



**ANNUAL REPORT**  
**EURASIAN FUND FOR STABILIZATION AND DEVELOPMENT**  
**2020**

April 2021

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## 1. ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AMF	Arab Monetary Fund
BRICS CRA	BRICS Contingent Reserve Arrangement
CAREC	Central Asia Regional Economic Cooperation Programme
CMIM	Chiang Mai Initiative Multilateralization
EDB	Eurasian Development Bank
EFSD PU	EFSD Project Unit
EFSD, the Fund	Eurasian Fund for Stabilization and Development
ESM	European Stabilization Mechanism
FC	Financial Credit
FLAR	Latin American Reserve Fund
GFSN	Global Financial Safety Net
IFO	International Financial Organisation
IL	Investment Loan
IMF	International Monetary Fund
KfW	Kreditanstalt für Wiederaufbau
KR	Kyrgyz Republic
MDB HoP	The Heads of Procurement of the Multilateral Development Banks
OECD	Organisation for Economic Cooperation and Development
RA	Republic of Armenia
RB	Republic of Belarus
RFA	Regional Financial Arrangement
RT	Republic of Tajikistan
WB	World Bank
ADB	Asian Development Bank
AMF	Arab Monetary Fund

EFSD financial statements are prepared in US dollars. Fiscal year: January 1 – December 31.  
Exchange rates as at 31 December 2020:

Currency	US\$ 1
Armenian dram	522.6
Belarusian ruble	2.6
Kazakhstani tenge	420.7
Kyrgyz som	82.7
Russian Rubles	73.9
Tajik somoni	11.3

Notes to the report:

Totals in tables and the text may not equal the sum of indicators and percentages may not total 100 due to rounding.

## 2. EXECUTIVE SUMMARY

The negative impact of the COVID-19 pandemic on the social and economic situation in the EFSD recipient countries demonstrated the importance of Fund's anti-crisis mandate for macroeconomic stabilization.

In 2020, the EFSD approved US\$650 million to support government programmes in the Republic of Belarus (US\$500 million), the Kyrgyz Republic (US\$100 million), and the Republic of Tajikistan (US\$50 million) to overcome the negative consequences of the COVID-19 pandemic on the economy, population, and financial and social sectors. Programmes include measures to support health systems, affected sectors of the economy, and vulnerable groups, and are aimed at implementing prudent and balanced macroeconomic policies. The Fund Council approved funding for all countries, but resources were provided only to the budgets of the RB and the RT. The KR loan availability period expired without disbursement.

EFSD support was prepared in coordination with other development partners, including IMF, WB and ADB.

In addition, the EFSD conducted an extraordinary competitive selection of health projects to be funded by grants. The Fund Council approved the use of \$9 million to fund projects in Armenia, the Kyrgyz Republic, and Tajikistan to increase health systems' preparedness for the pandemic, to perform mobile diagnostics, and to detect and respond to the threats posed by the coronavirus.

The EFSD response to the pandemic was one of the most active in the region, and among the institutions of the global financial safety net as a whole:

Institution	Year founded	Resources, \$ billion	Number of countries	COVID-19 Response N of operations
<b>IMF</b>	1944	1000	190	<b>76</b> (3 in the region of EFSD operations, $\Sigma=607$ mln \$)
<b>AMF</b>	1976	3.8	22	<b>7</b> ( $\Sigma= 1200$ mln \$)
<b>BRICS CRA</b>	2014	100.0	5	No
<b>CMIM</b>	2010	240.0	14	No
<b>EFSD</b>	2009	9.4	6	<b>6</b> (3 financial loans and 3 grant programs, $\Sigma = 659$ mln \$)
<b>ESM</b>	2012	794.0	19	No
<b>FLAR</b>	1978	6.8	8	No

In 2020, the Fund continued to actively support the implementation of projects financed through sovereign investment loans. The Fund's member states continued the implementation of investment projects and grants financed with EFSD resources totalling \$670 million, aimed at basic infrastructure modernisation. In particular, EDB finances and monitors the implementation of EFSD transport, hydropower, agricultural, and social projects.

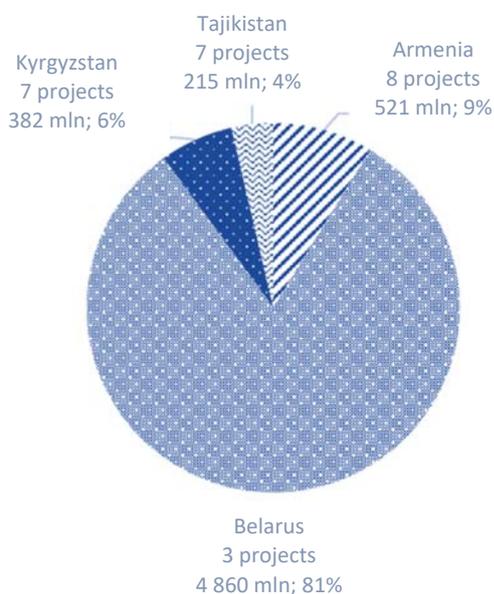
This year, EFSD's first investment project has reached its final stage - financing of agricultural machinery supplies to the Kyrgyz Republic, for which the disbursement period has ended for a total of US\$14.5 million. The implementation of the project helped the country to stimulate the development of the agricultural machinery leasing market for farmers and to fix the result with a revolving fund established under the project, which will enable agri producers to acquire agricultural machinery under lease arrangements on favorable terms. The EFSD project opened the leasing market to other development partners who provided funding for similar products.

In 2020, the Fund was granted the status of an observer at the annual meetings of the International Monetary Fund and the World Bank and the status of a permanent member of the Multilateral Development Banks' Heads of Procurement working group. The EFSD Project Unit participated in a dialogue with the CAREC development partners and took part in the CAREC Ministerial Conference, where the Fund was invited to engage more actively in this format. In 2020, the Eurasian Economic Commission and the representatives of the EFSD Resources EDB discussed the EAEU catch-up development mechanisms, where the EFSD together with the EDB are seen as the basis for facilitating such development.

