for basic social services |

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The Investment Facility for Central Asia (IFCA) is a regional blending facility permitting the combination of EU grants with other public and private sector resources such as loans and equity in order to leverage additional non-grant financing.

The European Commission has established IFCA in 2010 through the Development and Cooperation Instrument (DCI). Roughly EUR 20 000 000 a year have since
been allocated through this aid modality under the EU’s Development Cooperation Instrument. IFCA's main objective is to promote investments in key infrastructures in Central Asia.

The Facility is designed to combine EU grants with other public and private financing. By reducing, through co-financing, the overall cost of the project or by subsidising interest rates and/or financing technical assistance, the Facility will encourage the beneficiary governments, private sector and/or public institutions to carry out essential investments in sectors which would otherwise be postponed due to lack of resources.


2.2. Context

2.2.1. Regional context

Central Asia is a landlocked region situated between Russia and China and forms a bridge to the Middle East. The five former Soviet republics covered by IFCA are home to about 61 million people. The region is, despite overall positive economic growth rates, characterised by unequal development and significant diversity in terms of political, economic and social systems. Poverty reduction as well as a sustainable and inclusive growth remain considerable challenges. The region is environmentally at risk and vulnerable to the adverse impact of climate change which exacerbates regional tensions over the management of shared resources – notably energy and water - and desertification. All countries are under growing pressure as a result of aging infrastructure from the Soviet era, unable to cope with demographic growth and the needs of a surging young population seeking education and income generating activities.

IFCA is designed in line with the 2007 EU-Central Asia Strategy for a New Partnership which was re-confirmed by the Council in 2012, seeking to ensure stability and security of the Region while promoting poverty reduction and sustainable development. With EU Budget contribution totalling EUR 85 000 000 by the end of 2013, IFCA contributes to implementing the EU-Central Asia Strategy while aiming at reducing the social, economic and political barriers between the EU and the Central Asia, countries, and extending EU policy initiatives to the Central Asia region.

IFCA is an instrument included in the EU's Regional Indicative Programme 2014 – 2020 for Central Asia as one of the funding modalities for the implementation of its focal sector "Sustainable Regional Development: Energy, Environment/Water and Socio-Economic Development".

2.2.2. Sector context: policies and challenges

The sustainable use of natural resources, in particular water, is recognized as the key factor for socio-economic development and political stability of the Central Asia Region. There is a significant need for capital investment in order to increase energy efficiency and energy savings as well to develop renewable energy sources as the energy and water infrastructure from the Soviet area is largely outdated and
inefficient. The development of private SMEs and the enhancement of basic social services and infrastructure are crucial for providing economic diversification and increasing living standards. Finally, governance remains a major obstacle to development in the region, especially corruption.

IFCA aims to contribute to address investment needs. In addition, the facility is meant to facilitate access to finance and to improve the level of governance in the banking and private (SME) sectors. Particular attention to governance and risk aspects is paid by the European Financial Institutions during project identification, formulation and implementation.

2.3. Lessons learnt

Since IFCA was created in April 2010, and despite the fact that IFCA eligible European Financial Institutions are not equally represented nor active in all Central Asian countries, IFCA grant contributions worth EUR 71 465 000 have been approved already, see appendix 2 to this Action Fiche. EUR 63 550 000 of this approved amount were contracted to date¹, generating loans of 5.7² times this amount. All projects signed under IFCA are still ongoing at the time of the formulation of this Action Document, so that their development impact cannot yet be assessed. However, experience so far has indicated that improvements during the selection and contracting phase are possible.

The EU Platform for Blending in External Cooperation, regrouping representatives from Member States, the European Parliament, the European Commission and the European External Action service, seeks to further improve and harmonize all EU blending facilities. Since the beginning of 2014, IFCA is already benefitting from an improved project application form developed by the platform, facilitating the evaluation of the value added by blending, and encouraging an early implication of EU Delegations in the project identification process in order to ensure complementarity with the Multi-annual Indicative Programmes. In addition, the working groups of the platform are currently working on improving reporting requirements and identifying key areas where financial instruments such as equity, guarantees, and SME facilities can add value and thus, could be funded under the EU blending facilities.

