



Russia, the Eastern Neighbours and Central Asia

The EIB finances projects in Russia and the Eastern Neighbours¹ on the basis of an EU Council mandate of EUR 3.7bn for the period 2007-2013, which is for "projects of significant interest to the EU in transport, energy, telecommunications and environmental infrastructure. Priority should be given to projects on extended major Trans-European Network axes, projects with cross-border implications for one or more Member States and major projects favouring regional integration through increased connectivity. In the environmental sector, the EIB should in Russia give particular priority to projects within the framework of the Northern Dimension Environmental Partnership. In the energy sector, strategic energy supply and energy transport projects are of particular importance."

The Bank supports individual projects in the region in close cooperation with the European Bank for Reconstruction and Development (EBRD), on the basis of a tripartite Memorandum of Understanding (MoU) signed between the EIB, EBRD and European Commission in December 2006. For some projects, co-financing by the EIB and EBRD is complemented by other IFIs, such as the Nordic Investment Bank and the World Bank.

In 2008, the EIB signed a Framework Agreement with Armenia that allows the Bank to proceed with the financing of projects in that country. Similar agreements were previously concluded with the Russian Federation, Ukraine, Moldova and Georgia. A Framework Agreement with Azerbaijan has not yet been finalised.

Last year the Bank signed a loan of EUR 150m with Ukraine's power company Ukrenergo, focused on reinforcement of the country's transmission network, more economical use of generating capacity and the reduction of losses, thus helping to lower carbon emissions. This is the Bank's second project in Ukraine, following a EUR 200m loan signed in 2007 for the rehabilitation of the major road linking Ukraine with the European Union.

In Moldova the Bank signed a loan of EUR 20m for rehabilitating and increasing capacity at Chisinau airport, Moldova's sole international airport. This is also the Bank's second project in Moldova, following a EUR 30m loan signed in 2007 for the upgrading of roads linking the capital Chisinau with Romania.

In October 2008, the EIB participated in the Brussels Georgia Donors' Conference, where it reaffirmed its intention to support, in close cooperation with the European Commission and other IFIs, investments to promote economic and social progress in Georgia. In this context, the Bank pledged to consider loans of more than EUR 200m for infrastructure projects in 2009 and 2010 in energy (e.g. high-voltage transmission lines, hydro-power plants) and transport (e.g. railways, upgrading of Tbilisi airport runway).

The Bank appraised a number of projects in Russia and Ukraine in the environmental, transport, energy and telecoms sectors, contracts for which are expected to be signed in the coming months.

¹ Eastern Europe (Ukraine, Moldova and – subject to future Council agreement – Belarus) as well as the Southern Caucasus (Armenia, Azerbaijan and Georgia).

In November 2008 the EU Council decided that some Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) would also become eligible for financing under the EIB external lending mandate for 2007-2013.

In February 2009, Tajikistan's President Emomali Rahmon and EIB President Philippe Maystadt signed a Framework Agreement providing the basis for governing the EIB's future lending in Tajikistan. In this regard EIB activities will be focused on the financing of major energy projects of common interest both to Tajikistan and the European Union in close cooperation with the European Commission, the EBRD and other IFIs operating in Tajikistan.

For further information on the EIB, visit its website www.eib.org.

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