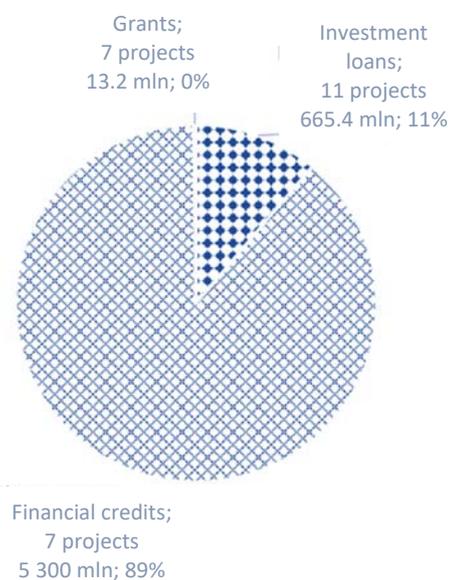
### **3 PROJECT PORTFOLIO**

In 2020, the portfolio comprised seven new programmes and projects with the total funding of US\$582.7 million (Chart 3). The accumulated portfolio has grown to twenty-five projects with a total funding of US\$5,978.6 million (see Annex 1). The portfolio continues to display high concentration on financial loans, which account for 89% of all Fund's operations, with 81% of all operations taking place in the country with the largest economy among the recipients of funds - the Republic of Belarus (Chart 1 and Chart 2). The share of Tajikistan's projects financed by the Fund has grown in the portfolio by 2 percent or US\$83 million.

**Chart 1. Project Geography**



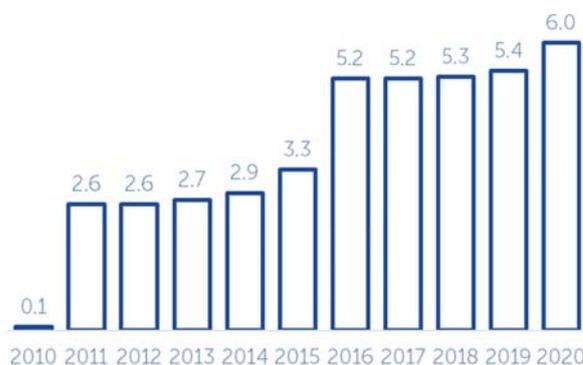
**Chart 2. Funding Structure**



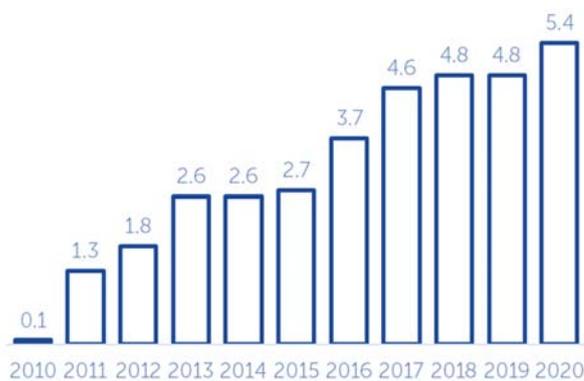
**3.1 DISBURSEMENT**

In 2020, US\$573.5 million was disbursed by the EFSD to member states, of which US\$550 million in financial loans and US\$23.5 million in investment loans and grants (Chart 4). The increase in disbursements for investment loans in 2020 was 161% compared to 2019, due to acceleration in the pace of project implementation despite pandemic-related restrictions.

**Chart 3. Portfolio Dynamics**



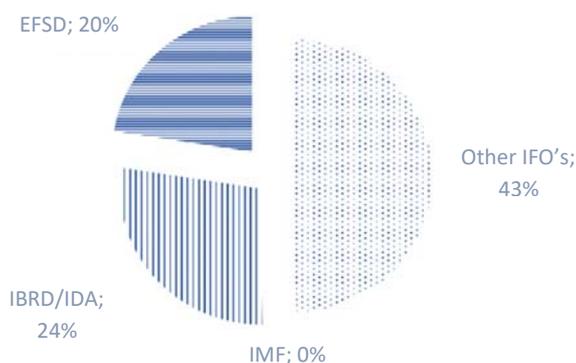
**Chart 4. Disbursement Dynamics**



Note: commitments under projects and project concept notes and disbursements are given in US\$ billion on a cumulative basis, not taking into account debt repayments

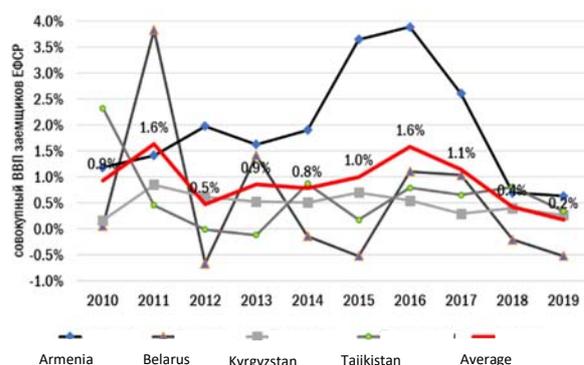
In 2020, net disbursements by EFSD amounted to US\$191.5 million (disbursements minus repayment). Earlier, in 2018-2019, there was an outflow of EFSD resources from member states because principal repayments exceeded disbursements (Chart 6 and 7). This trend is marked for the RFA and the IMF and is attributable, inter alia, to the lack of demand from states for budget support (in particular, in 2018-2019 for the EFSD) due to lower macroeconomic risks. At the same time, the EFSD continued its regular macroeconomic oversight and dialogue with the authorities to assess risks and, at the request of the authorities in 2019, began to develop potential programmes for Tajikistan and Kyrgyzstan. Overall, the EFSD has generated about 20% of all net flows from IFOs to member states on a net basis over the period of its existence (Chart 5).

**Chart 5. Funding structure of IFOs in EFSD member states for 2010-2019. (\*)**

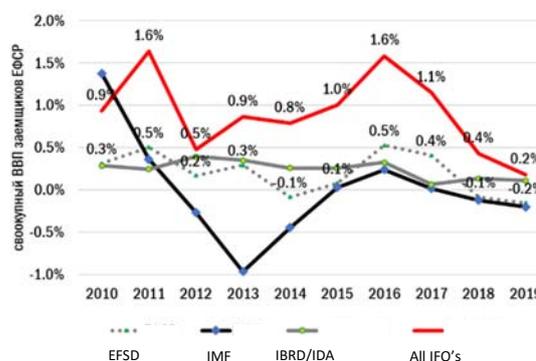


Note: Calculated based on net flows.

