

Approved by the Council of the Eurasian
Fund for Stabilization and Development
(Minutes # 3 dated February 25, 2010)

REGULATION
on the Use of Resources of the Eurasian Fund for Stabilization and Development
for Providing Investment Financing

2010

I. General Provisions

1. This Regulation establishes the terms and procedure of providing resources of the Eurasian Fund for Stabilization and Development (hereinafter referred to as the Fund) in the form of special-purpose financing to support implementation of investment projects on the territory of Fund member states.

2. This Regulation is prepared in accordance with the Statute of the Eurasian Fund for Stabilization and Development (hereinafter referred to as the Fund Statute), which is an integral part of the Treaty on the Establishment of the Eurasian Fund for Stabilization and Development (hereinafter referred to as the Treaty on the Establishment of the Fund) signed on June 9, 2009 in Moscow by the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, and the Republic of Tajikistan.

3. This Regulation is approved by the Fund Council in accordance with **paragraph 2(1) of Article 13** of the Fund Statute and is an official document of the Fund in accordance with **Article 2** of the Fund Statute.

4. The terms and definitions used in this Regulation have the following meaning:

a) **the Treaty on the Establishment of the Fund** means the Treaty on the Establishment of the Eurasian Fund for Stabilization and Development signed on June 9, 2009 in Moscow by the Fund founding states: the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, and the Republic of Tajikistan;

b) **the Fund** means the Eurasian Fund for Stabilization and Development established pursuant to the Treaty on the Establishment of the Fund, which is an instrument to attract, accumulate, and utilize financial resources in accordance with the objectives set out by the Treaty on the Establishment of the Fund;

c) **the Fund Statute** means the Statute of the Eurasian Fund for Stabilization and Development, which is an integral part of the Treaty on the Establishment of the Fund;

d) **Fund members** mean states and international organisations, which are members of the Fund in accordance with the Treaty on the Establishment of the Fund and the Fund Statute;

e) **the Fund Council** means the supreme body managing the Fund's resources and acting pursuant to the Treaty on the Establishment of the Fund and the Fund Statute, whose members are Ministers of Finance of Fund member states and representatives of international organisations, which are Fund members;

f) **the Agreement on the Management of Fund Resources** means the Agreement on the Management of Resources of the Eurasian Fund for Stabilization and Development signed by the Manager and Fund founding states/Fund members in accordance with the Treaty on the Establishment of the Fund and the Fund Statute;

g) **the Manager** means the organisation acting as the manager of Fund resources pursuant to the Agreement on the Management of Fund Resources entered into thereby and Fund members in accordance with the Treaty on the Establishment of the Fund and the Fund Statute;

h) **Investment Financing** means the form of providing Fund resources to a Fund member state or Project Company to support implementation of Projects on the territory of Fund member states in accordance with the established procedure;

i) **a Project** means a set of interconnected measures implemented during a certain period of time and ensuring achievement of certain objectives and goals. The term “Project” is used for any of the following Projects: a National Investment Project; an Inter-State Investment Project;

j) **a National Investment Project** means a Project, which is implemented:

- on the territory of one Fund member state;
- to support sustainable economic development of a Fund member state;
- with participation of a Project Company of one Fund member state; and
- being of priority nature for one Fund member state and included in government programs of this Fund member state.

k) **an Inter-State Investment Project** means a Project, which is implemented:

- on the territory of two and more Fund member states and/or with participation of Project Companies of two and more Fund member states and/or with budget support of two and more Fund member states; or
- has an integration, budget, or macroeconomic effect for the economies of two and more Fund member states. In this case, an integration effect means establishing integrated cross-border groups, joint ventures, creating and developing common markets, and expanding mutual investments and trade;

l) **an Agreement on Providing Investment Financing** means an agreement between the Manager acting in the name and on behalf of Fund members and the Beneficiary, the subject of which is provision of Fund resources in the form of Investment Financing;

m) **a Beneficiary** means a Fund member state or a Project Company, which is a party to an Agreement on Providing Investment Financing receiving Fund resources;

n) **a Project Company** means a legal entity implementing a Project on the territory of a Fund member state, whose civil legal standing is defined in accordance with the legislation of the state, where it is founded;

o) **an Ultimate Beneficiary** means a Project Company, with which the Fund member state, being the Beneficiary of Fund resources, made an agreement on providing financing using proceeds of Investment Financing to support implementation of a National Investment Project on the territory of this Fund member state;

p) **LIBOR** means the six-month LIBOR rate of the British Bankers’ Association for US\$ or EURO deposit, in per cent per annum, established in accordance with the data on the relevant page of the Reuters screen as of 11:00 AM Greenwich mean time on the date 2 London working days before the T-date, where the T-date is the first day of the period, for which interest under the Agreement on Providing Resources is calculated. If the relevant page of the Reuters screen is replaced or unavailable, the

Manager has the right to define another page or source, in which the LIBOR rate will be defined;

q) **IFOs** mean international financial organisations created under the international law pursuant to inter-state agreements and having international legal standing.

II. Terms of Providing Investment Financing

5. Investment Financing is provided:

- in accordance with the program of activities financed with Fund resources (hereinafter referred to as the Program of Fund Activities), which is described in **paragraph 6** of this Regulation;
- within the limits of Fund member states' access to Fund resources (hereinafter referred to as Access Limits) established in accordance with **paragraph 7** of this Regulation.

6. The Program of Fund Activities specifies the forms, volume, timeline, and objective for providing Fund resources to each of the Fund member states.

The Program of Fund Activities is approved by the Fund Council in accordance with **paragraph 2(f) of Article 13** of the Fund Statute and is annually updated by decision of the Fund Council upon recommendation of the Manager before the start of each fiscal year of the Fund and, if needed, during the fiscal year of the Fund.

7. Access Limits are defined as the volume of financing, which can be potentially provided to a Fund member state using Fund resources, and are established by the Fund Council for each Fund member state, taking into account all the forms of Fund resource provision upon recommendation of the Manager under Programs of Fund Activities.

For the purposes of calculating Access Limits, all Fund resources specified in **Article 6** of the Fund Statute are taken into account, less the amounts approved by the Fund Council to be provided to Beneficiaries and the amounts to be used from Fund resources to cover operating expenses and rewards of the Manager.

The Access Limit for each Fund member state is set pro rata the size of the per capita gross national income (GNI) of this Fund member state.

Access Limits are revised by decision of the Fund Council upon recommendation of the Manager annually and, if needed, during the fiscal year of the Fund.

8. Investment Financing is provided for special purposes:

8.1. to Fund member states to mitigate negative effects of the global financial and economic crisis in support of implementation of National Investment Projects aimed at promoting economic development of a Fund member state;

8.2. to Project Companies in support of implementation of Inter-State Investment Projects.

The process of Project implementation and targeted use of Investment Financing are monitored by the Manager in accordance with the terms of Agreements on Providing Investment Financing.

9. The compulsory conditions for provision of Investment Financing include the following:

9.1. compliance of the Fund member state, which is a potential Beneficiary, with its commitments to make contributions to the Fund, as well as with other commitments provided for by the Treaty on the Establishment of the Fund, the Fund Statute, and decisions of the Fund Council adopted in accordance with the aforementioned documents;

9.2. compliance of the potential Beneficiary with its commitments under previously made agreements on providing Fund resources; and

9.3. compliance of the potential Beneficiary with its obligations to other Fund member states and/or IFOs related to debt service and repayment.