Finally, both European Commission and the European Financial Institutions use their respective role in the blending facilities to build on lessons learnt from development experience they acquired using financing modalities other than blending.

2.4. Complementary actions

The Central Asia Investment Facility provides Central Asian countries with the possibility to fund investments where funding cannot (yet) be obtained on the financial market. It is funded under the EU's Regional Indicative Programme 2014 – 2020 for Central Asia and thus, focuses on activities that are in line with the focal sector "Sustainable regional development" of this programme. These activities will

¹ As of May 16, 2014, excluding fees paid under IFCA to lead financial institutions.
² Possibly even more – some IFCA grants fund preparatory technical assistance and it is not know at this stage which loan amount will be generated subsequently.
be complementary to stand alone grant operations - mostly technical cooperation - funded under this same regional programme, as well as water management and energy related activities funded in context of the "Rural Development" focal sector of the bilateral indicative programmes 2014 - 2020 of Kyrgyzstan, Tajikistan and Uzbekistan. In addition, complementarities will be sought with activities funded by the Instrument for Nuclear Safety Cooperation in Central Asia.

2.5. **Donor coordination**

By combining grant funds from the EU budget with loans from European Financial Institutions, the Facility promotes coherence and enhanced coordination between donors, in line with the Paris Declaration principles and in compliance with the Regulation (EU, Euratom) No 966/2012. Under IFCA, EU Member States' financial resources reinforce EU resources. IFCA is thus able to finance larger operations and bring more EU visibility than classical stand-alone projects. In addition, the EU will be able to exert greater influence on the beneficiary governments or their public bodies to carry out necessary reforms along with needed physical investments.

In 2012-13 two multilateral regional Financial Institutions i.e. the World Bank and the Asian Development Bank have been awarded the observer status within the Facility’s governance structure. Consequently, they are allowed to participate in the technical meetings as well as the meetings of the operational board. This facilitates a donor coordinated approach of intervention in the sectors covered by IFCA even further.

3. **Detailed Description**

3.1. **Objectives**

In line with the objectives of the Regional Indicative Programme 2014 – 2020 for Central Asia, IFCA's main objective is to contribute to sustainable regional development and economic growth by providing funding for key infrastructures in Central Asia which cannot (yet) be adequately funded on financial markets because they are considered as too risky. The blending mechanism allows mitigating financial risks (see section 2.1.), and thus, funding of projects that without blending would not be possible, or only possible at a higher price/interest rate. The leverage effect of IFCA is expected to mobilize loan amounts several times the amount of the IFCA grant contribution.

IFCA promotes investments in the sectors energy, environment, support to SMEs and social infrastructure. The facility thus contributes to the realization of projects aiming to reduce unemployment and poverty and to advance the economy in a sustainable way.

IFCA annual contributions are programmed at regional level. At a later stage they may be complemented by blending operations funded under and thus, supporting the implementation of bilateral Indicative Programmes in Central Asia, as well as by direct additional contributions from Member States.
Furthermore, IFCA aims to support investments with the potential to mitigate or reduce the negative impact of climate change. At a meeting of the EU CA Environment Platform held in Bishkek in February 2013, Central Asia countries have committed to strengthen their institutional frameworks and technical capacity to manage climate-related risks and opportunities by promoting sustainable use of water and development of renewable energy sources. IFCA is an appropriate instrument to co-finance some of these investments and to develop a range of climate change oriented operations in Central Asia.

3.2. **Expected results and main activities**

**Results:**

The expected results of IFCA include contributions to:

1. **Better energy infrastructure, notably:**
   - Improved transit connections between partner countries;
   - Improved safety and security of energy infrastructure;
   - Improved energy efficiency and energy savings;
   - Increased production and use of renewable energy (wind, solar energy, etc).