**Chart 6. IFO Net Flows to countries, % of GDP**



**Chart 7. IFO Net Flows, % of GDP**



Note: Net flows are calculated according to the OECD DAC methodology as the difference between disbursements and principal repayments as a percentage of GDP. The average value presented in Chart 6 is used in Chart 7 as net disbursements from all IFOs to eliminate distortions due to differences in the countries' GDP.

### 3.2 COVID-19 RESPONSE

The EFSD Council approved the provision of three financial loans of US\$650 million to support government programmes in the Republic of Belarus (US\$500 million), the Kyrgyz Republic (US\$100 million), and the Republic of Tajikistan (US\$50 million) to overcome the negative consequences of the COVID-19 pandemic on the economy, population, and financial and social sectors. Programmes include measures to support health systems, affected sectors of the economy, and vulnerable groups, and are aimed at implementing prudent and balanced macroeconomic policies. EFSD support was prepared in coordination with other development partners, including IMF, WB and ADB. The Fund Council approved funding for all countries, but resources were provided only to the budgets of the Republic of Belarus and the Republic of Tajikistan. The period of KR loan availability expired without disbursement.

As additional support from EFSD to low-income countries, the Fund Council decided to conduct an extraordinary competitive selection of grants from the Fund's net profit to support health systems during the COVID-19 pandemic. The Fund Council approved the use of \$9 million to finance projects in Armenia, the Kyrgyz Republic, and Tajikistan to increase health systems' preparedness for the pandemic, to perform mobile diagnostics, and to detect and respond to the threats posed by the coronavirus. In 2020, the EFSD Council approved two projects to develop the terms of financing:

- "Improving Preparedness for the COVID-19 Pandemic in the Republic of Armenia: detection and response to the threats posed by the coronavirus" for US\$3 million. The project includes modernisation and procurement of equipment for two branches of the State Non-profit Organisation "National Centre for Disease Control and Prevention", construction of a new infectious diseases centre of ZAO Vanadzor Medical Centre in Vanadzor, a component designed to raise public awareness about COVID-19 among the population and medical personnel, including training courses on the treatment of COVID-19 patients for medical personnel in the Republic of Armenia;
- "COVID-19 Mobile Diagnostics (Republic of Tajikistan)" for US\$3 million. The project includes the purchase of five mobile sanitary and epidemiological laboratories to be donated to the State Sanitary and Epidemiological Surveillance Service of the Ministry of Healthcare and Social Protection of the Republic of Tajikistan, as well as the purchase of COVID-19 diagnostic tests for the population to be donated to organisations and/or institutions.

The application of the Kyrgyz Republic has been returned for finalization since it was not sufficiently prepared.

Overall, EFSD has been one of the most active institutions in responding to COVID-19 among the IFOs working in the region (Table 1).

**Table 1. IFO Response to COVID-19**

	IMF	EFSD	ADB	WB
Armenia	175	-	45	3
Belarus	-	500	-	100
Kyrgyzstan	242	-	72	21
Tajikistan	190	50	55	11
<b>Total</b>	<b>607</b>	<b>550</b>	<b>172</b>	<b>135</b>

### 3.3 SECOND COMPETITION FOR GRANTS

In 2020, the EFSD Council summarized the results of the second competition for grants for social projects. As a result, two projects of the Republic of Armenia were approved for further development of the terms of financing together with the EDB:

- "Energy Intensive Regions: Using Energy Saving Mechanisms in Public Buildings and Promoting Green Energy" for US\$1.7 million. The project includes investment and energy audit of public infrastructure buildings and subsequent energy saving measures, as well as information activities to raise awareness of energy saving issues, preparation and distribution of relevant printed materials.
- "Electronic Labour Exchange" for US\$0.5 million. The project includes the design, development and implementation of a public electronic labour exchange platform accessible to employers and applicants, as well as an information campaign about the electronic labour exchange.

### 3.4 PROJECT CONCEPTS

In the second half of 2020, the Fund Council approved a new project concept of the Republic of Tajikistan "Support for the Potential of Irrigated Agriculture". The Concept envisages financing from the EFSD estimated US\$30 million for infrastructure rehabilitation, institutional development and sustainable functioning of basin water management authorities.

The potential project includes:

- Replacement of pumping and power units in the cascade pumping stations STS-1 and STS-2 of the Zafarabad district with modern pumping and power plants;
- Creation of 4 mobile mechanized columns of rapid response melioration and irrigation and equipping them with appropriate machines and mechanisms;
- Improving the institutional capacity of the AMI.

### 3.5 PROJECTS THAT REACHED THEIR FINAL STAGE

In 2020, the Fund's first investment project - financing of agricultural machinery supplies to the Kyrgyz Republic - reached its final stage. The disbursement was completed and the final report on achievement of project objectives is being prepared. The implementation of the project helped the country to stimulate the development of the agricultural machinery leasing market in the Republic by improving access to machinery primarily for small farms throughout the country and to fix the result with a revolving fund established under the project, which will enable agri producers to acquire agricultural machinery under lease arrangements on favorable terms. Moreover, the project implementation policies and procedures developed specifically for this project together with the EDB allowed the Beneficiary and the Ultimate Beneficiary to use them for subsequent leasing projects as well.

Also, in 2020, the EFSD Council took note of the EDB's Final Report on the results of the implementation of the Reform Programme supported by EFSD second financial credit to the Republic of Tajikistan in 2016 ( <https://efsd.eabr.org/projects/vtoroy-finansovyy-kredit-respublike-tadzhikistan/> ).

## 4 ANALYTICAL WORK

Debt sustainability models for Belarus and Armenia were developed and implemented and models for Kyrgyzstan and Tajikistan were improved in 2020 in response to the dramatic change in the macroeconomic situation. The external debt assessment model was developed and implemented for Armenia and Belarus, allowing private sector debt to be taken into account. Furthermore, additional model units have been introduced to allow for multi-factor stress testing to identify imbalances in countries' debt and fiscal positions, taking into account external factors and regional specifics. A series of analyses on debt sustainability was used in the preparation of the EFSD's financial loans. The system of debt sustainability analysis (DSA) models was created ahead of schedule for all EFSD recipient states.