10. The following aspects are taken into account for making decisions on providing Investment Financing:

10.1. the ability of the Fund member state to pay, which is established based on the assessment of the Fund member state's budget capacity to service and repay its government debt, taking into account:

- debt sustainability of the Fund member state; and
- sovereign ratings assigned to the Fund member state by leading international rating agencies.

10.2. the institutional capacity of the Fund member state to utilize Fund resources provided thereto within the declared period of time and to achieve the targets declared for implementation of programs and projects with borrowed Fund resources, taking into account:

- review of the use by the Fund member state of other external borrowings;
- assessment of the Fund member state's policies and institutions as performed by leading IFOs; and
- other available credible information.

10.3. presence of an available amount against the total Access Limit of the Fund member state to Fund resources.

11. Investment Financing is provided on conditions of interest payment, maturity, and repayment in US dollars and/or Euros.

As to Fund member states with per capita GNI over US\$ 5,000 (five thousand), Investment Financing to support a single Project is provided in the amount of at least US\$ 30,000,000 (thirty million), while as to other Fund member states – in the amount of at least US\$ 10,000,000 (ten million).

These minimum amounts of Investment Financing can be revised downwards for a specific Project if it provided for by the Project concept approved by the Fund Council on Preliminary Application of a Fund member state in accordance with **Article V** of this Regulation.

12. The indicative financial terms of providing Investment Financing to Beneficiaries in the form of a loan (credit line) are approved in **Annex 1** to this

Regulation and can be periodically revised or updated by decision of the Fund Council on substantiated recommendation of the Manager.

The financial terms of providing Investment Financing to a specific Beneficiary are approved by the Fund Council when decisions are made on providing Investment Financing, taking into account the conditionality of IFOs' lending to Fund member states.

13. Investment Financing can be provided together with the resources provided by states, IFOs, and other stakeholder organisations.

14. Decisions of the Fund Council on providing Investment Financing are coordinated with programs of bilateral financial assistance implemented outside the framework of the Fund by Fund members between them and with participation of IFOs.

III. Terms of Providing Investment Financing to Fund Member States

15. Investment Financing is provided to Fund member states in the form of a loan to be onlent to the Ultimate Beneficiary implementing a National Investment Project.

The Fund member state reflects borrowed Fund resources in its state budget as a source of budget deficit financing and as budget expenditures for the purposes of financing the National Investment Project and also includes budget allocations in the volume needed to service and repay the borrowed Fund resources into its state budget.

16. Investment Financing can be provided to a Fund member state on condition that:

16.1. There is a National Investment Project consistent with the Fund's objectives and requirements set out by this Regulation and decisions of the Fund Council, which is planned to be implemented by the Ultimate Beneficiary;

16.2. The Ultimate Beneficiary is unable to raise the whole amount of financing required for implementation of the National Investment Project in the commercial market on the terms, which would be reasonable for the needs of the National Investment Project, with an acceptable level of risk.

17. A Fund member state can provide financing to an Ultimate Beneficiary in any form of investment project financing generally accepted in international practice, including investment lending, debt financing, syndicated lending, leasing, or another form, except for participation in equity capital.

18. The terms of financing provision by a Fund member state to an Ultimate Beneficiary using Investment Financing are approved by the Fund Council, when decision is taken on providing the Investment Financing.

IV. Terms of Providing Investment Financing to Project Company

19. Investment Financing can be provided to a Project Company to support implementation of an Inter-State Investment Project in any form of investment project financing generally accepted in international practice, including investment lending,

debt financing, syndicated lending, leasing, or another form, except for participation in equity capital.

20. Investment Financing can be provided to a Project Company on condition that:

20.1. There is an Inter-State Investment Project consistent with the Fund's objectives and requirements set out by this Regulation and decisions of the Fund Council;

20.2. There are no prospects of raising the whole amount of financing required for implementation of the Inter-State Investment Project in the commercial market on the terms, which would be reasonable for the needs of the Project, with an acceptable level of risk;

20.3. There is consent of the Fund member states, on whose territory the Inter-State Investment Project is planned to be implemented.

Such consent is granted in the form of letters of relevant Fund member states to warrant their support of the Inter-State Investment Project at the national level and consent for implementation of the Inter-State Investment Project on their territory (hereinafter referred to as Project Support Letters). Project Support Letters must be signed by authorised representatives of Fund member states in accordance with the requirements of **paragraph 29** of this Regulation;

20.4. The Fund member states, on whose territory the Inter-State Investment Project is implemented, comply with their obligations to other Fund member states;

20.5. Security for performance of obligations is provided in the following forms:

- full or partial government guarantees of states, which have no arrears related to external debt repayment and service;
- guarantees of credit organisations, which comply with the criteria for credit organisation selection for placement of Fund resources in deposits in accordance with the Regulation on Placement of Temporarily Unused Fund Resources approved by the Fund Council;
- pledge of highly liquid assets, acceptability of which is confirmed by the Fund Council;
- letters of comfort from third parties, acceptability of which is confirmed by the Fund Council.

Sufficiency of the security offered is appraised by the Manager in the process of preparing its evaluation report on application of a Project Company for provision of Investment Financing in accordance with **paragraph 31** of this Regulation.

V. Preliminary Project Appraisal

21. If there is a need to take a decision whether it is practical to prepare a Project in accordance with the Fund's procedures, the potential Beneficiary of Investment Financing has the right to submit for appraisal of the Fund Council a preliminary

application for provision of Investment Financing, including the Investment Project concept, which model form is available in **Annex 2** to this Regulation (hereinafter referred to as the Preliminary Application).

The Preliminary Application is formalised by the potential Beneficiary of Investment Financing in accordance with the requirements of **paragraph 29** of this Regulation and sent to the Manager for assessment.

22. The Manager performs the appraisal and assessment of the Preliminary Application in accordance with the Agreement on the Management of Fund Resources from the point of view of its consistency with the objectives of activities in the framework of the Fund, directions for provision of financing, the procedure and terms for Fund resource provision set out in the Treaty on the Establishment of the Fund, the Fund Statute, this Regulation, and decisions of the Fund Council, priority and efficiency of financing, the level of proposal preparation, and other aspects.

In addition, based on the information available, taking into account the level of Project preparation, the Manager performs preliminary assessment of risks related to the Project and Project Company, presence of Project support at the national level, investment support, prospects of using alternative sources of Project financing, security offered, and justification of requested volumes of Investment Financing.

In the process of Preliminary Application appraisal, the Manager and the potential Beneficiary/Ultimate Beneficiary of Fund resources, if needed, communicate to ensure collection and clarification of required information and submission of justification documents.

23. The Manager formalizes the results of assessment, its recommendations, proposals, and other findings related to the Preliminary Application in the form of an Evaluation Report.

24. The Manager formalizes the Evaluation Report accompanied by the Preliminary Application in accordance with the requirements to preparation of Information for Meetings of the Fund Council established by the Rules of Procedure of the Fund Council of Experts and sends it for examination and preparation of experts' evaluation report for the Fund Council in accordance with the procedure established by the Fund Statute and the Rules of Procedure of the Fund Council of Experts.

