

EIB's Activity in the Water Sector in Central Asia

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EUROPEAN INVESTMENT BANK

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2. Project pipeline in Central Asia

EIB Activity in the Water Sector



Delfland Waste Water Treatment Plant (NL)



Water Treatment Plant in Krakov (Poland)



St. Petersburg Flood Barrier

1.1 General

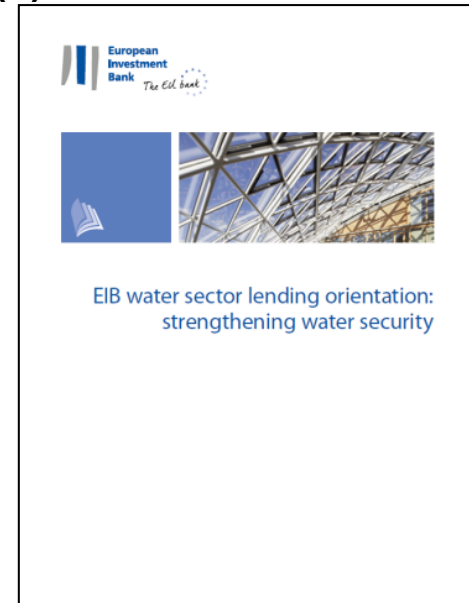
- Largest source of loan financing to the water sector worldwide,
- Total loan amount of EUR 26bn over the past 10 years, 90% of which for projects inside EU,
- Over the past 10 years, 300 major projects have been financed, 75% of which located within the EU,
- EIB lending covers the whole water cycle (water resources, water supply, sanitation, flood protection).

1.1 General (cont.)

- EIB lends to public or private utility companies, national or local authorities or directly for project finance deals.
- EIB can mobilise technical assistance, for both project preparation and implementation;
- EIB can finance large individual operations under investment loans or small operations under framework or global loans;
- EIB cannot finance more than 50% of the project investment cost (on average, EIB lending represents 30% of the project investment cost;

1.2 EIB's Water Sector Lending Orientation⁽¹⁾

- River basin approach (IWRM)
- Sector development
- Adaptation to climate change
- Water efficiency
- Development of new water supply
- Wastewater and sanitation services
- Research and Innovation



Maximise Added Value

(1) Published in December 2017. Available here:

http://www.eib.org/attachments/strategies/eib_water_sector_lending_orientation_en.pdf

1.5 EIB's Climate Action Commitment

In 2016 EIB's climate financing totalled EUR 19 billion.

*“We are supporting the transition to a low-carbon, environmental friendly and climate-resilient economy. As the largest multilateral provider of climate finance worldwide, **we commit at least 25% of our lending portfolio to low-carbon and climate-resilient growth.**”*

EIB is member of the European Financing Institutions Working Group on Adaptation to Climate Change (EUFIWACC) which issued a Guidance Note in 2016.⁽²⁾

We want to demonstrate the climate impact (adaptation and/or mitigation) of all our water and waste water projects!

Integrating Climate
Change Information
and Adaptation in
Project Development
Emerging Experience from Practitioners