A series of analytical notes on assessment of potential vulnerabilities of the EFSD recipient states to the evolving crisis caused by the pandemic, including debt sustainability analysis, was prepared as part of emergency financing. The proposals on feasibility, volumes and terms of emergency financing were developed based on the results of the analysis as part of external emergency support measures coordinated with other donors (including IMF).

The applied research continued on public debt management, fiscal policy and access to financial resources for borrowing states under the EFSD Programme for 2020. All working papers were discussed with public authorities and reviewed at the IMF as part of the agreements reached.

Four working papers were published in 2020:

- [EFSD Working Paper WP/20/1 “Kyrgyz Republic Debt Sustainability and External Shocks”](#). The study assessed debt sustainability of the Kyrgyz Republic under three stress scenarios: (1) a global recession, (2) high financial volatility, and (3) the combination of a global recession and a financial crisis.
- [EFSD Working Paper WP/20/2 “Global Financial Safety Net in Eurasia: Accessibility of Macroeconomic Stabilization Financing in Armenia, Belarus, Kyrgyzstan, and Tajikistan”](#). This study quantitatively and qualitatively assessed the available sources and volumes of stabilization financing in the EFSD recipient states.
- [EFSD Working Paper WP/20/3 “Tajikistan and the Kyrgyz Republic Post-COVID-19: Debt Sustainability, Financing Needs, and Resilience to Shocks”](#). In the context of the current external economic environment, experts assessed debt sustainability and solvency situation in the Kyrgyz Republic and Tajikistan after the pandemic.
- [EFSD Working Paper WP/20/4 “Optimal Debt and the Quality of Institutions”](#). The analytical paper calculated an optimal debt level, taking into account countries’ institutional characteristics.

Regular macroeconomic monitoring was conducted. The reviews of macroeconomic developments in EFSD member countries for 2019 and the first half of 2020 and executive summaries on budget, public debt and financial sector issues were prepared and published on the EFSD website during the reporting period.

In order to improve coordination of activities in recipient countries with development partners, regular consultations were held with the donor community and the IMF Article IV Mission, at which assessments and forecasts of the development of the macroeconomic situation in the EFSD recipient countries were discussed. An increase in analytical collaboration with IFOs and other partners has strengthened the Fund's role as a regional financial arrangement.

Due to the impact of the Covid-19 pandemic, online conferences and round tables where EFSD’s analysts presented their reports and speeches were widely used. In particular, the EFSD representatives shared their assessments of economic development and prospects in the region against the background of the COVID-19 pandemic at the annual meetings of the IMF and the World Bank. These events in the form of press releases were posted on the EFSD’s website, thus contributing to the promotion of the EFSD’s image and mission in the public space.

## **5 DIALOGUE WITH MEMBER STATES AND PARTNERS**

In 2020, the key efforts were focused on increasing the effectiveness of interaction with the authorities of the member states, development partners, academic institutions, and the public. The main instruments for such coordination include the EFSD PU missions to countries, review of portfolios with governments to discuss project progress, consultations with authorities and IFOs on particular issues, and participation in joint activities of IFOs and RFAs.

### **5.1 INTERACTION WITH MEMBER STATES**

More than 50 high-level working meetings were held during the reporting period (including a virtual format) with representatives of the authorities of the member states.

In January, a tripartite working meeting was held in the form of a videoconference with representatives of the Asian Development Bank and state authorities of the Kyrgyz Republic to discuss cooperation under the Uch-Kurgan HPP rehabilitation project. As a result, the format of interaction between the parties was approved.

A face-to-face mission of the EFSD Project Unit to RT took place in February 2020 prior to pandemic-related restrictions. The measures of a potential reform programme that could be supported by the EFSD financial loan were discussed during the mission. The mission met with the country's Minister of Finance Fayziddin Kahkhorzoda, the leadership and experts of the key ministries and agencies involved in the programme preparation process. The consultations were also held with key development partners.

The meetings were held during IL missions with the management of the Ministry of Energy and Water Resources of the RT to discuss the Nurek HPP rehabilitation project. The entry into force of the investment loan agreement for rehabilitation of Nurek HPP was also discussed during negotiations with the management of Barki Tojik OJSHC. Steps are planned to implement all the necessary activities to fast-track the start of the project.

The mission to the Kyrgyz Republic took place as part of the structuring of a project on improving water supply and sanitation in rural communities of the Kyrgyz Republic. The mission visited the locations of the proposed construction, held meetings with local government representatives to discuss parameters of the forthcoming project in detail.

Working visits to the RA and the KR also took place to discuss the transport sector. The progress of the project for “Construction of the North-South Road Corridor (Phase 4)” was discussed during the meeting with the Advisor to RA Deputy Prime Minister. Meetings were held in the KR with the Minister of Transport and Roads, project implementation unit, contractor and supervisory engineer to discuss measures to improve the implementation of the Bishkek-Osh Road Rehabilitation Project, Phase IV.

Negotiations were held with representatives of the German Development Bank KfW (Germany) with the participation of the management of the open joint-stock company State Mortgage Company (KR) in the course of preparation of the evaluation report on the preliminary application of the Kyrgyz Republic for the provision of an investment loan for implementation of concessional mortgage programme for socially vulnerable groups of the population with the aim to share experience on financing of such projects by German partners.

During the year the EFSD Project Unit conducted joint reviews of the project portfolio with representatives of the Kyrgyz Republic and the Republic of Tajikistan to facilitate effective coordination and monitoring of project implementation and to maintain a high quality portfolio. The management of the Ministry of Finance of the KR and the Ministry of Finance of the RT, as well as representatives of other key ministries and agencies of the republics took part in the events. During the reviews the representatives of the executing agencies and project implementation units reported on their performance in 2020. Factors affecting the implementation of the projects and the prospects for further cooperation were discussed. In addition, the parties signed Joint Plans for the implementation of EFSD projects in the Kyrgyz Republic and the Republic of Tajikistan respectively, in which they fixed specific activities under EFSD investment and grant projects for 2021.