25. Based on the results of appraisal of the Preliminary Application, evaluation report of the Manager on the Preliminary Application, and evaluation report of the Fund Council of Experts on the Preliminary Application, the Fund Council takes a decision on approval of the presented Project concept.

Decision of the Fund Council on the Preliminary Application is a preliminary assessment of the Project and potential Beneficiary/Ultimate Beneficiary compliance with the terms of providing Investment Financing and does not represent a commitment or a guarantee to provide Investment Financing to the potential Beneficiary of Fund resources.

The decision on providing Investment Financing is taken by the Fund Council exclusively in accordance with the procedure established by **Article VI** of this Regulation.

VI. Procedure of Providing Investment Financing Using Fund Resources

26. The decision on providing Investment Financing is taken by the Fund Council based on the following documents:

- an application for provision of Investment Financing (hereinafter referred to as the Application);
- an evaluation report of the Manager on the Application (hereinafter referred to as the Evaluation Report);
- experts' evaluation report of the Fund Council of Experts on the Application (hereinafter referred to as the Experts' Evaluation Report).

27. The procedure of appraisal by the Fund Council of the issue related to provision of Investment Financing is initiated by the potential Beneficiary of Investment Financing, i.e. a Fund member state or Project Company (hereinafter referred to as the Initiating Agent).

28. To initiate the procedure of appraisal of the issue related to provision of Investment Financing, the Initiating Agent prepares an Application, which model form is available in **Annex 3** (for a Fund member state) and **Annex 4** (for a Project Company) to this Regulation.

Attached to an Application are:

- To an Application of a Fund member state: an Investment Application of the Ultimate Beneficiary, which model form is available in **Annex 4** to this Regulation.
- To an Application of a Project Company: a Project Support Letter signed by authorised persons in accordance with the requirements of **paragraph 29** of this Regulation.

29. The Application and documents attached thereto, including Project Support Letters, are signed by the authorised representative of the party sending those documents, with authorisation documents attached thereto. Authorised representatives of Fund member states in the Fund Council have the right to sign Applications, as well as Project Support Letters without presentation of additional authorisation documents.

30. Applications accompanied by the documents attached thereto are sent to the Manager for Evaluation Report preparation.

31. The Manager performs appraisal and assessment of the Application in accordance with the Agreement on the Management of Fund Resources from the point of view of its consistency with the objectives of activities in the framework of the Fund, directions for provision of financing, the procedure and terms for Fund resource provision set out in the Treaty on the Establishment of the Fund, the Fund Statute, this Regulation, and decisions of the Fund Council, priority and efficiency of financing, the level of proposal preparation, and other aspects. *Inter alia*, the Manager performs assessment of:

- a) the general ability to pay and the limit of exposure for the Fund member state, to whom Investment Financing is provided or on whose territory an Inter-State Investment Project is planned to be implemented, macroeconomic and fiscal stability of the state (current status and forecast);

- b) consistency of the proposed Project with the objectives of Fund establishment, directions of activities financed with Fund resources, and decisions of the Fund Council;
- c) justification of requested volumes of financing and time of its disbursement, consistency of the requested volume of financing with the Access Limits of the Fund member states, on whose territory the Project is planned to be implemented;
- d) the level of Project preparation, justification of the economic feasibility of its implementation, expected effect of its implementation, chances to achieve declared targets;
- e) compliance with the conditions set for provision of Investment Financing;
- f) analysis of the financial status of the Ultimate Beneficiary/Project Company and, if needed, other Project participants, Project financial profile, technical, economic, and financial indicators of the Project, cash flows in the framework of the current activity of the Ultimate Beneficiary/Project Company and Project, sources for repayment and service of the debt related to investments into the Project, sufficiency of security, Project risks, as well as other required indicators;
- g) the level of Application preparation from the point of view of availability of the information required to perform the assessment and availability of justification documents;
- h) practicability of Project implementation in coordination with bilateral financial assistance programs implemented outside the framework of the Fund by Fund members between them and with IFOs; and
- i) other required evaluation reports.

Based on the results of Application appraisal, the Manager prepares recommendations on the terms of Fund resource provision to the Beneficiary and the terms of Fund resource provision to the Ultimate Beneficiary (for Fund member states' Applications), as well as a draft Agreement on Providing Investment Financing.

In the process of Application appraisal, the Manager and the Initiating Agent/potential Ultimate Beneficiary, if needed, communicate to ensure collection and clarification of required information and documents.

32. The Manager formalizes the results of assessment, its recommendations, proposals, and other findings related to the Application in the form of an Evaluation Report.

33. Parallel to the Evaluation Report and based on analysing the required volume of financing under the Application and availability of unused Fund resources, the Manager prepares a justified draft decision of the Fund Council on presentment of bills of exchange for payment, to be adopted in accordance with **paragraph 4 of Article 7** of the Fund Statute.

34. The Manager formalizes the Evaluation Report accompanied by the Application and draft decision of the Fund Council on presentment of bills of exchange for payment in accordance with the requirements to preparation of Information for Meetings of the Fund Council established by the Rules of Procedure of the Fund Council of Experts and sends them for examination and preparation of experts' evaluation report for the Fund Council in accordance with the procedure established by the Fund Statute and the Rules of Procedure of the Fund Council of Experts.

35. Investment Financing is provided using Fund resources on decision of the Fund Council, which is adopted based on experts' evaluation report and other documents listed in **paragraph 26** of this Regulation. In its decision, the Fund Council specifies:

- the beneficiary of Fund resources;
- the amount of financing provided;
- the purposes, for which the Fund resources are provided;
- the procedure and terms of provision and repayment of Fund resources; and
- other terms of resource provision as the Fund Council may find significant.

The Model Form of Fund Council Decision on Providing Investment Financing Using Fund Resources is available in **Annex 5** (for Applications of Fund member states) and in **Annex 6** (for Applications of Project Companies) to this Regulation.

36. The Fund Council takes decisions on providing Investment Financing in regular and extraordinary meetings, as well as through absentee vote in accordance with the rules of procedure of the Fund Council established by the Fund Statute.

Investment Financing is provided on decision of the Fund Council pursuant to an Agreement on Providing Investment Financing, which is entered into by the Manager acting in the name and on behalf of Fund members and the Beneficiary of Fund resources.

The Manager takes into account the Fund's cash flow projection prepared with due regard to the liabilities undertaken earlier based on decisions of the Fund Council and informs the Fund Council about the Fund's cash credited to the Manager's account in a volume, which is sufficient for the Manager to meet liabilities under approved Agreements on Providing Investment Financing, for the Fund Council to take decisions on the need of presentment of the Fund's bills of exchange for payment.

37. Agreements on Providing Investment Financing are prepared by the Manager and approved by decision of the Fund Council.