2. **Increased protection of the environment and better focus and control of climate changes impacts, notably:**
   - Introduction of integrated water management, including necessary related infrastructure;
   - Reduction of air, soil and water pollution including monitoring infrastructure when needed;
   - Promotion of climate change related investments, i.e. renewable energy, energy saving and cleaner production and other environment friendly techniques;
   - Promotion of integrated waste management (household, municipal and industrial) including necessary related infrastructures.

3. **Creation and growth of SMEs and improvement of the employment situations:**
   - Better access to financing for SMEs (availability of a larger range of financial products than what is currently available) at the different stages of enterprise creation, restructuring, modernisation etc.;
   - Creation of technological poles, enterprise incubators etc.

4. **Improved social services and infrastructures, notably:**
   - Better access to health care and improved health services installations in urban and rural areas;
- Better education facilities, increased access to education in urban and rural areas;
- Improved vocational training facilities.

**Activities:**

The types of operations to be financed under IFCA are the following:

- Direct investment grants
- Interest rate subsidies
- Guarantees
- Technical assistance;
- Risk capital operations;
- Any other risk sharing mechanisms.

The current indicative pipeline 2014 - 2015, attached as appendix 1 of this Action Document amounts to roughly EUR 68 000 000 and is comprised of 10 projects, including those that have already received provisional approval and may be contracted under the 2013 IFCA replenishment. Identified projects focus largely on the SME, water and environment sectors.

**3.3. Risks and assumptions**

One of the main risks to satisfactory implementation of the Investment Facility for Central Asia is the debt sustainability of the beneficiary countries. However, close attention is paid to this issue during the project selection process.

Other risks to satisfactory implementation of the Investment Facility for Central Asia include the political and security environment in Central Asia as well as the willingness of Central Asia governments to step up investments involving their own financial commitments.

It is assumed, however, that the political and security climate at the regional as well as country level in Central Asia will remain sufficiently stable to promote and secure investments, and that partner countries are ready to increase the level of investments through their own resources as well as through loans.

In addition, governance, including corruption, is an issue in the region, and a potential obstacle to satisfactory implementation of IFCA. As mentioned under point 2.2.1., though, particular attention to governance and risk aspects is paid, by European Financial Institutions during project identification, formulation and implementation. Furthermore, specific governance issues are covered by the bilateral co-operation programmes, in co-ordination with other donors.

Last, it is assumed that the Financial Institutions' pipeline of projects is of sufficient volume and quality to consume the present allocation to the Investment Facility for Central Asia.

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3 COM decision n° C(2013)9345.
3.4. Cross-cutting issues

Partner countries and eligible financial institutions will ensure that all projects financed from the EU budget respect European Union principles in terms of climate change, environmental sustainability, gender equality, good governance and human rights.

3.5. Stakeholders

The beneficiaries of the Facility will be the Central Asian countries, either directly or indirectly through their central, regional and local administrations or semi-public institutions, and the private sector, in particular local FI and SMEs in context of operations dedicated to private sector development.

In addition, stakeholders include European financial institutions that are eligible to become Lead Financial Institutions in the context of IFCA funding (see section 4.3.2. for details on eligibility).

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it may be foreseen to conclude financing agreements with the partner countries, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 120 months from the date of entry into force of the financing agreement or, where none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

4.3.1. DCI Blending Framework

The Investment Facility for Central Asia will operate under the governance of the DCI blending framework.

The operational decision-making process will be prepared in a two level structure:

- opinions on projects will be formulated at the Board meetings, held if possible back to back with the respective financing instrument's committee (DCI Committee);
- such opinions will be prepared in dedicated Technical Meetings.
The Board is chaired by the Commission. The EEAS and the EU Member states are members who provide an opinion. FIs\(^4\) participate as observers. The opinion of the Board can be positive, negative or recommend re-submission of project proposals. FI will be present for the purposes of presenting their proposals and responding to any request for clarifications on proposals submitted. The conclusions of the meetings including their justifications will subsequently be communicated to the financial institutions in writing.