## **5.2 PARTNERSHIPS**

In 2020, especially in the first half of the year, collaboration with partner institutions was much more intensive than in the previous reporting period. During a period of 12 months of 2020, the EFSD Project Unit held a total of over 130 meetings with development partners.

### **Dialogue with RFAs**

The EFSD Project Unit was one of the initiators of intensifying dialogue among regional financial arrangements during the pandemic. Multilateral meetings were held during which RFAs shared information with each other on their capacities to respond to the pandemic crisis, exchanged assessments of the economic situation in the regions of operations, and discussed approaches and practices for cooperation with the IMF during the pandemic. This allowed all participating institutions to improve understanding of the nature of their partners' responses to the crisis and to broaden understanding of the impact of the crisis with examples from other regions and IMF assessments. These consultations also demonstrated the high importance of the dialogue between the RFAs and the IMF for the International Monetary Fund in terms of assessing the adequacy of resources of the Global Financial Safety Net, of which the EFSD is a part.

Two meetings of RFAs were held with the participation of IMF Managing Director, who emphasized the important role of RFAs and the need for coordination of support measures. In

follow-up to the first meeting, a videoconference seminar on IMF instruments and multi-stage crisis response strategy was held specifically for RFAs. The second meeting was timed to coincide with the annual regional financial arrangements dialogue in October 2020.

At the meeting of the RFA heads in October 2020, the RFA heads decided to launch a new joint study of RFAs to compare the COVID-19 responses in different regions. Participants agreed that the pandemic showed the importance of adapting lending instruments to the needs of member states and of using a diverse set of instruments.

The EFSD Project Unit participated in the annual RFA research seminar organized in a virtual format due to the pandemic.

The EFSD Project Unit also took part in a dialogue of the chief economists of the RFAs and the IMF. This new format of interaction is part of an expanding dialogue between the RFAs and the IMF which aims at improving the effectiveness of crisis response by strengthening the Global Financial Safety Net.

### **Dialogue with IFOs**

The EFSD Project Unit participated in the Spring Meetings of the IMF's and World Bank's governing bodies via videoconference. The meeting with international financial institutions represented in Central Asia and the South Caucasus was held on a virtual platform. This regular format of meetings allows us to "synchronize our watches" with the situation in the region.

In 2020, a dialogue with the World Bank intensified to address the issue of participation in a dialogue of the heads of procurement in the multilateral development banks (MDB HoP). The EFSD Project Unit was invited to a face-to-face meeting of this group, in which the EFSD Project Unit gave a presentation on the EFSD procurement system. During the event, the EFSD Project Unit was highly commended for the procurement policy prepared by the Fund. Efforts to join this professional association will continue. In the second half of the year, the EFSD Project Unit became a permanent member of the working group and joined its regular meetings. Since 1998, MDB HoP members have met regularly to disseminate international best practices in procurement and explore opportunities for collaboration and mutual capacity building for their clients.

As part of MDB HoP dialogue, the EFSD Project Unit took part in MDB meeting with associations of contractors and consulting engineers. The conceptual issues of using FIDIC standards during the pandemic were discussed at the meeting.

In 2020, the EFSD participated for the first time in the Annual Meetings of IMF and WB in the official observer status granted by WB shortly before it based on the review of EFSD documents. Furthermore, representatives of the EFSD Project Unit participated in the regular meeting of international financial organizations (IFOs) for the Caucasus and Central Asia (CCA) region

organized by the IMF, during which they assessed the economic situation and risks in the countries of the region.

The EFSD Project Unit staff attended a number of thematic conferences of the Annual Meetings on the assessment of the status and prospects of global and regional economies, the impact of the pandemic and policy measures to counter the COVID-19 pandemic, and on getting back the economies to a trajectory of sustainable growth. Bilateral meetings were held with representatives of several IFOs, including IMF, WB and ADB, to discuss the economic situation and crisis response in the EFSD recipient states.

### **EFSD at International Venues**

The EFSD Project Unit took part in the meetings of the Central Asia Regional Economic Cooperation (CAREC) programme: development partners forum and ministerial conference, financial and economic stability forum. In 2020, cooperation between CAREC and EFSD has evolved with a deeper involvement of the Fund in the programme. This is in line with the CAREC secretariat's plans to increase the involvement of development partners in planning, financing, and implementation of the initiative. The CAREC database reflects 5 projects financed by the EFSD.

The EFSD Project Unit normally participates in OECD and G20 meetings for long-term infrastructure investment where application of the G20 principles for quality investments is discussed.

## **5.3 PUBLIC RELATIONS**

The Fund's activities were actively covered in the public space in the member states through work with the media and participation of leading experts and managers of the EFSD Project Unit in public events. All the most important events in the life of the Fund were posted on the EFSD website. Analytical web page traffic increased by 24% in 2020.

## **6 ANTI-CRISIS CAPACITY OF FUND**

As of December 31, 2020, the Fund's capacity to provide new funding amounted to US\$6,022 million, including:

- US\$5,454 million in promissory notes transferred by participants to the EFSD as contributions,
- US\$1,022 million of temporarily available funds; and
- Minus US\$454 million of commitments to the borrowing countries under agreements entered into force (Annex 1).

The existing capacity is equivalent to 7.0% of the total GDP of the EFSD recipient states.

## Annex 1. Access Limits

Member State	Approved Access Limit	Access Limit as of December 31, 2020 (US\$ million)
Armenia	13%	1 223
Belarus	21%	1 976
Kazakhstan	24%	2 258
Kyrgyzstan	3%	282
Russia	37%	3 482
Tajikistan	2%	188
<b>Total</b>	<b>100%</b>	<b>9 410</b>

The current limits of Fund member states' access to Fund resources in % were approved at the third meeting of the Fund Council on February 25, 2010. The current limit of US\$ million is calculated based on the total amount of the Fund's resources as at 30 June 2020 in the amount of US\$9,372 million, including contributions to the Fund (in cash and in promissory notes), proceeds from the placement of temporarily idle resources, revenues from the resources provided by the Fund on a refundable basis.

