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Item 14 (b) of the provisional agenda

**Designation of intergovernmental bodies for the purposes
of rule 76 of the rules of procedure of the Board**

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Board**

Application from the Eurasian Development Bank

Note by the UNCTAD secretariat

The UNCTAD secretariat has received an application from the Eurasian Development Bank requesting the Trade and Development Board to grant it observer status under rule 76 of the rules of procedure of the Board.

Some information regarding the history, aims and structure of the Eurasian Development Bank is annexed.

Annex

Background Information on the Eurasian Development Bank

History

1. The Eurasian Development Bank (EDB) is an international financial institution founded to foster the strengthening and development of the market economy in its member states and to enhance trade and economic integration among them by engaging in investment activities.
2. The EDB was founded by an intergovernmental agreement that was signed in January 2006 by the Russian Federation and the Republic of Kazakhstan.
3. The initiative for establishing the EDB came from the two Presidents based on the premise that the concentration of EDB activities in Kazakhstan, the Russian Federation and the adjacent countries would allow it to accumulate in-depth knowledge of the economies and policies of the countries in the region and their peculiarities of business, which would ensure the high quality of investment decisions.
4. In June 2006 the EDB headquarters opened and commenced operations in Almaty, Kazakhstan followed by the opening of its representative offices in Moscow and Astana. At the end of 2007 the EDB opened its branch in Saint Petersburg.
5. On 4 February 2009 in Moscow the Interstate Council of the Eurasian Economic Community (at the Heads of State level) approved the foundation of the EurAsEC Anti-Crisis Fund (in the amount of \$10 billion) to be managed by the Eurasian Development Bank.

Aims and objectives

6. The EDB aims to achieve significant and long-term results through the realization of the following strategic objectives:
 - (a) Supporting sustainable economic development in its member states;
 - (b) Supporting integration processes;
 - (c) Establishing the infrastructure and institutional framework for market economies in its member states;
 - (d) Becoming a reputable international development bank with a regional focus on the Eurasian sphere.
7. In line with internal policy, the EDB accepts only those projects for review that are a minimum of \$30 million, with a maximum tenor of 15 years. When deciding where to invest, the EDB adheres to the principle of the equality of projects under review and makes decisions about financing projects based on their economic value and contribution to the social and economic development of its member states. When financing investment projects, provided there are equal terms and conditions, priority will be given to projects that will be implemented in the following industries and sectors:

- (a) Electric power (generation and distribution, energy efficiency);
- (b) Hydroelectric complexes;
- (c) Transport infrastructure;
- (d) High tech and innovative industries;
- (e) The agro-industrial sector;
- (f) The financial sector.

Membership

8. The EDB founding members are the Russian Federation and the Republic of Kazakhstan, which act consistently as proponents of the further integration of the Commonwealth of Independent States (CIS) countries and the Eurasian Economic Community (EurAsEC) member states. In April 2009 the Republic of Armenia became the third member of the EDB.

9. According to the statutory documents, any country or international organization may join the EDB, on the condition that they comply with the requirements set forth by the Charter of the EDB. Newly admitted states or international organizations shall become members of the EDB pursuant to a resolution of the EDB Council, upon joining the Agreement and paying up shares in the EDB in the manner prescribed by the Council of the Bank.

Structure

10. The management of the EDB is the function of:

- (a) The Council;
- (b) The Executive Board;
- (c) The Chairman of the Executive Board.

11. The Council is the supreme managing body in charge of the overall management of the EDB. Each member of the EDB shall appoint one plenipotentiary representative and his/her deputy to the Council, which persons shall be members of the Council, and officially notify the EDB of such appointment. The Council shall annually elect one of the plenipotentiary representatives as Chairman of the Council, who shall act in this capacity until a new Chairman is elected. The Council may delegate to the Executive Board its powers with respect to certain matters, except matters that require the respective powers and/or decisions of the governments of the member states.

12. The Executive Board is the permanent collegial executive body of the EDB in charge of day-to-day management and implementation of the EDB strategy formulated by the Council.

13. The Chairman of the Executive Board shall manage the activities of the EDB and the Executive Board in accordance with the scope of his/her rights and powers as indicated in the Charter and resolutions of the Council. He/she is appointed for a term of four years and may be reappointed. The Chairman of the Executive Board may be relieved from office by a vote of not less than three fourths of the total number of members of the Council.

Relations with United Nations organs and specialized agencies

14. The EDB has had observer status at the United Nations General Assembly since December 2007.

15. In October 2008, the Eurasian Development Bank signed a Memorandum of Understanding on Cooperation with the United Nations Food and Agriculture Organization.

Other bodies

16. In April 2008, the EDB signed a memorandum on partnership to set up the joint information centre in Almaty with the World Bank Country Office in Kazakhstan and the Regional Office of the Islamic Development Bank in Kazakhstan, CAREC (ADB Unit).

Financial resources

17. The net profit of the EDB totaled \$40.5 million and its investment portfolio increased by more than five times to \$1.2 billion at the beginning of 2009.

18. The share of the Russian Federation in the charter capital equals \$1 billion (1,000,000 shares), while those of the Republic of Kazakhstan and the Republic of Armenia are \$500 million (500,000 shares) and \$100,000 (100 shares), respectively.

19. The total authorized charter capital is \$1,500,100,000, which is fully paid in.

20. EDB 2008 results:

(a) EDB assets increased by 53 per cent to \$2,008,000,000;

(b) EDB equity capital increased from \$854,000,000 as of the end of 2007 to \$1,531,000,000 as of the end of 2008.

(In dollars)	2007	2006
Total assets	1 312 853	774 144
Total liabilities	458 928	150 249
Total equity	853 925	623 895
Net profit	39 259	9 879

Publications

21. The Eurasian Development Bank carries out research and analysis of contemporary development issues and trends in the region, with particular focus on Eurasian integration. In 2008, the EDB launched an annual *EDB Eurasian Integration Yearbook* (in English) and quarterly *Journal of Eurasian Economic Integration* (in Russian). The EDB Strategy and Research Division publishes detailed industry and country analytical reports. Publications are also available online at www.eabr.org.

Contact information

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Working language

23. The official and working language of the EDB is Russian, although English is commonly used.