The Board will also be responsible for:

- providing guidance to participating institutions on appropriate future financing proposals (based on strategic priorities defined in the context of the programming process and further discussed in the strategic meetings - see hereunder), monitor and review the pipeline of projects, based on the results of the discussions at the technical level;

- examining project related results (including the annual reports) and monitor the portfolio of approved projects;

- promoting exchanges of best practices;

- drawing upon the specific expertise of the Finance institutions as appropriate and respect the appropriate division of labour.

The Board would meet two to four times a year, depending on the needs. When duly justified by time constraints, opinion on projects could be requested by written procedure.

Technical meetings chaired by the Commission with the participation of EEAS and Finance Institutions will be held to:

- review and discuss the pipeline to ensure coordination at an early stage, including in relation to geographical balance and agreed EU political objectives. Results of the pipeline discussion shall be transmitted to the Boards.

- assess project proposals submitted by a so called Lead Financial Institution based on the appropriate application form. The proposal will also be shared with other Financial Institutions for peer review and possible written comments. In particular, such assessment will include alignment to EU policy objectives, the justification of the added value of the grant contribution, social and environmental aspects, appropriate financial structure and other issues such as debt sustainability.

- facilitate exchanges on best practices across regions, including the possible development of selected blending operations or financial instruments that extend across geographical regions.

Such meetings will be held on a regular basis depending on the needs and will be organised pragmatically bringing together appropriate experts from the FI’s, the

\(^4\) European FIs as well as World Bank and Asian Development Bank
Commission and the EEAS. If appropriate such meetings may include or be complemented by virtual meetings and/or written exchanges facilitated by the Secretariat. The Lead Financial Institution, on the basis of and depending on the comments made, will then be able to submit a revised proposal for further technical discussions at a later technical meeting or a final revised application form in view of the submission to the Board.

**Strategic orientations** will be discussed with beneficiary countries in dedicated strategic meetings when appropriate, under the ownership principle of our development cooperation. The Commission and the EEAS will conduct and co-chair strategic discussions at the appropriate level with Member States, beneficiary countries and relevant regional organisations. Financial Institutions will participate in the discussions as observers. These strategic discussions will cover regional investment plans and priorities, provide strategic and policy guidance and advice for identification and preparation of the most relevant proposals for blending and for the Board to review the pipeline and approve the most relevant projects for achieving the objectives of the EU-Central Asia Strategy.

Rules of procedure further detailing the functioning of the facility will be set up.

The Commission will ensure the secretariat of the DCI blending framework. supporting the Board in all its tasks (opinions on individual blending operations, internal Commission/EEAS consultation including DG BUDG, DG SJ, DG ECFIN and DG SG, monitoring at facility level, consolidation of the pipeline on the basis of the information provided by the Financial Institutions including a short project description, production of regular up-to-date information and annual reports on the facilities, preparation of exchanges on best practices.) It will also provide support in the organization of communication events and the general implementation of the communication strategy (websites and other communication tools), thereby contributing to the visibility of the EU. The Secretariat also organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the blending framework.

### 4.3.2. Contribution to the Investment Facility for Central Asia

In accordance with Article 4.1.(e) of the Regulation (EU) No 236/2014 this contribution may be implemented through indirect management whenever possible under the lead of the EIB in line with its external mandate under Decision No 1080/2011/EU, a multilateral European financial institution such as the EBRD, or a bilateral European financial institution, e.g. bilateral development banks. These Lead Financial Institutions are not definitively known at the adoption of this Action but are indicatively listed in the appendix of this document. Once they will be known, a complementary financing decision needs to be adopted in order to fulfil all the requirements of Article 84.3 of Regulation (EU, Euratom) No 966/2012.

The Lead Financial Institution will be awarded a contract for an individual operation based on its operational and financial capacity.

The Commission will only entrust budget implementation tasks to Lead Financial Institutions which have been assessed through the pillar assessment pursuant to
article 60 of Regulation (EU, Euratom) No 966/2012 and have transparent, non-discriminatory, efficient and effective review procedures in place.