## Annex 2. EFSD Projects as of December 31, 2020

(as at December 31, 2020, US\$ million )

SECTOR	PROJECT	INSTRUMENT	COUNTRY	STATUS	NOMINAL SIZE	ACTUAL SIZE	TOTAL DISBURSEMENT	TO BE DISBURSED	DEBT BALANCE	APPROVAL DATE
MACROSTABILIZATION	FINANCIAL CREDIT FOR THE REPUBLIC OF BELARUS NO. 1	FC	RB	Completed	3000,0	2560,0	2560,0	n/a	176,6	04.06.2011
MACROSTABILIZATION	FINANCIAL CREDIT FOR THE REPUBLIC OF BELARUS NO. 2	FC	RB	Completed	2000,0	1800,0	1800,0	n/a	1776,2	25.03.2016
MACROSTABILIZATION/ COVID-19	FINANCIAL CREDIT FOR THE REPUBLIC OF BELARUS NO. 3	FC	RB	Ongoing	500,0	500,0	500,0	n/a	500,0	09.10.2020
MACROSTABILIZATION/ REFORMS	FINANCIAL CREDIT FOR THE REPUBLIC OF ARMENIA	FC	RA	Completed	300,0	300,0	300,0	n/a	300,0	29.10.2015
MACROSTABILIZATION/ REFORMS	FINANCIAL CREDIT FOR THE REPUBLIC OF TAJIKISTAN NO.1	FC	RT	Completed	70,0	70,0	70,0	n/a	46,7	18.06.2010
MACROSTABILIZATION/ REFORMS	FINANCIAL CREDIT FOR THE REPUBLIC OF TAJIKISTAN NO. 2	FC	RT	Completed	40,0	20,0	20,0	n/a	20,0	08.12.2015
MACROSTABILIZATION/ COVID-19	FINANCIAL CREDIT FOR THE REPUBLIC OF TAJIKISTAN NO. 3	FC	RT	Ongoing	50,0	50,0	50,0	n/a	50,0	31.07.2020
MACROSTABILIZATION/ COVID-19	FINANCIAL CREDIT FOR THE KYRGYZ REPUBLIC	FC	KR	Canceled	100,0	-	-	n/a	-	07.08.2020
ENERGY	COMMISSIONING OF THE 2ND HYDROELECTRIC UNIT OF THE KAMBARATINSKAYA HPP-2	IL	KR	Ongoing	110,0	110,0	0,0	110,0	0,0	23.09.2016
ENERGY	TOKTOGUL HPP REHABILITATION PHASE 2	IL	KR	Ongoing	100,0	100,0	11,9	88,1	11,9	03.07.2015
ENERGY	NUREK HPP REHABILITATION PHASE 1	IL	RT	Ongoing	40,0	40,0	3,9	36,1	3,9	29.12.2018
ENERGY	UCH-KURGAN HPP REHABILITATION	IL	KR	Approved	45,0	45,0	n/a	n/a	n/a	22.10.2019
ENERGY	KAMBARATINSKAYA HPP-2 SAFETY PLAN IMPLEMENTATION PROJECT	IL	KR	Concept	50,7	50,7	n/a	n/a	n/a	n/a
AGRICULTURE	IRRIGATION SYSTEM MODERNIZATION	IL	RA	Ongoing	40,0	40,0	16,0	24,0	16,0	03.07.2015
AGRICULTURE	AGRICULTURAL MACHINERY SUPPLIES	IL	KR	Completed	20,0	14,5	14,5	n/a	14,5	27.12.2013
AGRICULTURE	CONSTRUCTION OF MASTARA RESERVOIR	IL	RA	Concept	25,2	25,2	n/a	n/a	n/a	n/a

AGRICULTURE	SUPPORT OF THE POTENTIAL OF IRRIGATED AGRICULTURE	IL	RT	Concept	30,0	30,0	n/a	n/a	n/a	n/a
SOCIAL PROTECTION	CARAVAN OF HEALTH (REPUBLIC OF TAJIKISTAN)	Grant	RT	Ongoing	2,0	2,0	0,1	1,9	n/a	29.12.2018
SOCIAL PROTECTION	CARAVAN OF HEALTH (KYRGYZ REPUBLIC)	Grant	KR	Ongoing	2,0	2,0	0,1	1,9	n/a	29.12.2018
SOCIAL PROTECTION	PREVENTION AND CONTROL OF NONCOMMUNICABLE DISEASES	Grant	RA	Ongoing	1,0	1,0	0,6	0,4	n/a	28.02.2018
SOCIAL PROTECTION	ELECTRONIC LABOR EXCHANGE	Grant	RA	Concept	0,5	0,5	n/a	n/a	n/a	24.09.2020
SOCIAL PROTECTION	ENERGY INTENSIVE REGIONS	Grant	RA	Concept	1,7	1,7	n/a	n/a	n/a	24.09.2020
SOCIAL PROTECTION/ COVID-19	IMPROVING PREPAREDNESS FOR THE COVID-19 PANDEMIC	Grant	RA	Concept	3	3	n/a	n/a	n/a	29.12.2020
SOCIAL PROTECTION/ COVID-19	COVID-19 MOBILE DIAGNOSTICS	Grant	RT	Concept	3	3	n/a	n/a	n/a	29.12.2020
TRANSPORT	BISHKEK-OSH ROAD REHABILITATION PROJECT. PHASE IV	IL	KR	Ongoing	60,0	60,0	17,2	42,8	17,2	27.12.2013
TRANSPORT	CONSTRUCTION OF THE NORTH-SOUTH CORRIDOR (PHASE IV)	IL	RA	Ongoing	150,0	150,0	1,6	148,4	0,9	02.07.2014
TRANSPORT	REHABILITATION OF THE ARAL-SUUSAMYR ROAD	IL	KR	Review	96,6	n/a	n/a	n/a	n/a	n/a
SOCIAL PROTECTION	IMPROVING THE AFFORDABILITY OF HOUSING AND THE HOUSING CONDITIONS	IL	KR	Review	25,0	n/a	n/a	n/a	n/a	n/a
SOCIAL PROTECTION	IMPROVING WATER SUPPLY AND SANITATION IN RURAL COMMUNITIES	IL	KR	Review	43,9	n/a	n/a	n/a	n/a	n/a
SOCIAL PROTECTION/ COVID-19	GRANT TO COMBAT COVID-19 CONSEQUENCES	Grant	KR	Review	3	n/a	n/a	n/a	n/a	n/a
<b>TOTAL PORTFOLIO:</b>					<b>6 912,6</b>	<b>5 978,6</b>	<b>5 365,9</b>	<b>453,6</b>	<b>2 933,9</b>	

Notes:

(1) Completed – the project is at its final stage of implementation. The project has been implemented, debt repayment and servicing under the loan is ongoing, and the final report on the use of the funds has already been approved or is planned for approval by the Fund's Council; Ongoing – the project financing agreement has entered into force; Approved – the Fund's Council has approved the project financing, the agreement is expected to be signed; Concept - the Fund's Council has approved the project concept note for further preparation of an application for its financing in the form of an investment loan or approved the development of the terms of financing in the form of a grant; Review - EDB has received a preliminary application for an investment loan or grant for the project financing.