38. Amendments to Agreements on Providing Investment Financing already entered into are made by the Manager on approval of the Fund Council adopted on recommendation of the Manager if such amendments are related to the following:

- an increase of the total amount of Investment Financing;
- a change in the form of providing Investment Financing;
- the Project objectives, the purposes, for which the Investment Financing is provided;
- the end date of the period of the Investment Financing availability;
- the repayment schedule for the principal amount of the debt related to Investment Financing (except for changes resulting from cases of early repayment and reversion provided for in the Agreement on Providing Investment Financing), the grace period for the repayment of the principal amount of debt;

- the interest rate, interest margin, risk premium, front-end lump sum fee, and commitment fee;
- a reduction of the share of the Beneficiary's / Ultimate Beneficiary's own resources in the Project financing;
- a change in the composition of pledged assets (under Agreements on Providing Investment Financing entered into with Project Companies);
- a change of the Beneficiary (the Project Company) and / or the Ultimate Beneficiary;
- application of rules and procedures of other IFOs for the purposes of an Agreement on Providing Investment Financing;
- other conditions, in relation to which the decision of the Fund Council on providing Investment Financing directly specifies that their change is to be approved by the Fund Council.

In other cases, amendments are introduced on the Manager's decision and require no approval of the Fund Council.

39. The Manager is authorised to suspend or resume disbursement of the Fund's resources in accordance with the conditions of Agreements on Providing Investment Financing entered into, while notifying the Fund Council of Experts and the Fund Council of such a suspension and resumption for further decisions to be taken.

The Manager applies such sanctions under the Agreement on Providing Investment Financing, as reversion of the Beneficiary's right to use Fund resources and submission of claims on early debt repayment, on decision of the Fund Council pursuant to an evaluation report of the Fund Council of Experts prepared in accordance with the Rules of Procedure of the Fund Council of Experts.

40. In each regular meeting, the Manager informs the Fund Council about the status of implementation of Agreements on Providing Investment Financing and the need to amend the terms of these agreements following the procedure established by the Fund Statute and the Agreement on the Management of Fund Resources.

41. When appraising an Application, as well as during the period of validity of Agreements on Providing Investment Financing, members of the Fund Council, members of the Fund Council of Experts, staff members and representatives of the Manager comply with the requirements to respect confidentiality of information as per list agreed with the relevant Beneficiary (hereinafter referred to as Confidential Information), including the following:

- keeping such information secret, serving the Beneficiary's interests, not using Confidential Information, except for those cases when such information is used in the interests of the Beneficiary (on agreement with the Beneficiary), and not making copies of such Confidential Information without consent of the Beneficiary;
- not disclosing Confidential Information to a third party by means of publishing it or in any other way, except for those cases when the Beneficiary has issued its consent to disclose information and there is an agreement with such third party to comply with requirements to respect confidentiality of the information.

When the list of Confidential Information is cleared, the need to comply with generally accepted principles of transparency and disclosure of information on activities in the framework of the Fund is taken into account.

42. Being guided by international principles of transparency and information disclosure, the Manager posts information on providing investment financing from relevant decisions of the Fund Council on its official Internet website.

43. This Regulation contains the following Annexes, which are an integral part thereof:

- Annex 1. Indicative Financial Terms of Providing Investment Financing in Form of Loan Using Fund Resources.
- Annex 2. Model Form of Potential Beneficiary's Preliminary Application for Investment Financing to be Provided Using Fund Resources.
- Annex 3. Model Form of Fund Member State's Application for Investment Financing to be Provided Using Fund Resources.
- Annex 4. Model Form of Project Company's Application for Investment Financing to be Provided Using Fund Resources.
- Annex 5. Model Form of Fund Council Decision on Providing Investment Financing to Fund Member State Using Fund Resources.
- Annex 6. Model Form of Fund Council Decision on Providing Investment Financing to Project Company Using Fund Resources.

Annex 1
to the Regulation on the Use of Resources of the Eurasian Fund for Stabilization
and Development for Providing Investment Financing

Indicative Financial Terms of Providing Investment Financing in Form of Loan Using Fund Resources

Rates / Terms	Interest rate (% per annum)	Margin (in addition to the interest rate)	Risk premium	Front-end lump sum fee (% of amount provided)	Commitment fee (% per annum)	Maturity (years)	Grace period (years)	Requirement on co-financing by the Beneficiary	Requirement on co-financing by the Ultimate Beneficiary (% of Project cost)
Beneficiary									
Fund member state ¹	LIBOR	Variable margin calculated for each 6-month period of interest accrual as the difference between the cost of funding for the Russian Federation and the Republic of Kazakhstan in international markets and LIBOR	Established by the Fund Council taking into account Project and other risks.	up to 1%	0.5%	up to 15	up to 5	none	at least 20%
Project Company	LIBOR			up to 1%	0.5%	up to 10	up to 5	at least 20%	

¹ For Fund member states, the financial terms of providing Investment Financing are approved by the Fund Council taking into account the requirements set by IFOs to the terms of their lending.

Annex 2

to the Regulation on the Use of Resources of the Eurasian Fund for Stabilization and Development for Providing Investment Financing

Model Form of Potential Beneficiary's Preliminary Application for Investment Financing to be Provided Using Fund Resources

(to be typed on letterhead of the of the party sending the document)

Manager of resources
of the Eurasian Fund
for Stabilization and Development
Eurasian Development Bank

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Hereby, _____ (*specify the potential Beneficiary of Fund resources – Fund member state or Project Company*) expresses potential interest in raising investment financing from the resources of the Eurasian Fund for Stabilization and Development (hereinafter referred to as the Fund) for the project _____ (*specify the investment Project name*) to be implemented by _____ (*specify the Project Company's name*).

Due to the need for use to take a decision whether it is practicable or not to prepare the proposed investment project in accordance with the Fund's procedures, we preliminarily send for you appraisal the project concept prepared in accordance with the Regulation on the Use of Resources of the Fund for Providing Investment Financing approved by the Fund Council.

Please, notify us of the decision taken by the Fund Council, based on the results of concept appraisal, on assessment of the possibility to provide investment financing using Fund resources to support implementation of the proposed investment project.

We, hereby, warrant that the enclosed Concept contains complete and credible information on the Project Company and investment project, which can be supported with documents. We give our consent to verification of the credibility of the data specified in the Concept and stand ready to share required justification documents. We undertake to notify the Manager of Fund resources, in a timely fashion, of all changes in this information, as well as of significant changes in the financial status of the Beneficiary and provide, on your request, all the documents required to verify the information presented, as well as any reasonably requested additional information.

Enclosures:

Investment Project Concept (____ pages)

Authorisation documents for the signatories to the Preliminary Application and Investment Project Concept (____ pages)

Position, full name, and signature of the authorised person

MODEL CONTENTS OF PROJECT CONCEPT

I. PROJECT INFORMATION

Section 1.01. General information about the Project

Project name;

The sector, in which the Project will be implemented;

Project type (green-field, modernisation, reengineering, release of a new product at an existing enterprise, expansion of existing production, other);

States, on whose territory the Project will be implemented, including Fund member states;

Investment site location and place of registration.

Section 1.02. Project summary description.

Summary description of Project objectives and substance;

Business idea genesis, possible alternatives;

Expected Project implementation outcomes;

Section 1.03. Level of Project preparation.

Project preparation plan;

Level of Project preparation at the stage of concept submission (stage of decision-making, stage of project documentation preparation, stage of formalizing enabling documentation, etc.) with specification of decisions taken, as well as a list of documents prepared and authorisations received.

Section 1.04. Structure of Project financing.