Some of the possible entrusted entities are International Organisations such as EBRD that are currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 related to financial instruments. The responsible authorising officer deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the entity can be entrusted with budget-implementation tasks under indirect management. Other possible entrusted entities are public bodies or bodies governed by private law with a public service mission such as AFD and KfW that will undergo the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of such assessments the responsible authorising officer deems that, based on the longstanding and problem free cooperation with these entities, they can be trusted with budget implementation tasks under indirect management. The eligibility of non-European multilateral financial institutions to become an entrusted entity will be examined on a case by case basis.

The entrusted budget-implementation tasks consist of the implementation of procurement, grants and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

In addition, budget-implementation tasks may be sub-delegated by the entrusted entity to the partner country in accordance with 4(7) of Regulation (EU) No 236/2014. The entrusted budget-implementation tasks consist in the implementation of procurement and grants following the rules assessed and approved by the Lead Financial Institution. Payments may be executed by the partner country under the control by the Lead Financial Institution or by the latter.

4.4. **Scope of geographical eligibility for procurement and grants**

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9.2(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.5. **Indicative budget**

<table>
<thead>
<tr>
<th>Module</th>
<th>Amount in EUR thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3.1. – Contribution to Regional Investment Facility for Central Asia</td>
<td>20 000</td>
</tr>
</tbody>
</table>

| Total | 20 000 |
The total amount of EU budget contribution is EUR 20 000 000 for an amount of EUR 0 from the general budget of the European Union for financial year 2014 and for an amount of EUR 20 000 000 for financial year 2015, subject to the availability of appropriations following the adoption of the relevant budget.

4.6. **Performance monitoring**

In accordance with Regulation (EU) No 236/2014, financial instruments may be grouped into facilities for implementation and reporting purposes. The Commission will report annually to the European Parliament and the Council on the activities relating to the Investment Facility for Central Asia, including the details laid down in Article 140 of Regulation (EU, Euratom) No 966/2012. Reporting will also be carried out at an individual operational level by the entrusted entities, in line with the contractual provisions of the bilateral agreement that the Commission will sign with these entities.

The Commission will monitor the performance of the projects benefiting from an IFCA grant based on results indicators. Result indicators will be defined for each operation based on DEVCO's Result Measurement Framework as reflected in the Regional Indicative Programme as well as the list below elaborated in cooperation with Financial Institutions in context of the EU Platform on Blending in External Cooperation.

a) Environment/Water and Sanitation

- Length of new or rehabilitated water supply pipes;
- Population benefitting from safe drinking water;
- Length of new or rehabilitated sewer pipes installed;
- Population benefitting from improved sanitation services;
- New connections to water supply;
- Potable Water Produced;
- Water treatment capacity;
- Wastewater Treated and Wastewater treatment capacity

b) Energy

- Transmission and distribution lines installed or upgraded;
- Population benefitting from electricity production;
- New connections to electricity;
- Power production;
- Additional capacity from conventional electricity production;
- Variation in CO2 emissions;
- Additional capacity from renewable energy sources and Energy efficiencies

c) Social Sector (social housing, health, education)

- New and/or refurbished habitable floor area;
- Population benefitting from improved housing, conditions;
- New and/or refurbished health facilities;
- Bed occupancy rate;
New and/or refurbished educational facility;
Inpatients;
Outpatients consultations and
Students benefitting from new and/or refurbished educational facility

d) Trade and Private Sector Development
For direct operations: access to finance: number of units served among relevant target group;\(^5\)
For indirect operations: access to finance: number of units served among relevant target group;\(^5\)
For direct operations: access to finance: Amount of outstanding loans to relevant target group;
For indirect operations: access to finance: Amount of Outstanding Loans to relevant target group;
For indirect operations: access to liquidity/capital: volume of new loans made available to financial intermediaries (e.g. banks, microfinance institutions, funds);
For direct operations: number of MSMEs reporting increased turnover (as a result of direct support received from the FIs) and
For both direct and, where feasible, indirect operations: Number of jobs sustained (resulting from the project)

e) Cross sector indicators
Total number of beneficiaries;
Number of beneficiaries living below the poverty line (whose living conditions are improved by the project);
Variation CO2/Greenhouse gases and Jobs sustained / created.