(2) Nominal size - the amount of project financing originally approved/expected to be approved by the Fund's Council. The actual size does not include loan cancellations, nor does it take into account the amounts of projects under review.

(3) To be disbursed - the balance of the financing amount not used by the recipient, but approved by the Fund's Council.

(4) The outstanding balance is the loan amount used but not repaid by the recipient.

### Annex 3. Key Decisions of the EFSD Council in 2020

Date	Decision
06.04.20	<p><b>On the results of implementation of the Reform Programme supported with a financial credit to the Republic of Tajikistan by the EFSD.</b></p> <p>To take note of the EDB Final Report on the results of implementation of the Reform Programme supported with a financial credit to the Republic of Tajikistan financed by the EFSD.</p>
09.04.20	<p><b>On the concepts of the EFSD Environmental and Social Policy and Environment and Social Impact Management Procedures for EFSD-funded projects and programmes.</b></p> <p>To take note of the information provided by EDB on the bank's concepts of the EFSD Environmental and Social Policy and Environment and Social Impact Management Procedures for EFSD-funded projects and programmes.</p>
	<p><b>On the EDB's standard procurement documents for EFSD-funded projects.</b></p> <p>To take note of the information provided by the EDB on the completion and approval of the following standard procurement documents:</p> <ul style="list-style-type: none"> <li>▪ Format of General Procurement Notice;</li> <li>▪ Format of Specific Procurement Notice;</li> <li>▪ The EDB's Standard Bidding Documents for the Procurement of Goods through International Competitive Bidding (ICB) for EFSD-funded projects;</li> <li>▪ Format of Evaluation Report for Procurement of Goods through ICB;</li> <li>▪ The EDB's Standard Bidding Documents for the Procurement of Goods through National Competitive Bidding (NCB) for EFSD-funded projects;</li> <li>▪ Format of Evaluation Report for Procurement of Goods through NCB.</li> </ul>

31.07.20	<p><b>On extraordinary competitive selection for provision of grants by the EFSD in connection with COVID-19.</b></p> <ol style="list-style-type: none"> <li>1. To announce extraordinary competitive selection of projects to be supported with EFSD grants for the purpose of EFSD member states' response to COVID-19 impacts (hereinafter - extraordinary competitive selection).</li> <li>2. To establish the amount of the Fund's resources available under Extraordinary Competitive Selection at US\$9 million.</li> <li>3. To establish that the grants under Extraordinary Competitive Selection are to be provided to the EFSD member states with the per capita gross national income below US\$4300 according to the 2018 data.</li> <li>4. To approve the Bidding Documents for Extraordinary Competitive Selection.</li> <li>5. To announce extraordinary competitive selection of projects to be supported with EFSD grants for the purpose of EFSD member states' response to COVID-19 impacts with a deadline for submission of applications within 15 days after the adoption of this decision by the EFSD Council.</li> <li>6. The EFSD Project Unit shall assist the EFSD member states in preparing applications for EFSD grants, including the conditions for provision of the EFSD resources.</li> <li>7. The EFSD Council of Experts shall evaluate applications and prepare evaluation reports on the Applications and recommendations for the EFSD Council on the received applications for financing.</li> </ol>
	<p><b>On providing a financial credit to the Republic of Tajikistan by the Eurasian Fund for Stabilization and Development.</b></p> <ol style="list-style-type: none"> <li>1. To approve the EDB Evaluation Report on the Application of the Republic of Tajikistan for a financial loan financed by the EFSD for budget support in the context of the COVID-19 pandemic to the Republic of Tajikistan;</li> <li>2. To approve the Programme of Measures of the Government and the National Bank of the Republic of Tajikistan in countering the impact of COVID-19 on the economy, financial and social sectors, as specified in the Application of the Republic of Tajikistan, which requires support by a financial credit;</li> <li>3. To approve the draft Agreement between the Republic of Tajikistan and the Eurasian Development Bank on a financial credit financed by the EFSD for budget support in the context of the COVID-19 pandemic to be signed by the EDB, allowing the latter to make amendments and addenda thereto which do not constitute substantive change.</li> <li>4. To extend to the Republic of Tajikistan the financial credit in the amount of US\$50 million (fifty million) upon entry into force of the Financial Credit Agreement, subject to its terms and conditions.</li> </ol>

07.08.20	<p><b>On providing a financial credit to the Kyrgyz Republic by the Eurasian Fund for Stabilization and Development.</b></p> <ol style="list-style-type: none"> <li>1. To approve the EDB Evaluation Report on the Application of the Kyrgyz Republic for a financial loan financed by the EFSD for budget support of the Kyrgyz Republic in the context of the COVID-19 pandemic;</li> <li>2. To approve the Programme of Measures of the Government and the National Bank of the Kyrgyz Republic in countering the impact of COVID-19 on the economy, financial and social sectors, as specified in the Application of the Kyrgyz Republic, which requires support by a financial credit;</li> <li>3. To approve the draft Agreement between the Kyrgyz Republic and the Eurasian Development Bank on a financial credit financed by the EFSD for budget support in the context of the COVID-19 pandemic to be signed by EDB, allowing the latter to make amendments and addenda thereto which do not constitute substantive change.</li> <li>4. To redistribute the limit of the Russian Federation in the amount of US\$100 million to raise the access limit of the Kyrgyz Republic.</li> <li>5. To extend to the Kyrgyz Republic the financial credit in the amount of US\$100 million (one hundred million) upon entry into force of the Financial Credit Agreement, subject to its terms and conditions.</li> </ol>
24.09.20	<p><b>On the results of the application appraisal in the framework of the second competition for EFSD grants for social projects.</b></p> <ol style="list-style-type: none"> <li>1. To approve EDB's Report on the results of the application appraisal in the framework of the second competition for EFSD grants for social projects and EDB's appraisals of the applications;</li> <li>2. To approve the following list of projects with their conditionality to be developed by the EDB jointly with the potential beneficiaries: <ul style="list-style-type: none"> <li>▪ "Energy Intensive Regions: Using Energy Saving Mechanisms in Public Buildings and Promoting Green Energy" in the Republic of Armenia.</li> <li>▪ "Electronic Labour Exchange" in the Republic of Armenia.</li> </ul> </li> </ol>