European Financing Institutions Working Group on Adaptation to Climate Change



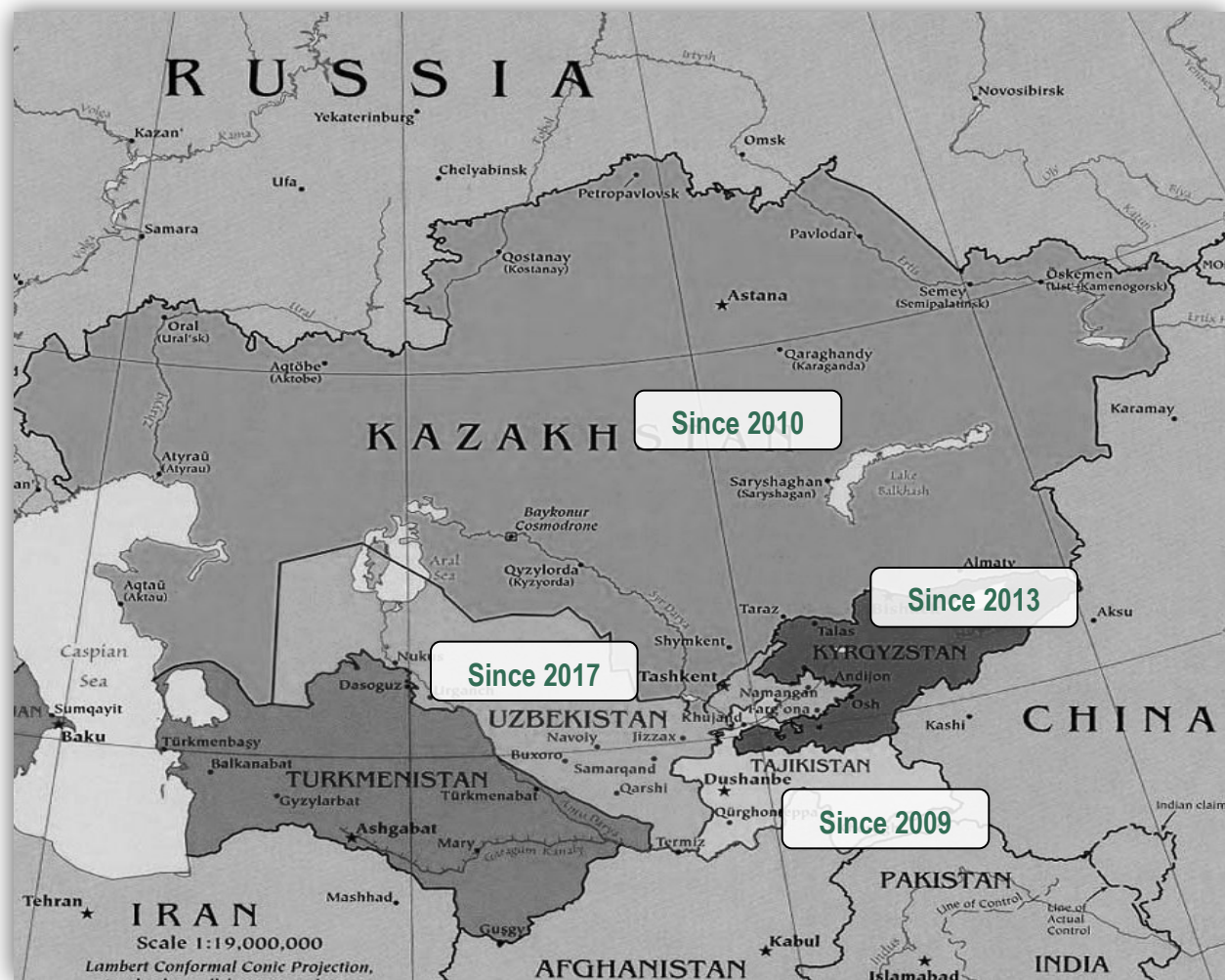
EIB activity in Central Asia

EU Central Asia Cooperation

- Established in 1958
 - Policy driven financial institution of the European Union
 - Now the largest International Financial Institution in the world
 - EUR 80 billion new loans per year
 - 10% outside the European Union

 - Operating on a non-profit basis
 - Guaranteed by all European Union Member States
 - AAA Credit Rating
 - High efficiency ➔ low cost of operations
- ➔ Favourable terms and interest rates

EIB in Central Asia



- EIB has two lending facilities:
 - ➔ **External Lending Mandate** (political risks are guaranteed by the European Union)
 - For Central Asia: Kyrgyzstan and Tajikistan
 - All sectors are eligible (focus on climate change projects)
 - ➔ **Own Risk Facilities** (no guarantee from the European Union)
 - Large amounts available
 - Focus on climate change projects
 - For Central Asia: Kazakhstan and Uzbekistan

External Lending Mandate

Initially EUR 190 m until 2020

• Tajikistan - Energy efficiency	EUR 7 million
• Tajikistan - CASA1000	EUR 70 million
• Kyrgyzstan – CASA 1000	EUR 70 million
• Kyrgyzstan – Water and Waste	EUR 20 million
• Kyrgyzstan – Agri and value chain	EUR 22 million

Now > EUR 500m from 2018 to 2020

- Tajikistan – Kairakkum HPP
- Tajikistan – Nurek HPP
- Kyrgyzstan – Water projects

Own Risk Facilities

Until present

- | | |
|---|-----------------|
| • Kazakhstan – Kazagro Climate Loan | EUR 100 million |
| • Kazakhstan – DAMU green loan for SMEs A | EUR 50 million |
| • Kazakhstan – DAMU green loan for SMEs B | EUR 150 million |

Pipeline

- Kazakhstan – wind farm
- Kazakhstan – irrigation schemes
- Uzbekistan – Agrifood (climate change adaptation and resource efficiency)
- Uzbekistan – Water and Waste
- Uzbekistan – Railways
- Uzbekistan – Energy efficiency

THANK YOU FOR YOUR ATTENTION!



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