Full Project cost (in US dollars or Euros);

Full Project cost with a breakdown by sources (Project Company, shareholders, the Fund, other investors) with specification of investments to be raised, shares to be financed, and directions of financing;

Investment currency and time of disbursement;

Written agreements already formalised by the Project Company with investors (including preliminary ones), list and substance of agreements already signed.

Section 1.05. State support to the Project.

Project participation in government programs, other forms of Project support at the national level;

Assessment of chances to get budget financing for the Project;

For Investment Financing provided to a Fund member state – information on allocation (planned allocation) of resources in the state budget of the Fund member state to finance the Project.

Section 1.06. Economic and financial projections for the Project.

Planned pay-back period for the Project;

Planned size of sales proceeds resulting from Project implementation;

Projected Project NPV and IRR.

Section 1.07. Project environmental impact.

Description of the Project environmental impact, compliance with environmental safety regulations.

Section 1.08. Offered security for performance of obligations to the Fund.

Sources of debt service and repayment;

Offered security for performance of obligations (forms, value, and sources);

Key financial indicators of potential sureties for the last three years (balance sheet currency, core capital, net profits, sales proceeds, and debt burden).

Section 1.09. Other information about the Project, which the Project Company has at the stage of concept preparation or which the Project Company finds necessary to share.

II. PROJECT COMPANY INFORMATION

Section 2.01. General information about the Project Company.

Official name of the company in accordance with constituent documents (full and abbreviated), with the organisational legal form specified;

Information on its registration as a legal entity;

Location (*de jure* and *de facto* address), grounds for ownership of premises at *de facto* address (if *de facto* address differs from *de jure* one);

Form of ownership;

Branch of activity;

History of Project Company formation, period of company operation, experience in the segment;

If the Project Company is part of a group: group name, time of formation, group composition, and the Project Company's position in the group, justification of Project Company selection as a potential Beneficiary of Fund resources.

Section 2.02. Composition of Project Company shareholders, affiliated (related) persons.

Composition of major shareholders (participants), their shares in the company's capital;

History of changes in the composition of shareholders (participants), reasons for that;

The company's affiliation to other persons;

Persons exercising direct or indirect control over the company or its management.

Section 2.03. Key financial indicators of the Project Company's activity.

Size of assets, liabilities, and equity capital as of the date the concept was prepared;

Availability of financial reporting according to the national and international standards;

Key financial indicators of activity for the last three years (balance sheet currency, core capital, net profits, sales proceeds, debt burden, composition of receivables and payables (arrears and/or unrecoverable debt), composition and pattern of incomes and expenses);

Cash-flows under current activity of the Project Company;

Significant changes in the company's financial status for the last three years and reasons for such changes;

Outstanding obligations to the state, government bodies, private individuals, and legal entities;

Tax arrears and other overdue mandatory payments to the budget, budgetary and extrabudgetary funds;

Information about law suits with claims above the equivalent of *One Hundred Thousand* US dollars for the last 3 years (names of parties, claim amounts, amounts awarded to be collected from the company)

Section 2.04. Summary description of the manufacturing and technological processes.

Description of the manufacturing technology used;

Composition and status of fixed production assets;

Energy and engineering support, communications and logistics;

Production risks;

Environmental safety of production;

Recent changes in manufacturing/technological process and reasons for that;

Description of suppliers of critical raw materials/equipment;

Rate of dependency on suppliers and available alternatives;

Recent changes in supply chains and reasons for that.

Section 2.05. Persons (organisations) responsible for and authorised to work with the Project. Contact information and procedure for communication.

Please, specify the contact persons of the potential Beneficiary of Fund resources and the Project Company authorised to provide verbal and documented information on the Project, describe the procedure of communication with the Manager.

Position, full name, and signature of the authorised person

Name of the authorisation document for the signatory to the Investment Project Concept

Annex 3

to the Regulation on the Use of Resources of the Eurasian Fund for Stabilization
and Development for Providing Investment Financing

**Model Form of Fund Member State's Application for Investment Financing to be
Provided Using Fund Resources**

(to be typed on letterhead of the of the party sending the document)

Manager of resources
of the Eurasian Fund
for Stabilization and Development
Eurasian Development Bank

98 Panfilov st.
Almaty, 050000
Republic of Kazakhstan
tel: +7 (727) 244 40 44
fax: +7 (727) 250 81 58
e-mail: info@eabr.org

In accordance with the Treaty on the Establishment of the Eurasian Fund for Stabilization and Development (hereinafter referred to as the Fund), we, hereby, send you an Application for an Investment Loan to be provided using Fund resources in the amount of _____ (*specify the amount requested in US dollars or Euros*) for the Manager of Fund resources to appraise and prepare an evaluation report in accordance with the Regulation on the Use of Resources of the Fund for Providing Investment Financing approved by the Fund Council.

The requested Fund resources will be used to finance the project _____ (*specify the Project name*) to be implemented by _____ (*specify the name of the organisation, which is the Ultimate Beneficiary*).

In accordance with the conditions for providing Investment Financing, _____ (*specify the Fund member state*) is planned to be the Beneficiary of Fund resources.

The Fund resources allocated are planned to be disbursed during ___ years starting from ___ (*year*), in accordance with the following schedule: _____ (*specify the time and size of disbursements in connection with the schedule of procurement for the Project*).

The Fund resources are planned to be repaid during ___ years with a grace period of ___ years. In accordance with the parameters approved by the Fund Council, the following terms are proposed to be set for the Investment Loan:

the interest rate accruing to the disbursed and outstanding amount of the Investment Loan is the average weighted interest rate calculated for each 6-month period of interest accrual as the cost of funding for the Russian Federation and the Republic of

Kazakhstan in international markets, taking into account the shares of the Russian Federation and the Republic of Kazakhstan in Fund resources;

the risk premium at _____% accruing to the disbursed and outstanding amount of the Investment Loan in addition to the interest;

the commitment fee of 0.5% per annum accruing to the undisbursed loan amount;

lump sum commission fee of _____% of the Investment Loan amount.

To perform the Project appraisal, attached to this Application is the Investment Application of the Ultimate Beneficiary, which contains information about the Ultimate Beneficiary and the Project. We, hereby, warrant that the attached Investment Application contains complete and credible information, which, if needed, can be supported with documents. We give our consent to full verification of the credibility of the data specified in the Investment Application. We undertake to notify the Manager of Fund resources, in a timely fashion, of all changes in this information, as well as of significant changes in the financial status of the Ultimate Beneficiary and provide, on your request, all the documents required to verify the information presented, as well as any reasonably requested additional information.

Enclosures:

Investment Application of the Ultimate Beneficiary (____ pages)

Documents attached to the Investment Application (____ pages)

Authorisation documents for the signatories to the Application and Investment Application (____ pages)

Position, full name, and signature of the authorised person

Annex 4

to the Regulation on the Use of Resources of the Eurasian Fund for Stabilization
and Development for Providing Investment Financing

**Model Form of Project Company's Application for Investment Financing to be
Provided Using Fund Resources**

(to be typed on letterhead of the of the party sending the document)

Manager of resources
of the Eurasian Fund
for Stabilization and Development
Eurasian Development Bank

98 Panfilov st.
Almaty, 050000
Republic of Kazakhstan
tel: +7 (727) 244 40 44
fax: +7 (727) 250 81 58
e-mail: info@eabr.org

In accordance with the Treaty on the Establishment of the Eurasian Fund for Stabilization and Development (hereinafter referred to as the Fund), we, hereby, send you an Application for Investment Financing to be provided using Fund resources in the amount of _____ (*specify the amount requested in US dollars or Euros*) for the Manager of Fund resources to appraise and prepare an evaluation report in accordance with the Regulation on the Use of Resources of the Fund for Providing Investment Financing approved by the Fund Council.