4.7. **Evaluation and audit**

At the level of the individual operations, monitoring, evaluation and audit tasks will be carried out under the responsibility of the Lead Financial Institution and will be organised according to the requirements of each project. In addition, the Commission reserves the right to undertake external audits in accordance with international standards, and in that case it shall be financed by other financial sources.

Operations can be the subject of financial control by the Commission (including by OLAF) as well as by the European Court of Auditors.

4.8. **Communication and visibility**

The European Commission and its implementing partners will abide by the visibility rules for European Union financing as per relevant provisions in the respective project agreements and contracts. For each individual project, a communication plan will be prepared by the lead Financial Institution, allowing the involvement of the EU Delegations at key stages of the projects having visibility potential. The European Commission will publish an annual activity report providing an overview of the financed projects.

\(^5\)Performance indicators of the Regional Indicative Programme for Central Asia.
## Appendix 1: IFCA Indicative Pipeline 2014 - 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Lead Finance Institution</th>
<th>Co-financing</th>
<th>Operation Name</th>
<th>Total Budget (EUR)</th>
<th>IFCA Contribution</th>
<th>Indicative timing</th>
<th>Signature of Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uzbekistan</td>
<td>AFD</td>
<td></td>
<td>Electricity Efficiency (modernization of the low voltage distribution network in Bukhara, Samarkand and Jizzakh regions)</td>
<td>268</td>
<td>2</td>
<td>3</td>
<td>Q4 2014 or 2015 for final approval</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>AFD</td>
<td></td>
<td>Solid Waste Management in Samarkand</td>
<td>35</td>
<td>8</td>
<td></td>
<td>Q4 2014 or 2015 for final approval</td>
</tr>
<tr>
<td>Regional (focus on Kyrgyz Republic/Tajikistan)</td>
<td>EBRD</td>
<td>EIB</td>
<td>Support to improve local capital markets and increase local currency lending for SMEs</td>
<td>42</td>
<td>1</td>
<td>5</td>
<td>TBC</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>EBRD</td>
<td>EBRD Bilaterals</td>
<td>Environmental support for Turkmenbashi port</td>
<td>31</td>
<td>1</td>
<td></td>
<td>TBC</td>
</tr>
<tr>
<td>Regional (Kazakhstan, Kyrgyz Republic and Tajikistan)</td>
<td>EBRD</td>
<td></td>
<td>Small Business Support programme in Kazakhstan, Kyrgyz Republic and Tajikistan</td>
<td>8</td>
<td>8</td>
<td></td>
<td>TBC</td>
</tr>
<tr>
<td>Country</td>
<td>Lead Finance Institution</td>
<td>Co-financing</td>
<td>Operation Name</td>
<td>Total Budget (EUR)</td>
<td>IFCA Contribution</td>
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<tr>
<td>Kyrgyz Republic</td>
<td>EBRD</td>
<td></td>
<td>Tokmok Water Project</td>
<td>5</td>
<td>2.12</td>
<td>Q2 2014 for provisional approval by the Board</td>
<td>2014</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>EBRD</td>
<td>EIB</td>
<td>Kyrgyz Republic Water Framework (East)</td>
<td>23.5</td>
<td>14.5</td>
<td>Q3 Provisional</td>
<td>2015</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>EBRD</td>
<td>EIB</td>
<td>Kyrgyz Republic Water Framework (West)</td>
<td>15</td>
<td>9</td>
<td>Q3 Provisional</td>
<td>2015</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>KfW</td>
<td>EIB</td>
<td>Value Chain Agro-Finance in the Kyrgyz Republic</td>
<td>54</td>
<td>5</td>
<td>Q4 2014 for Final</td>
<td>2015</td>
</tr>
</tbody>
</table>

|               |              |              |                                               |                    |                  |                                               |                   |
| 20            | 38.62        |              |                                               |                    |                  |                                               |                   |
| **58.62**     |              |              |                                               |                    |                  |                                               |                   |

List of projects having received final approval for an IFCA grant contribution:

2011:

- The **Khujand Energy Loss Reduction Project** with an IFCA contribution of EUR 7,000,000 for a total cost of EUR 21,000,000, investment lead by the European Bank for Reconstruction and Development (EBRD) with EIB participation.