09.10.20

**On providing a financial credit to the Republic of Belarus by the Eurasian Fund for Stabilization and Development for budget support in the context of the COVID-19 pandemic.**

1. To approve the EDB Evaluation Report on the Application of the Republic of Belarus for a financial loan financed by the EFSD for budget support of the Republic of Belarus in the context of the COVID-19 pandemic (hereinafter - the Application);
2. To approve the Programme of Measures of the Government and the National Bank of the Republic of Belarus in countering the impact of COVID-19 on the economy, financial and social sectors, as specified in the Application of the Republic of Belarus which requires support by a financial credit;
3. To approve the draft Agreement between the Republic of Belarus and the Eurasian Development Bank (hereinafter - the Agreement) on a financial credit financed by the EFSD for budget support in the context of the COVID-19 pandemic to be signed by the EDB, allowing the latter to make amendments and addenda thereto which do not constitute substantive change.
4. To redistribute the access limit of the Russian Federation to the Fund's resources in the amount of US\$500 (five hundred) million to raise the access limit of the Republic of Belarus.
5. To extend to the Republic of Belarus the financial credit in the amount of US\$500 (five hundred) million upon entry into force of the Agreement, subject to its terms and conditions.

06.11.20

**On the donation from the Russian Federation to the Eurasian Fund for Stabilization and Development and the provision of the grant to the Republic of Tajikistan.**

1. To approve the EDB Evaluation Report on the Application of the Russian Federation for provision to the Eurasian Fund for Stabilization and Development of the donation for financing by the EFSD of the project on the construction and material-technical equipment of schools in the cities of Dushanbe, Kulyab, Khujand, Bokhtar and Tursunzade in the form of a grant to the Republic of Tajikistan (hereinafter - the Project).
2. To accept a donation from the Russian Federation to the Eurasian Fund for Stabilization and Development on non-repayable and non-reimbursable basis to finance the Project, with the amounts donated to the Fund's account in US dollars, in accordance with a schedule prepared taking into account the work plan for the Project.
3. To approve the procedure for the provision and use of donations from the member states to the Eurasian Fund for Stabilization and Development and to approve its application for the implementation of the Project.
4. To reimburse the EDB's expenses for the management of the Project from the Fund's resources through donations.
5. To approve the conclusion of a Donation Agreement between the EDB and the Russian Federation, to be prepared and agreed by the parties in accordance with the internal procedures of each party, defining the procedure for donation and the obligations of EDB for managing the implementation of the Project, subject to the terms and conditions of the agreement between the Government of the Russian Federation and the Government of the Republic of Tajikistan under the Project.
6. To approve the grant to the Republic of Tajikistan for material-technical equipment of schools to be constructed and put into operation in the Republic of Tajikistan under the Project (Property Grant) using the Fund's resources within the amounts of the donation from the Russian Federation.
7. In decision making on authorizing a grant to the Republic of Tajikistan, to establish and to be guided by a threshold for grants provided to EFSD member states with a per capita gross national income below US\$4,300 for 2018.
8. To approve the conclusion of the Grant Agreement between the EDB and the Republic of Tajikistan, to be prepared and agreed by the parties in accordance with the internal procedures of each party, defining the procedure for provision of grants.

	<p>9. To approve the establishment of a Project Implementation Unit within the Operations Department of the Project Unit of the Eurasian Fund for Stabilization and Development and the staffing of the Project Implementation Unit to be established.</p> <p>10. To instruct EDB to adopt the internal regulations and decisions necessary for the implementation of this decision.</p>
09.11.20	<p><b>On the preliminary application of the Republic of Tajikistan for the provision of an investment loan financed by the Eurasian Fund for Stabilization and Development for the Project "Support of the potential of irrigated agriculture in the Republic of Tajikistan".</b></p> <p>1. To approve the EDB Evaluation Report on the preliminary application of the Republic of Tajikistan for the provision of an investment loan financed by the Eurasian Fund for Stabilization and Development for the Project "Support of the potential of irrigated agriculture in the Republic of Tajikistan".</p> <p>2. To approve the concept note of the Project "Support of the potential of irrigated agriculture in the Republic of Tajikistan" submitted by the Republic of Tajikistan.</p>
29.12.20	<p><b>On the results of the application appraisal in the framework of the extraordinary competitive selection for EFSD grants for the purpose of EFSD member states' response to COVID-19 impacts for financing social projects.</b></p> <p>1. To approve the report on the results of the application appraisal for EFSD grants for the purpose of EFSD member states' response to COVID-19 impacts for financing social projects and the EFSD Council of Experts' appraisals of the applications;</p> <p>2. To approve the list of projects with their conditionality to be developed based on the Council of Experts' recommendations provided in the detailed appraisals:</p> <ul style="list-style-type: none"> <li>▪ "Improving Preparedness for the COVID-19 Pandemic in the Republic of Armenia: detection and response to the threats posed by the coronavirus";</li> <li>▪ "COVID-19 Mobile Diagnostics (Republic of Tajikistan)".</li> </ul> <p>3. To instruct EDB together with the potential grant recipients for projects "Improving Preparedness for the COVID-19 Pandemic in the Republic of Armenia: detection and response to the threats posed by the coronavirus" and "COVID-19 Mobile Diagnostics (Republic of Tajikistan)" to develop the terms of financing, to prepare and submit draft Grant Agreements to the Fund Council for consideration.</p>