The requested Fund resources will be used to finance the project _____ (*specify the Project name*) to be implemented by _____ (*specify the name of the Project Company*), which will be the Beneficiary of Fund resources.

The Fund resources allocated are planned to be disbursed during ___ years starting from ___ (year), in accordance with the following schedule: _____ (*specify the time and size of disbursements in connection with the schedule of procurement for the Project*).

For Investment Financing provided in a form different from an Investment Loan, specify the proposed financial terms.

For an Investment Loan specify: The Fund resources are planned to be repaid during ___ years with a grace period of ___ years. In accordance with the parameters approved by the Fund Council, the following terms are proposed to be set for the Investment Loan:

the interest rate accruing to the disbursed and outstanding amount of the Investment Loan is the average weighted interest rate calculated for each 6-month period of interest accrual as the cost of funding for the Russian Federation and the Republic of

Kazakhstan in international markets, taking into account the shares of the Russian Federation and the Republic of Kazakhstan in Fund resources;

the risk premium at _____% accruing to the disbursed and outstanding amounts of the Investment Loan in addition to the interest;

the commitment fee of 0.5% per annum accruing to the undisbursed loan amount;

lump sum commission fee of _____% of the Investment Loan amount.

To perform the Project appraisal, attached to this Application is the Investment Application, which contains information about the Beneficiary and the Project. We, hereby, warrant that the attached Investment Application contains complete and credible information, which, if needed, can be supported with documents. We give our consent to full verification of the credibility of the data specified in the Investment Application. We undertake to notify the Manager of Fund resources, in a timely fashion, of all changes in this information, as well as of significant changes in the financial status of the Beneficiary and provide, on your request, all the documents required to verify the information presented, as well as any reasonably requested additional information.

Enclosures:

Investment Application (____ pages)

Documents attached to the Investment Application (____ pages)

Project Support Letters (____ pages)

Authorisation documents for the signatories to the Application and Investment Application (____ pages)

Position, full name, and signature of the authorised person

INVESTMENT APPLICATION

I. GENERAL INFORMATION ABOUT THE PROJECT COMPANY

Section 1.01. General information.

Official name of the company in accordance with constituent documents (full and abbreviated), with the organisational legal form specified;

Information on its registration as a legal entity;

Location (*de jure* and *de facto* address), grounds for ownership of premises at *de facto* address (if *de facto* address differs from *de jure* one);

Form of ownership;

Branch of activity.

Section 1.02. Composition of shareholders, affiliated (related) persons.

Composition of major shareholders (participants), their shares in the company's capital;

Reputation of major shareholders;

Participation of the state and government bodies in the company's capital;

Persons exercising direct or indirect control over the company or its management;

The company's affiliation to other persons;

Shareholders' (participants') interests in other types of businesses;

Representation of shareholders (participants) in the company's management bodies;

History of changes in the composition of shareholders (participants), reasons for that.

Section 1.03. Management and organisational structure.

Structure of the company's management bodies;

Information about the persons managing the company: members of the board of directors (supervisory board); members of the executive board; executive body (CEO, board of directors, management company); key managers – chief accountant, financial director, business director, technical director, other key positions;

Reputation of the company's management;

Recent changes in the composition of the company's management bodies and senior management, reasons for such changes in the composition;

Availability of key documents approved by management bodies on the company's plans and development strategy.

Section 1.04. Company history.

History of Project Company (company group) formation, period of company operation, experience in the segment;

Section 1.05. Products, services provided by the company, its competitive position. Key terms of product (service) sales, marketing.

Summary description of the company's business (key types of activity, key types of products manufactured, services provided);

Licensing (certification) requirements for its activity or product/service and availability of such licenses (certificates);

Composition of sales by products and geography of sales;

Export or import substitution capacity;

Competitive advantages of the product/service, assessment of the current and future competitive advantages;

Composition of sales by markets, terms of product sales, prospective unrealised markets, ease of switching to new markets, measures taken to ensure and create demand, responses to the competitive environment, risks in the system of product/service sales;

Recent changes in the market parameters, composition, terms of sales, and product range and reasons for such changes;

Definition of risks for the business and its development.

Section 1.06. Description of the manufacturing and technological processes.

Description of the manufacturing technology used;

Composition and status of fixed production assets;

Energy and engineering support, communications and logistics;

Production risks;

Environmental safety of production,

Recent changes in manufacturing/technological process and reasons for that.

Section 1.07. Key terms of purchasing resources.

Description of the procurement procedure;

Description of suppliers of critical raw materials/equipment and terms of supply;

Rate of dependency on suppliers and available alternatives;

Recent changes in supply chains and reasons for that.

Section 1.08. Key financial indicators of activity.

Size of assets, liabilities, and equity capital as of the date the Investment Application was prepared;

Assessment of consistency between the company's financial policies and development strategy;

Availability of financial reporting according to the national and international standards;

Key financial indicators of activity for the last year (sales proceeds, profits, EBITDA), debt burden, composition of receivables and payables (arrears and/or unrecoverable debt), composition and pattern of incomes and expenses;
Cash-flows under current activity and for the Project;
Availability of a budgeting system used in the company;
Experience in working in capital markets;
Significant recent changes in the company's financial status and reasons for such changes.

Section 1.08. Outstanding obligations of the company.

Outstanding obligations to the state, government bodies, private individuals, and legal entities.

Specify separately tax arrears and other overdue mandatory payments to the budget, budgetary and extrabudgetary funds.

Information about law suits with claims above the equivalent of *One Hundred Thousand* US dollars for the last 3 years (names of parties, claim amounts, amounts awarded to be collected from the company)

Section 1.09. The company's position in the group.

The section is filled out if the company is part of a group of companies (financial industrial group, holding).

Group description, its activity, position in the sector.

Description of the legal composition of the group, with major shareholders (participants), their shares in the companies specified;

Description of the role of each company in the group: parent company, key production and trade structures, profit centres, technical companies, actual beneficiaries of the company;

Companies where key assets of the group are concentrated;

Information about ultimate beneficiaries of the group or information about the lack of possibility to identify them;

Consolidated reports of the group (preferably, audited) for the last reporting period (balance sheet, profit and loss accounts);

Data from management statements of the group;

Data on the aggregate indicators of the group's activity for the previous year (purchases, sales, sales proceeds generated, profits before tax, and net profits).

II. PROJECT BUSINESS PLAN

Section 2.01. Project description.

Project name;

Project sector, sector segment;

Summary description of Project objectives and substance;

Project type (green-field, modernisation, reengineering, release of a new product at an existing enterprise, expansion of existing production, other);

States, on whose territory the Project will be implemented, including Fund member states, investment site location and registration.

Section 2.01. Project feasibility study and history.

Description of the technical and economic ways of Project implementation, potential alternatives to Project implementation.

Project genesis, time and reasons for the Project market potential to arise.