- The **Central Tajik cities -Water rehabilitation programme** with an IFCA contribution of EUR 7,000,000, for a total investment of EUR 15,000,000.

- The **Central Asian Technical Assistance Framework for the preparation and implementation of EBRD Municipal and Environmental Infrastructure Projects** which is a grant contribution of EUR 8,000,000 to the EBRD for project identification, feasibility studies and preparation of bankable dossier for further financing.

- **Kazakhstan Sustainable Energy Efficiency Financing Facility (KazSEFF)** (EUR 5,000,000), with EBRD and EIB participation which provides financial intermediaries with loans in order to support small-sized sustainable energy/energy efficiency projects in SMEs Kazakh sector.

2012:

- The **EU-EBRD SME Finance Facility for Central Asia** (EUR 11,000,000) helps SMEs in Central Asia to invest in their production and trading capacities, thereby providing them with long-term financing, through both direct support in the form of loan guarantees and indirect support by helping financial intermediaries to increase their loan offer through technical assistance.

- The **Kyrgyzstan Sustainable Energy Efficiency Financing Facility (KyrSEFF)** (EUR 6,800,000), which provides financial intermediaries with loans in order to support small-sized sustainable energy projects in the region. The project, co-funded by EBRD, also helps local engineers to improve their technical expertise. Besides, financial intermediaries are given the opportunity to develop their capacity to appraise projects in the field of energy efficiency and renewable energy.

- The **Microfinance Initiative for Asia (MIFA) Debt Fund** (EUR 3,000,000) is an initiative to support micro and small enterprises (MSEs) and low income households by providing credit and equity products in US Dollars and local currency instruments on commercial terms. The Fund is co-funded by Kreditanstalt für Wiederaufbau (KfW) and International Finance Corporation (IFC) and will contribute to resolving the problem of underdeveloped microfinance sectors in some Asian countries, thereby helping to improve employment and thus the economic and social living conditions of the people in the region.

2013:

- The **EBRD Framework for Strengthening Municipal Infrastructure in Central Asia** (phase I) will focus on Water Supply, Waste Water Treatment Plants in selected cities of Kyrgyzstan (Talas, Kant) and Tajikistan (Khatlon Region Water
Supply, Northern Tajik various cities) with an IFCA contribution of EUR 7 325 000.

- The objective of the Framework for Technical Assistance in Kazakhstan is to facilitate appropriate and effective preparation and implementation of investments financed by the EBRD, possibly in cooperation with other IFIs, by funding pre- and post-signing technical assistance such as feasibility studies, due diligence and project implementation support. The IFCA allocation for this activity is EUR 3 000 000.

- A first IFCA contribution of EUR 3 600 000 to the EBRD's Bishkek Solid Waste Project was approved in 2013. The operation seeks to support the municipal solid waste collection company Tazalyk to improve quality and reliability of solid waste management in Bishkek.

- The EIB's KAZAGRO climate loan for SMEs, MIDCAPS and MSMES promotes climate change adaptation and mitigation investments in the agri-food sector in Kazakhstan by facilitating access to finances and provide capacity building activities. The IFCA allocation for this activity is EUR 1 800 000.

2014 (as of May 16's board meeting):

- The objective of the EBRD's Implementation of Enterprise Growth Programme and Business Advisory Services is to provide advisory services by international experts in cooperation with local business consultants to SMEs in Turkmenistan in order to foster their development. The IFCA contribution to this activity – which complements the SME Finance Facility in Central Asia for which a separate IFCA contribution was approved in 2012 – is EUR 2 500 000.

- The EBRD's Turkmenistan Project Identification Study that will be entirely funded by an IFCA contribution of EUR 1 020 000 is supposed to prepare the ground for future EBRD interventions in Turkmenistan, possibly in cooperation with other IFIs.

- A second IFCA contribution equaling EUR 4 420 000 to the EBRD's Bishkek Solid Waste Project was approved in 2014.