Level of Project preparation: decisions of the company management on project implementation, list and level of project documentation preparation, including experts' evaluation reports for the project (tax, legal, economic, feasibility, others) provided for by the relevant national legislation, Project stages and their description, plan of their implementation and financing.

Section 2.01. Composition of Project financing.

Full Project cost;

Project pay-back period;

Share of participation of the company and/or company shareholders in the Project (with a breakdown into resources already invested into the project and financing of future costs);

Project investment needs (with a breakdown into resources already invested into the project and financing of future costs). Justification of investments to be raised. Planned forms and volumes of investments to be raised (with shares of financing future costs and a breakdown by sources), investment currency and time of disbursement;

Co-investors and their relations with the company;

Written agreements already formalised by the company with Project participants (including preliminary ones), list and substance of agreements already signed;

Assessment of practicability of providing Fund resources for Project implementation, assessment of the possibility to replace financing provided using Fund resources with a relevant commercial equivalent;

Assessment of preparedness of commercial financial institutions to support the Project on condition of the Fund's participation therein.

Section 2.01. Proposed terms for provision of Fund resources.

For financing in the form of a loan, specify:

Volume of financing with its amount and share in total Project financing;

Cost of credit resources;

Disbursement schedule;

Debt repayment schedule with the grace period specified.

For other forms of financing, specify the relevant terms.

Section 2.02. Economic objective of the Project.

Description of the product created under the Project, summary description of the market for the product created, description of economic and competitive advantages of the product in the market;

Section 2.03. Projected social and economic effect of the Project for Fund member states.

Description of Project effects promoting mitigation of the negative impact of the global financial and economic crisis, improvement of the economic and financial sustainability of Fund member states, integration component, and other factors conducive to achieving the Fund's objectives;

Consistence with the development priorities of Fund member states and the EurAsEC, specification of the documents, which approved these priorities;

For Inter-State Investment Projects – justification of compliance with the requirement on the Project's inter-state nature;

For National Investment Projects – information on allocations (planned allocations) in the state budget of the Fund member state to finance the Project.

Section 2.03. Fiscal and macroeconomic efficiency of the Project.

Assessment of the fiscal effect of Project implementation (with calculations attached). The positive fiscal effect is calculated as the positive difference between national budget discounted revenues related to Project implementation and relevant discounted budget expenditures.

Budget revenues can, *inter alia*, include: annual increase in tax payments and other contributions paid to the budget, as well as extrabudgetary funds; savings of budget resources consisting of expenditures planned in the budget, which will no longer be required if the project is implemented; additional dividend payments (if the state provided shared (equity) financing); interest income (if the state lends financial resources); and indirect budget revenues.

Budget expenditures can, *inter alia*, include: budget financing for the Project provided on the non-repayable basis; interest rate subsidies for the loan provided by financial institutions for Project implementation; and indirect budget expenditures.

Assessment of the macroeconomic efficiency of the Project (with calculations attached) to show a positive social and economic effect at the municipal /regional/federal level (depending on the Project scale), which is related to the Project implementation and defined as a positive difference between positive and negative effects of the Project on the economy and society (specified in the currency of financing). The possible effects on the economy and society can, *inter alia*, include: changes in the employment rate (e.g. job creation), in per cent; positive difference between the wages, benefits, and other payments to employees involved in Project implementation and those average for the sector/region, in per cent; creation of new facilities (modernisation of existing ones), improvement of the quality and expansion of the range of services in the area of education, health, culture, sports, social welfare, utilities, etc.; changes in the environmental conditions; changes in efficiency of natural resource use; demographic changes; improvement in labour productivity, in per cent.

Section 2.04. Project environmental impact.

Description in free format with specification of the degree of Project compliance with environmental legislation in force on the territory of the state of Project implementation, the list of measures aimed at reducing the negative Project-related environmental impact. Availability of the evaluation report issued by the state environmental expertise.

Section 2.06. Projected Project-related risks.

Preliminary assessment of potential Project-related risks and chances to minimize them (market risks, technological and production risks, risks of resource provision and risks of sales, legal, political, foreign exchange, reputation, and other risks).

Section 2.07. Strategy of Project product promotion in the market.

Strategy of product promotion in the market and consistency of the selected strategy with the current situation in the sector. Project participation in government social and economic programs.

Section 2.08. Project implementation scheme.

Review of the procedure and form of Project financing. Availability of government or private guarantees for the Project, definition of the range of co-investors to create a syndicate for the Project financing.

Section 2.09. Summary information on planned suppliers for the Project and potential buyers of the product produced in the framework of the Project.

Description of suppliers of goods (work, services) and buyers of products manufactured in the framework of the Project.

Procedure for selection of suppliers, guaranteed state procurement of the Project product, need to comply with the public procurement legislation.

Section 2.10. Planned Project financial indicators.

Planned costs of Project implementation, volume of product sales, and cash proceeds, projected Project NPV and IRR, and other Project efficiency indicators.

Section 2.11. Mechanisms of monitoring Fund resource use.

Possibility to use such mechanisms as pledge of shares of the company/parent company/other sureties;

Transfer of the company settlement accounts to the Manager;

Use of reserve accounts;

Participation of the Manager's representatives in day-to-day management of the project (company), *inter alia*, by means of representation in management bodies;

Separation and assignment of certain rights to claim under contracts, which are made on behalf of the company and other project participants.

Section 2.11. Security description.

Proposed liquid security for performance by the company of its obligations under the relevant agreement on provision of Fund resources, specifying the security type (letter of comfort, bank guarantee, pledge, other), volume, and currency.

Possibility of getting guarantees from project shareholders, government guarantees, and other types of security.

Section 2.12. Persons (organisations) responsible for and authorised to work with the Project. Contact information and procedure for communication.

Please, specify the contact persons for the Project authorised to provide verbal and documented information on the Project, describe the procedure of communication with the Manager and potential Project co-investors.

Section 2.14. Other information, which the Company finds necessary to share.

Position, full name, and signature of the authorised person

Name of the authorisation document for the signatory to the Investment Application

LIST OF DOCUMENTS ATTACHED TO INVESTMENT APPLICATION

Section 1. Company documents.

1. A notarised copy of the Company's constituent documents in their current version, bearing a mark of the registration body and including all the amendments and addenda (if any).
2. Authorisation document for Company officials: a copy of the minutes /decision on election/appointment of the person authorised to enter into deals on behalf of the Company without a proxy, or a proxy copy certified by the Company, original banking sample signatures and seal card.
3. Notarised copies of the certificate of state registration of the Company as a legal entity and extracts from the state register of legal entities (or an equivalent document) issued no more than 1 month before the date it is presented to the Manager.
4. Information about registration with the tax authority at location of the legal entity (notarised copy), information from the tax authority on tax arrears and other overdue fees, mandatory payments or lack thereof (original).
5. Extract from the Company's shareholder/participant register as of the current date.
6. Licenses (notarised copies) to perform licensed activities or a letter testifying lack of licensed activities (original).
7. Certificate (s) from servicing banks with a breakdown of outstanding loans specifying the outstanding amount, interest rate, maturity, and security provided.
8. Original bank certificates on cash flows in all settlement (ruble and foreign exchange) accounts for the last 6 months with a monthly breakdown. The certificates must bear the banks' mark on account balances and claims to accounts or lack thereof.
9. Financial statements for the last reporting year (or for the whole period of operation if it is less than 1 year), including those as of the last reporting date in the current and last fiscal year.

Financial statements can be presented according to the national accounting standards (in the form of copies of reports bearing a mark of the tax inspectorate and the organisation's seal) and/or IFRS bearing the auditor's signature.

The financial statements must include the following documents:

Form # 1. Balance sheet (IFRS equivalent);

Form # 2. Profit and loss accounts (IFRS equivalent);

Form # 3. Statement of changes in capital (IFRS equivalent);

Form # 4. Cash flow statement (IFRS equivalent);

Form # 5. Annex to the balance sheet (IFRS equivalent – comments and breakdowns of financial statements prepared in accordance with the IFRS).

Section 2. Project documents.

1. Project business plan (Project feasibility study) in accordance with the Manager's requirements to a business plan.
2. Financial model in accordance with requirements of the Bank to a financial model.
3. Evaluation Report and recommendations related to the Project, as well as the results of studies done for the Project, including:
 - Project evaluation report prepared by the state expertise;
 - Project evaluation report prepared by government bodies, sector institutions and agencies;
 - evaluation report prepared by independent experts based on Project expertise results;
 - evaluation report prepared by the state or public environmental expertise/evaluation report prepared by the independent Project environmental audit;
 - evaluation report prepared by an independent financial consultant on lack of possibilities to finance the Project through commercial financial institutions;
 - reports based on marketing, sector, technical, and other studies related to the Project, if any;
 - other Project evaluation reports and recommendations prepared by external organisations.

Annex 5

to the Regulation on the Use of Resources of the Eurasian Fund for Stabilization and Development for Providing Investment Financing

Model Form of Fund Council Decision on Providing Investment Financing to Fund Member State Using Fund Resources

1. Approve the project _____ (*specify the Project name*), presented by _____ (*specify the Beneficiary and Ultimate Beneficiary*).
2. Using Fund resources, provide an Investment Loan to _____ (*specify the Beneficiary*) to implement the Project on the following terms:

Form of financing	For the Beneficiary: Investment Loan. For the Ultimate Beneficiary: specify the form of financing.
Beneficiary of Fund resources	Specify the Fund member state, to whom the Investment Loan is provided.
Ultimate Beneficiary of Fund resources	Specify the full official name of the Project Company, which is the Ultimate Beneficiary of Fund resources, in accordance with the constituent documents and information on its registration as a legal entity.
Project	Specify the name, a summary of objectives, expected outcomes, and period of implementation of the Project, for which Fund resources are provided.
The purposes, for which the Fund resources are provided	For financing in the form of an Investment Loan: payments under contracts entered into by the Ultimate Beneficiary in the framework of the Project implementation. For other forms of financing, specify the relevant purposes.
Amount of Fund resources provided	Specify the amount of Fund resources provided for Project implementation, in US dollars or Euros.
Financial participation of the Ultimate Beneficiary in the Project	Specify the share of own resources of the Ultimate Beneficiary provided for Project implementation, as well as other forms of participation (if any).

Financial participation of the Beneficiary and other investors in the Project	Specify the share of own resources of the Beneficiary provided for Project implementation, as well as other forms of participation (if any) and the total share of other investors, mentioning the form of participation in the Project.
Time of Fund resource disbursement	Specify the calendar date, until which Fund resources will be available for disbursement.
Procedure for disbursement of Fund resources	<p>For financing in the form of an Investment Loan: Fund resources are disbursed to the Beneficiary as the Ultimate Beneficiary enters into contracts in the framework of Project implementation, taking into account the procedure of making payments under the contracts.</p> <p>For other forms of financing, specify the relevant procedure.</p>
Financial terms for provision of Fund resources to the Ultimate Beneficiary	Specify the relevant financial terms.
Financial terms for provision of Fund resources to the Beneficiary	<p>Specify the interest rate, margin rate, and risk premium accruing for disbursed and outstanding Fund resources.</p> <p>Specify the size of the lump sum commission fee for Project appraisal and commitment fee for reserving Fund resources.</p>
Schedule of repayment of Fund resources	Specify the repayment schedule for the principal amount of debt, mentioning the grace period, during which no principal repayments are made.
Agreement on Providing Investment Loan to the Beneficiary	Specify the information on approval by the Fund Council of the relevant Agreement on Providing Investment Loan with the text of the approved Agreement attached.

Annex 6

to the Regulation on the Use of Resources of the Eurasian Fund for Stabilization and Development for Providing Investment Financing

Model Form of Fund Council Decision on Providing Investment Financing to Project Company Using Fund Resources

1. Approve the project _____ (*specify the Project name*), presented by _____ (*specify the Project Company, which is the Beneficiary of Fund resources*).
2. Using Fund resources, provide to _____ (*specify the Project Company*) _____ (*specify the form of financing*) to implement the Project on the following terms:

Form of financing	Specify the form of provided financing: Investment Loan or another form of Investment Financing
Beneficiary of Fund resources	Specify the full official name of the Project Company in accordance with the constituent documents and information on its registration as a legal entity.
Project	Specify the name, a summary of objectives, expected outcomes, and period of implementation of the Project, for which Fund resources are provided.
The purposes, for which the Fund resources are provided	For financing in the form of an Investment Loan: payments under contracts entered into by the Beneficiary in the framework of the Project implementation. For other forms of Investment Financing, specify the relevant purposes.
Amount of Fund resources provided	Specify the amount of Fund resources provided for Project implementation, in US dollars or Euros.
Financial participation of the Beneficiary and other investors in the Project	Specify the share of own resources of the Beneficiary provided for Project implementation, as well as other forms of participation (if any) and the total share of other investors, mentioning the form of participation in the Project.
Distribution of Access Limits	Specify the Fund member states, against whose Access Limits the Investment Financing is provided

	with the provided share of their Access Limits.
Time of Fund resource disbursement	Specify the calendar date, until which Fund resources will be available for disbursement.
Procedure for disbursement of Fund resources	<p>For an Investment Loan specify: Fund resources are disbursed to the Beneficiary as contracts are entered into in the framework of Project implementation, taking into account the procedure of making payments under the contracts.</p> <p>For other forms of Investment Financing, specify the relevant procedure.</p>
Financial terms for provision of Fund resources to the Beneficiary	<p>For Investment Loans specify: the interest rate, margin rate, and risk premium accruing for disbursed and outstanding Fund resources.</p> <p>Specify the size of the lump sum commission fee for Project appraisal and commitment fee for reserving Fund resources.</p> <p>For other forms of Investment Financing, specify the relevant terms.</p>
Security for performance of obligations	Specify the information on approval by the Fund Council of the security for performance of the Beneficiary's obligations under the Agreement on Providing Investment Financing.
Schedule of repayment of Fund resources	<p>For Investment Loans specify: the repayment schedule for the principal amount of debt, mentioning the grace period, during which no principal repayments are made.</p> <p>For other forms of Investment Financing, specify the relevant schedule.</p>
Agreement on Providing Investment Financing to the Beneficiary	Specify the information on approval by the Fund Council of the relevant Agreement on Providing Investment Financing with the text of the approved Agreement attached.